

American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF)

Presented by Luke Morgan, ARPA Coordinator

The Final Rule

- ❖ Use of ARPA-SLFRF funds is governed by the final rule
- ❖ Four different expenditure buckets
- ❖ Each bucket has different restrictions and guidelines

Revenue Loss

Public Health and Negative
Economic Impacts

Premium Pay

Water, Sewer, & Broadband

Bucket 1: Revenue Loss

- ❖ Provides fiscal relief for local governments
- ❖ May be spent on generally any service traditionally provided by a government
- ❖ Revenue Loss is the most flexible eligible use category.

\$15,733,632 (66%)

Revenue Loss Funds

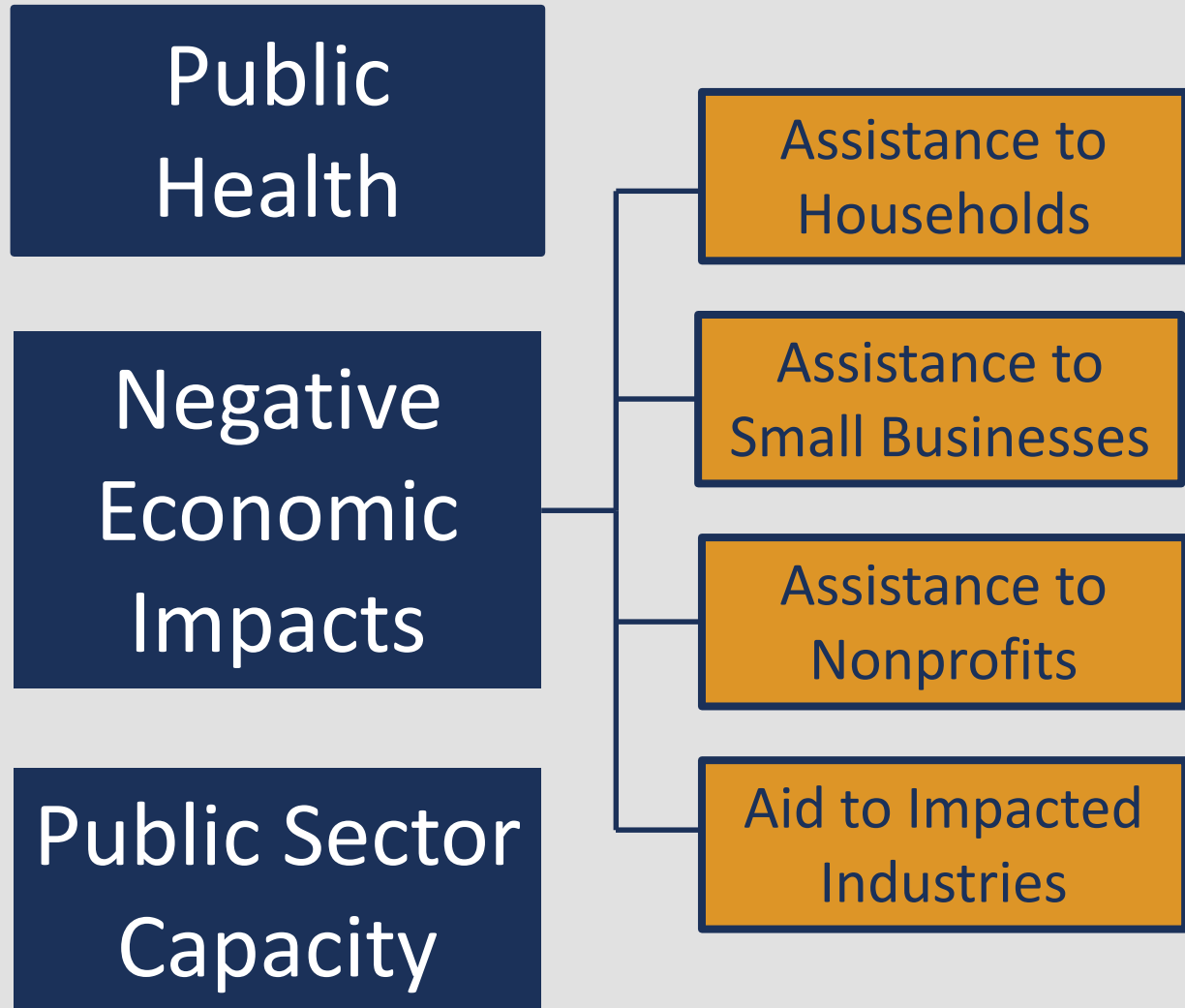
\$8,100,462 (34%)

Non-Revenue Loss Funds

\$23,834,094

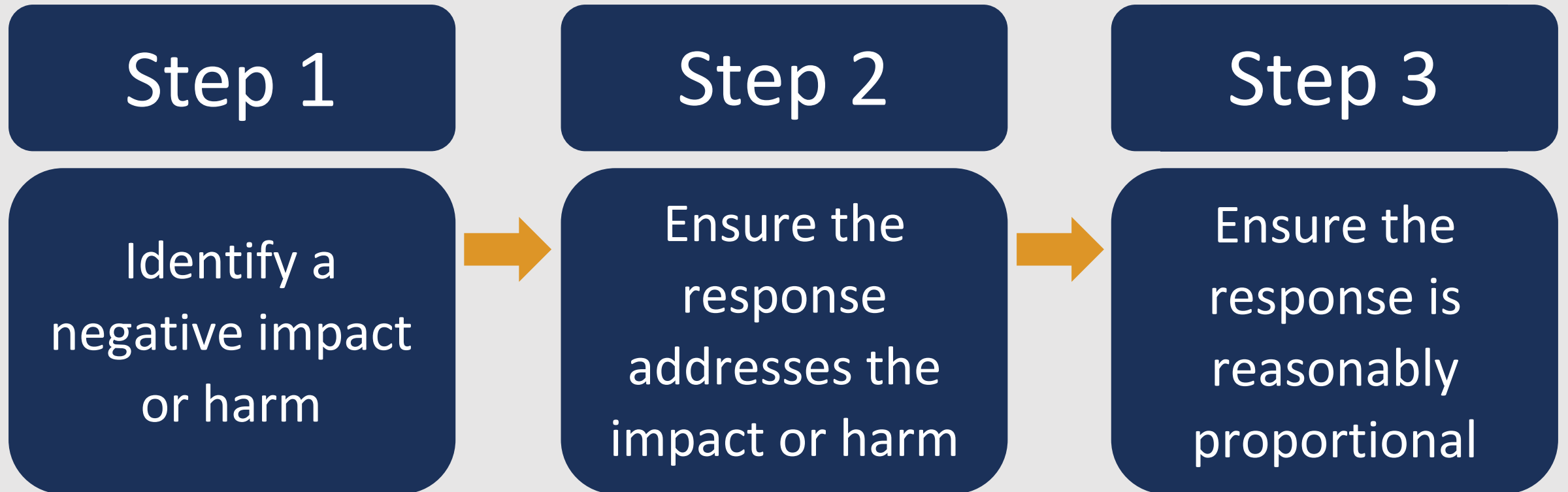
Total ARPA Funds

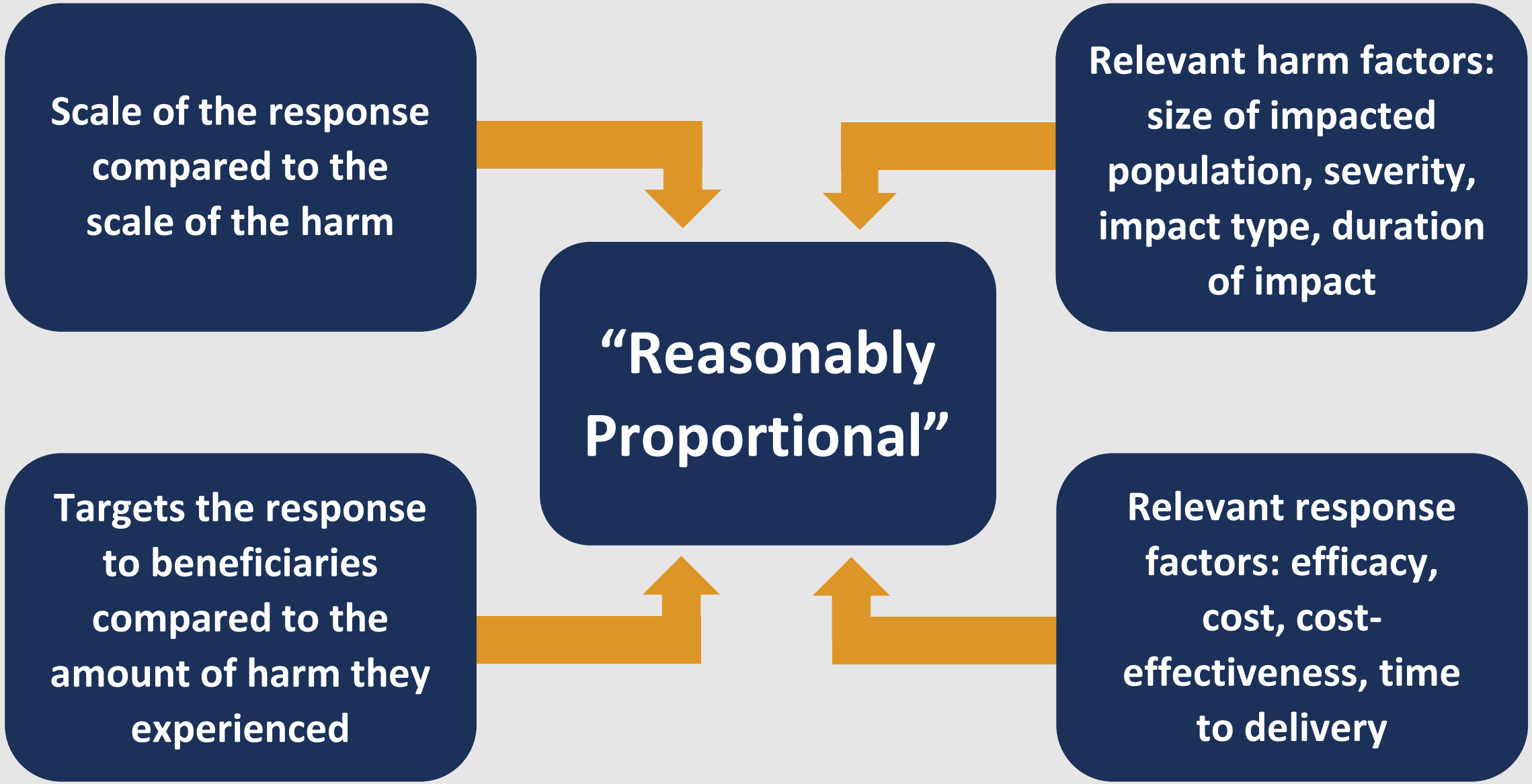
Bucket 2: Public Health and Negative Economic Impacts (PH-NEI)



- ❖ Provide resources to meet the needs of the community
- ❖ Address longstanding health and economic disparities that amplified the impact of the pandemic in disproportionately impacted communities

Designing an Eligible PH-NEI Response





Scale of the response compared to the scale of the harm

Relevant harm factors: size of impacted population, severity, impact type, duration of impact

“Reasonably Proportional”

Targets the response to beneficiaries compared to the amount of harm they experienced

Relevant response factors: efficacy, cost, cost-effectiveness, time to delivery

Populations Presumed Eligible

Impacted

Households

- ❖ Low- or moderate-income
- ❖ Experienced unemployment, increased food insecurity, or increased housing insecurity
- ❖ Categorical Eligibility

Nonprofits

- ❖ Experienced increased financial hardship

Small Businesses

- ❖ Experienced increased financial hardship

Disproportionately Impacted

Households

- ❖ Low-income
- ❖ Reside in Qualified Census Tracts (QCTs)
- ❖ Categorical Eligibility

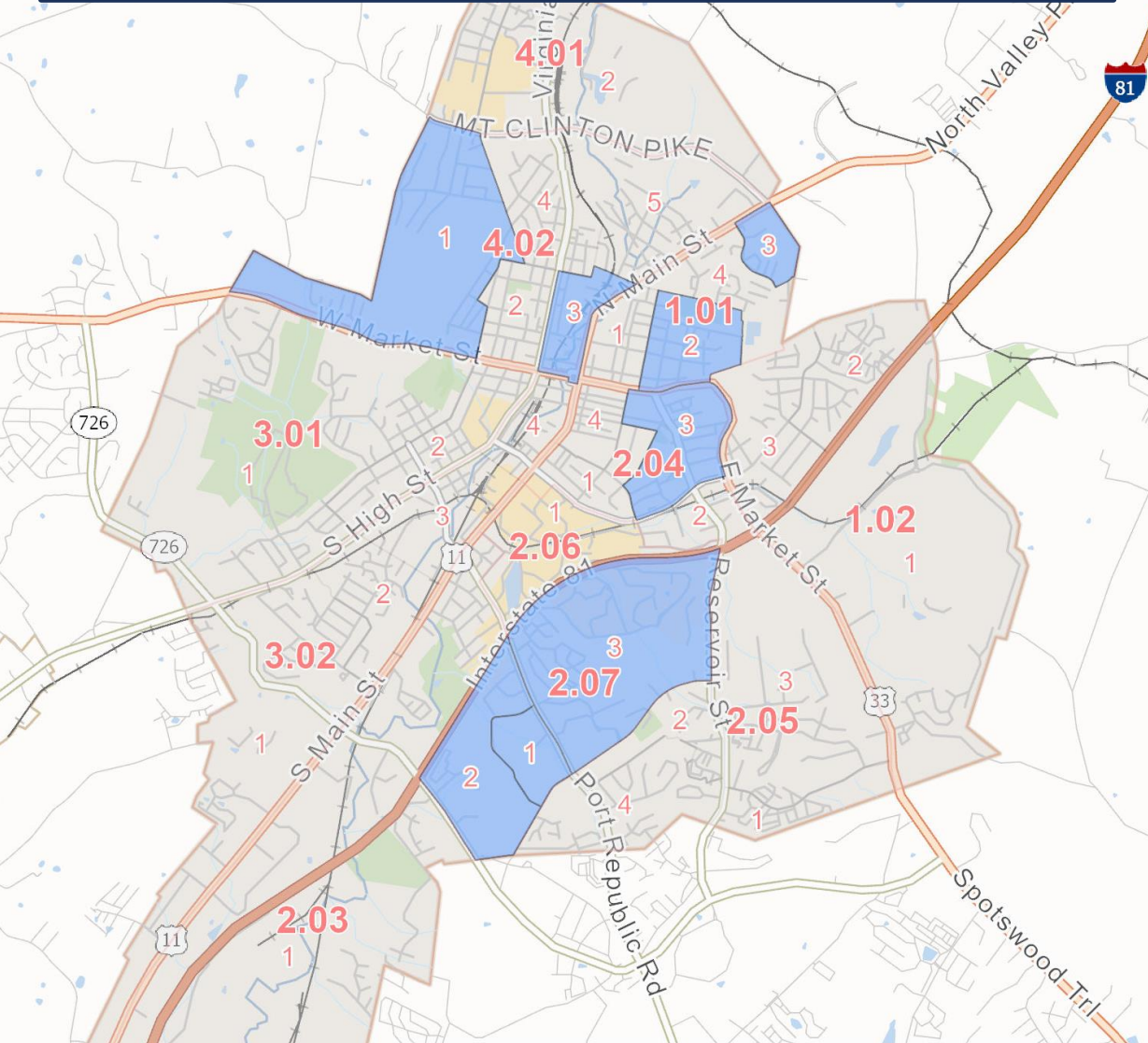
Nonprofits

- ❖ Operating in a QCT

Small Businesses

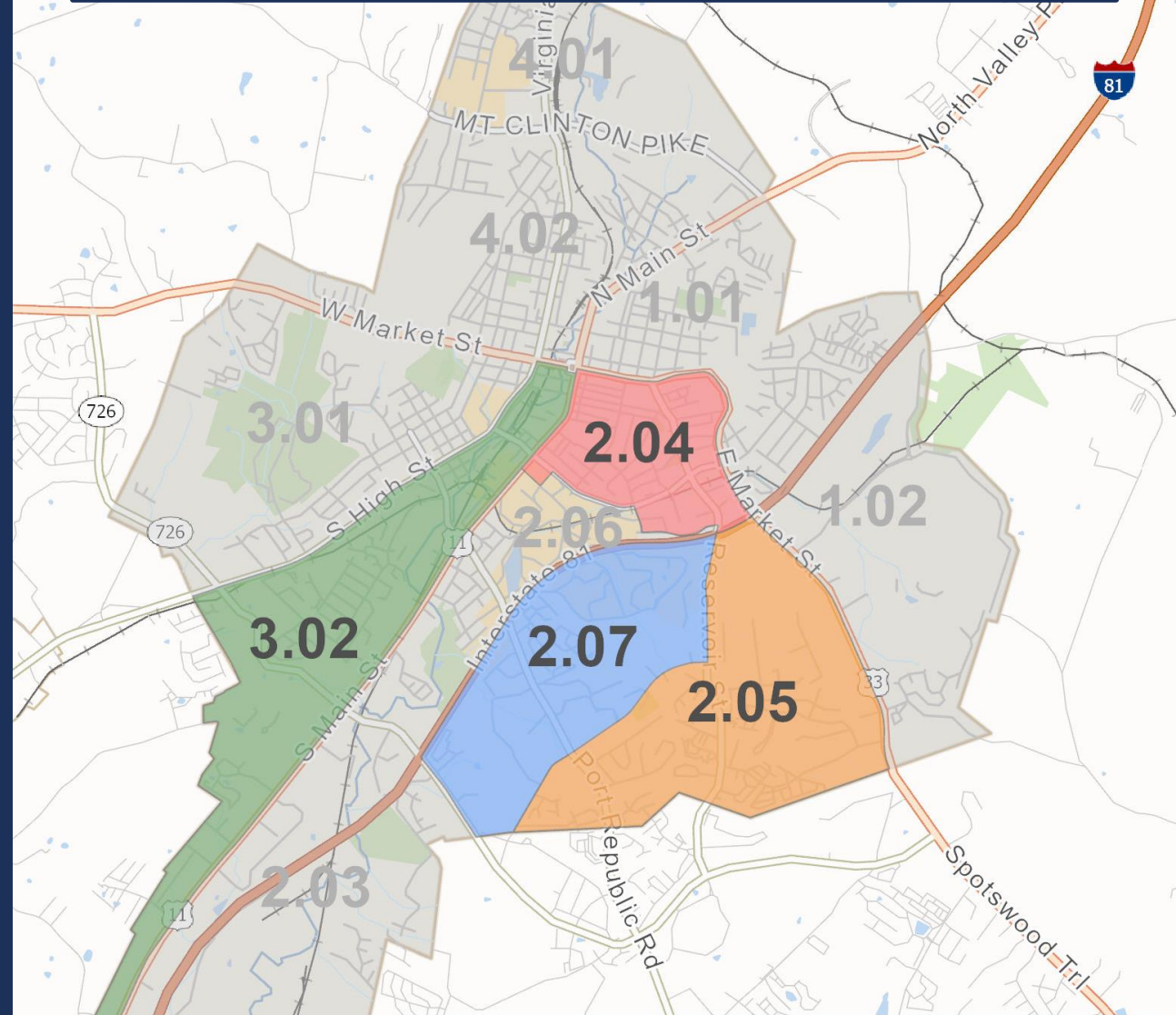
- ❖ Operating in a QCT

Low-Income Areas



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Qualified Census Tracts



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Identifying Other Eligible Populations

Local governments may identify other impacted and disproportionately impacted populations, but the identification process must be based on:

- Academic research or government research publications,
- Analysis of local government data, or
- Analysis of existing data sources

Capital Expenditure Guidelines

PH-NEI Expenditure Bucket

Capital Expenditures

- ❖ “Capital expenditures, in certain cases, can be appropriate responses to the public health and economic impacts of the pandemic, in addition to programs and services.”
- ❖ Capital expenditures should be a related and reasonably proportional response to an impact of COVID-19
- ❖ For capital expenditures of \$1 million or greater, the City must complete a Written Justification

Capital Expenditures: Written Justification

The Written Justification requires:

1. A description of the harm or need that is being addressed
 - a) *What is the specific harm or need?*
 - b) *How was the harm or need exacerbated or caused by the pandemic?*
2. An explanation for why a capital expenditure is appropriate to address the harm or need
 - a) *Why is existing capital equipment, property, or facilities inadequate for addressing the harm or need?*
 - b) *Why would policy change or additional funding to existing programs or services be insufficient without the capital expenditure?*

Capital Expenditures: Written Justification

The Written Justification requires:

3. A comparison of the proposed capital expenditure against alternative capital expenditures
 - a) *What are two alternative capital expenditures?*
 - b) *What is the effectiveness of the different capital expenditures in addressing the harm or need?*
 - c) *What is the expected total cost of each capital expenditure?*

The selected capital expenditure should be superior to the alternatives and the most cost-effective option.

Questions

PH-NEI Responses for Households

Impacted



Food Assistance



Homeless Services



Childcare



Affordable Housing
Development



Cash Assistance



Digital Literacy Programs

Disproportionately Impacted

Housing Vouchers



Improvements to Vacant
and Abandoned Properties



Schools and Educational
Equipment



Parks



Streetlights



Crosswalks/Sidewalks



PH-NEI Responses for Small Businesses and Nonprofits

Impacted SB

- ❖ Loans or grants
- ❖ Technical assistance, counseling, or other business planning assistance

Disproportionately Impacted SB

- ❖ Rehabilitation of commercial properties, storefront and façade improvements
- ❖ Technical assistance, grants for start-up or expansion costs
- ❖ Support for microbusinesses (financial, childcare, transportation costs)

Impacted NP

- ❖ Loans or grants
- ❖ Technical or in-kind assistance that mitigate negative economic impacts

Disproportionately Impacted NP

- ❖ Local governments may identify related and reasonably proportional responses