

COVID-19 Pandemic Relief Recovery Plan

City of Glen Rose, Texas



American Rescue Plan Act of 2021
Coronavirus Local Fiscal Recovery Fund

Approved on **approvalDate**

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ARPA BACKGROUND

Since the first case of coronavirus disease 2019 (COVID-19) was discovered in the United States in January 2020, the disease has infected over 30 million and killed over 550,000 Americans. The disease has impacted every part of life: as social distancing became a necessity, businesses closed, schools transitioned to remote education, travel was sharply reduced, and millions of Americans lost their jobs. In April 2020, the national unemployment rate reached its highest level in over seventy years following the most severe month-over-month decline in employment on record. As of April 2021, there were still 8.2 million fewer jobs than before the pandemic. During this time, a significant share of households have faced food and housing insecurity. Economic disruptions impaired the flow of credit to households, State and local governments, and businesses of all sizes. As businesses weathered closures and sharp declines in revenue, many were forced to shut down, especially small businesses.

Amid this once-in-a-century crisis, State, territorial, Tribal, and local governments (State, local, and Tribal governments) have been called on to respond at an immense scale. Governments have faced myriad needs to prevent and address the spread of COVID-19, including testing, contact tracing, isolation and quarantine, public communications, issuance and enforcement of health orders, expansions to health system capacity like alternative care facilities, and in recent months, a massive nationwide mobilization around vaccinations. Governments also have supported major efforts to prevent COVID-19 spread through safety measures in settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and public facilities.

At the same time, State, local and Tribal governments launched major efforts to address the economic impacts of the pandemic. These efforts have been tailored to the needs of their communities and have included expanded assistance to unemployed workers; food assistance; rent, mortgage, and utility support; cash assistance; internet access programs; expanded services to support individuals experiencing homelessness; support for individuals with disabilities and older adults; and assistance to small businesses facing closures or revenue loss or implementing new safety measures.

In responding to the public health emergency and its negative economic impacts, State, local, and Tribal governments have seen substantial increases in costs to provide these services, often amid substantial declines in revenue due to the economic downturn and changing economic patterns during the pandemic. Facing these budget challenges, many State, local, and Tribal governments have been forced to make cuts to services or their workforces, or delay critical investments. From February to May of 2020, State, local, and Tribal governments reduced their workforces by more than 1.5 million jobs and, in April of 2021, State, local, and Tribal government employment remained nearly 1.3 million jobs below pre-pandemic levels. These cuts to State, local, and Tribal government workforces come at a time when demand for government services is high, with State, local, and Tribal governments on the frontlines of fighting the pandemic. Furthermore, State, local, and Tribal government austerity measures can hamper overall economic growth, as occurred in the recovery from the Great Recession.

Finally, although the pandemic's impacts have been widespread, both the public health and economic impacts of the pandemic have fallen most severely on communities and populations disadvantaged before it began. Low-income communities, people of color, and Tribal communities have faced higher rates of infection, hospitalization, and death, as well as higher rates of unemployment and lack of basic necessities like food and housing. Pre-existing social vulnerabilities magnified the pandemic in these communities, where a reduced ability to work from home and, frequently, denser housing amplified the risk of infection. Higher rates of pre-existing health conditions also may have contributed to more severe COVID-19 health outcomes. Similarly, communities or households facing economic insecurity before the pandemic were less able to weather business closures, job losses, or declines in earnings and were less able to participate in remote work or education due to the inequities in access to reliable and affordable broadband infrastructure. Finally, though schools in all areas faced challenges, those in high poverty areas had fewer resources to adapt to remote and hybrid learning models. Unfortunately, the pandemic also has reversed many gains made by communities of color in the prior economic expansion.

OPPORTUNITY FOR CITY OF GLEN ROSE

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President. Within this legislation, 16 Section 9901 of ARPA amended Title VI of the Social Security Act¹⁷ (the Act) to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which establishes the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds). The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments (together, recipients) in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents, and businesses. The Fiscal Recovery Funds build on and expand the support provided to these governments over the last year, including through the Coronavirus Relief Fund (CRF).

Through the Fiscal Recovery Funds, Congress provided State, local, and Tribal governments with significant resources to respond to the COVID-19 public health emergency and its economic impacts through four categories of eligible uses. Section 602 and section 603 contain the same eligible uses; the primary difference between the two sections is that section 602 establishes a fund for States, territories, and Tribal governments and section 603 establishes a fund for metropolitan cities, non-entitlement units of local government, and counties. Sections 602(c)(1) and 603(c)(1) provide that funds may be used:

- a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- c) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- d) To make necessary investments in water, sewer, or broadband infrastructure.

The ARPA provides a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. First, payments from the Fiscal Recovery Funds help to ensure that State, local, and Tribal governments have the resources needed to continue to take actions to decrease the spread of COVID-19 and bring the pandemic under control. Payments from the Fiscal Recovery Funds may also be used by recipients to provide support for costs incurred in addressing public health and economic challenges resulting from the pandemic, including resources to offer premium pay to essential workers, in recognition of their sacrifices over the last year. Recipients may also use payments from the Fiscal Recovery Funds to replace State, local, and Tribal government revenue lost due to COVID-19, helping to ensure that governments can continue to provide needed services and avoid cuts or layoffs. Finally, these resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.

Within the eligible use categories outlined in the Fiscal Recovery Funds provisions of ARPA, State, local, and Tribal governments have flexibility to determine how best to use payments from the Fiscal Recovery Funds to meet the needs of their communities and populations. Eligible uses of ARPA funds build on eligible expenditures under the CRF, including some expansions in eligible uses to respond to the public health emergency, such as vaccination campaigns. They also reflect changes in the needs of communities, as evidenced by, for example, nationwide data demonstrating disproportionate impacts of the COVID-19 public health emergency on certain populations, geographies, and economic sectors. Implementation of the Fiscal Recovery Funds also reflect the importance of public input, transparency, and accountability.

ARPA ALLOCATION

The ARPA-CLFRF provides \$19.53 billion to states for distribution to Non-entitlement Units of local Government (NEUs). The Act further requires that A State is required to allocate and distribute the Local Fiscal Recovery Fund payment received from Treasury to each NEU in the State an amount that bears the same proportion to the amount of such payment as the population of the NEU bears to the total population of all the NEUs in the State.¹ However, the total amount to be distributed to an NEU may not exceed the amount equal to 75 percent of its most recent budget as of January 27, 2020

Based on this methodology, City of Glen Rose received an allocation of \$668,774 paid out in two tranches. Tranche No. 1 is \$334,387 with Tranche No. 2. In the amount of \$334,387.

On July 1, 2021, the Texas Division of Emergency Management (TDEM) announced they would be the state agency in charge with distributing NEU allocations – as detailed by the legislation, the state is required to distribute NEU allocations and not the U.S. Treasury. Following the July 1st announcement, TDEM opened their Grant Management System (GMS) portal and the City officially requested their first tranche on August 2, 2021. On August 23, 2021 TDEM deposited into the City’s account their 1st tranche. The second tranche can be requested approximately twelve months from the receipt of the first tranche on or around August 23, 2022.

NEED IN CITY OF GLEN ROSE

Based on the American Community Survey (ACS) 2019 5-year estimate, City of Glen Rose is currently home to 2,607 residents. Situated in Central Texas, the city is approximately 54.2 miles Southwest of Fort Worth City, 41 miles south of Weatherford City and 30.5 miles to the east of Stephenville City. City of Glen Rose encompasses an area of approximately 3.9 square miles and is rural in nature. Further demographic analysis of the city lists the following critical statistics:

- Poverty Rate for children under 18: 22.5% (ACS 5-year estimate data table DP03)
- Language spoken at home other than English: Spanish – 277 or 11.2% (ACS 5-year estimate data table DP02)
- Disability: 434 or 17.8% (ACS 5-year estimate data table DP02)
- Without Health Insurance: 261 or 10.7% (ACS 5-year estimate data table DP03)
- Unemployment Rate: 22 or 1.0% (ACS 5-year estimate data table DP03)
- Per Capita Income: \$27,379 (ACS 5-year estimate data table DP03)
- At risk population aged 65 years and older: 679 or 26% (ACS 5-year estimate data table DP05)

The demographic data coupled with the Low-to-Moderate Income Statistical Data (LMISD) as provided by the United States Department of Housing and Urban Development (HUD), establishes the City and surrounding Census Tracts and Block Groups as low income with social disparities. Data collected from the LMISD shows the city to have 46.2% LMI population with multiple block groups with the surrounding area of the city which are equal to or greatly exceed HUD's 51% LMI threshold to be deemed disadvantaged. Moreover, maps have been developed and included with this plan which detail the following boundary and thematic data (see Appendix I):

- Difficult Development Area & Qualified Census Tracts
- City Social Vulnerability Index
- City Uninsured Index
- City COVID-19 Trend

The collection of this data suggests that the city is a high priority area for pandemic assistance. Various statistical data sets confirm the City's overall need for pandemic recovery compared to the national averages.

RECOVERY GOALS AND OBJECTIVES

The purpose of the recovery plan is to create transparency and accountability of the fund's designation and expenditure. City of Glen Rose seeks to establish the following goals and objectives to determine the greatest need and best use of funds:

Goal #1: Sustainable Recovery Identification

Objective #1: Coordinate with local stakeholders about recovery needs.

Objective #2: Develop projects and programs that aid in recovery efforts.

Goal #2: Transparent Process

Objective #1: Create a recovery plan with a detailed assessment and implementation schedule.

Objective #2: Adopt a recovery plan and publish for public consumption.

Objective #3: Develop period reporting that tracks recovery activities and makes them available to the public.

Goal #3: Implement recovery

Objective #1: Develop program implementation processes for tracking reporting.

Objective #2: Develop program/project delivery schedules to ensure funds are allocated timely.

Objective #3: Monitor and document recordkeeping for audit and accountability requirements.

Goal #4: Finalize Recovery

Objective #1: Develop a final recovery report that details performance and fund utilization.

Objective #2: Present a final report to the governing body for review and approval.

Objective #3: Make the final report available to the public.

City of Glen Rose understands the federal requirements which govern these funds and will adhere to all applicable laws and regulations. Moreover, the City seeks to establish a program which guides program/project implementation that clearly details program/projects needs and justification as well as the process implementation that will be followed to ensure transparency and accountability.

IMPLEMENTING ARPA

The ARPA-CLFRF is a direct allocation with a broad range of eligible uses. Additionally, the published regulatory guidance is rather vague in some instances and clear in others. For these reasons the following procedures have been established to ensure consistent management practices for this funding and transparent records to validate compliance with the federal requirements. To this end, we believe the following implementation practices will apply:

- 2 CFR 200 - This includes all applicable sections of the code with special attention place on the sections related to Methods of Procurement, Financial Management, Monitoring, Reporting and Audit Requirements.
- Davis Bacon and Related Acts (DBRA) - Options are presented by the Treasury's guidance that encourage fair labor provisions for constructed projects. However, the most practical for implementation, reporting and tracking are those related to DBRA.
- Civil Rights & Fair Housing - References within the Treasury's guidance are made to ensure funds are allocated to areas that have been disproportionately impacted by the COVID-19 Pandemic. The associated Terms and Conditions for fund distribution reflect adherence to Title VI of the Civil Rights Act of 1964. Implementation will ensure civil rights and fair housing activities are met and that funds are utilized in a fair and equitable manner.

- Uniform Relocation Act (URA) - It is understood that construction projects that require the acquisition of real property for designated and eligible uses must follow URA requirements and proper notification, valuation, and documentation will be necessary.
- Environmental Review - The Treasury has made clear in the various iterations of the Frequently Asked Questions (FAQ) that National Environmental Policy Act provisions do not apply to the administration of these funds unless these funds are combined with other federal funds where such provisions do apply. However, it is noted in the Terms and Conditions for fund distribution to follow all generally applicable federal laws and regulations. Due to the conflicting statements, and the general lack of clarity from the Treasury on the environmental review process, for construction projects a preliminary environmental review will be conducted to determine general environmental impacts. Based on these findings, on a per project basis, additional assessment will be conducted to determine the necessity for historic preservation, biological surveys, wetlands delineation, and USACE permitting.
- Reporting - The City is subject to reporting requirements directly to the Treasury. The Treasury Department has announced they are currently developing an online portal where recipients of ARPA-CLFRF dollars will submit reports. The expectation is this reporting portal will be launched in August of 2021. Specific reporting requirements as outlined by the Treasury are:
 - Non-Entitlement Units:
 - Yearly Report will include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of award funds.
 - The initial yearly report is now due April 30, 2022, and will cover the period between award date and March 31, 2022. The subsequent yearly will be submitted to Treasury based on their published schedule.
- Financial Management - Records will be maintained according to the Generally Accepted Accounting Principles (GAAP) best practices. Included in this process are the development of financial ledgers, Purchase Order (PO), invoice and receipt review and payment, aligned with all applicable source and back-up documentation to procurement, contracting, and payments that comply with the applicable financial requirements as stated in 2 CFR 200.
- Procurement & Contracting - The City will comply with the local government code for procurement and contracting where applicable. However, it is noted that 2 CFR 200.320 Methods of Procurement will be followed in the implementation of these funds.

Administrative guidance is expected to evolve and modifications to implementation practices will be made accordingly. However, the proposed implementation strategy is to identify and utilize processes which require the most stringent management practices (similar to CDBG and FEMA implementation).

PROJECT IDENTIFICATION

The following project listing represents the City's proposed projects for ARPA-CLFRF. The table includes the project title, priority ranking, estimated budget, project schedule, and eligibility category according to

REVENUE LOSS CALCULATION

Recipients may use payments from the ARPA-CLFRF for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency. Pursuant to sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, a recipient's reduction in revenue is measured relative to the revenue collected in the most recent full fiscal year prior to the emergency. Treasury's Final Rule, effective April 1, 2022, allows Recipients may determine their revenue loss by (a) choosing a standard allowance for revenue loss up to \$10 million, not to exceed their award amount during the program, or (b) calculating their jurisdiction's specific revenue loss each year using Treasury's formula, which compares actual revenue to a counterfactual trend.

In general, if a recipient chooses to calculate their revenue loss instead of the standard allowance, recipients will compute the extent of the reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have been expected to occur in the absence of the pandemic. This approach measures losses in revenue relative to the most recent fiscal year prior to the COVID-19 public health emergency by using the most recent pre-pandemic fiscal year as the starting point for estimates of revenue growth absent the pandemic. In other words, the counterfactual trend starts with the last full fiscal year prior to the COVID-19 public health emergency and then assumes growth at a constant rate in the subsequent years. Because recipients can estimate the revenue shortfall at multiple points in time throughout the covered period as revenue is collected, this approach accounts for variation across recipients in the timing of pandemic impacts. Although revenue may decline for reasons unrelated to the COVID-19 public health emergency, to minimize the administrative burden on recipients and taking into consideration the devastating effects of the COVID-19 public health emergency, any diminution in actual revenues relative to the counterfactual pre-pandemic trend would be presumed to have been due to the COVID-19 public health emergency.

For purposes of measuring revenue growth in the counterfactual trend, recipients may use a growth adjustment of either 5.2 percent per year or the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency, whichever is higher. The option of 5.2 percent represents the average annual growth across all State and local government "General Revenue from Own Sources" in the most recent three years of available data. This approach provides recipients with a standardized growth adjustment when calculating the counterfactual revenue trend and thus minimizes administrative burden, while not disadvantaging recipients with revenue growth that exceeded the national average prior to the COVID-19 public health emergency by permitting these recipients to use their own revenue growth rate over the preceding three years.

Recipients should calculate the extent of the reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023; or the last day of each of the recipient's fiscal years ending in 2020, 2021, 2022, and 2023. To calculate the extent of the reduction in revenue at each of these dates, recipients should follow a four-step process:

- Step 1: Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.

- Step 2: Estimate counterfactual revenue, which is equal to base year revenue * [(1 + growth adjustment) ^{n/12}], where n is the number of months elapsed since the end of the base year to the calculation date, and growth adjustment is the greater of the average annual growth rate across all State and Local Government "general revenue from own sources" in the most recent three years prior to the emergency, 5.2 percent, or the recipients average annual revenue grown in the three full fiscal years prior to the COVID-19 public hearing emergency.
- Step 3: Identify actual revenue, which equals revenues collected over the past twelve months as of the calculation date.
- Step 4: The extent of the reduction in revenue is equal to counterfactual revenue less actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.

The city's estimated allocation amount is less than the standard allowance of \$10 million and therefore fully eligible for Provision of Government Services

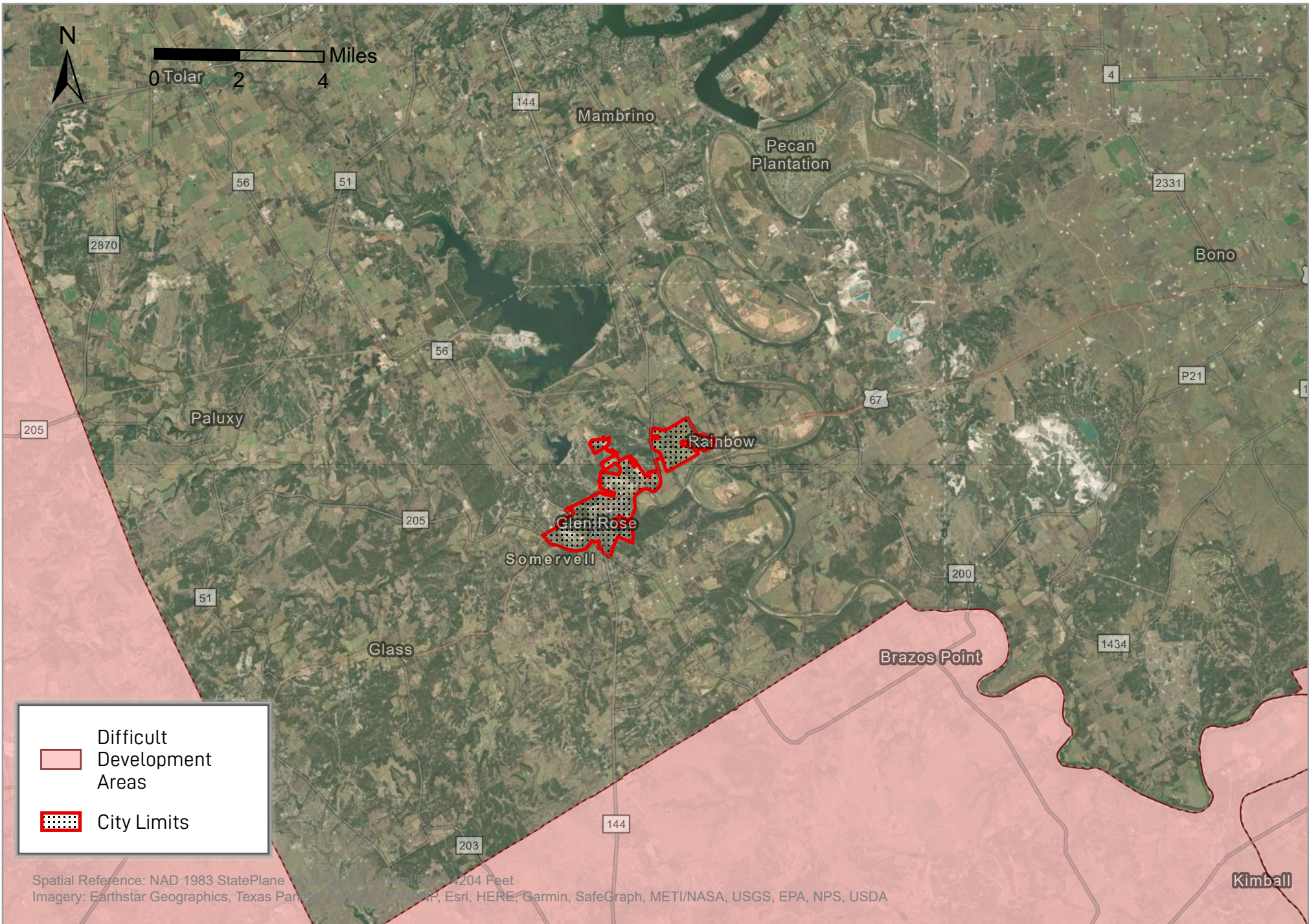
SCHEDULE FOR ARPA FUNDS

The Treasury has implemented a general fund obligation and expenditure timeline. As a recipient of an award, the City may use ARPA-CLFRF funds to cover eligible costs incurred during the period that begins on March 3, 2021 and ends on December 31, 2024, as long as the award funds for the obligations incurred by December 31, 2024 are expended by December 31, 2026 for infrastructure projects. Costs for projects incurred prior to March 3, 2021 are not eligible, as provided for in Treasury's Interim Final Rule.

Projects detailed in the section above have varying project schedules ranging from four (4) to forty-eight (48) months. Project schedules may either be advanced or delayed depending on various factors, including, but not limited to: market conditions, material costs and supply chain delays, scope modification, design delays, permitting, and environmental coordination and compliance.

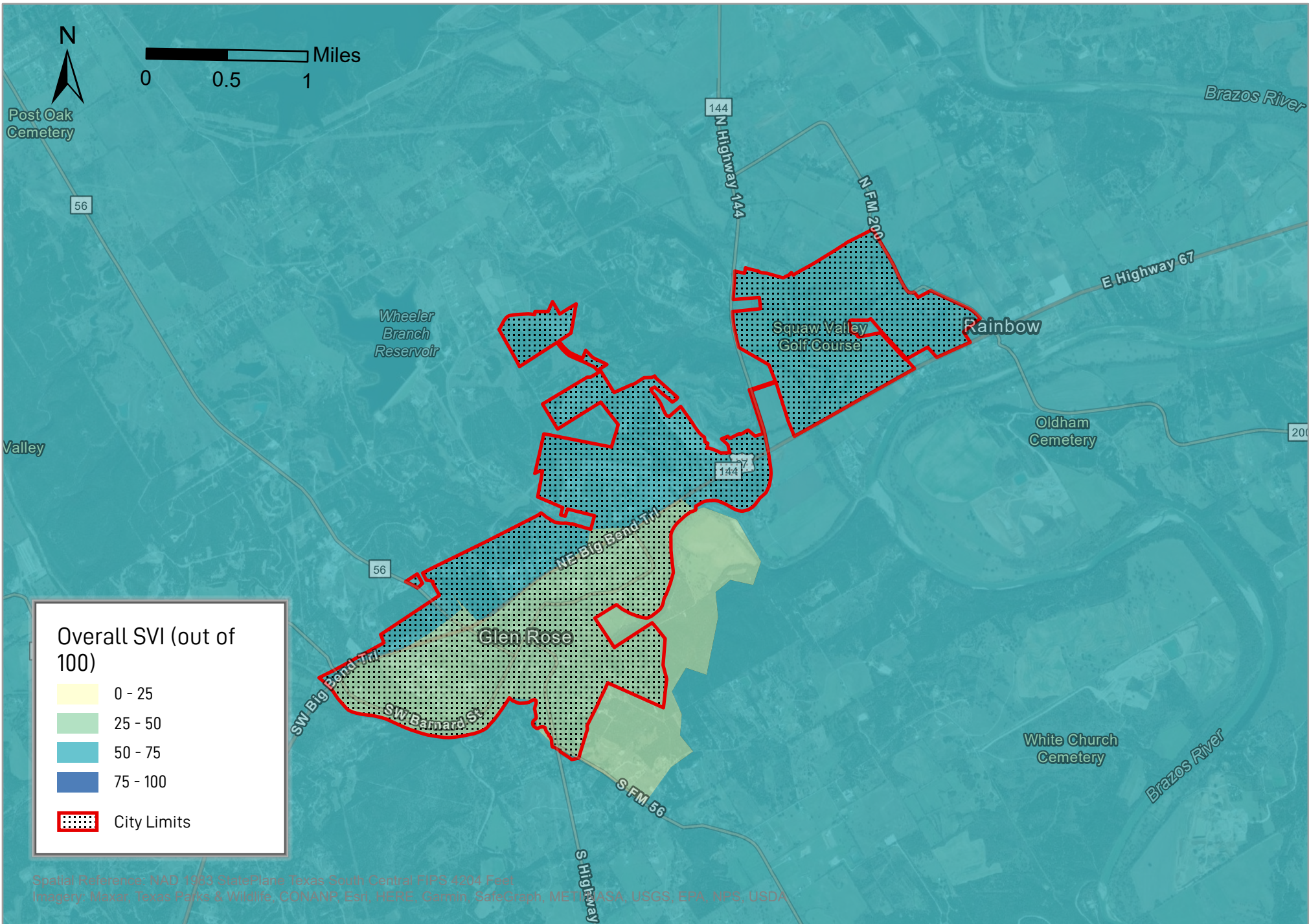


APPENDIX I



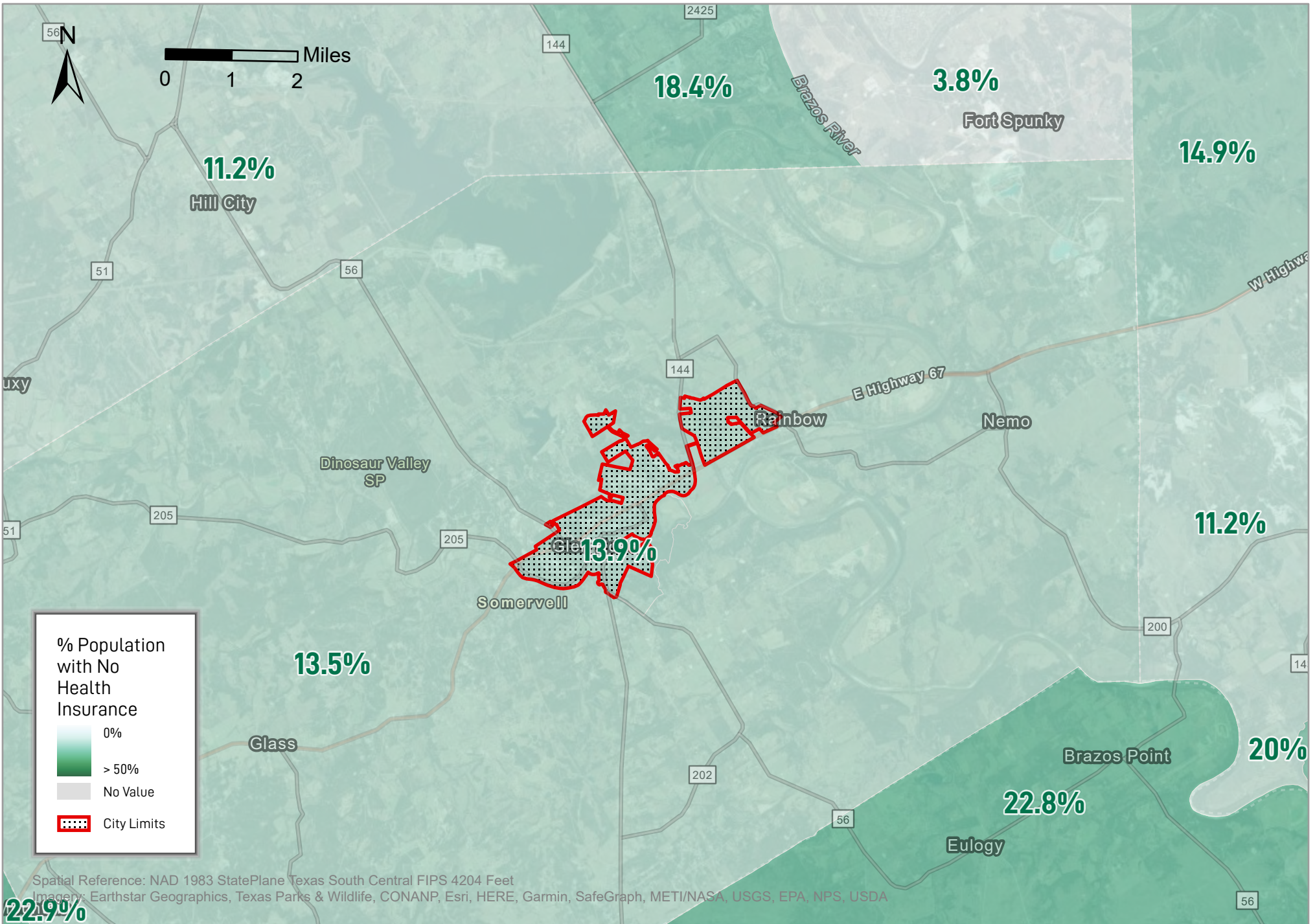
Difficult Development Areas
 City Limits

Spatial Reference: NAD 1983 StatePlane Texas South Central FIPS 4204 Feet
 Imagery: Earthstar Geographics, Texas Parks & Wildlife, Google, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA

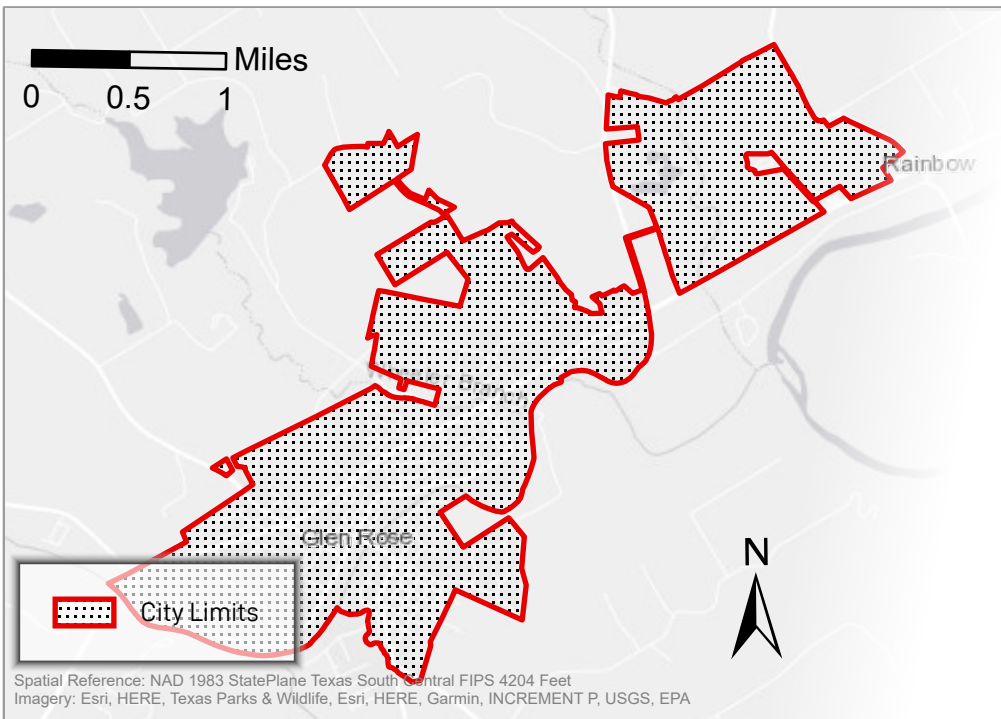


Spatial Reference: NAD 1983 StatePlane Texas South Central FIPS 4204 Feet
 Imagery: Maxar, Texas Parks & Wildlife, CONANR, Esri, HERE, Garmin, SafeGraph, METI, NASA, USGS, EPA, NPS, USDA

City of Glen Rose, TX
 CDC Social Vulnerability Index



City of Glen Rose, TX
 % of Population Without Health Insurance



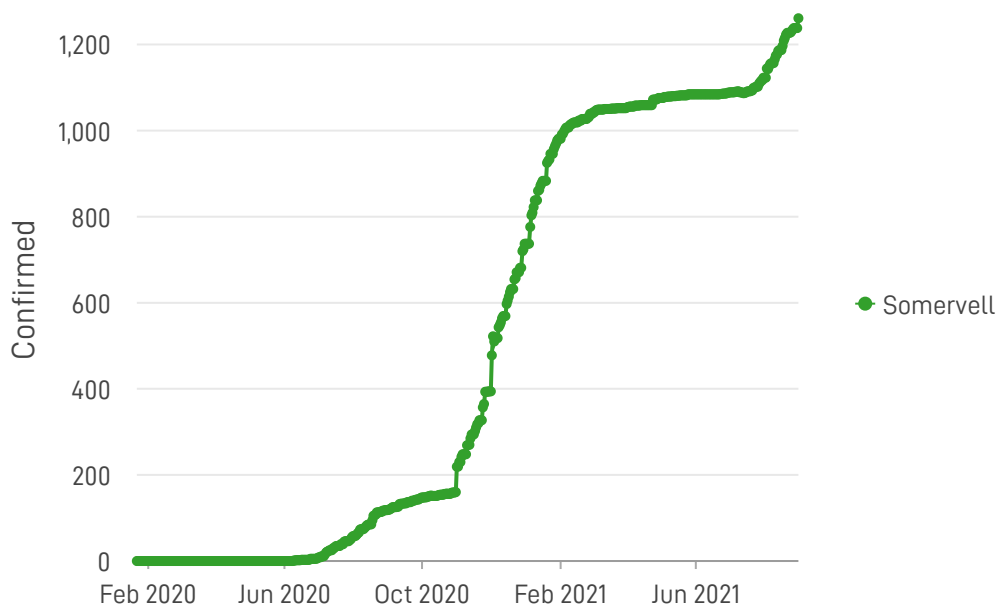
Somervell County, TX COVID-19 Data

1,405
Total Number of Cases

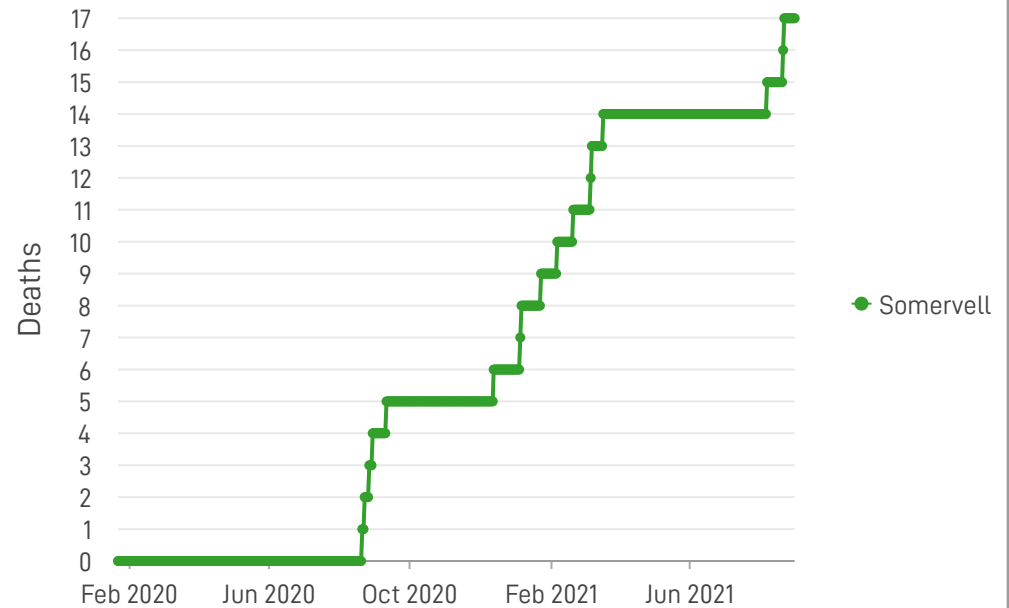
21
Total Number of Deaths

Sources: Johns Hopkins University CSSE

COVID Cases Over Time



COVID Deaths Over Time



APPENDIX II

Project Title:	Spanish Oaks Subdivision Water Main	Priority:	1
Project Description:	The project consists of the installation of 6-inch HDPE water line within an existing 10-inch waterline along Hilltop Drive and Spanish Oaks Trail. Another portion of 6-inch PVC water line will be installed along Spanish Oaks Trail by open cut installation. Additionally, an 8-inch water line will be bored across Highway 67.		
Cost Estimate:	\$550,000	Project Schedule:	24 Months
Requesting Department:	Public Works	Eligibility Category:	Water/Sewer/Broadband
Funding Justification:	The project is aligned with necessary investment in water, sewer, and broadband infrastructure. Records show numerous main breaks due to aging and failing infrastructure. Current pipe infrastructure will need to replace asbestos concrete material. The city will allocate American Rescue Plan dollars towards repairing or replacing dilapidated water lines and asbestos remediation. Per the Treasury's Final Rule, page 274 item (ii), the project is eligible under the Drinking Water State Revolving Funds for the repair or installation of transmission and distribution pipes to prevent contamination caused by leaks or breaks in the pipes, and therefore eligible for American Rescue Plan - Fiscal Recovery Funds (ARP-CLFRF).		

Project Title:	Highway 56 Distribution Improvements Hereford Street	Priority:	2
Project Description:	The project consists of the installation of 10-inch PVC water line to be installed along Highway 56 by open cut installation.		
Cost Estimate:	\$231,000	Project Schedule:	12 Months
Requesting Department:	Public Works	Eligibility Category:	Water/Sewer/Broadband
Funding Justification:	This project is aligned with necessary investment in water, sewer, and broadband infrastructure. The planned updates to the water infrastructure will increase capacity for the cities to keep up with growth. The city will allocate American Rescue Plan dollars towards repairing or replacing dilapidated sewer lines that are past useful life. Per the Treasury's Final Rule, page 276, the project is eligible under the Clean Water State Revolving Funds for repair or replacement of existing systems and therefore eligible for American Rescue Plan - Fiscal Recovery Funds (ARP-CLFRF).		

Project Title:	Texas Drive Sewer Infrastructure	Priority	3
Project Description:	Update current sewer infrastructure to provide adequate service for growing community.		
Cost Estimate:	\$405,000	Project Schedule:	24 Months
Requesting Department:	Public Works	Eligibility Category:	Water/Sewer/Broadband
Funding Justification:	The project is aligned with necessary investment in water, sewer, and broadband infrastructure. The planned updates to the sewer infrastructure will increase capacity for the cities to keep up with growth. The city will allocate American Rescue Plan dollars towards repairing or replacing dilapidated sewer lines that are past useful life. Per the Treasury's Final Rule, page 276, the project is eligible under the Clean Water State Revolving Funds for repair or replacement of existing systems and therefore eligible for American Rescue Plan - Fiscal Recovery Funds (ARP-CLFRF).		