



American Rescue Plan

Coronavirus Local Fiscal Recover Fund

Implementation

City of Malden

Ronald Hogan

May 25, 2021

Overview

- ▶ American Rescue Plan Act (ARPA) signed into law by President Biden March 11, 2021
- ▶ Section 603 established the Coronavirus Local Fiscal Recovery Fund
- ▶ Unlike CARES act where we were a subrecipient, with ARPA we are a prime recipient and directly responsible to US Treasury
- ▶ City Council would accept the grant as called for under Chapter 44, Section 53A
- ▶ No pre-approval is required from US Treasury for spending; we are responsible for spending being appropriate and related to COVID; spending not in compliance will be subject to repayment
- ▶ Documentation is key. Identify the impact, connection to COVID, what the proposed spending will address
- ▶ Emphasis on the disproportionate impact on certain sectors and populations; focus on equity
- ▶ Covered period ends Dec. 2024; obligated by then, spending must occur by end of 2026

City of Malden Summary

- ▶ Funding to be Received: \$46.76 million
 - ▶ Allocation based upon CDBG Entitlement \$35.04
 - ▶ Allocation of Middlesex County funding \$11.72
- ▶ Receipt of \$23.35 million within 60 day of bill signage March 11, 2021
 - ▶ Second half payment due 12 months later
- ▶ Commonwealth of Mass receiving \$5.3 billion in one lump sum
 - ▶ Available for local support and programs



Eligible Uses

Responding to or mitigate the public health emergency with respect to the COVID-19 emergency or its negative economic impacts;

Providing government services to the extent of the reduction in revenue;

Make necessary investments in water, sewer, or broadband infrastructure; and

Responding to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.

Note the act specifically calls out that depositing funds into any pension fund and tax reductions are not allowable uses of the funds.



Interim Final Rule

Published by US Treasury to provide guidance on administering the funds provided under the act

Provides a non-exclusive list of programs and services that can be funded as responding to COVID-19 or the negative economic impacts

Emphasizes a plan that promotes a strong, inclusive and equitable economic recovery

Transparency, accountability and community engagement are key elements



American Rescue Plan Implementation

Break down funding into 10 sub-categories

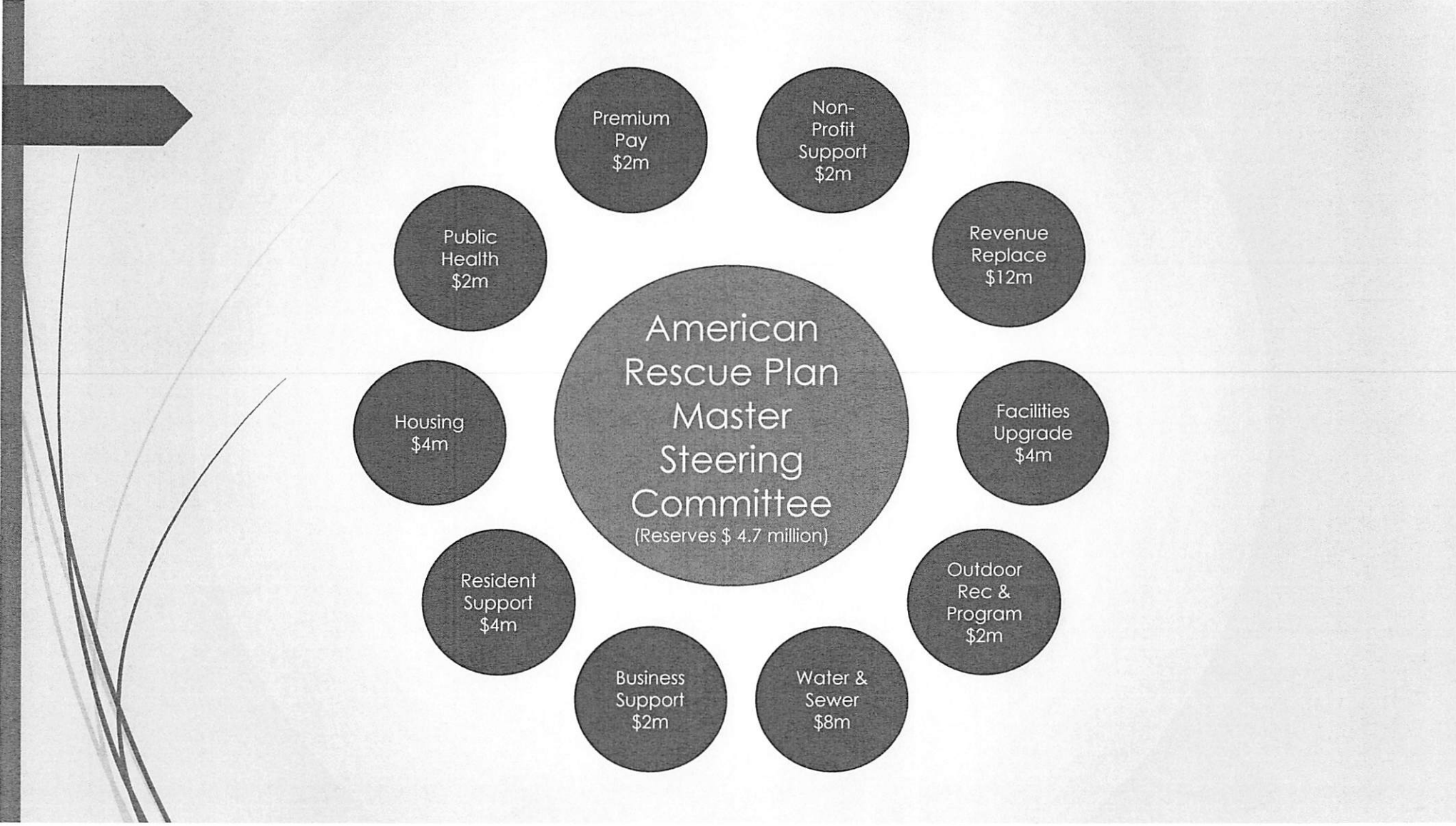
- 1) Public Health
- 2) Housing
- 3) Household Support
- 4) Business Support
- 5) Water Infrastructure
- 6) Premium Pay
- 7) Non-Profit Support
- 8) Revenue Replacement
- 9) Facilities Upgrades
- 10) Public Parks and Rec

3 Member Balanced Steering Committees

- ✓ City Councillor
- ✓ City Staff with expertise
- ✓ Resident/Community member

Oversight by Master Steering Committee

- Provide guidance, oversight and approval to minimize compliance risk
 - Compliance and reporting to US Treasury
- Collaborate with other communities to share ideas and best practices
- Communicate with residents through dedicated portal



Premium Pay
\$2m

Non-Profit Support
\$2m

Revenue Replace
\$12m

Public Health
\$2m

American
Rescue Plan
Master
Steering
Committee
(Reserves \$ 4.7 million)

Facilities Upgrade
\$4m

Housing
\$4m

Outdoor Rec & Program
\$2m

Resident Support
\$4m

Business Support
\$2m

Water & Sewer
\$8m



Master Steering Committee

Headed up by Mayor and City Council President

Oversight for all reporting, compliance and communication

Reviews requests for additional funding or reallocation of funding from one target area to another

Stays up to date on continuing guidance, US Treasury regulations and changes

Collaborates with other communities on ideas, implementation and best practices

Steering Committees

Category	Initial Budget	City Council	City Staff	Community
Public Health	\$2,000,000		Christopher Webb	
Housing	\$4,000,000		Deborah Burke	
Household Support	\$4,000,000		Maria Luise	
Business Support	\$2,000,000		Kevin Duffy	
Water, Sewer, Broadband	\$8,000,000		Yem Lip	
Premium Pay	\$2,000,000		Dan Grover	
Non-Profit Support	\$2,000,000		Bybiose Larochelle	
Revenue Replacement	\$12,000,000		Charles Ranaghan	
Facilities Upgrades	\$4,000,000		Eric Rubin	
Outdoor Rec. and Programming	\$2,000,000		Joseph Levine	

Steering Committee Roles

Understand	Understand the law and underlying regulations as they apply to the subcategory being administered by the steering committee
Identify	Identify and become well versed in other complementary funding sources (Federal/State/Local)
Design	Design programs and support; focus on leveraging ARPA funds with other programs and provide comprehensive solutions responding to COVID-19
Document	Document programs proposed and the tie in to COVID-19 to mitigate compliance risk
Engage	Engage additional internal and external resources as needed to execute on the concepts proposed for programs responsive to COVID-19



Example of Comprehensive Approach

Subtopic: Housing

GOOD

Well designed program to provide direct support to Malden residents who are in need of direct assistance for mortgage and rent assistance

BETTER

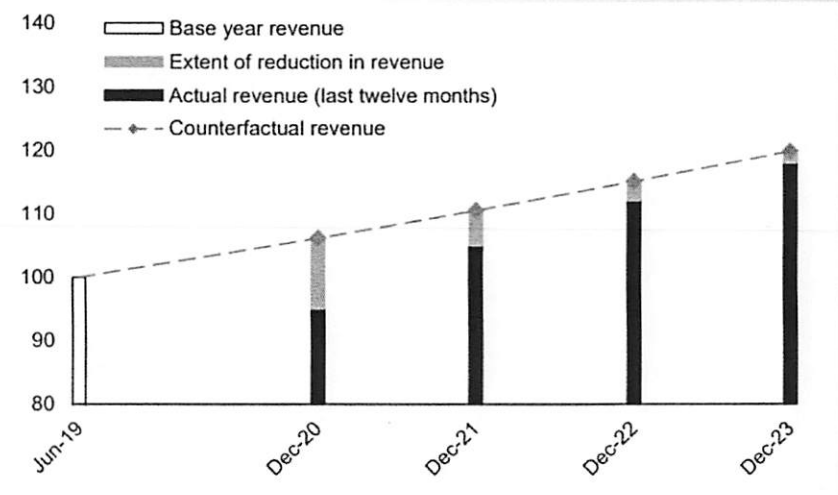
Integrated local support program that leverages ARPA and State funding designed specifically for mortgage and rent assistance with local ARPA dollars focused on long term affordable housing solutions

BEST

A multi-pronged solution that integrates federal and state resources for direct assistance, while combining ARPA funding with Community Preservation funding to target long term affordable housing solutions for both renters and future homeowners

Revenue Replacement

- Guidelines use 2019 as a 'baseline' for measurement of 'lost revenue'
- Ensuing calendar year lost revenue measured on a gross basis
 - Act provides definition of 'general revenue from own sources'
 - Measure actual revenue to a counterfactual trend representing what could have been expected absent the pandemic
 - Reductions in revenue are presumed to be COVID related
 - 4.1% growth factor used for measurement purposes to measure at four different points
- Funding must be used for provision of government services
- No debt service, pension funding, settlements may be paid for from revenue replacement funds



As of:	12/31/2020	12/31/2021	12/31/2022	12/31/2023
<i>n</i> (months elapsed)	18	30	42	54
<i>Counterfactual revenue:</i>	106.2	110.6	115.1	119.8



Wrap Up

- This is a Journey....we will learn more as this progresses and amend our approach appropriately
- We will need to stay ever mindful of not creating permanent expense structures that can't be maintained once funding sources are gone
- Community involvement, communication and documentation are KEY
- Tremendous opportunity that will be best maximized by out of the box thinking that leverages these funds to pull in additional funding sources and provides for truly multi faceted approaches to the challenges in the community as a result of COVID



Sources for Additional Information

NARC Analysis

- ▶ <https://narc.org/wp-content/uploads/2021/03/American-Rescue-Plan-Summary-1.pdf>

Interim Final Rule US Treasury

- ▶ <https://public-inspection.federalregister.gov/2021-10283.pdf>

Mass Municipal Association Webinar

- ▶ <https://www.mma.org/mma-hosts-nlc-state-officials-to-explain-treasurys-arpa-guidance/>