



CITY OF BELLE ISLE, FLORIDA CITY COUNCIL AGENDA ITEM COVER SHEET

Meeting Date: August 17, 2021

To: Honorable Mayor and City Council Members

From: B. Francis, City Manager

Subject: FDEM Agreement for Funding through the American Recovery Plan Act (ARPA)

Background: Section 9901 of the American Rescue Plan Act of 2021 (ARPA) was passed on March 11, 2021, adding section 603 to the Social Security Act and creating the Coronavirus Local Fiscal Recovery Fund (CLFRF). These funds are intended to provide support local governments in order to facilitate the ongoing recovery from the COVID-19 pandemic. More specifically, the CLFRF was established to provide substantial flexibility for each government to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest hit by the crisis. Funds can also be used to make necessary investments in water, sewer, and broadband infrastructure.

The State of Florida, through the Florida Division of Emergency Management (Division), will disburse Coronavirus Local Fiscal Recovery Funds to non-entitlement units of local government (NEUs), which are local governments typically serving a population under 50,000. ARPA defines the term “non-entitlement unit of local government” to mean a “city” as that term is defined in section 102(a)(5) of the Housing and Community Development Act of 1974 (HCDA) that is not a metropolitan city. Belle Isle is an NEU.

The Florida Division of Emergency Management has sent the Funding Agreement for the American Rescue Plan Act Coronavirus Local Fiscal Recovery Fund. NEUs are required to enter into this Funding Agreement with the Division to receive funds. Once the City’s authorized representative signs the agreement, the Division will then execute the agreement and initiate payment.

The Division will make payments to the City in two tranches, totaling **\$3,626,180**. The Division will make an initial disbursement of 50% (**\$1,813,090**) when the Agreement is returned to FDEM. The Second Tranche payment (**\$1,813,090**) will be made no earlier than 12 months after the date on which the First Tranche payment is paid.

Expenses must be eligible under Section 603 of the American Rescue Plan Act, the Treasury Interim Final Rule (Federal Register Volume 86, No 93), and any subsequent Treasury Guidance. ARPA requires that funds may only be used to cover expenses incurred by the non-entitlement unit of local government by December 31, 2024[1], such as:

to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the non-entitlement unit of local government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; for the provision of government services to the extent of the reduction in revenue of such non-entitlement unit of local government due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the non-entitlement unit of local government; or to make necessary investments in water, sewer, or broadband infrastructure.

Staff Recommendation: Approve the Agreement and return to FDEM.

Suggested Motion: I move that we authorize the Mayor to execute the Agreement with FDEM to receive funding through the American Rescue Plan Act.

Alternatives: Do not approve the agreement and accept the funding

Fiscal Impact: \$3,626,180

Attachments: Funding Agreement