

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: March 20, 2023
Item No.: 7.a

Department Approval



City Manager Approval



Item Description: Receive update on the American Rescue Plan Act (ARPA) spending plan.

BACKGROUND

Congress adopted the American Rescue Plan Act in March 2021 (“ARPA”) which included \$65 billion in recovery funds for cities across the country. The US Treasury provided guidelines for each city to follow while thinking about ways to use the funds. The City was awarded \$3,984,102.54 in ARPA funds.

The City Council approved use of the flat standard revenue loss option as allowed under the final rules for use of the ARPA funds on January 24, 2022 along with the proposed spending plan. The ARPA funds are available for appropriation through December 31, 2024.

The Final Rule issued by the U.S. Department of the Treasury has the general categories of eligible use of these ARPA funds as follows:

1. Replacement of lost public sector revenues
2. Responding to the Public Health Emergency/Negative Economic Impacts
3. Infrastructure investments – water, sewer and broadband projects
4. Premium Pay for essential workers.

The following chart shows the spending plan and expenditures that have occurred in 2021 and 2022. It also shows amounts that have been dedicated in 2023 and 2024 thus far. The full amount of ARPA funds have not been allocated at this time so the City can remain flexible to handle anything major that may arise in the next year and to provide flexibility in the 2024 budget. The spending plan outlines the use of the dollars in the categories outlined in the ARPA funding rules and it is the intent to utilize these funds strategically for one-time costs.

27 **POLICY OBJECTIVE**

28 To provide an update on the status of the American Rescue Plan Act funding and expenditures.

29 **BUDGET IMPLICATIONS**

30 As outlined above.

31 **RACIAL EQUITY IMPACT SUMMARY**

32 The American Rescue Plan Act of 2021 created funding to deliver \$350 billion of aid to states,
33 municipalities, counties and Tribal governments. Among the key objectives of the funding was to support
34 an equitable recovery for households and businesses and address systemic public health and economic
35 challenges that have contributed to the unequal impact of the pandemic on certain populations.

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37 Equity impacts were considered during the development of the City's ARPA budgeting process. Money
38 has been designated to support small local businesses and targeted towards BIPOC-owned businesses. In
39 addition, funds went for affordable housing through the EDA home ownership land trust program. Other
40 projects that will impact equity and engagement efforts for all residents include the embedded social
41 worker and Housing Navigator in the Police Department, and the website redesign for accessibility.

42 **STAFF RECOMMENDATION**

43 Receive update on American Rescue Plan Act funding and allocations.

44 **REQUESTED COUNCIL ACTION**

45 For information only, no Council action necessary.

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Attachments: A: NA

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