

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

FINANCE COMMITTEE | FEBRUARY 7, 2022



# Agenda

- Overview of the American Rescue Plan Act (ARPA)
- First Program and Expenditure Report (March – December 2021)
- 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

# 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

# Priority Areas for ARPA Community Investments



## Violence Prevention and Youth Engagement

**\$2,585,000**

*Funding supports youth employment, violence prevention initiatives, and evaluation of the CARES alternative crisis response team.*



## Homelessness Support

**\$8,650,000**

*Funding support a variety of strategies to support persons experiencing homelessness including a permanent shelter and additional tiny homes.*



## Affordable Housing

**\$6,650,000**

*Funding expands low-cost housing choices, supports a tenant assistance fund, and expands housing assistance to Madison residents.*



## Neighborhood and Small Business Support

**\$3,915,000**

*Funding increases grants to small businesses, supports neighborhood business districts, and brings art to vacant storefronts downtown.*



## Basic Needs and Emerging Issues

**\$1,000,000**

*Funding helps members of our community, including undocumented residents and seniors, gain access to services that meet their basic needs.*

# Program and Expenditure Report

## Quarterly Program and Expenditure Reports

- 1<sup>st</sup> Program and Expenditure Report covered expenses from March – December 31, 2021
- Moving forward, reports will be due each quarter:

Expenditure Period	Report Due
January 1 – March 31	April 30
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 December 31, 2021, four (4) ARPA SLFRF projects expended \$1.4m in ARPA funds for Community Investments
- Not all projects with 2021 allocations had expenditures in 2021; staff teams are working on developing project charters and implementation plans to move forward with community investments

Project/ Program	Total Budget	Total Obligations & Expenditures	Total Expenditures
Connection to Basic Needs	\$ 150,000	\$ 72,439	\$ 30,000
Summer Youth Reengagement	\$ 120,000	\$ 11,875	\$ 11,875
Summer Youth Employment	\$ 465,000	\$ 100,000	\$ 49,997
Unsheltered Homeless Support	\$ 3,500,000	\$ 3,446,132	\$ 1,319,068
<b>Total</b>	<b>\$ 4,235,000</b>	<b>\$ 3,630,446</b>	<b>\$ 1,410,940</b>

# Program and Expenditure Report

- Report attached to [Legistar 69580](#) includes project inventory, project descriptions, and obligations/expenditures by project

## Snapshot of project inventory:

Project Name: Unsheltered Homeless Support (2021 & 2022)

Project Identification Number	13975
Project Expenditure Category	3-Services to Disproportionately Impacted Communities
Project Expenditure Subcategory	3.11-Housing Support: Services for Unhoused persons
Total Obligations	\$3,446,132.25
Total Expenditures	\$1,319,068.47
Project Description	<p>This project seeks to meet the needs of people in the community who are experiencing homelessness and who are unsheltered. The challenges around unsheltered homelessness in Madison are not new but, like in communities around the country, they have been made worse by the COVID-19 pandemic. One of the issues the City is struggling with is a growing reluctance to use group shelter settings, in part, for fear of exposure to COVID. As a result, more and more people experiencing homelessness are choosing to live outdoors, in conditions that are both unsafe and unsustainable.</p> <p>Funds provided are intended to support one or more strategies for people currently living outdoors. The funds could be used for such things as purchasing property for use as an encampment, installing basic services like running water, bathrooms or electricity, establishing “tiny homes” or similar structures for use by campers, emergency hotel shelter and supportive services and paying for on-site staff to support and monitor an encampment site.</p>

- Report also includes details on subawards and subrecipients

## Snapshot of subaward details:

### Subawards

Subaward No: JH411 / PG 620722

Subaward Type	Grant: Reimbursable
Subaward Obligation	\$1,034,610.00
Subaward Date	11/2/2021
Place of Performance Address 1	3202 Dairy Drive
Place of Performance Address 2	
Place of Performance Address 3	
Place of Performance City	Madison
Place of Performance State	WI
Place of Performance Zip	53718
Place of Performance Zip+4	
Description	MACH One Health Inc. will provide Supportive Services For Unhoused Individuals and Persons Using Sheltered Campground
Subrecipient	Madison Area Care for the Homeless (MACH) OneHealth, INC.
Period of Performance Start	11/2/2021
Period of Performance End	11/1/2022



# Next Steps

- Next Program and Expenditure report due April 30, 2022
  - Next report will require reporting on demographics of residents served through ARPA
  - City is waiting on guidance from Treasury on additional reporting requirements
  - Staff will present report to Finance Committee in May
- Staff are working on project charters to establish project timelines and guide implementation in 2022
- Discussions on reallocation in future years or repurposing funds will go to Council in future meetings