

City of Lake City



American Rescue Plan Act (ARPA)

■ The United States Treasury issued an interim final rule May 10, 2021 geared to aid public health needs and economic situations facing the country in response to COVID-19. On January 6, 2022, the Treasury adopted a final rule which clarified certain elements of the interim rules.

With the initial CARES ACT, funding was provided to County governments as a pass-through to local governments. ARPA rules included NEU's (Non-entitlement units) for local governments (typically those serving a population of 50,000 or less).

State and Local Fiscal Recovery Funds (**SLRF**) for any projects chosen have to be **obligated** by **December 31, 2024** and all funds **must be spent** by **December 31, 2026**.

(Pages 4-5)

Eligible Uses of Funds

- 1.Public Health and Negative Economic Impact.
- 2.Premium pay to essential workers.
- 3.Providing government services for revenue loss during the pandemic
- 4.Making necessary investments in water, sewer & broadband infrastructure.





(Pages 314-354)

Ineligible Uses of Funds



1. May not be used for deposit into any pension fund, or
2. Directly or indirectly offset a reduction in net tax revenue resulting in a change in law, regulation or administration interpretation.
3. Legal settlements.
4. Outstanding debt/debt service.

A. Public Health and Negative Economic Impacts

Public Health:

Documentation for eligible uses is provided in
Coronavirus State and Local Fiscal Recovery Funds
(SLFRF) – Final Rule

Has to meet two criteria:



- Negative health impact/harm experienced by individual/class (low to moderate income that experienced unemployment, food, housing insecurity, etc.)
- Program/service must address identified harm

Eligible Uses- Public Health

1. Covid-19 mitigation & prevention (Pg 55)*
2. Medical expenses (Pg 65)
3. Behavioral health care (Pg 66)
4. Public health and safety – preventing & responding to violence (Pg 69-72)



*Designated capital expenditures can be used in response to public health (Pg 60-61).

▀ **Negative Economic Impact**

1. Assistance to households – Food assistance, emergency housing, for pressing needs, internet access, cash assistance, public benefits assistance, survivor's benefit, childcare and early learning, affordable housing, paid FMLA, etc. (Pg 72-122)

▀ **Negative Economic Impact (continued)**

Disproportionately impacted households were included for impacted communities with health disparities. Four categories of economic impact are outlined:

- Disparities in health outcomes
- Building stronger communities through housing
- Addressing education disparities
- Promoting healthy childhood environments

▀ **Negative Economic Impact (continued)**

Information is provided in pages 122-134. Of particular interest is page 134 related to costs of cleaning up abandoned properties which allows for removal of environmental hazards, demolition of buildings, cleanup of lots, conversion of property to affordable housing, etc.

2. Assistance to small business (Pg 142-170).
3. General provisions (Pg 170-219).

B. Premium Pay

Available for essential employees (public employees and private sector – Pg 222).

C. Revenue Loss

Addresses budget shortfalls (of government services) to avoid cuts in service (Pg 233-260).



D. Investments in Water, Sewer, and Broadband

The objective of use of funds provided for water, sewer and stormwater projects is to insure there is a need (such as population growth) and that the NEU (Non-entitlement unit) is cost effective in the use of funds spent. In the interim rule, projects were identified to be eligible for assistance through the Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF), administered by the Environmental Protection Agency (EPA). (Pages 260-293)

▀ **Clean Water State Revolving Fund (CWSRF)**

- To construct, improve, & repair wastewater treatment plants (Pg 276)
- Reusing, recycling wastewater, stormwater, subsurface drainage water (Pg 278)
- Storm drains and culverts as well as bioretention basins (Pg 270, 276)
- Cybersecurity (Pg 272)

Drinking Water State Revolving Fund (DWSRF)

- Build or upgrade facilities & transmission (Pg 274)
- Distribution & storage systems; including replacement of lead service lines (Pg 275)
- Includes consolidation, cybersecurity & climate change (Pg 272)



Drinking Water State Revolving Fund (DWSRF)



▀ **Expanded Eligible Uses**

- Stormwater infrastructure (Pg 281)
- Private wells/septic tanks (Pg 282)
- Remediating lead in water (Pg 283)
- Expansion of drinking water infrastructure (Pg 289)

Broadband

Implemented for those areas affected whose schools were shut down due to the pandemic to provide internet for students (Pg 294-313)

Cares Act:

Funds received 6/3/2021 → \$913,710

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Expenditures to date:

Careersource Florida Crown → \$25,000 — Summer Youth Program

Commitments in 2022 Budget:

Overlay Lake Montgomery to Alamo → \$120,000

Overlay Quail Ridge → \$110,000

Total Expenditure & Commitments: → \$255,000

Funds remaining in Contingency From Cares Act: → \$658,710

ARPA (American Recovery Plan Act):

Funds received 10/14/2021 → \$3,093,272 — First distribution

Total Cash Currently Available for Projects: → \$3,751,982

Remaining ARPA Recovery Funds To Be Collected: → \$3,093,272 — Final distribution

Sources

Department of the Treasury
“Coronavirus State and Local Fiscal Recovery
Funds. Final Rule.” *Code of Federal
Regulations*, title 31 part 35 (2021): 1-437.
<https://www.federalregister.gov/documents/2021/05/17/2021-10283/coronavirus-state-and-local-fiscal-recovery-funds>.

