



American Rescue Plan Act (ARPA) Reallocations

Finance Department

City Council
December 10, 2024

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Background

- 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.
- 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.

City Allocation

2021	\$ 36,767,594
2022	36,767,594
Total	\$ 73,535,188



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Funding Obligation Requirement

- **All funds must be obligated by December 31, 2024**
- Specific statutory categories
- City's ARPA Expenditure Plan founded in transparent use of funds, with the majority of allocations to specific projects.
- Other agencies chose obligate their funding to qualifying public safety expenditures to reduce the pressure of the obligation deadline and risk of funding loss.



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City Allocation Status

Category	Allocation	Expended	Obligated	Unobligated	Total Unexpended
1. Public Health	\$ 1,949,457.16	\$ 1,251,385.41	\$ 558,250.02	\$ 139,821.73	\$ 698,071.75
2. Negative Economic Impacts	26,830,804.65	13,413,879.71	12,332,809.30	1,084,115.64	13,416,924.94
3. Services to Disproportionally Impacted Communities	400,000.00	400,000.00	-	-	-
5. Infrastructure	10,000.00	10,000.00	-	-	-
6. Revenue Replacement	44,044,926.19	30,926,758.01	7,307,044.73	5,811,123.45	13,118,168.18
7. Administrative	300,000.00	62,702.85	-	237,297.15	237,297.15
Total	\$73,535,188.00	\$46,064,725.98	\$20,198,104.05	\$ 7,272,357.97	\$27,470,462.02



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Consultant Review

- Consultant review of City's ARPA status to date
 - **Goal: Minimize risk of funding loss** by reviewing activity through October 31, 2024, and provide guidance for unexpended funds.
- Consultant recommends reallocation to the **Provision of Government Services under Revenue Replacement, utilizing public safety expenditures as the qualifying cost** for:
 - All unexpended funds – obligated and unobligated (\$27,470,462)
 - FY 2024/25 capital expenditures (\$2,716,841)
 - Cancelled Parkway Community Gardens Project (\$10,000)



Proposed Reallocation

Category	Allocation	Expended	Unexpended	Proposed Reallocation	Final Allocation
1. Public Health	\$ 1,949,457.16	\$ 1,251,385.41	\$ 698,071.75	\$ (698,071.75)	\$ 1,251,385.41
2. Negative Economic Impacts	26,830,804.65	13,413,879.71	13,416,924.94	(13,416,924.94)	13,413,879.71
3. Services to Disproportionally Impacted Communities	400,000.00	400,000.00	-	-	400,000.00
5. Infrastructure	10,000.00	10,000.00	-	(10,000.00)	-
6. Revenue Replacement	26,720,291.86	13,602,123.68	13,118,168.18	(15,835,009.40)	10,885,282.46
Provision of Government Services	17,324,634.33	17,324,634.33	-	30,197,303.24	47,521,937.57
7. Administrative	300,000	62,702.85	237,297.15	(237,297.15)	62,702.85
Total	\$73,535,188.00	\$46,064,725.98	\$27,470,462.02	\$ -	\$73,535,188.00



Other Matters

- Prior Period Revenue Replacement
 - \$17,324,634 approved to date
 - Report public safety expenditures as the qualifying cost under Revenue Replacement - Provision of Government Services
- U.S. Dept of Treasury Meeting
 - December 5, 2024
 - Review actions in this report, previous allocations, Treasury reporting to date
 - **Recommendations for Council approval to delegate authority to CFO and City Manager to take actions necessary to safeguard ARPA funds.**



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STRATEGIC PLAN ALIGNMENT

The ARPA Expenditure Plan is interwoven throughout the entire 2025 Envision Riverside Strategic Plan.

Cross-Cutting Threads

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- | | | |
|---|---|--|
|  Community Trust |  Fiscal Responsibility |  Sustainability & Resiliency |
|  Equity |  Innovation | |



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Recommendations

That the City Council:

1. Receive an update on the ARPA Expenditure Plan;
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record the final obligation of ARPA funding to include:
 - a. A reallocation of \$27,470,462.02, or actual amount, of unexpended funds from various ARPA projects of the ARPA Expenditure Plan to the Revenue Replacement - Provision of Government Services program, including approximately \$20,198,104.05 of obligated funds and \$7,272,357.97 of unobligated funds;



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Recommendations

- b. A reallocation of \$2,726,841.22, or actual amount, representing the reclassification of expenditures and the related appropriation from the Northside Heritage Infrastructure project, Citywide Park Improvement project, and Parkway Community Gardens project of the ARPA Expenditure Plan to the Revenue Replacement - Provision of Government Services program;
- c. A supplemental appropriation and interfund transfer of \$30,197,303.24, or actual ARPA funds amount, from the Grants and Restricted Programs Fund, Revenue Replacement - Provision of Government Services program to the General Fund, representing the obligation of qualifying ARPA expenditures;
- d. An appropriation of \$22,914,945.27, or actual amount of obligated funds and reclassified capital expenditures, in General Fund departmental budgets and applicable project accounts;



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Recommendations

3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to make the necessary accounting adjustments to effectuate the intent of the recommended supplemental appropriations and transfers described in this report, including interfund and interdepartmental appropriations and transfers of ARPA funding with a net zero impact to the citywide budget, thereby allowing for mechanical adjustments as needed to ensure full compliance with ARPA expenditure guidelines; and
4. 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.



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