

American Rescue Plan Update

August 12, 2021





American Rescue Plan Funding

Implementation – Next Steps (Today)

- Council Review of General and Specific Purpose Estimated Fund Allocations
 - Summary review of eligible categories and specific uses identified in Treasury rules
 - Highlight some project eligibility issues/questions
- Council Discussion/Consensus on Program Criteria
 - Criteria would be used to provide fair and consistent evaluation
 - Criteria would be listed and publicized in city communications (ARP Website)
 - Criteria would be included in project/program application

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Greensboro's estimated allocation: **\$59.43 million**

- First disbursement of \$29.7 million allocation received on May 19, 2021
- Remaining \$29.7 million to be distributed no earlier than May 2022
- Department of Treasury distributed Interim Guidelines
- Funds must be obligated by December 31, 2024; spent by December 31, 2026
- Local governments are required to provide “periodic” reports on spending progress
- Notes:
 - *This Interim Final Rule is being issued without notice and public comment to allow for immediate implementation of this program. (Page 113)*
 - *Although this Interim Final Rule is effectively immediately, comments are solicited from...recipient governments on all aspects of the Interim Final Rule. (Page 113)*

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Funding Allocation

General Allocation - \$30 Million

- Formula for calculating revenue loss allocation is provided in U.S. Treasury regulations.
- Provides recipients broad latitude to use funds for the “provision” of government services.
- “General Revenues” – Revenues collected by the local government and generated from its underlying economy; various types of tax revenues and other types of revenue available to support government services. Excludes “utility” revenue (water, transit) for calculation purposes.
- Can include, but not limited to, maintenance or pay-go funded building of infrastructure, modernization of cybersecurity, provision of police, fire and other public safety services.

Specific Eligible Uses - \$29 Million

- Eligible use examples and descriptions are provided in U. S. Treasury regulations.
- Discussion is grouped into categories:
 - Public Health
 - Economic Impacts
 - Premium Pay
 - Infrastructure

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Ineligible Uses

- X Deposits to “rainy day” funds or financial reserves
- X Deposits into benefit pension funds
 - ✓ Regular payroll pension contributions **ARE** eligible expenditures.
- X Legal settlements or judgments
- X Debt service
- X Non-Federal match for Federal programs

Administrative Costs

- ✓ Salary and benefits of employees administering ARP
- ✓ Includes managing any new grant programs



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General Eligible Uses

Replace Revenue Loss

- Funds provided to restore reductions in revenue experienced due to the pandemic
- Calculation formula provided by U.S. Treasury
- Lost revenues may be used to support general government services and infrastructure
- Government services can include, but are not limited to “maintenance or pay-go funded building of infrastructure, including roads; modernization of cybersecurity, including.....protection of critical infrastructure;...and the provision of police, fire and other public safety services.”



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Specific Eligible Uses

Public Health

- Enforcement of public health orders
- Support for prevention and mitigation in congregate living facilities (nursing homes)
- Support for prevention and mitigation in schools
- Physical plant improvements for public hospitals
- Mental health and substance misuse treatment

- Public Health and Safety Staff
 - “The recipient may consider public safety employees to be entirely devoted to responding to the COVID-19 emergency **if the employee or his or her operating unit is primarily dedicated to responding to the COVID-19 emergency**”
 - Unlikely that any municipal public safety employees would qualify

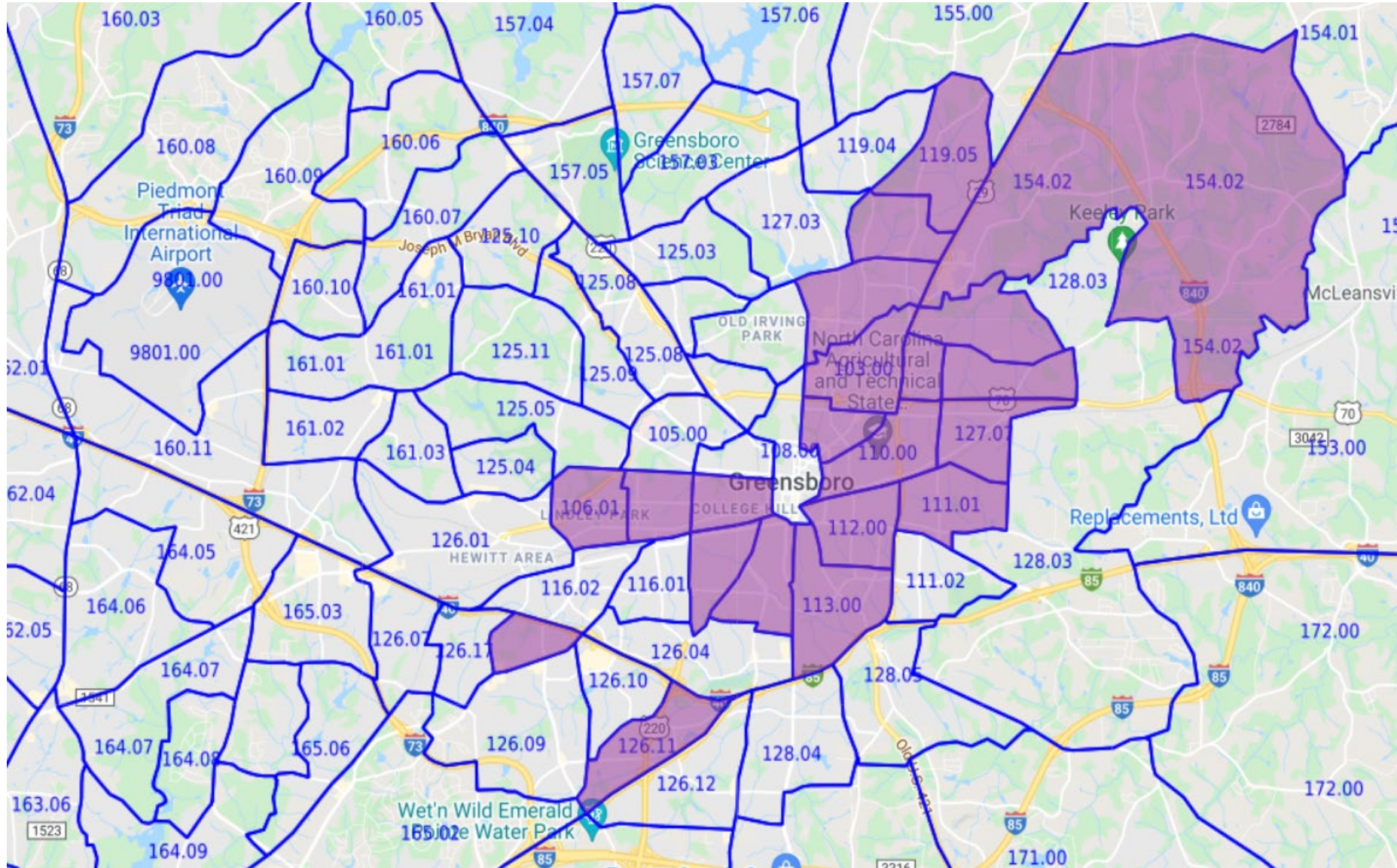
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Specific Eligible Uses

Public Health

- Eligible Uses – Qualified Census Tracts (QCT) – Any census tract in which at least 50% of households have an income less than 60% of the Area Median Gross Income (AMGI).
 - “Treasury will presume that certain types of services are eligible uses when provided in a Qualified Census Tract (QCT), to families living in QCTs.....”
- Housing services to support healthy living environments
- Remediation of lead paint
- Evidence based community violence intervention programs
 - “Recipients may also provide these services to other populations, households or geographic areas that are disproportionately impacted by the pandemic....**recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to specific populations, households, or geographic areas to be served.**”

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Specific Eligible Uses

Economic Impacts

Respond to negative economic impacts of the COVID-19 emergency

- Uses must be designed to address an economic harm resulting from or exacerbated by the public health emergency.
 - “The recipient should assess whether, and the extent to which, there has been an economic harm....that resulted from the COVID-19 public health emergency and whether... the use would respond or address this harm.”
- Assistance to Households
 - Food, rent, mortgage or utility assistance
 - Eviction or homelessness prevention (counseling, legal aid)
 - Home repairs, weatherization
 - Internet access or digital literacy assistance

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Specific Eligible Uses

Economic Impacts

- Assistance to Households (Continued)
 - Job training
 - Cash assistance*
 - * - “Cash transfers must be reasonably proportional to the negative economic impact they are intended to address.”
 - “In assessing whether a household or population experienced economic harm as a result of the pandemic, a recipient may presume that a household or population that experienced unemployment...or that is low or moderate income experienced negative economic impacts.”
- Assistance to Small Business and Nonprofits
 - Loans or grants to mitigate financial hardship (declines in revenues, closures)
 - Loans or grants to implement COVID-19 prevention tactics
 - Technical assistance or other business planning needs



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Specific Eligible Uses

Economic Impacts

- Aid to Impacted Industries
 - Tourism, Travel and Hospitality specifically listed (“similarly impacted industries”)
 - Implement COVID-19 mitigation measures to enable safe resumption of activity
 - Can include aid for a planned expansion or upgrade of facilities delayed due to COVID
- Building Stronger Communities
 - Services presumed to be eligible when provided to families and individuals living in Qualified Census Tracts (QCTs)
 - Services to address homelessness, including supportive housing
 - Affordable housing development
 - Housing vouchers, residential counseling or housing navigation assistance

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Specific Eligible Uses

Investments in Infrastructure

- Wide range of water and sewer infrastructure project categories that would be eligible for assistance through the EPA Clean Water State Revolving Fund or Drinking Water State Revolving Fund
- Broadband investments designed to provide service to unserved and underserved households and businesses

Premium Pay

- Authorizes premium pay to employees for providing essential work
- Essential work defined as “work involving regular in-person interactions or regular handling of items that were handled by others”



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Criteria Development

- Previous Planning Effort
 - Facilities - Capital Improvements Program; Facilities Management Plan; ADA Plan
 - 2040 Comp Plan
 - Thoroughfare Plan
 - Housing Plan
- Scale and Management
 - Preliminarily designed and costed
 - Can be implemented during required time period
 - Doesn't result in significant new ongoing costs
- Equity
 - Invests in disadvantaged communities
 - Stabilizes and grows local businesses particularly impacted by COVID-19
 - Addresses community infrastructure disparities
- Sustainability
 - Replaces or extends useful life of critical infrastructure
 - Addresses goals/strategies of long term energy use



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Criteria Development

- Financial Stability/Stewardship
 - Provides improved and/or stabilized financial condition
 - Provides funds for high priority projects/programs that are not allowed under ARP
 - ARP represents funding of last resort; i.e. no other local, state or federal funds are available
- Collaboration
 - Opportunities to leverage funds with other jurisdictions or organizations
 - Documentable improved ROI based on potential partnerships
- Priority Ranking
 - Supports one or more of council's seven strategic priorities
 - Recognized as high priority in public participation and comments ("ARP Simulator")
- Transformative
 - Permanent and noticeable change in service delivery or community condition
 - Establishes or re-establishes program or service delivery expectation



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Implementation – Next Steps (Next Meeting)

- Develop General Calendar for Project Application and Review Process
- Consider Strategies for Broad Categories of Fund Allocation
 - One or two significant projects
 - Transit
 - Housing
 - Workforce Development
 - Asset/Infrastructure
 - Additional Fundamental Guidelines for Application Process
 - Example: Require all programs/projects to serve residents and businesses within “Fire Crescent”