

Overview of ARPA Funds to City Commission

Contents

Summary Approach for December 6th Meeting2

Background3

Overview of ARPA Funds awarded to the City of Gainesville as of 11/22/2021.....4

Action Plan for Funds Allocated but Not Spent Yet.....9

 Not for Profit Grants (\$7,000,000) 9

 Utilities Debt Forgiveness (\$250,000) 11

 Energy Rehabilitation (\$1,900,000) 12

 Eviction Assistance (\$1,000,000)..... 12

Action Plan for Remaining Funds Yet to be Allocated (\$22,258,804) 13

Compliance and Reporting 14

Other Considerations 14

Appendices Attached:

Appendix A: List of projects presented on 10/19/21 to City Commission as proposed by Charter Officers

Appendix B: Comprehensive Matrix of ARPA Project Proposals

Appendix C: Equity COVID Budget Toolkit Report

Summary Approach for December 6th Meeting

The purpose of this overview is to provide the City Commission with a summary of American Rescue Plan Act (ARPA) funds awarded to the City of Gainesville, as well as a status update on the project proposals submitted by City Commissioners and community nonprofits for use of ARPA funds. In June 2021, the City Commission approved the acceptance of \$32,408,804 from the Treasury. To date, the City Commission has approved four projects for a total allocation of \$10,150,000. **Therefore, the remaining balance of ARPA funds yet to be allocated is \$22,258,804.**

This memo aims to guide further discussion and decision-making regarding remaining ARPA fund allocations at the December 6, 2021 special meeting of the City Commission. To ensure a successful and productive meeting, staff has outlined below a suggested path for the December 6, 2021 meeting discussion:

- A. Review the seven ARPA Expenditure Categories approved by the Treasury:
 1. Public Health
 2. Negative Economic Impacts
 3. Services to Disproportionately Impacted Communities
 4. Premium Pay
 5. Infrastructure
 6. Revenue Replacement
 7. Administrative
- B. Identify a spend limit (fund ceiling) for each ARPA Expenditure Category/bucket.
- C. Direction to proceed with release of RFQ for assistance with process around not-for-profit allocation
- D. Direction for staff to proceed with RFQ to secure an ARPA general consultant
- E. Rank projects within ARPA Expenditure Categories to help staff to prioritize.

It is important that the City Commission keep in mind that some projects proposed for ARPA funding may require additional sources of reoccurring funding in order to remain operational and sustained over time. ARPA funding is time limited. All funds must be fully obligated by December 31, 2024 and fully expended by December 31, 2026.

Background

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). The program is operated by the US Department of Treasury. It is intended to provide support to State, Local, Tribal and Territorial Governments in responding to the economic and public health impacts of COVID-19 in their efforts to rebound and rebuild the local economy, and contain impacts on their communities, residents, and businesses.

On May 10, 2021, the Treasury released the Interim Final Rule providing general guidelines on the allowable uses of ARPA funds. As was anticipated, the guidelines emphasize that funds are intended to address negative impacts of the pandemic on disproportionately affected communities and populations, as well as to respond to the negative economic impacts created or exacerbated by the pandemic. The Interim Final Rule also specifies that ARPA funds allocated to each local government must be spent in certain categories and generally fit into one of the following four statutory categories:

1. To respond to the COVID-19 public health emergency or its negative economic impacts;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to such eligible workers of the recipient, or by providing grants to eligible employers that have eligible workers who performed essential work;
3. For the provision of government services, to the extent of the reduction in revenue of such recipient due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency; and
4. To make necessary investments in water, sewer, or broadband infrastructure.

These statutory categories are divided into seven ARPA Expenditure Categories.

1. Public Health
2. Negative Economic Impacts
3. Services to Disproportionately Impacted Communities
4. Premium Pay
5. Infrastructure
6. Revenue Replacement
7. Administrative

The Treasury requires that all ARPA funds be used in compliance with these aforementioned rules. As such, the City of Gainesville will be required to categorize project expenditures per the seven summary expenditure categories mentioned above, as well as provide quarterly reports on those expenditures. These seven summary expenditure categories will henceforth be used to guide discussions around ARPA project proposals and allocations with the City Commission.

Unlike the Coronavirus Relief Funds, the CSLFRF/ARPA requires local governments to competitively select any organizations that will administer programs using Federal guidelines for grants. Guidelines also specify that ARPA funds must be fully obligated by December 31, 2024 and fully expended by December 31, 2026.

For purposes of this overview, we will refer to the funds received by the City of Gainesville as **ARPA Funds**. The funds were accepted from the Treasury in June 2021, and authorized by the City Commission on June 17, 2021.

By strategically targeting ARPA funds, the City of Gainesville has opportunity to invest in economic development that will help reduce income inequality, support economic opportunity and mobility, and build a more resilient community in the long term. Further, ARPA funding positions the City to help families hardest impacted by the pandemic recover and build; support community-based solutions to reduce violence and promote safer neighborhoods; create workforce training opportunities to accelerate re-employment; and support infrastructure projects to ensure our long-term environmental health and wellbeing.

ARPA funds were allocated to the City of Gainesville based on population (133,068) using 2019 data from the U.S. Census Bureau. The City of Gainesville received a partial payment of \$16,204,402 from the Treasury on September 23, 2021. Staff will continue to monitor communication from the Treasury regarding the release of the City’s remaining balance of \$16,204,402.

Overview of ARPA Funds awarded to the City of Gainesville as of 11/22/2021

| COVID RELATED FEDERAL FUNDING AS OF 11/19/21 | | | | |
|--|--------------|---------------------------------|-----------------|--|
| Funding | Award Amount | Date City Commission Authorized | Amount Received | Additional Info |
| ARPA - HOME | \$1,968,639 | 11/18/2021 | \$0 | Treasury requires a planning process with community input for decisions around spending HOME funds. Therefore, the City Dept. of Housing and Community Development is putting together a plan for citizen engagement to fulfill the remaining requirements for these funds. The plan and funding recommendations are to be reviewed and approved by City Commission and forwarded to HUD for approval. Categories of use include: Production or preservation of affordable housing; tenant based rental assistance; supportive services/homeless prevention services; housing counseling. These funds will be disbursed to the City via a draw process by which the City indicates specific uses for the funds to the Treasury, and disbursement is made by the Treasury per those projects. |
| ARPA | \$32,408,804 | 9/23/2021 | \$16,204,402 | Funds to be used for projects approved by City Commission on 10/19 and any subsequent approvals. The Treasury awarded funds up front and therefore receipts, transparent tracking and quarterly reporting of expenditures is critical. |

| | | | | |
|---------------|--------------|----------|-----|---|
| ARPA – RTS | \$14,481,737 | 3/4/2021 | \$0 | Funds used to cover operating expenses related to day-to-day operations, cleaning and sanitation of RTS vehicles. These funds will be disbursed to the City via a draw process by which the City indicates specific uses for the funds to the Treasury and disbursement is made by the Treasury per those projects. |
|---------------|--------------|----------|-----|---|

Regarding the \$32,408,804 ARPA funds awarded to General Government, the following table shows the projects and funding amounts proposed to the City Commission as of 10/19/2021. Thus far the City Commission has approved four projects for funding:

- Not for Profit Grants
- Utility Debt Forgiveness
- Energy Rehabilitation
- Eviction Assistance

These approved projects are highlighted in yellow in the table below. Additional projects (those not highlighted) are proposals that were submitted by City Commissioners and City staff and are still under deliberation by the City Commission. The project list presented the City Commission on 10/19, as well as a more comprehensive matrix of all ARPA project proposals is included in Appendix B. An abridged version of that comprehensive matrix is displayed here, highlighting the ARPA categories each project aligns with, the funds requested, an indication of approval by the City Commission, and whether a competitive bid process has been / will be initiated / if the work is expected to be performed internally by City staff, whether reoccurring funds are anticipated and the alignment of the Strategic Plan Goal.

Of the \$32,408,804 ARPA funds awarded to General Government, the four projects approved by the City Commission on 10/19/2021 require a total amount of \$10,150,000. **Therefore, the remaining balance of ARPA funds yet to be allocated is \$22,258,804.**

| Proposed Projects Submitted by Commissioners for Use of ARPA Funds Projects Approved as of 10/19/2021 are highlighted | | | | | |
|--|--|-----------------------------|--|--------------------------------------|--|
| ARPA Expenditure Categories: | Project | Amount | Expected to use competitive bid process for implementation | Reoccurring funds needed beyond ARPA | Alignment with City Strategic Plan Goals |
| 1. Public Health | | | | | |
| | Eastside Medical Center/Campus; Research | \$2,250,000 to \$15,000,000 | Yes | | Goal 1 |
| | City Frontline Worker Support | \$1,000,000 | No | | Goal 5 |
| | Language Access | \$1,000,000 | Yes | | Goal 1 |
| | Mental Health Vouchers | \$500,000 | More Info Required | | Goal 1 |

| | | | | | |
|--|--|---|---|---|---|
| | Payments for Vaccination | \$100,000 | No | | TBD |
| | | Total = \$4,850,000 to \$17,600,000 | | | |
| | | | | | |
| ARPA Expenditure Categories: 2. Negative Economic Impacts | Project | Amount | Expected to use competitive bid process for implementation | Reoccurring funds needed beyond ARPA | Alignment with City Strategic Plan Goals |
| | Eastside Food Facility/Grocery | \$3,300,000 | Yes | | Goal 1 |
| | Eastside Mobility Hub | \$2,000,000 to \$2,500,000 | More Info Required | | Goal 1 & 3 |
| | Utility Debt Forgiveness | \$250,000 APPROVED (10/19) | More Info Required/ Under Review | | Goals 1 |
| | Apprenticeship, outreach and recruitment GFR | \$150,000 | More Info Required | | Goal 5 |
| | Eviction Assistance | \$1,000,000 APPROVED (10/19) | Under Review | | Goals 1 & 3 |
| | National Center for Arts and Technology, Manchester Bidwell Job Training Day | \$2,500,000 | More Info Required | | Goal 4 |
| | Cultural Arts Center/ Fire Station 1 Refurbishment | \$2,100,000 to \$2,500,000 | Yes | | Goals 3 & 4 |
| | Youth Job Corps | \$500,000 | More Info Required | | Goal 4 |
| | Aid to Non-Profit Agencies | \$7,000,000 APPROVED (10/19) | Yes | | Goals 1 - 4 |
| | | Total = \$ 18,800,000 to \$ 19,700,000 | | | |
| | | | | | |
| ARPA Expenditure Categories: 3. Services to Disproportionately Impacted Communities | Project | Amount | Expected to use competitive bid process for implementation | Reoccurring funds needed beyond ARPA | Alignment with City Strategic Plan Goals |

| | | | | | |
|--|--|--|---|---|---|
| | Community Land Trust | \$1,000,000 to \$4,000,000 | Yes | | Goal 3 |
| | CRP Program Expansion | \$600,000 to \$3,000,000 | In-house | | Goal 1 & 3 |
| | Energy Rehab of Low/Moderate Income Homes | \$1,900,000 APPROVED (10/19) | More Info Required | | Goals 1 & 3 |
| | Housing the unhoused/ GRACE Street Outreach Team | \$1,500,000 to \$2,000,000 | In-house | | Goal 3 |
| | Vision Zero Capital Implementation | \$2,000,000 to \$2,500,000 | More Info Required | | Goal 3 |
| | BOLD & HEROES Programming | \$50,000-\$100,000 | In-house | | Goal 3 |
| | Housing Developer Subsidy | \$2,000,000 | More Info Required | | Goal 3 |
| | Total = \$9,050,000 to \$15,500,000 | | | | |
| ARPA Expenditure Categories: | Project | Amount | Expected to use competitive bid process for implementation | Reoccurring funds needed beyond ARPA | Alignment with City Strategic Plan Goals |
| 4. Premium Pay* | | | | | |
| | City Worker Support (Essential / Lowest Paid) | \$916,000 to \$1,000,000 | No | | Goal 5 |
| | Total = \$916,000 to \$1,000,000 | | | | |
| <p>*Premium Pay is an allowable expenditure category for ARPA funds only for “eligible workers” as defined by the Treasury. These are frontline workers performing essential work during the COVID–19 public health emergency. The Treasury specifies eligibility for Premium Pay in Section II (B) of the Interim Final Rule. The City must adhere to this definition when determining which City employees may receive Premium Pay benefits. Being among the City’s lowest paid employees alone is not sufficient criteria for an individual to receive Premium Pay via ARPA funds.</p> | | | | | |
| ARPA Expenditure Categories: | Project | Amount | Expected to use competitive bid process for implementation | Reoccurring funds needed beyond ARPA | Alignment with City Strategic Plan Goals |
| 5. Infrastructure | | | | | |
| | Broadband | \$900,000 to \$15,000,000 | More Info Required | | Goal 4 |
| | Total = \$900,000 to \$15,000,000 | | | | |

| ARPA Expenditure Categories: | Fund | 2020 | 2021 | 2022 | |
|---|---|--------|--|--------------------------------------|--|
| 6. Revenue Replacement | | | | | |
| <p><i>Revenue replacement is an approved expenditure category. The guidance permits cities to use ARPA funds to make up our estimated revenue shortfall from the prior year before the pandemic started. The formula includes estimate revenue amounts against actual revenues from 2020, 2021, 2022, 2023. At this time, staff are calculating the revenue loss/ replacement amount. Once that calculation has been completed, the City can allocate those funds in a much more flexible capacity to support government services. Once this number is solidified, we will let the Commission know.</i></p> | | | | | |
| ARPA Expenditure Categories: | Project | Amount | Expected to use competitive bid process for implementation | Reoccurring funds needed beyond ARPA | Alignment with City Strategic Plan Goals |
| 7. Administrative and Other | | | | | |
| | NonProfit Admin Fee | 2-10% | Yes | | TBD |
| | Consultant Admin Fee for Remaining Projects | TBD | Yes | | TBD |
| | Total = \$ | | | | |
| No ARPA Alignment | Project | Amount | Expected to use competitive bid process for implementation | Reoccurring funds needed beyond ARPA | Alignment with City Strategic Plan Goals |
| | Participatory Budgeting | | | | Goal 1 |
| Under Review | SW 1st Ave Pedestrian Street (Streatery) | | | | Goal 3 |
| | Citizen's Field Upgrades | | | | Goal 3 |
| | Climate Action Plan Fund | | | | Goal 2 |
| | Glen Springs Purchase | | | | Goal 3 |
| | Infinity Loop | | | | Goal 3 |
| | Scholarships, Recruitment | | | | Goal 5 |

| | Programs and Job Training | | | | |
|--|--|---------------|---|---|---|
| | SW Gainesville Park | | | | Goal 3 |
| | Total = \$ | | | | |
| Additional Ideas for use of ARPA Funds | | | | | |
| ARPA Expenditure Categories: | Idea | Amount | Expected to use competitive bid process for implementation | Reoccurring funds needed beyond ARPA | Alignment with City Strategic Plan Goals |
| Housing can be found in both 2. Negative Impacts and 3. Services to Disproportionately Impacted Communities | Holistic Housing Approach Created by Staff after Commission commits ceiling amount | TBD | More Info Required | | Goal 3 |
| 3. Services to Disproportionately Impacted Communities | One Community/ Gun Violence Initiative | TBD | More Info Required | | Goal 3 |
| 5. Infrastructure | Septic to Sewer*** | TBD | More Info Required | | Goal 2 & 5 |
| Staff will add additional ideas submitted as they are ready for review. | | | | | |
| | Total = \$ | | | | |
| *** Septic to Sewer Project was proposed by staff for use of ARPA funds, as this project aligns with the Infrastructure Expense Category approved by the Treasury. The City Commission may wish to consider that the City already operates the Connect Free program which is funded by surcharges from GRU but are held and managed by the City Manager. The Connect Free program may provide an easy to implement option for meeting this Sewer to Septic project without requiring the creation of a new program. | | | | | |

Action Plan for Funds Allocated but Not Spent Yet

Not for Profit Grants (\$7,000,000)

APRA Categorization: Negative Economic Impacts
City Strategic Plan Alignment: Goals 1 - 4

On October 19, 2021, the City Commission approved the allocation of \$7,000,000 of ARPA funds to assist our local non-profit organizations to offer services to address the negative impacts of COVID 19. While funds have been allocated, no funds have been expended.

Proceeding this allocation of funds, on May 13, 2021, the City Commission directed the Office of Equity and Inclusion (OEI) to develop an Equity COVID Budget Tool to assist with the equitable spending of

ARPA funds awarded to the City. On May 27, 2021, the Commission reviewed and adopted the Equity COVID Budget tool and assigned the timeline for implementation.

The initial intention by the City was to have City Commissioners submit proposals for projects they wish to support via ARPA funds. The Equity COVID Budget Toolkit was intended to be the tool used to evaluate individual Commissioners' proposals and assist with funding discussions and decision making amongst the City Commission as a body. Based upon the public discussion of the process, non-profit organizations, in addition to the Commissioners, submitted proposals to OEI.

Next, in order to maximize engagement and to gather ideas, OEI held four engagement sessions between June 28-30 to allow the public to comment on proposals from non-profit organizations and for the public to offer new ideas that may have been missed. The Office of Communications and Engagement assisted with promoting these engagement sessions via the City's social media accounts, GNVnews, Video News Release, press release, direct outreach to groups to distribute flyers and information on the program (i.e. school board, chamber, churches, neighborhood groups, CareerSource) and radio ads such as PRAIZE and 98 JAMZ.

As of November 23, 2021, a total of 77 proposals have been submitted to OEI. 61 proposals were submitted by Commissioners and 16 proposals were submitted by community nonprofits.

A total of 69 proposals (including Commissioner and non-profit proposals) were submitted by the deadline of June 14, 2021 and those were reviewed by OEI using the Equity COVID Budget Toolkit. Those applicants were given one week to revise proposals and resubmit. Resubmitted proposals were re-evaluated by OEI with ratings and feedback returned on June 25, 2021. The additional proposals submitted after the deadline have not been evaluated, but are documented the Comprehensive Matrix shown in Appendix B.

On August 10, 2021 a Final Report of the Equity COVID Budget Toolkit and citizen engagement process was produced by OEI. This report is included in Appendix C. Upon review, it was determined that more citizen engagement could be necessary and a process for soliciting and evaluating proposals based on the final expenditure categories, as well as ensuring quarterly reporting on all ARPA funded projects was needed.

Therefore, a Request for Qualifications (RFQ) has been drafted for a vendor to assist with the oversight of soliciting, vetting and recommending funds to non-profits. Recommendations would be packaged and submitted to the City Commission for final review and approval. We anticipate this RFQ will be issued in early December and a vendor recommended for City Commission review and approval in January 2022. The draft RFQ is summarized below as follows: 1) Key aspects sections of the RFQ, and 2) timeline for RFQ to include selection of vendor and process for distribution of ARPA funds by vendor.

1. Key Aspects of RFQ

The qualified proposer will be responsible for development of a program that includes:

- (A) Developing a standardized applicant vetting process that insures funds are distributed equitably with attention to alleviating the most urgent and consequential disparities facing marginalized populations in the City of Gainesville (marginalized being defined by race, gender, ethnicity, socioeconomic status, or geography). Other ideas like disability, veteran status, etc. could be included but this needs to be verified with the Office of Finance
- (B) Creating and implementing an online application portal for applicants to initiate and add to their application as needed

- (C) Providing support to non-profit organizations in building administrative capacity and strengthening existing infrastructure
- (D) Evaluating each applicant/application and package recommendations for funding to City staff
- (E) Developing a timeline for distribution of funds
- (F) Utilizing the Equity Tool created by the Office of Equity and Inclusion for the City of Gainesville and the City's Strategic Plan to help identify programs/organizations that would have the greatest impact to our Neighbors
- (G) Submitting quarterly reports to the city that align with the requirements of the ARPA award. The vendor must understand the reporting responsibility for primary grant awardees and sub-awardees. The guidance for reporting is available at [treasury.gov](https://www.treasury.gov)

Respondents' submittals should include:

- (A) A history of organizational experience as it relates to management of the distribution of funds among non-profit organizations within the City of Gainesville
- (B) Demonstration of the ability to develop, staff, implement and maintain a program that assures that the funds are distributed equitably to non-profit organizations located within the legal boundaries of the City of Gainesville
- (C) A general description how the program will be administered, to include (but not to the exclusion of other administrative tasks): staffing plans, decision making protocol, applicant documentation requirements, development of an on-line application portal, quarterly reporting plans
- (D) Acknowledgement that all funds will be distributed within the City of Gainesville
- (E) Knowledge of ARPA guidelines

Respondent's minimum qualifications:

- (A) Respondents shall demonstrate a minimum of five (5) years of successfully operating as a funds distribution consultant, program manager and facilitator.
- (B) The members of the board of the organization must be Alachua County Residents.

2. Timeline.

Once RFQ is ready to be released, it will be open on DemandStar for 10 business days/ two full weeks. Staff will review each application and then make a recommendation to the City Commission in early January 2022 for the Commission to select a vendor. Once a vendor is selected, the application process for non-profits will open. The vendor will manage the grants process by using their online application. The vendor will review applications and make a recommendation to the City Commission in late February on strong applications/ organizations that will make a positive impact in Gainesville. Once the City Commission has selected the grant recipients, the vendor will manage the distribution of funds and reporting requirements. Because this service can be quite rigorous, the fee estimate is between 2% and 10% of the total distribution.

Utilities Debt Forgiveness (\$250,000)

APRA Categorization: Negative Economic Impacts

City Strategic Plan Alignment: Goals 1 & 3

Housing and Community Development (HCD) is collaborating with GRU to evaluate the best approach to deliver program services for utilities assistance using ARPA funds – in-house or using Project Share. GRU is currently partnering with Project Share through an MOU with the three agencies below. They work with community members living within the GRU service area to help pay utility bills.

- Catholic Charities
- Gainesville community ministries
- Salvation Army

If the decision is made to administer the program using Project Share, the MOU would specify that only neighbors within city limits are eligible for this program. Additionally, the list of participating agencies could be expanded.

Energy Rehabilitation (\$1,900,000)ⁱ

APRA Categorization: Services to Disproportionately Impacted Communities

City Strategic Plan Alignment: Goals 1 & 3

GCRA and GRU are currently working on a weatherization project of homes. The Office of Strategic Initiatives recommends a proactive data approach to distribute these funds. More work is required on how and who should distribute these funds.

Eviction Assistance (\$1,000,000)ⁱⁱ

APRA Categorization: Negative Economic Impacts

City Strategic Plan Alignment: Goals 1 & 3

Early in 2021 the City's Department of Housing and Community Development (HCD) released an RFP for entities to apply to provide an eviction assistance program for the City. The RFP was for about \$70,000. Three Rivers Legal Services applied and won the bid on May 24, 2021. Three Rivers then entered into an agreement with the City to perform this programming in the amount of \$70,000.

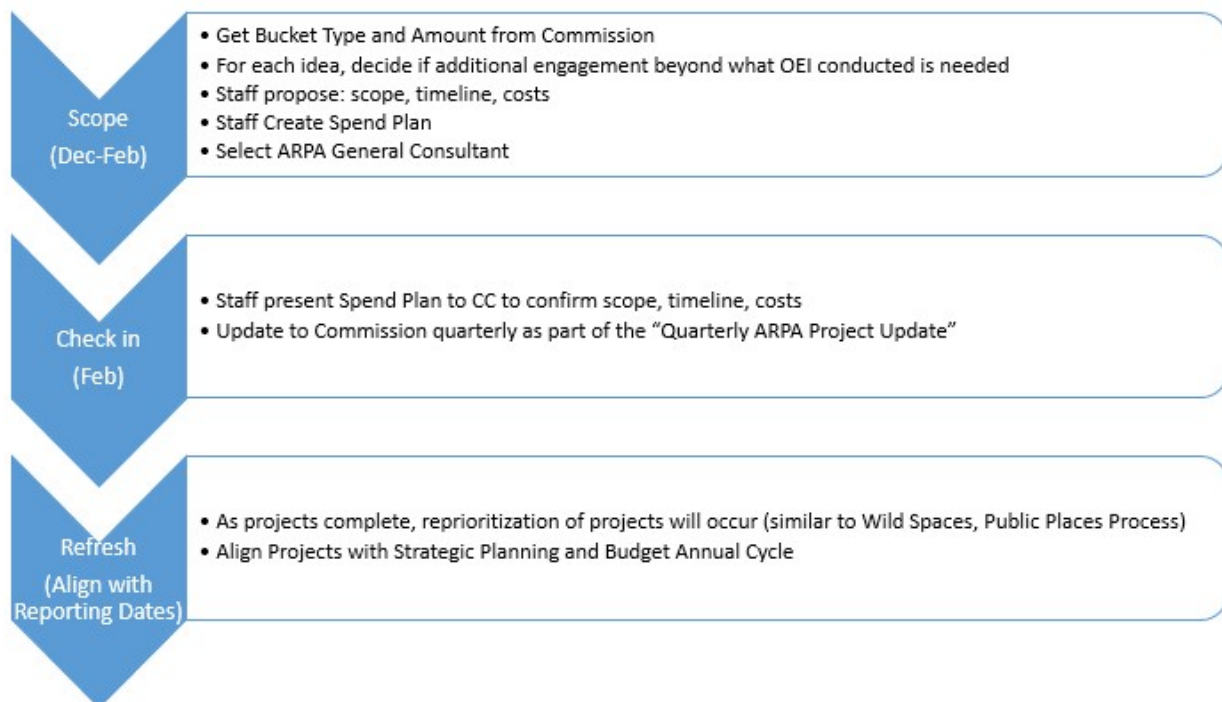
Subsequently on October 19, 2021 at a special meeting of the City Commission, a motion passed to approve the allocation of \$1,000,000 ARPA funds for Eviction Assistance programs. It was discussed that Three Rivers Legal Services would take on the role of providing this programming in the amount of \$500,000. Following the October 19, 2021 meeting, Three Rivers Legal Services responded to the City indicating that the \$500,000 amount was beyond the scope of work that Three Rivers agreed to in May and based on guidance from the Florida Bar, they would not be expanding the scope of work with the additional funding from ARPA.

Therefore, at this time the City Manager is working with HCD staff to discuss the reissuance of an RFP to identify an external entity to provide an Eviction Assistance program in the amount of \$500,000, or if the program can be created and operated internally by City staff. The Eviction Assistance program is intended as a two year program, with \$500,000 to be allocated for each year.

Action Plan for Remaining Funds Yet to be Allocated (\$22,258,804)

An action plan is being developed for those funds that have yet to be allocated by the City Commission. In April 2021, General Government departments provided initial project ideas and requests for funds to support their operations as related to ARPA expenditure categories approved by the Treasury. In June 2021 City Commissioners submitted their own project proposals via the Equity COVID Budget engagement process operated by OEI. We are now in the process of obtaining further input from our General Government and GRU Leadership Teams to ensure we have a comprehensive project proposal list that represents funding requests from directors. We will also include the amount calculated per ARPA guidelines for revenue replacement which is an approved category of expenditure of ARPA funds.

Once this list is complete, staff will assess to ensure the proposed departmental projects comply with the Treasury guidelines. Staff will provide an update by late January to the City Commission to include this information



Compliance and Reporting

Finally, there is every indication that ARPA funding will be closely scrutinized. The requirements are more stringent than those established for the Coronavirus Relief Fund (CRF). Also, in addition to the Interim Rule, the city is also required to follow all requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which among them requires competitive procurement for funds awarded to sub-recipients. ARPA funds will be subject to additional audit requirements, and the Treasury will require any funds spent on uses that are ineligible to be repaid. The City is required to submit an Interim Report by January 30, 2022, followed by quarterly reports submitted within 30 days of the end of each quarter. The quarterly reports will discuss the project statuses and associated expenditures that the City is using ARPA funds to finance. Specific dates for each quarterly report are yet to be determined. The Secretary of the Treasury has allocated a higher amount for administrative cost indicating that these funds will be monitored more closely than the CRF. *It is the intention of the City Manager with Commission approval to hire a third-party firm to advise/ provide in-depth knowledge of ARPA guidelines. This cost is approved as under the ARPA expenditure category 7. Administrative & Other.*

Other Considerations

As you are aware, we anticipate that President Biden will soon sign the Infrastructure Investment and Jobs Act (IIJA) into law. This bill is intended to strengthen and expand the country's infrastructure systems including transportation, water, energy, and broadband, with emphasis on resilience, safety, and equity.

At this time, we do not have confirmation of the amount of funds the City can expect to receive nor specific details on how that money will be able to be spent. We will be following the developments of this new law closely and will keep the City Commission apprised of new information as we receive it.

ⁱ The written record of the motion that passed 4-2 on 10/19 groups Energy Rehab and Eviction Assistance together, listening to the video recording of the meeting, staff infer that the intention of the Commission was to keep language consistent with the original version of the motion. In the original version the Commission moved to “authorize funding for utility debt forgiveness in the amount of \$250,000, \$1.9 million for housing stabilization (energy rehabilitation) and \$1 million for eviction assistance; and \$7 million for non-profit organizations.” Staff believe the critical difference between the first version of the 10/19 motion and the amended motion was that C. Arreola wanted to add the language “authorize staff to return to the Commission with implementation plans for...” (See recording of 10/19 meeting at 1:25:50). The Commission discussed that simply authorizing funding for these project areas would not provide staff with enough to start taking action. It was discussed that staff need to have a plan of implementation that is reviewed and approved by the Commission. Therefore, the motion was amended to include language about bringing back implementation plans to the City Commission. The amended version also directed staff to schedule a follow up meeting of the City Commission to continue ARPA fund discussion and for the Office of Equity and Inclusion to develop a funding application for nonprofits.

ⁱⁱ See previous note.