



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 02/14/2022

ITEM NO: 5

DATE: February 2, 2022
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive American Rescue Plan Act and Infrastructure Investment and Jobs Act Updates

RECOMMENDATION:

Receive American Rescue Plan Act and Infrastructure Investment and Jobs Act updates.

DISCUSSION:

On January 6, 2022, the United States Department of the Treasury adopted the final rule for implementing the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program under the American Rescue Plan Act (ARPA). The final rule takes effect on April 1, 2022 and provides state and local governments with even broader flexibility to pursue a wider range of uses to respond to local public health and economic needs. In addition, the final rule provides greater simplicity so recipients can focus on responding to the needs in their communities and maximizing the impact of their funds. An overview of the final rule can be found in Attachment 1.

Prior to April 1, 2022, recipients may take actions and use funds in a manner consistent with the final rule, and Treasury will not take action to enforce the Interim final rule if a use of funds is consistent with the terms of the final rule, regardless of when the SLFRF funds were used.

Of note, the final rule offers a standard allowance for revenue loss of up to \$10 million, allowing recipients to select between a standard amount of revenue loss or continue to complete the prior revenue loss calculation. Recipients that select the standard allowance may use that amount for government services, with streamlined reporting requirements.

The rule provides that government services generally include any service traditionally provided by a government. Following are some examples provided by Treasury:

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager, Town Attorney, and Finance Director

DISCUSSION (continued):

- Construction of schools and hospitals
- Road building and maintenance, and other infrastructure
- Health services
- General government administration, staff, and administrative facilities
- Environmental remediation
- Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)

In addition, to the clarity that the final rule brings to the guidance for use of ARPA funds there have been additional Town Council allocations and changes to previous allocations. The table below provides an overview of ARPA commitments/allocations to date.

Allocations/Commitments	
Estimated ARPA Funds	\$7,229,744
Replace Lost Revenue	\$1,444,021
Economic Development	
• Parklets	\$930,000
• CUP Fee waiver	\$50,000
• ADA Fee Waiver	\$25,000
• Destination Marketing	\$55,000
• K-Rail	\$25,000
• Promenades	\$80,000
Totals	\$1,165,000
Nonprofit Assistance	
• Rent Waiver	\$341,452
• Direct Grants	\$110,000
• Enhanced Senior Services	\$500,000
Totals	\$951,452
Total Allocations	\$3,560,473
Total ARPA Funds Unallocated	\$3,669,271

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SUBJECT: ARPA and IIJA Updates

DATE: February 2, 2022

DISCUSSION (continued):

Staff will provide a verbal update on the Infrastructure Investment and Jobs Act at the meeting.

Attachments:

1. Final Rule Overview