City of Eugene City Council

AMERICAN RESCUE PLAN ACT (ARPA) UPDATE

SEPTEMBER 29, 2021

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Today's Agenda

- ❑ Framework
- ❑ ARPA Overview
- ❑ Eligible Uses
- ❑ Feedback to Date

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Eugene Framework

1. **Stabilize**
2. **Strategize**
3. **Implement**

Based on Brookings Institute Guidance

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American Rescue Plan Act

$1.9 trillion passed by 117th US Congress

Signed into law by President Biden on March 11, 2021

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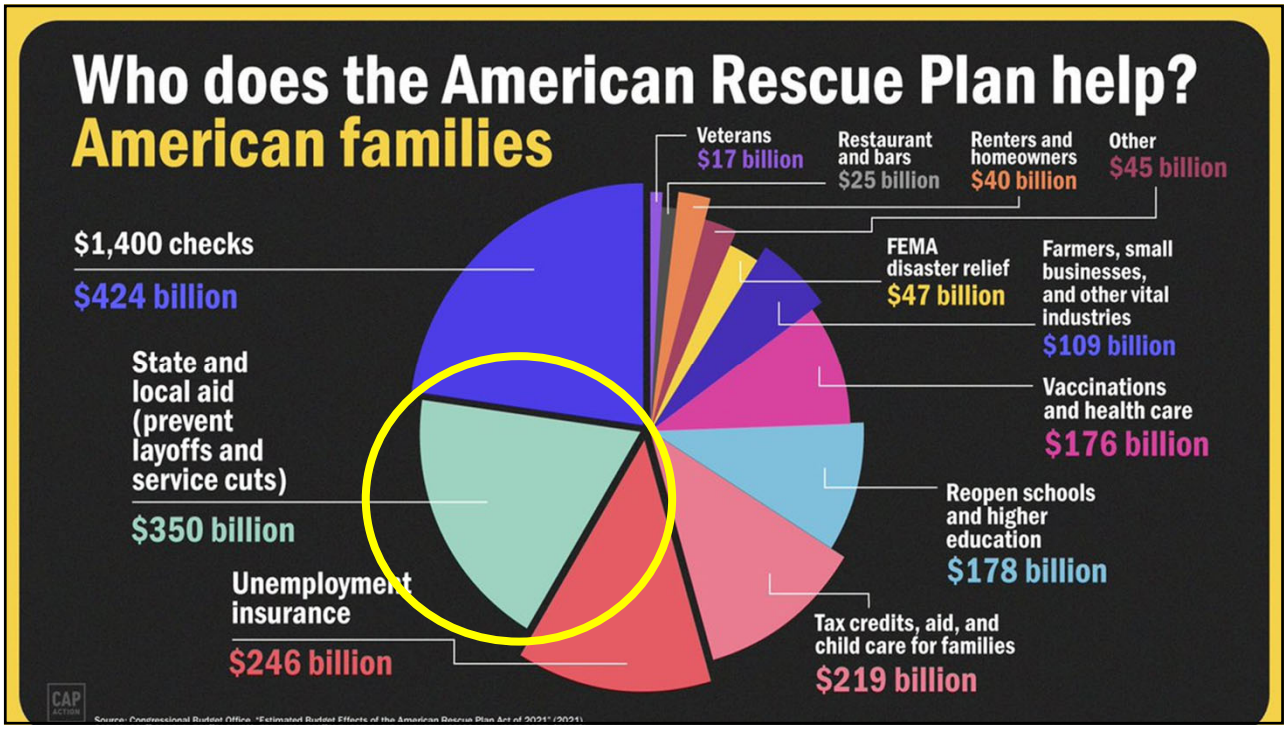

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American Rescue Plan Act

Individual/Household Relief	Business Relief	Schools	Health & Pandemic	State and local assistance
• Direct Stimulus Checks • Rent/Utility Relief • Enhanced Unemployment Extension • Child Tax Credit Enhancement • COBRA Coverage	• Families First Coronavirus Response Act Paid Leave Credits • Employee Retention Tax Credit • Paycheck Protection Program • Restaurant Relief • Shuttered Venues	• Elementary and Secondary School Emergency Relief Fund • Emergency Assistance to Non-Public Schools • Maintenance of Equity Requirement	• Health Departments • Workforce • Health Centers • Testing and Tracing • SNAP • Emergency Connectivity Fund • Emergency Food and Shelter Program	• States, Tribes, Territories • Cities and Counties • Capital Projects

Eugene

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State and Local Fiscal Recovery Funds

HOW MUCH IS COMING TO OREGON?

Total funds to Oregon $4.26B

State $2.6B
- Plus $155M for capital projects

Counties $818M

Cities $680.7M
- Metro $438M
- Non-Metro $243M

THIS IS NOT CARES ACT FUNDING

Not a reimbursement program

Larger cities receive funds directly from Treasury

State **cannot** restrict use of funds

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Local and Regional Funding

City of Eugene Received: $35,908,037

First half, $17,954,018 in May 2021 and the second half is scheduled to be received in June 2022.

Lane County Received: $74,212,036

First half of $37,106,018, in May 2021 and the second half is scheduled to be received in June 2022.

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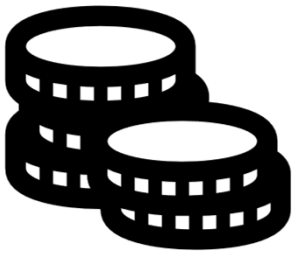
Types of ARPA Funding



1. Local Fiscal Recovery –City/County
2. Federal Direct—Service based (e.g. Airport, HUD, etc)
3. Local Fiscal Recovery—State of Oregon: Legislative Member
4. Local Fiscal Recovery—State of Oregon: Program Allocation
5. Local Fiscal Recovery—State of Oregon: Competitive Grants
6. Federal Competitive—Agency Programs (FEMA, EDA)
7. Other: ?

See Attachment A in the AIS for a more complete list of local and regional ARPA funding

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Eligible Uses-Local Fiscal Recovery Funds

1. Support public health expenditures
2. Address negative economic impacts caused by the public health emergency
3. Provide services to disproportionately impacted communities
4. Provide premium pay for essential workers
5. Infrastructure investments in water, sewer, and broadband
6. Address revenue losses with government services projects
7. Administrative expenses

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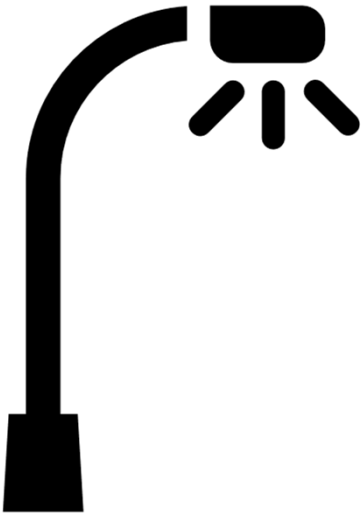

Address Revenue Loss

Cities may use funds for general services "to the extent of the reduction in revenue" due to COVID

Loss is calculated across all revenue streams as lump sum

Revenue includes taxes, state shared revenues, current charges, and miscellaneous general revenue

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Disproportionate Impacted Communities

3.10 Housing Support: Affordable Housing

3.11 Housing Support: Services for Unhoused Persons

3.12 Housing Support: Other Housing Assistance

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Ineligible Uses

Pension Fund Deposits

Extraordinary contributions to a pension fund for the purpose of reducing an accrued, unfunded liability are ineligible. Funds can be used for routing payroll contributions for employee pensions.

Rainy Day Funds or Financial Reserves

Replenishing rainy day or other reserve funds is not considered a government service and is therefore ineligible.

General Infrastructure

General infrastructure spending above the amount allocated under the revenue loss provision is not covered as an eligible use except for water, sewer, and broadband infrastructure.

Debt Service & Legal Settlements

Paying interest or principal on outstanding debt and expenses related to legal settlements or judgements do not qualify.

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What are requirements for spending funds?

U.S. Treasury issued Interim Final Rule, FAQs, and Fact Sheet

- Rule interprets criteria and FAQ gives plain language guidance

Funds must be obligated by December 31, 2024 and out the door by December 31, 2026, can only cover costs from March 3, 2021 forward

There are recordkeeping and reporting requirements

- Metro cities report quarterly (> $5M) or annually (< $5M), interim report due August 31
- Compliance and Reporting Guidance and Portal User Guide

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Recovery Fund Considerations

- Budget Committee Motions
- Fund Stability
- Shelter
- COVID Response

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Next Steps

- ARPA Work Session (9/29)
- City Manager's Proposal
- Budget Committee Meetings (10/20 & 10/27)
- Supplemental Budget BC Meeting (12/8)
- Supplemental Budget Public Hearing and Council Consideration (12/13)

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Discussion

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