

American Rescue Plan Act (ARPA)

City Council

April 20, 2021



Recommendation

Provide City Council objectives and priorities for ~\$28 million of funding from the Federal Government through the American Rescue Plan Act (ARPA)



What we know so far about rules

- So far, ARPA funds are to be used for:
 - To respond to public health emergency with respect to the COVID-19 pandemic or its negative economic impacts;
 - To respond to workers performing essential work during the COVID-19 public health emergency and/or for routine payroll contributions;
 - For the provision of government services to the extent of the **reduction in revenue*** of such metropolitan city; and
 - To make necessary investments in water, sewer, or broadband infrastructure.

[ARPA funds must be spent by the end of calendar year 2024]

- Funds cannot be used for
 - Funds allocated to states cannot be used to directly or indirectly to offset tax reductions or delay a tax or tax increase;
 - Funding debt service; legal settlements or judgments;
 - No rainy-day/reserve funding; and
 - Funds cannot be deposited into any pension fund.

** More guidance re. calculating revenue loss*



Perspective on Use of Funds

- Significant Opportunity
 - General guidance now will be helpful as we approach the budget workshop next month (anticipating US Dept. of Treasury rules and guidance in early May)
- One-time Funds
 - Minimize creating new programs that require ongoing expenditures
 - Replenishing lost revenue may offer greater flexibility for use of funds (~\$15.5M)
- Move with Purpose, but Don't Rush
 - Two equal distributions (first in 2021, then one-year later in 2022)
 - Deploy expeditiously, but be strategic

Framework for Consideration

- City Council Priorities
 - Preparing Alameda for the Future
 - Encouraging Economic Development Across the Community
 - Supporting Enhanced Livability and Quality of Life
 - Protecting Core Services
 - Ensuring Effective & Efficient Operations

Other options

- Use the ARPA Eligibility List
 - Fairly narrow list of items; will require more information from Treasury
- Identify Specific or Unique Needs
 - Identify priorities not put forward in the “priority project list”
- Priority Projects
 - Projects put forward City needs (and/or community partnerships (i.e., non-profits))

Projects Put Forward to Date*

- 22 or so requests from department and segments of the community like the housing authority
- Council may have additional requests for consideration
- Treasury Department rules will be instructive
- Far more demand than funding available

* All projects may not be eligible for ARPA funding – awaiting spending rules from Treasury

Recommendation

Provide City Council objectives and priorities for ~\$28 million of funding from the Federal Government through the American Rescue Plan Act (ARPA)



END

