

# Update on the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF)

FINANCE COMMITTEE | MAY 16, 2022



# Agenda

- Overview of the American Rescue Plan Act (ARPA)
- 2022 Quarter 2 Program and Expenditure Report (January – March 2022)
- Looking ahead

# Overview of ARPA Funding

American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) provides direct support to municipalities to address the negative economic impacts of the COVID-19 pandemic.

## **\$47.2m = Total City allocation**

- Will cover costs incurred March 2021 – December 2024, with reporting through Dec. '26
- First half of funds received May 2021; second half anticipated May 2022

## **\$22.8m = Community Investments**

- Intended to address community priorities and ongoing impacts of pandemic
- Funding strategy focuses on one-time costs, not ongoing operating expenses

## **\$24.4m = Government Services**

- Used to balance General Fund budget, avoid use of fund balance in 2022, and stabilize Monona Terrace and Room Tax Fund

# Program and Expenditure Report

## Quarterly Program and Expenditure Reports

- 2<sup>nd</sup> Program and Expenditure Report covered expenses from Quarter 1 (January – March) of 2022
- Moving forward, reports will be due each quarter:

Expenditure Period	Report Due
April 1 – June 30	July 31
July 1 – September 30	October 31
October 1 – December 31	January 31

## Annual Recovery Plan

- In addition to quarterly reports, City will submit an annual Recovery Plan, which will include more detailed reporting on output and outcome measures
- [First Recovery Plan](#) was submitted July 2021, outlining initial plan for funds
- Next annual report will be due July 31, 2022

# Program and Expenditure Report

- As of March 31, 2022, five (5) ARPA SLFRF projects expended \$2.2m in ARPA funds for Community Investments
- Emergency Rental Assistance Program Operations recently started in the last quarter; all other projects were included in the previous expenditure report

Project/ Program	Total Budget	Total Obligations & Expenditures	Total Expenditures
<b>Emerging Needs &amp; Violence Prevention</b>			
Connection to Basic Needs	\$ 150,000	\$ 147,439	\$ 117,439
Summer Youth Reengagement (2021)	\$ 120,000	\$ 11,875	\$ 11,875
Summer/ Fall Youth Employment (2021)	\$ 465,000	\$ 100,000	\$ 100,000
<b>Homelessness &amp; Affordable Housing</b>			
Emergency Rental Assistance Program Operations	\$ 400,000	\$ 6,910	\$ 6,910
Unsheltered Homeless Support	\$ 3,500,000	\$ 3,499,945	\$ 2,007,052
<b>Total</b>	<b>\$ 4,635,000</b>	<b>\$ 3,766,169</b>	<b>\$ 2,243,276</b>

# Update on ARPA Projects: Community Development Division

## Human Services

- **Services to Immigrant Residents:** Finalizing contracts with community providers selected through competitive application.
- **2022 Youth Employment:** Expanding summer youth employment programming, community providers previously selected through competitive RFP process, contracts being finalized
- **2022 Youth Employment & Violence Prevention:** In addition, developing youth-focused programming that will focus on violence prevention by combining mentorship and other protective factors with work opportunities
- **Health Aging Education & Engagement:** Planning to re-issue RFP for consultant later this year

## Affordable Housing and Homelessness

- **Emergency Rental Assistance:** LTE staff hired to provide administrative and outreach support around Federal Emergency Rental Assistance program.
- **Permanent Men's Shelter:** Project included in 2023 Capital Budget request to secure funding needed to complete project
- **Solar project with Occupy Madison:** Scheduled for summer 2022
- **Youth Centered Housing:** Anticipate releasing RFP later this year to complement broader efforts to support youth homelessness programming.
- **Consumer Lending:** Undertaking community engagement work to explore potential policy changes to Homebuyer Assistance Programs

# Update on ARPA Projects: Economic Development Division

- **Public Market:** Project progress continues with expected construction to start in November 2022
- **Neighborhood Business District Support:** Developing program guidelines and application for community feedback; plan to introduce to Common Council in August
- **Downtown Vacant Art Program:** In the process of working with a property owner on State Street and developing the RFP
- **Retail Building Improvement Grant:** Completed Racial Equity analysis on project; plan to go live with program in August 2022
- **Small Business Equity and Recovery (SBER):**
  - Partnership with MadLit: On 5/16 FC agenda
  - Carts in Park Application: June 1
  - Develop program guidelines for Biz Ready: July 1
  - Pop-Up Shop RFP: 7/31

# Update on ARPA Projects: Public Health

- Violence Prevention:
  - Issued RFP for violence prevention initiatives aligned with the Roadmap for Violence Prevention on May 16<sup>th</sup>.
  - Violence Prevention Grant Program Specialist position posted. Set to close on 5/20/2022.
- CARES Evaluation:
  - Partnering with UW Population Health Institute for evaluation of program.
- PFAS Education and Outreach:
  - Planning for outreach and engagement has begun.



# REFERENCE: ARPA SLFRF Reports and Resolutions

- **May 2022:** 2022 Q1 Program and Expenditure Report ([Legistar 71488](#)); Grant for “MadLit” program using Small Business Equity and Recovery (SBER) funds ([Legistar 71238](#))
- **March 2022:** Resolution allocating funds to community orgs. serving immigrant residents ([Legistar 69987](#))
- **February 2022:** 2021 Q4 Program and Expenditure Report ([Legistar 69580](#))
- **December 2021:** 2021 Year End Appropriation Resolution appropriating \$1m of ARPA funds for government services to support Fire Dept. costs ([Legistar 68346](#)); resolution adding LTE positions in CDD for emergency rental assistance ([Legistar 68208](#))
- **November 2021:** Resolution authorizing a subaward to PHMDC ([Legistar 67912](#)); resolution authorizing contract with Focus Counseling for unsheltered homeless support ([Legistar 68103](#))
- **October 2021:** Resolution authorizing an funding award to Madison Public Market Foundation, Inc ([Legistar 67390](#))
- **September 2021:** Mid Year Appropriation Resolution authorizing \$5.9m of ARPA for government services ([Legistar 67094](#)); Resolution authorizing temporary campground at 3202 Dairy Drive ([Legistar 67137](#))
- **August 2021:** [2021 Recovery Plan](#)
- **July 2021:** Resolution Accepting and Allocating Funds ([Legistar 65935](#)); Report on the criteria and processes for allocating funds ([Legistar 66453](#))

# REFERENCE: Timeline

May 2021

- U.S. Treasury issued Interim Final Rule (IFR), defining eligible uses
- City received 1<sup>st</sup> half of funding
- City recovery teams developed proposals for community recovery funds

June 2021

- [Legistar 65935 \(RES-21-00487\)](#) introduced overall strategy for ARPA funds and funding allocations for 2021

July 2021

- Common Council adopted RES-21-00487 and accepted [Legistar 66453](#) (Report on 2021 ARPA Allocations)
- Staff hosted two virtual town halls to share information on ARPA investments

November 2021

- Common Council adopted 2022 Capital and Operating Budgets, which allocated additional ARPA funding

January 2022

- U.S. Treasury issued Final Rule
- City submitted first program and expenditure report for all expenditures incurred through December 31, 2021