

# 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

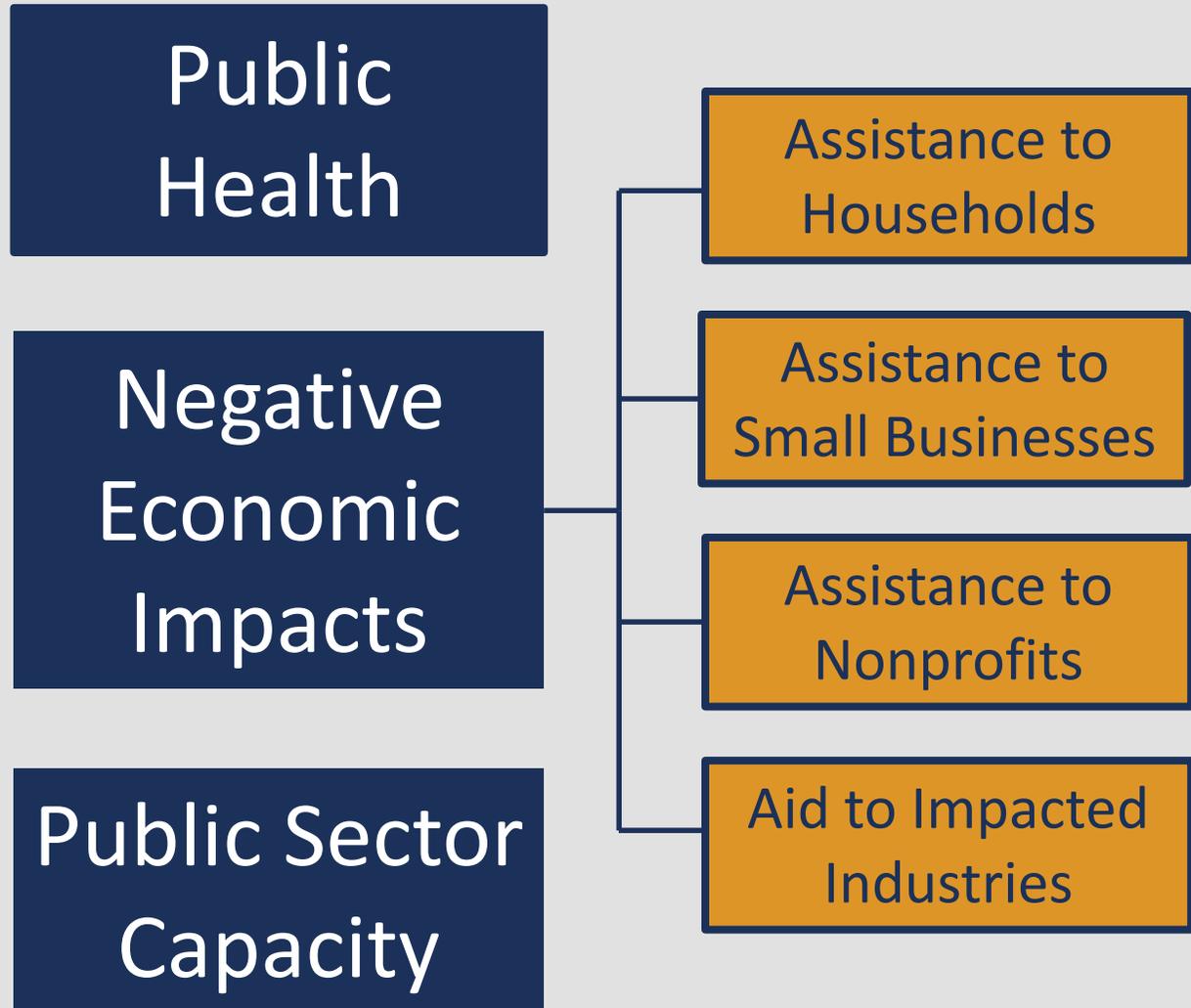
**\$8,100,462** (34%)

Non-Revenue Loss Funds

**\$23,834,094**

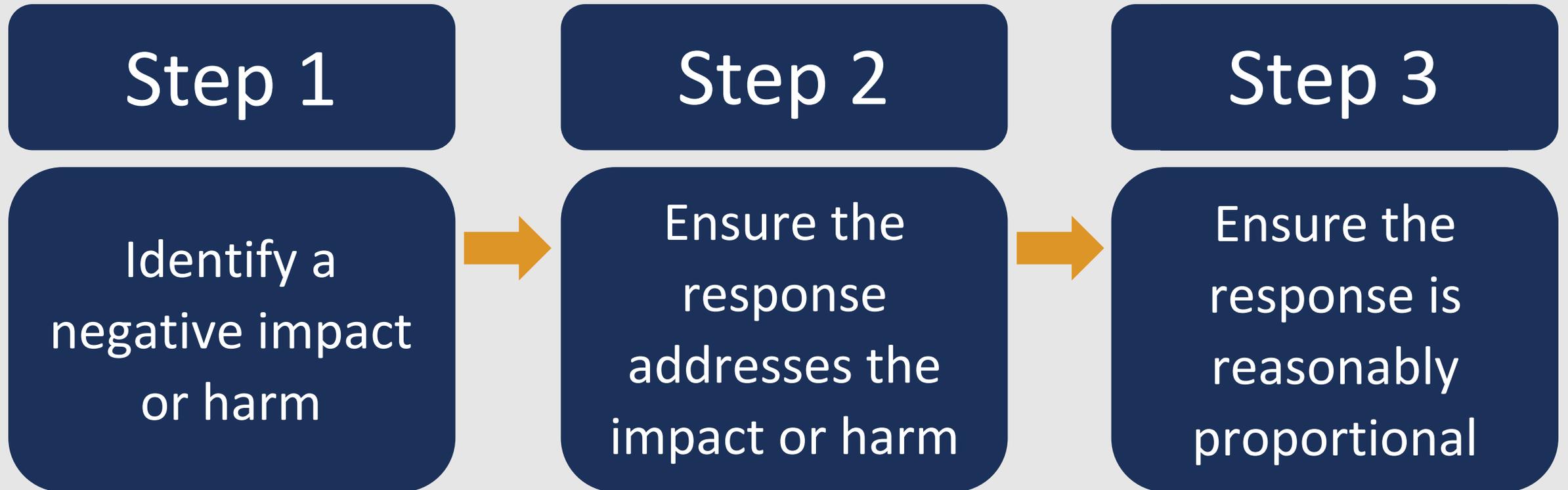
Total ARPA Funds

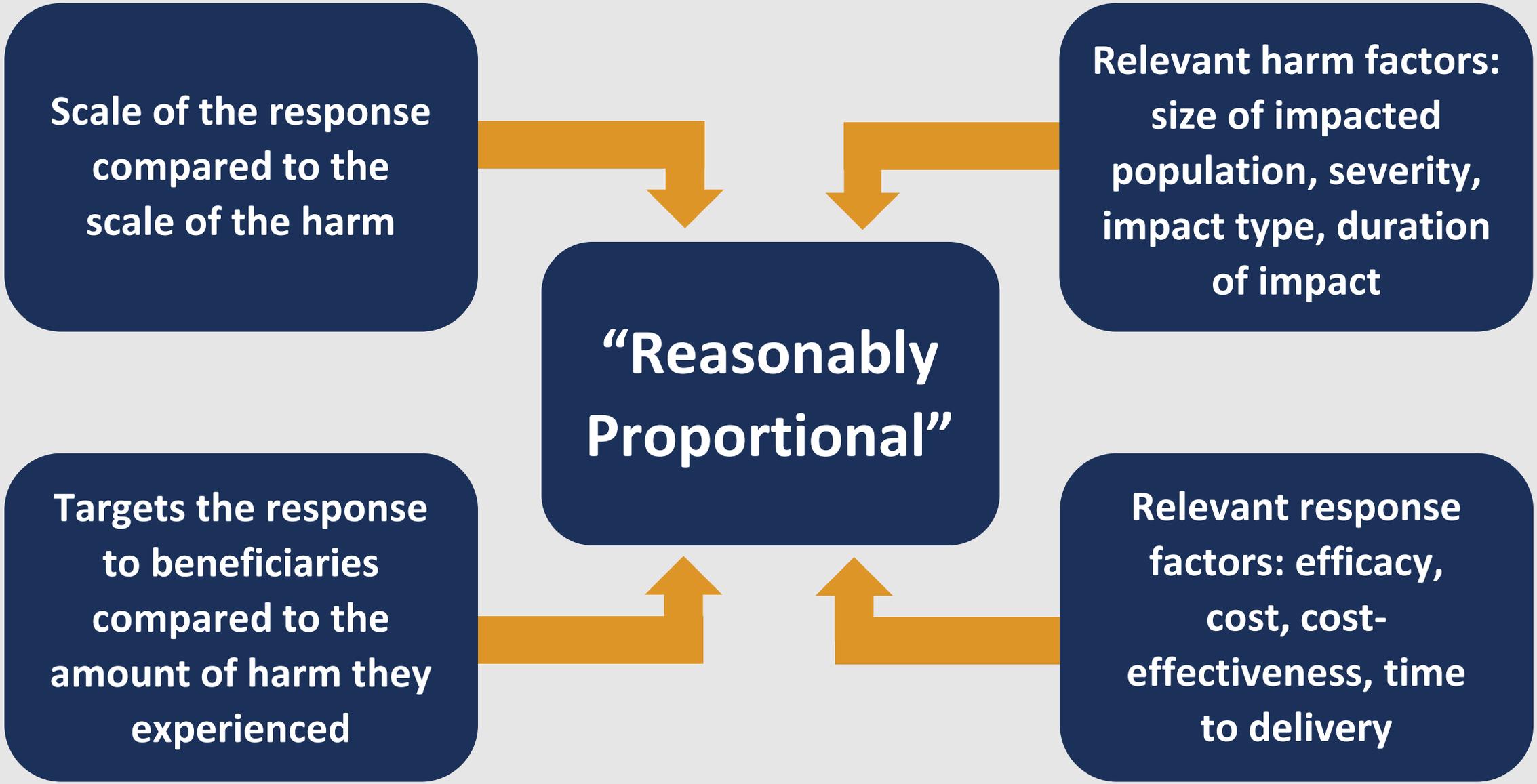
# Bucket 2: Public Health and Negative Economic Impacts (PH-NEI)



- ❖ 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





# 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

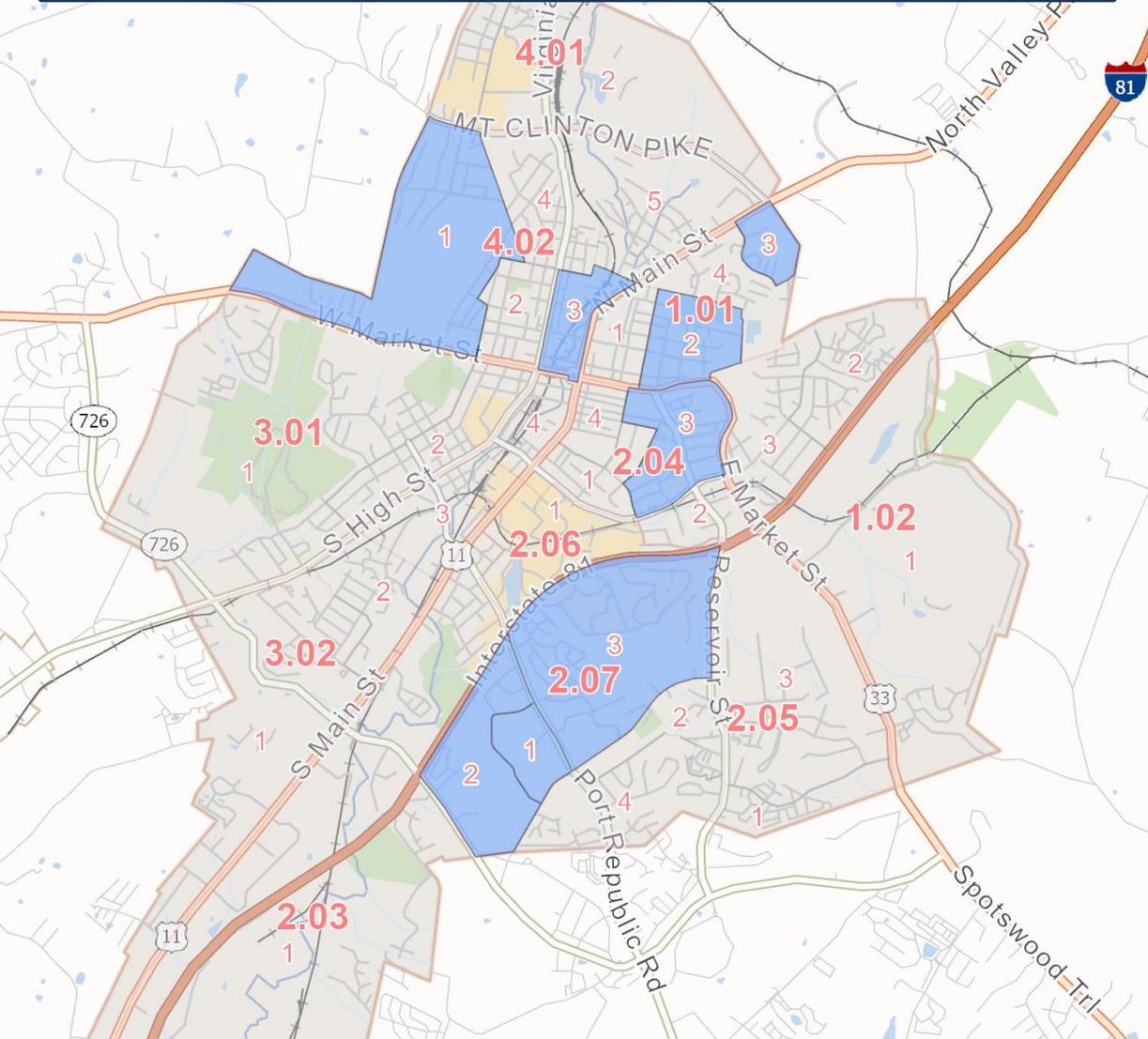
### Nonprofits

- ❖ Operating in a QCT

### Small Businesses

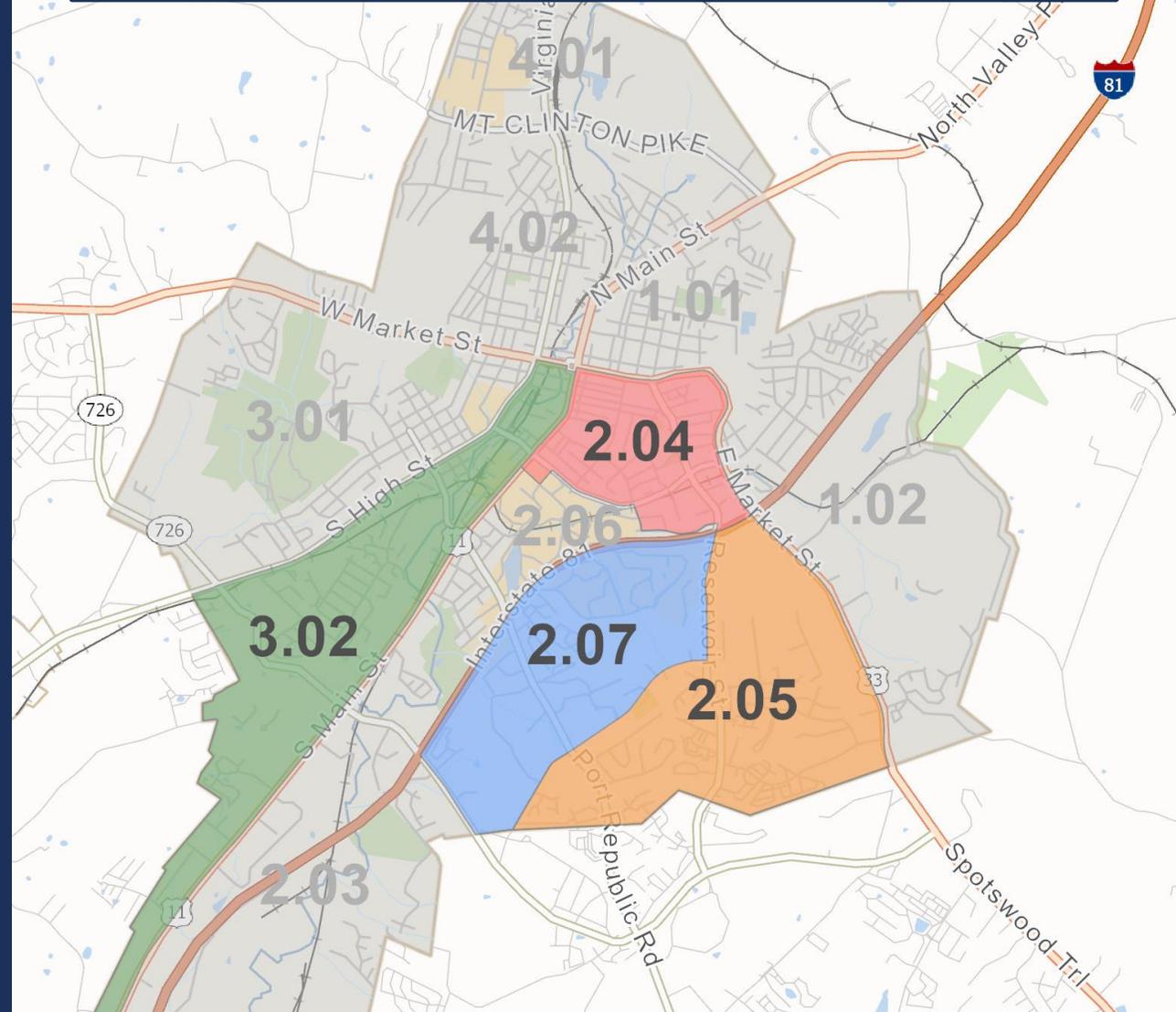
- ❖ Operating in a QCT

# 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