



American Rescue Plan Act: Use of Funding City Council Presentation – April 12, 2022



Introduction:

- On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President
- The Coronavirus State and Local Fiscal Recovery Funds authorized by the ARPA are intended to provide support to state, local, and tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19
- Folsom's total allocation: \$8.4 million

Allowable Use Categories

**Funds
may be
used:**

1. To **respond to the public health emergency** or its **negative economic impacts**
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing **premium pay** to eligible workers
3. To make necessary investments in water, sewer, or broadband **infrastructure**
4. For the **provision of government services** to the extent of the reduction in revenue due to the COVID-19 public health emergency

Timeline for Use of Funds

- Payments from the Fiscal Recovery Funds must be obligated by December 31, 2024, and spent by December 31, 2026.
- Must be used for expenditures incurred after March 11, 2021.

Previous City Council Action



- On August 24, 2021, the City Council directed staff to appropriate \$2,195,500 of the City's total ARPA allocation to the General Fund
- Appropriated funds are to be used within the allowable use category Provision of Government Services
- Expenditure of the appropriated funds commenced during the 2021-22 fiscal year

Previous City Council Action



Approved items:

- Facilities/Infrastructure - \$ 1,340,500
- Public Safety - \$847,000
- Health & Welfare - \$8,000

UPDATE: U.S. Department of the Treasury Final Rule

- In January 2022, the U.S. Department of the Treasury issued its final rule on the use of the Coronavirus State and Local Fiscal Recovery Funds. The final rule, which took effect on April 1, 2022, delivers broader flexibility and greater simplicity to the program.
- Among other clarifications and changes, **the final rule offers a standard allowance for revenue loss of up to \$10 million**

Potential Expenditures by Category

- City Facilities and Infrastructure: \$3,079,000
- Economic Development: \$1,315,000
- General Government Services: \$788,568
- Public Safety: \$539,877
- Remaining Unallocated Funds: \$457,700

**Total:
\$6.2 million
for FY 2022-23**

City Facilities and Infrastructure



- Facility roof repair/replacements - \$1,345,000
- Parks and Facilities maintenance - \$250,000
- Aquatic Center improvements - \$225,000
- Hinkle Creek Center parking lot improvements - \$200,000
- Folsom Blvd Overcrossing feasibility study - \$200,000
- Johnny Cash Trail Art Experience Pick No. 1 - \$155,000
- Library carpet replacement - \$150,000

City Facilities and Infrastructure



- Zoo improvements - \$150,000
- IT firewall replacements - \$140,000
- Johnny Cash Trail marketing plan - \$65,000
- Fuel monitoring system replacement - \$60,000
- Hinkle Creek Center interior updates/furniture - \$59,000
- Facilities project delivery - \$50,000
- LED light towers - \$30,000

- River District Master Plan - \$300,000
- Northern California Innovation District* - \$280,000
- Central Business District Revitalization Plan - \$260,000
- Folsom Historic District Association grant - \$200,000
- Historic District traffic and parking management - \$150,000
- Project management for District Plans - \$125,000

* Funded only if Sacramento County provides matching funds

General Government Services



- Consultant staff support for park maintenance - \$300,000
- Electronic timekeeping software - \$175,000
- Community Development fee nexus study - \$125,000
- Contract staff support for Community Dev - \$100,000
- Issues related to homelessness (staff discretion) - \$50,000
- City banner replacement - \$38,568

- Police Vehicles - \$250,000
- Down payment for Ladder Truck - \$235,000
- Automated license plate reader additions - \$54,877

Staff Recommendation:

It is recommended that the City Council **direct staff to take the standard allowance for revenue loss** and allocate the remaining \$6,180,145 of available ARPA funds for expenditure under the allowable category of Provision of Government Services.

- Allows broad latitude – can use the funds to meet many City needs
- City's total allocation is less than the standard allowance
- Provides for streamlined reporting requirements to minimize the administrative burden

Direction to Staff – Possible Options



Direct staff to take the standard allowance for revenue loss and:

- provide a specific dollar amount to be used during FY 2022-23 at the City Manager's discretion for City needs; or
- provide specific line-item direction; or
- some other approach?