



American Rescue Plan Act 2021 (ARPA)

Allocations

Non-entitlement Units of Local Government (NEUs)

- Governments serving a population of under 50,000
- Apportioned by 2019 population estimates
- Distributed by States
 - CA has \$1,218,261,277 to allocate to NEUs
- Albany's current allocation is \$4,711,702
 - NEUs may decline funds
 - Allocations cannot exceed 75% of the budget in effect on January 27, 2020

Time Frame

- First distribution within the next month
 - 50% of the allocation - \$2,355,851
- Second distribution a year later
- Can be used for qualifying expenses after March 3, 2021
- Funds must be appropriated by December 31, 2024
- Funds must be used by December 31, 2026

Reporting Requirements

Federal Reporting

- Interim Report to US Treasury – August 31, 2021
- Annual Report to US Treasury – October 31 each year through December 31, 2026
 - Covers plan year ending September 30 each year

Single Audit

- Required when a city receives more than \$750,000 in federal money
- Completed by the City's independent auditor (Chavan & Associates)

Allowable Uses

1) Public Health and Economic Impacts

- Funds must be used for:
 - Responding to the disease itself
 - Responding to the harmful consequences of the economic disruptions
- Determine if a program or service is eligible:
 - Identify a need or negative impact
 - Identify how the program or service addresses that need

1) Public Health and Economic Impacts, cont.

- COVID-19 mitigation and prevention
- Improvements made and steps taken to reduce the spread of the disease in public facilities
- Medical expenses
- Expenses to meet behavioral health care needs exacerbated by the pandemic
- Housing and homelessness services
- Grants to individuals or businesses
 - Normally must be in qualified census tracts, but ARPA opens that to “hardest-hit” individuals or businesses
 - Can be used to pay arrearages prior to March 3, 2021 to bring people current (rent, utilities, etc.)

Allowable Uses, cont.

2) Premium Pay

- May be provided to essential workers such as health care staff, grocery and restaurant workers, janitors and sanitation workers, etc.
- US Treasury guidance provides the following limits:
 - \$13 per hour
 - \$25,000
 - 1.5x the county's average wage: \$136,731 for Alameda using 2019 data (most recent available data on www.census.gov)
- Can be provided to any community essential workers, not just government employees, through grants to businesses

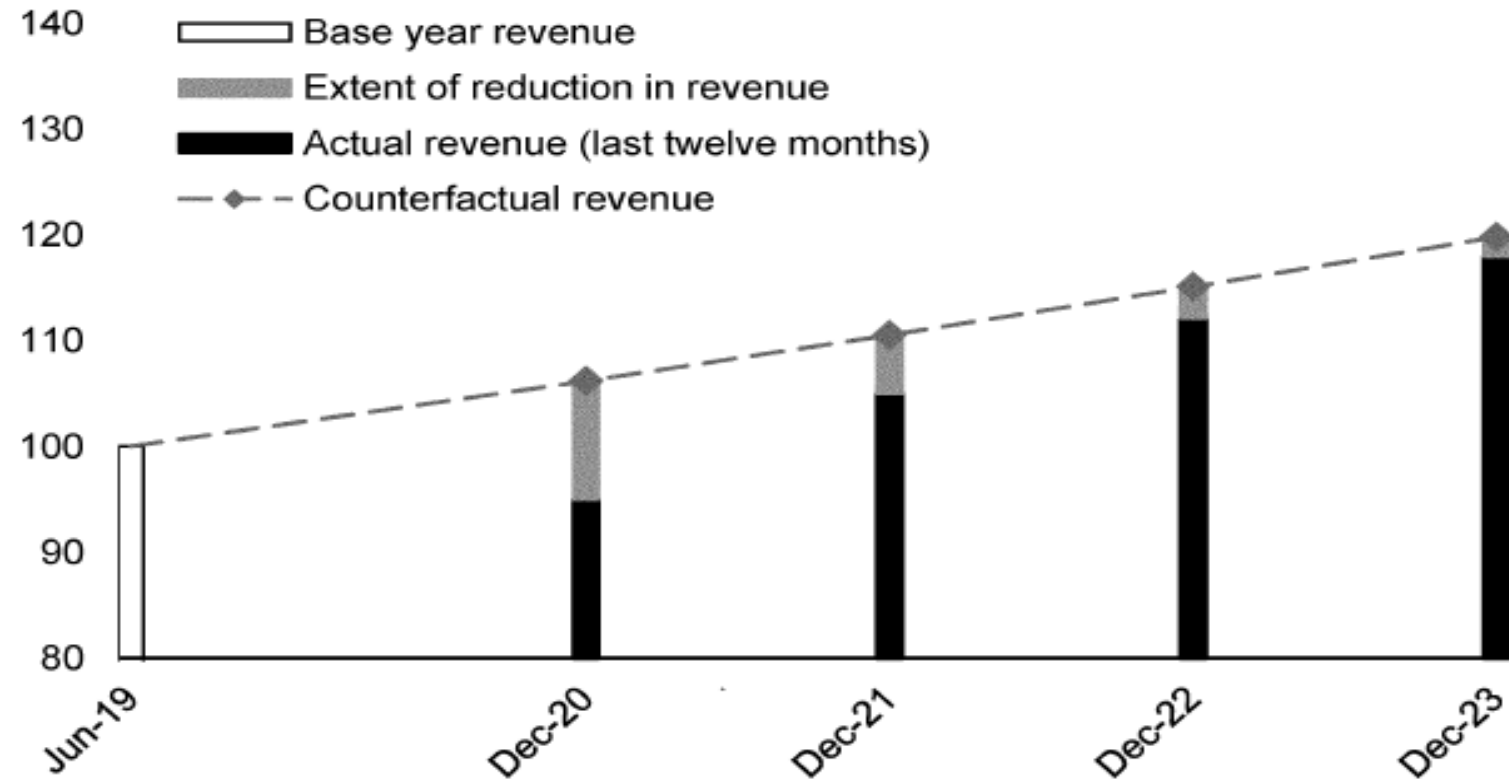
Allowable Uses, cont.

3) Revenue Loss

- Revenue loss recovery may be used to cover eligible expenses for the provision of government services
- Must be calculated on an annual basis
 - Base year for revenue calculations is fiscal year 2019
 - December 31, 2020, 2021, 2022, and 2023
 - May change based on comments on US Treasury guidance
- Items suggested in the US Treasury guidance include, but are not limited to:
 - Maintenance of infrastructure
 - Modernization of cybersecurity
 - Health services
 - Environmental remediation
 - Provision of public safety services

3) Revenue Loss, cont.

The overall methodology for calculating the reduction in revenue is illustrated in the figure below:



Allowable Uses, cont.

4) Investment in Infrastructure

- Broadband
 - To assist communities with meeting minimum internet speeds
- Water
- Sewer/Storm Drain

Allowable Uses, cont.

Prohibited Expenses

- Additional payments to pension plans (does not include pension costs associated with active member salaries)
- Contributions to financial reserves
- Reductions in tax rates
- Debt service payments

Suggested Uses

EXPENSE	AMOUNT	SPENDING CATEGORY
Grant Program	\$500,000	1) Public Health & Economic Recovery
Housing/Shelter and associated homeless support services	\$1,000,000 over 5 years	1) Public Health & Economic Recovery
Local business support/promotion	\$200,000 over 5 years	1) Public Health & Economic Recovery
Mental Health supplemental services	\$475,000	1) Public Health & Economic Recovery
HVAC/Air Purifier upgrade for Civic Center	\$850,000	1) Public Health & Economic Recovery
Software update to allow for online payments and vendor management	\$15,000	1) Public Health & Economic Recovery
Green infrastructure (Marin)	\$300,000	4) Investments in Infrastructure
Brighton Sewer Relocation	\$4,500,000	4) Investments in Infrastructure