

American Rescue Plan Act (ARPA) Regular Council Meeting

May 5, 2022



ARPA Funding Provisions

- \$360 Billion in Direct Aid to State and Local Government
- **\$18,009,865** to the City of Palm Bay
- Disbursement in two equal annual tranches
- First disbursement of \$9,004,932.50 received on June 17, 2021
- Second disbursement of \$9,004,932.50 to be drawn in June 2022
- Funding to be expended or earmarked by December 31, 2024
- Funding to be fully expended by December 31, 2026

American Rescue Plan Act (ARPA)

Coronavirus State and Local Fiscal Recovery Funds – Eligible Uses

- A. Respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- B. Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- C. The provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- D. Make necessary investments in water, sewer, or broadband infrastructure

Revenue Loss – revised regulations

- U.S. Treasury's Final Ruling allows for \$10M of total allocation towards the following eligible projects:
 - Building of new infrastructure as a provision of government services
 - Modernization of cybersecurity, including hardware, software and protection of critical infrastructure as part of provision of government services
 - Maintenance of infrastructure or pay-go spending for building new infrastructure including roads
 - Provision of police, fire and other public safety services

Generally Eligible:

Investments in water, sewer, broadband infrastructure

- Capital improvements in water quality
- Investment in water and sewer that align with eligible projects under the EPA's Drinking Water State Revolving Fund (DWSRF) and Clean Water State Revolving Fund (CWSRF)
- Cybersecurity protecting water and sewer infrastructure
- Broadband projects which reliably deliver minimum speeds of 100 Mbps download and upload, with a focus on the unserved or underserved households and businesses.
- *ARPA may be used to cover costs incurred for eligible projects planned or started prior to March 3, 2021, provided costs were incurred after March 3, 2021.*
- *Funds may cover the portion of payroll and benefits of employees corresponding to time spent on administering eligible projects and programs and costs of consultants to support effective management and oversight.*

First Disbursement of \$9,004,932.50

REVENUE LOSS	
Earmarked	Use
\$ 649,810.86	151 body camera units and all associated hardware and licensing for the first two years of a five-year contract.
\$ 2,000,000.00	Building "E"
\$ 2,000,000.00	Citywide Financial System Replacement
\$ 80,798.12	120 smart phones and cases to support previously approved body cams
\$ 4,730,608.98	
GENERALLY ELIGIBLE	
Earmarked	Use
\$ 345,264.00	COVID-19 leave
\$ 275,000.00	Disaster Recovery Site Cloud software
\$ 300,000.00	Cybersecurity enhancements for the remaining three years of the City's five year Cisco Enterprise Agreement
\$ 920,264.00	
\$ 5,650,872.98	(Total funds earmarked from first disbursement)

Second
Disbursement
of
\$9,004,932.50

\$ 9,004,932.50	Second Disbursement
\$ 3,354,059.52	Balance of First Disbursement
\$ 12,358,992	TOTAL REMAINING

Request for Information (RFI): Homelessness & Affordable Housing

- March 1 – April 4, 2022
- 12 responses
- Non-Profit and For-Profit Organizations
- 10 respondents proposed use of additional funding from other sources
- Proposed amount of funds range \$75,000 - \$5 million
- Use of funds range from public services to supportive housing

How can municipal government use ARPA to affect change?

- Tier 1 – emergency assistance / housing
- Tier 2 – temporary housing + case management = supportive housing
- Tier 3 – permanent affordable housing

Resources (funding and staff) to provide Tier 2 are difficult to source. Supportive housing projects aren't financially viable and not typically provided by municipal government, rather they're supported by local governments by funding opportunities.

ARPA funding is unprecedented. Meeting the community's need in supportive housing is an eligible use of ARPA.

Proposed Use of ARPA Balance \$12,358,992

- **Generally Eligible**
 - \$50,000 enhance cleaning/COVID-19 protocols
 - \$2 million for homelessness and/or affordable housing
- **Revenue Loss**
 - \$5,269,391.02 towards construction of Building E (total cost is \$11.5-13.5M)
- **Balance of both disbursements: \$5,039,601**

Other needs:

Additional funding for new citywide financial system (+ \$2M)*

Fire Station #7 construction and apparatus (+ \$7-10M)**

* Awaiting US Treasury opinion on General Eligibility

** Grant/Legislative appropriations

Questions?

