



Agenda

Greenville City Council Workshop

March 28, 2022

6:00 PM

City Hall Conference Room 337, 200 West 5th Street

Assistive listening devices are available upon request for meetings held in the Council Chambers. If an interpreter is needed for deaf or hearing impaired citizens, please call 252-329-4422 (voice) or 252-329-4060 (TDD) no later than two business days prior to the meeting.

- I. Call Meeting To Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. New Business**
 - 1. American Rescue Plan Act (ARPA) Funding
- V. Adjournment**



City of Greenville, North Carolina

Meeting Date: 03/28/2022

<u>Title of Item:</u>	American Rescue Plan Act (ARPA) Funding
<u>Explanation:</u>	On March 14, 2022, City staff provided an update on the Final Rule for the State and Local Fiscal Recovery Funds (SLFRF) Program of the American Rescue Plan Act (ARPA). Staff also provided a detailed list of capital projects from the City's 5-Year Capital Improvement Plan, segmented by each project's ARPA eligibility within an eligible use category.
<u>Fiscal Note:</u>	No fiscal impact
<u>Recommendation:</u>	Review the eligible uses of ARPA funds and provide direction on the allocation of funds to eligible use categories and possible projects to be considered.

ATTACHMENTS

 [ARPA Funding Guidance Update Presentation.pdf](#)

American Rescue Plan Funding Guidance Update

American Rescue Plan Act Update

- Final Rule issued January 2022
- Eligible Use Categories Remained the Same
- Updated Information with the Allowable Uses
- City's Funding Allocation Remain Unchanged
- City Funded Approx. \$300,000 in Premium Pay - January 2022

Final Rule Issued

- Final Rule takes effect on April 1, 2022
- Interim Final Rule remains in effect until April 1, 2022
- Funds consistent with the Interim Final Rule used prior to April 1 are considered compliant with the program
- Treasury will not enforce Interim Final Rule

Eligible Use Categories

- Cover COVID-19 public health expenditures
- Address negative economic impacts from COVID-19
- Replace lost public sector revenue
- Provide premium pay for essential workers
- Invest in water, sewer, stormwater, & broadband infrastructure

Disallowable Uses

- Cannot Use Funds to Offset A Property Tax Reduction
- Cannot Use Funds to Deposit into Pension Fund
- Debt Service
- Legal Settlements or judgements
- Deposits to rainy day funds or other financial reserves
- General infrastructure spending
 - (Lost revenue portion can be used for these)

Support Public Health - Interim Rule

Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff

- Services and programs to contain and mitigate the spread of COVID-19
- Services to address behavioral healthcare needs exacerbated by the pandemic

Support Public Health - Final Rule

Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff

- Services and programs to contain and mitigate the spread of COVID-19
- Services to address behavioral healthcare needs exacerbated by the pandemic

***No Applicable Changes to this category in the Final Rule**

Negative Economic Impact – Interim Rule

Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector

- Delivering assistance to workers and families
- Supporting small businesses
- Speeding the recovery of the tourism, travel, and hospitality sectors
- Rebuilding public sector capacity, i.e. re-employment of City workers

Negative Economic Impact (cont.)

Qualified Census Tract

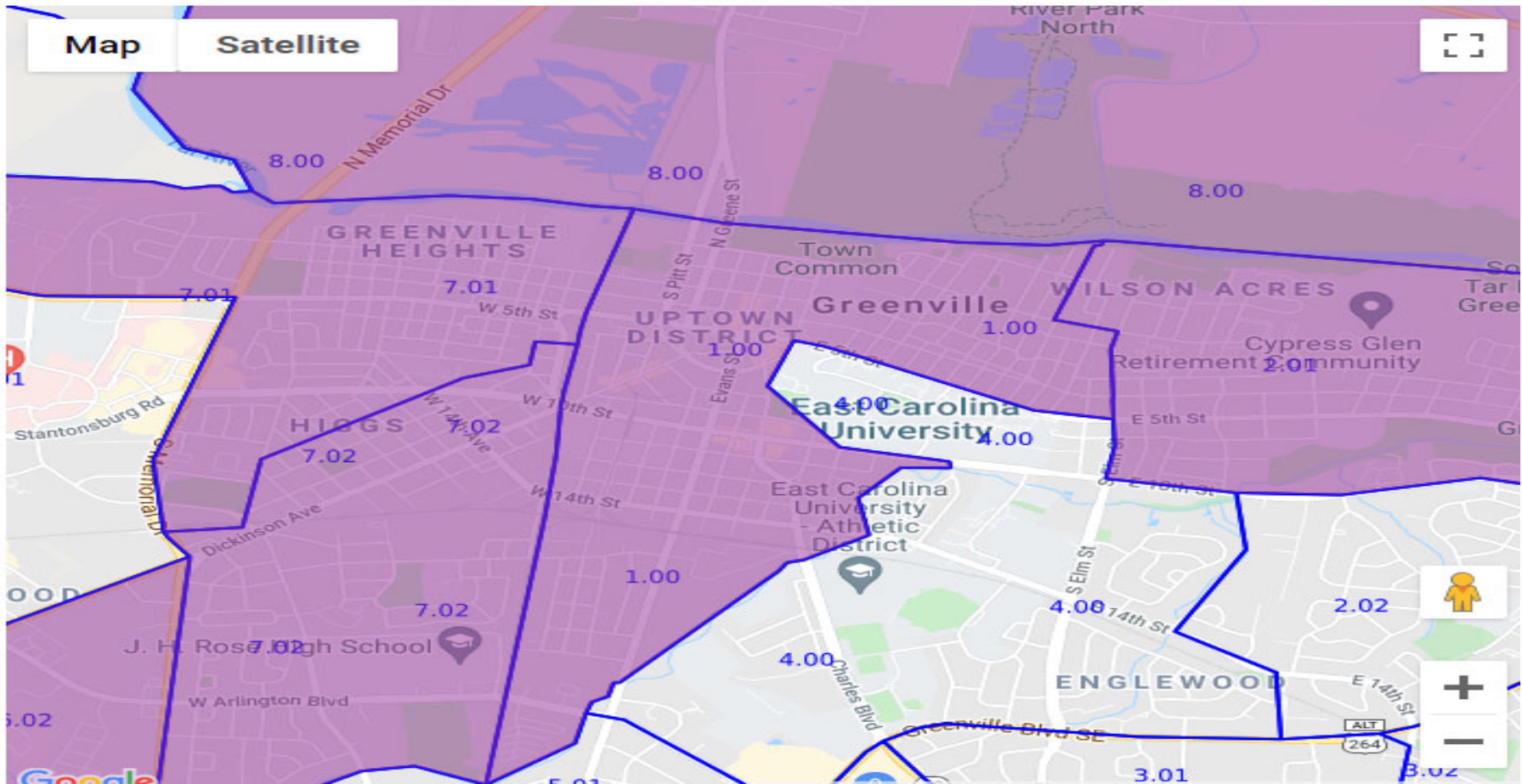
- Any Census tract which is designated by the Secretary of Housing and Urban Development as having 50 percent or more of the households at an income level which is less than 60 percent of the Area Gross Median Income
- In Pitt County/Greenville Metro Area, Tracts **1.00**, **2.01**, **6.02**, **7.01**, **7.02**, **8.00**, and **20.01** are categorized as Qualified Census Tracts

Qualified Census Tracts



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Qualified Census Tracts



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Negative Economic Impact (cont.)

Qualified Census Tract

Allows for a broader range of services and programs that are considered to be in response to the public health emergency when provided in these communities

- Addressing health disparities and the social determinants of health
- Investments in housing and neighborhoods
- Addressing educational disparities
- Promoting healthy childhood environments

Negative Economic Impact – Interim Rule

Qualified Census Tract

- Services designed to build stronger neighborhoods and communities and to address health disparities and the social determinants of health.
- Examples include parks, public plazas, and other public outdoor recreation spaces
 - promoting healthier living environments and outdoor recreation and socialization to mitigate the spread of COVID-19

Negative Economic Impact – Final Rule

Qualified Census Tract

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- Examples include parks, public plazas, and other public outdoor recreation spaces
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***This Guidance Does Not Change under the Final Rule**

Negative Economic Impact – Interim Rule

- **Assistance to Households**

- Re-employment and job training
- Rent, mortgage, and utility assistance

- **Assistance to Small Businesses**

- Ability to issue loans or grants to mitigate financial hardship
- Provide technical assistance, counseling, or other support to affected businesses

Negative Economic Impact – Final Rule

- **Assistance to Households**

- Affordable housing development & permanent supportive housing
- Improvements to vacant and abandoned property within Qualified Census Tracts

- **Assistance to Small Businesses Within QCT**

- Rehabilitation of commercial properties, storefront and façade improvements
- Provide business incubators & grants for start-ups or expansions
- Provide support for microbusinesses (e.g. childcare or transportation services)

Replacing Lost Revenue – Interim Rule

Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic

- Based on formula provided by the American Rescue Plan Guidance (3-Year Average Growth compared to Previous Year's Actual Growth)
- broad latitude to use this funding to support government services, up to this amount of lost revenue
- Calculation would provide approximately \$700,000 to use as revenue replacement

Replacing Lost Revenue – Final Rule

- **Allows for up to \$10 Million of total allocation to be used as revenue replacement instead of average growth formula**
- **Still allows broad latitude to use this funding to support government services, up to this amount of lost revenue such as:**

Replacing Lost Revenue – Final Rule

- **Allows for up to \$10 Million of total allocation to be used as revenue replacement instead of average growth formula**
- **Still allows broad latitude to use this funding to support government services, up to this amount of lost revenue such as:**
 - **Street reconstructions or rehabilitations**
 - **Non-Federal match requirements (e.g. BUILD Grant match)**
 - **Any General Fund service or provision (payroll, operations, etc.)**
 - **Any capital project listed in the Capital Improvement Plan**

Premium Pay – Interim Rule

- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors
 - essential workers who must be physically present at their jobs
 - prioritize premium pay for lower income workers
 - Increase in total pay above 150% of the State or County average annual wage requires specific justification

Premium Pay – Final Rule

- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors
 - essential workers who must be physically present at their jobs
 - prioritize premium pay for lower income workers
 - Increase in total pay above 150% of the State or County average annual wage requires specific justification
- **No Applicable Changes to this Category in the Final Rule**
- **Allocation for premium pay in January is compliant**

Water, Sewer, Broadband Infrastructure – Interim Rule

- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.
 - Projects must meet eligibility criteria for Environmental Protection Agency’s Clean Water State Revolving Fund and Drinking Water State Revolving Fund
 - Broadband projects should deliver services offering reliable 100 Mbps download and 100 Mbps upload speeds (Should also Prioritize Fiber Optic Technology)

Water, Sewer, Broadband Infrastructure – Final Rule

- **Expands the provision of stormwater infrastructure projects**
- **Includes culvert repair, resizing and removal, and replacement of storm sewers**
- **Any stormwater project listed in Capital Improvement Plan is compliant, such as:**

Water, Sewer, Broadband Infrastructure – Final Rule

- **Expands the provision of stormwater infrastructure projects**
- **Includes culvert repair, resizing and removal, and replacement of storm sewers**
- **Any stormwater project listed in Capital Improvement Plan is compliant, such as:**
 - **Public Works Drainage Pipe Replacement**
 - **Swift Creek Stormwater Improvements**
 - **Green Mill Run Improvements**

Reporting Requirements – Interim Rule

- **City still required to submit quarterly and annual reports**
- **Funds will still be subject to single audit requirements**

Reporting Requirements – Final Rule

- **City still required to submit quarterly and annual reports**
- **Funds will still be subject to single audit requirements**
- **Written justification must be provided for any capital expenditures over \$1 million**

Summary



Revenue Replacement - Unrestricted



Allowable Use - Restricted

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\$24.7 Million



Revenue Replacement - Unrestricted



Allowable Use - Restricted

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\$24.7 Million

\$10 Million

\$14.7 Million



Revenue Replacement - Unrestricted



Allowable Use - Restricted

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Examples

- General Infrastructure
- Any proposed CIP Plan Project
- General Fund Personnel or Operating Expenses

- Stormwater Infrastructure (e.g. Drainage Pipe Replacement)
- Façade Improvements (QCT)
- Abandoned/Vacant Property Improvements (QCT)



Revenue Replacement - Unrestricted



Allowable Use - Restricted

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Project Timelines

Multi-Million Dollar Project Time Requirements:

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Multi-Million Dollar Project Time Requirements:

- Design/Permitting **(12 – 18 Months)**
- Project Advertisement/Notice to Proceed **(6 Months)**
- Construction **(12 – 18 Months)**

December 2024 – All Funded Projects to be encumbered

December 2026 – All Funded Projects to be completed and ARPA funding to be exhausted

Project Timelines

Multi-Million Dollar Project Time Requirements:

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Total 36 – 48 Months to Complete!!

***Timelines can be Affected by Rising Costs and Contractor Availability**

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Next Steps

- **March 28, 2022** – Council ARPA Workshop to discuss updated project list based on Final Rule
- **Summer 2022** – ARPA Funding Plan to be created based on ARPA Workshop feedback and presented to Council
- **Fall 2022** – ARPA Funding Plan to be implemented by staff
- **December 2024** – All Funded Projects to be encumbered
- **December 2026** – All Funded Projects to be completed and ARPA funding to be exhausted

Questions

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