



Council Workshop American Rescue Plan Act (ARPA)

September 28, 2021





Overview

- Background
- Funding Objectives
- Eligible Uses of Funds
- Ineligible Uses of Funds
- ARPA Strategy
- Council Feedback & Next Steps



ARPA Background

- Passed by Congress on March 10, 2021, and signed into law on March 11, 2021
- \$59,516,611 in funding to Glendale
 - \$29,758,305.50 was received in May 2021
 - Expect to receive the final distribution in May 2022
- Eligible costs incurred between March 3, 2021 and December 31, 2024
- Funds must be obligated by December 31, 2024
 - An order placed for property and services and entering into contracts, subawards, and similar transactions that require payment
- Funds must be expended by December 31, 2026



ARPA Background

- Interim Final Rule issued on May 17, 2021
 - Establishes a framework for determining the types of programs and services eligible under ARPA
 - Establishes regular reporting requirements, including requiring certain recipients to publish information regarding use of funds
 - Comments on Interim Final Rule due on July 16, 2021
- Compliance and Reporting Guidance issued on Jun 17, 2021, and updated on June 24, 2021
 - One-time Interim Report due on August 31, 2021
 - Project Expenditure Report due quarterly
 - Recovery Plan Performance Report due annually



Funding Objectives

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs
- Support immediate economic stabilization for households and businesses
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic



Eligible Uses of Funds

- Support Public Health Response
 - Services to contain and mitigate the spread of COVID-19
 - Vaccination, testing, medical expenses, quarantine costs, and capacity enhancements
 - Behavioral healthcare services
 - Mental health or substance misuse treatment, and crisis intervention
 - Payroll and covered benefits for public health, healthcare, human services, and public safety staff
 - To the extent that they work on COVID-19 response



Eligible Uses of Funds

- Address Negative Economic
 - Deliver assistance to workers and families
 - Support for unemployed workers, aid to households, and survivor benefits for families of COVID-19 victims
 - Speed the recovery of impacted industries
 - Tourism, travel, and hospitality sectors
 - Rebuild public sector capacity by rehiring staff
 - Support small businesses
 - Loans, grants, and in-kind assistance



Eligible Uses of Funds

- Equity Focused Services
 - Offers additional flexibility for the hardest hit communities and families
 - Address health and educational disparities, invest in housing, and promote healthy childhood environments
- Premium Pay for Essential Workers
 - Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure
- Replace Public Sector Revenue Loss
 - Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



Eligible Uses

- Broadband Infrastructure
 - Make necessary investments to provide unserved or underserved locations with new or expanded broadband access
- Water and Sewer Infrastructure
 - Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure
 - Building and upgrading facilities and transmission, distribution, and storage systems
 - Water conservation



Ineligible Uses

- To makeup for lost revenue from a direct or indirect tax cut
- Payments into a pension fund to reduce unfunded liability
- Funding debt service, legal settlements, or judgments
- Deposits to rainy day funds or financial reserves



Other COVID-Related Allocations

\$30 million





Community Action Program

Overview:

- \$23,241,327 Awarded *
- \$16,144,098 Expended
- \$7,097,229 Available

Available Funds:

- \$5,486,730 Housing
- \$699,112 Utility
- \$911,387 Admin/Support

Fund Sources:

- U.S. Treasury
- AZ Dept of Economic Security
- Community Development Block Grant
- Emergency Solutions Grant
- Water Services
- Maricopa County
- Wildfire

* Does not include \$2.4 M in non-COVID funding sources, \$1.6M still available



Public Housing Program

Emergency Housing Vouchers

- \$1,026,492
- 72 vouchers awarded
- Homeless, At-Risk, or DV Victims
- Coordinated Entry, referrals
- CASS, housing search
- 56 referrals received to date
 - 6 leased units
 - 3 pending inspection
 - 38 searching for unit
 - 2 attempting to locate
 - 7 withdrawn

HCV Cares Act

- \$305,051 direct allocation
- \$271,801 expended
 - Household goods
 - Landlord retention
- \$33,250 available

Public Housing Cares Act

- \$94,468 direct allocation
- \$56,675 expended
 - Household goods
 - Administration
- \$37,793 available



Community Revitalization Programs

- \$7,248,826 CARES Act *
 - \$3,057,733 Homeless Master Services Agreement
 - \$1,121,570 Public Services
 - \$1,100,000 CAP/Housing Rapid Rehousing **
 - \$953,110 Small Business Assistance
 - \$400,000 Workforce Development
 - \$366,413 Administration
 - \$250,000 Landlord Liaison Services

* Does not include regular CDBG and ESG active investments

** Included in CAP fund balance



Pandemic Small Business Program

- 77 applications received to date
 - 45 were withdrawn after submission
 - 32 applications worked
 - 4 not eligible
 - 20 approved at \$295,900
 - 8 intake or underwriting stage at \$114,808
- \$542,402 available
- Expenditure deadline November 1, 2022
- Other Programs:
 - Paycheck Protection
 - Economic Injury Disaster Loan
 - Express Bridge Loan
 - Payroll Tax Deferment
 - Employee Retention Tax Credit



ARPA Strategy





ARPA Strategy

- Recommendations are broad categories and high-level estimates
 - Will be updated as more information is obtained
 - Final Rule
 - Reporting requirements
 - Sufficient detail to report on specific activities for each project
 - Achieve outcomes in an effective, efficient, and equitable manner
 - Posted on city's website and submitted to Treasury
 - Key performance indicators for each project
 - Community engagement
 - Actual cost estimates



ARPA Strategy

- Use ARPA funds for eligible budgeted operating and capital expenditures
 - Services to contain and mitigate the spread of COVID-19
 - Payroll and covered benefits
 - Speed the recovery of impacted industries
 - Promote healthy childhood environments
- Designed to free up General Fund
 - Use capacity to fund one-time capital expenditures
- Expenditures cover more than one year



ARPA Strategy - Budgeted Expenditures

- COVID related operating expenditures (\$6.2M)
 - Payroll and Incentive Pay
 - Medical and Worker’s Comp Claims
 - PPE and Cleaning
 - Cybersecurity technology
- Eligible Parks and Library operating expenditures (\$8.9M)
 - Restore staffing levels for aquatics, special events, sports and health, and adult center
 - New youth and teen programs
 - Restore staffing level for Community Services
 - Library programming
 - Electronic patron resources



ARPA Strategy – Budgeted Expenditures

- ARPA eligible capital expenditures (\$8.5M)
 - Building maintenance and reserve
 - Storm Drains
 - Parks
 - Arena capital
 - Camelback Ranch



ARPA Strategy

- Use ARPA funds for eligible future operating and capital expenditures
 - Unbudgeted
 - Services to contain and mitigate the spread of COVID-19
 - Payroll and covered benefits
 - Rebuild public sector capacity by rehiring staff
 - Equity focused services
 - Water conservation
- Expenditures cover more than one year



ARPA Strategy – Unbudgeted Expenditures

- Direct COVID Expenses (\$6.3M)
 - Additional COVID cleaning and custodial services
 - Space reconfiguration
 - Health insurance premiums related to COVID
 - PPE
- Citywide Park Improvements (\$20M)
 - Water and energy conservation
 - Services to disproportionately impacted communities
 - Outdoor spaces
 - Promote healthy childhood environments



ARPA Strategy – Unbudgeted Expenditures

- Public Safety Retention and Recruitment (\$3.4M)
- City Hall Improvements (\$6.2M)
 - Covid mitigation tactics
 - HVAC, filtering, and controls
 - Touchless fixtures
 - Automatic doors
 - Storm drain and wastewater



Council Feedback & Next Steps

- Council Feedback and Consensus
 - Use ARPA funds on eligible operating and capital expenditures
 - Free up general fund to fund one-time capital projects.
 - \$23.6M
 - Use ARPA funds for eligible future operating and capital expenditures
 - \$35.9M
- Next Steps
 - Regular updates to Council
 - Reporting
 - Measurements of outcomes