



American Rescue Plan Funds Update

AB 5883

June 1, 2021

Agenda

- ❑ Brief Overview.
- ❑ Update as of June 2021.
- ❑ Eligible and ineligible uses.
- ❑ Questions.



ARPA Overview

- ❑ Federal economic stimulus package signed March 11, 2021.
- ❑ Of the \$1.9 trillion legislation, \$19.5 billion to small cities.
 - ❑ Separate pool of \$45.6 billion set aside for metropolitan cities (50,000+ residents).
 - ❑ \$500 million in grant funds through US Dept of Health and Human Services.
- ❑ Allocations to small cities anticipated mid-June.
- ❑ Must be used by the end of 2024.



Latest News

- ❑ “Metropolitan cities” received allocations May 10.
- ❑ Treasury modified a CDBG formula to allocate funds.
 - ❑ Resulted in a reduction of actual versus estimated allocations in several communities.



Latest News

- ❑ For small cities, Washington State Office of Financial Management will now oversee allocation and distribution to small cities.
- ❑ Release date and amounts for “Non-Entitlement Units” like Mercer Island remain unknown.



Eligible Uses

1. Investing in Water, Sewer, and Broadband.
2. Supporting public health expenditures.
3. Replacing lost public sector revenue.
4. Addressing local negative economic impacts.



Cannot Use ARPA Funds to...

- ❑ Reduce net tax revenues.
- ❑ Decrease accrued, unfunded liabilities.
- ❑ Pay down debt service or legal settlements.
- ❑ Replenish financial reserves.



Funding Priorities

- ❑ Early action items from the April 27 planning session included:
 - ❑ Parks Maintenance 'catch-up' to address backlog of work.
 - ❑ Tech improvements to accommodate in-person and online public meetings.

- ❑ Emphasis to accelerate critical infrastructure investments:
 1. Sewer utility improvements, as outlined in the City's General Sewer Plan.
 2. Potential land acquisition related to pump station management.
 3. Other projects that meet ARPA guidelines related to investments in the Storm Water and Water Utility.



Next Steps

- Confirm direction on early action items for ARPA funding:
 - Parks and Recreation “catch-up” costs.
 - Hybrid virtual and in-person public meeting technology at City Hall.
- Confirm direction to evaluate highest priority needs in Sewer, Water, and Stormwater infrastructure.
- Prepare recommendation to Council on ARPA funding later this year.



Questions & Discussion

