



Second American Rescue Plan Act (ARPA) Update

Office of the City Manager
Finance Department

City Council
August 20, 2024

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ARPA Background

1. American Rescue Plan Act (ARPA), created in 2021, **provided \$350 billion in nationwide assistance** to eligible state, local, territorial, and tribal governments to assist in the economic and health recovery by providing resources to address impacts resulting from the Covid-19 pandemic.
1. ARPA was a **critical funding source for the City** to lessen the financial impacts to municipal services during a critical time, and to assist community partners.
3. The City received **two tranches** (allocations) of funding:
 1. \$36,767,594 in tranche number one (2021); and
 2. \$36,767,594 in tranche number two (2022).

TOTAL: \$75,435,188



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APRA Policy

1. Many American cities took APRA allocations as complete, “revenue loss” using the entire funding to repay costs for municipal services during the pandemic.
 1. **Riverside took a hybrid approach**, using some ARPA assistance to fund critical City functions during the pandemic, while also making a variety of grant eligible projects available to assist community partners and residents that suffered economic hardships during Covid-19 shutdowns.
 1. The Riverside City Council approved **50 community projects and programs** that benefited seniors, the disabled, and low-to-moderate income residents with programs that provided rental assistance, free meal services, library access, and homeless support.
 2. The City **supported businesses** with security grants and business loss programs.
 3. ARPA funding **assisted with vital services** such as police response, disaster recovery, and trash pickup.



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Current ARPA Status

- ARPA is in a **late “cleanup” phase**, with projects/programs either completed, or well into implementation.
 - Later ARPA project allocations are receiving final approvals, approving bids, and executing contracts.

*By statute, ARPA funding must be allocated (legally tied) into eligible projects by **December 31, 2024** and completely expended by **December 31, 2026**.*



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Current ARPA Status

- This update:
 - Makes **accounting clean-up** changes;
 - **Accommodates new projects** and programs from mid-year budget discussions and past City Council decisions;
 - **Closes out** projects that are complete and have overages;
 - Puts ARPA Program funding **on a path** to have all money statutorily allocated this year and spent by the end of 2026.



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Current ARPA Status

- **Riverside Programs and Projects:**
 - Direct Pandemic assistance has ended;
 - Eligible equipment (e.g., trash trucks) have been purchased;
 - Major eligible projects (e.g., park improvements) are either completed or are substantially underway;
 - Viable community benefit programs from the pandemic, benefitting seniors, non-profits, businesses, and behavioral health are ongoing until the end of the ARPA grant.
 - **“Cleanup” items from existing projects/programs in this update represent .006 % of the City’s original ARPA allocations.**



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What's Next ?

- Staff will return to the City Council in approximately October and December with additional recommendations, if necessary, to ensure that all ARPA funding is allocated by the end of the calendar year.



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Strategic Plan Alignment

Envision Riverside 2025 Strategic Plan Priorities



#3 Economic Opportunity

Needed stability during and after a major pandemic

Cross-Cutting Threads



Community Trust

ARPA Updates inform the community.



Equity

Funds benefit diverse communities.



Fiscal Responsibility

ARPA oversight ensures proper expenditures.



Innovation

ARPA benefits are ongoing.



Sustainability & Resiliency

ARPA allows the City to adapt and respond to future emergencies.

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Recommendations:

That the City Council:

1. Receive and file an update on the ARPA Expenditure Plan;
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record the reallocation of funds from various ARPA Projects of the American Rescue Plan Act Expenditure Plan to the Revenue Replacement projects in the amount of \$1,550,000 for projects 2.13 PRCS-Parks Masters Plans (\$400,000), 2.14 Senior Study (\$150,000), and 2.17 Revolving Loan (\$1,000,000);
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record the reallocation of funds from various ARPA Projects of the American Rescue Plan Act Expenditure Plan to the Citywide Revenue Loss in the amount of \$391,359;
4. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to allocate American Rescue Plan Act Expenditure Plan interest earnings in the amount of \$1,104,425 and record a supplemental appropriation and interfund transfer from the Grants and Restricted Programs Fund to the General Fund in the same amount to fund the previously approved Solid Waste SHARE Program;
5. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an allocation of ARPA interest income in the amount of \$150,000 and to record a supplemental appropriation and interfund transfer from the Grants and Restricted Programs Fund to the General Fund in the same amount to fund a consultant to complete a Parks Commission for Accreditation of Park and Recreation Agencies (CAPRA) accreditation strategy;



Recommendations:

6. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record the reallocation of \$1,900,000 in previously allocated ARPA interest income from ARPA Expenditure Plan Revenue Replacement to the ARPA Program Interest Account and further exclude future interest income from the City's ARPA Expenditure Plan, consistent with ARPA guidelines;
7. Reaffirm that the City Manager, or designee, has flexibility to reallocate funds from the proposed Expenditure Plan to other similar and eligible uses should feasibility or timeliness concerns arise, and to meet the statutory requirements of the ARPA Program; and
8. Authorize the City Manager, or designee, to negotiate and execute any and all agreements, contracts and documents related to the approved reallocations in the Expenditure Plan for the American Rescue Plan Act funding, including making minor non-substantive changes.

