



Legislation Text

File #: 21-350, **Version:** 1

TITLE:

Framework for Development of the Use and Spending of ARPA Funds

PURPOSE: The purpose of this item is for staff to present a framework for developing a comprehensive approach for the use of ARPA Funds that facilitates long-term resiliency and capacity building as the Town recovers from the COVID-19 pandemic.

DEPARTMENT: Manager's Office, Finance

CONTACT INFORMATION: Richard J. White III, Town Manager, 919-918-7315; Arche McAdoo, Finance Director, 919-918-7439

INFORMATION: On June 22, 2021, the Town Council adopted an amendment to the American Rescue Plan Act (ARPA) Grant Project Ordinance that included authorization of a short-term program for distributing up to \$2.3 million of ARPA funds while developing a long-term plan for the remaining ARPA fund balance. Included in this amendment was the appropriation of \$300,000 for small business grants.

On September 14, 2021, the Town Council amended the grant project ordinance to increase the final ARPA Grant Award from \$6,200,000 to \$6,753,198.84. The Town has received \$3,376,194.84 of the grant award with the balance to be received by the Town within one year. All grant funds must be committed by December 31, 2024 and spent by December 31, 2026. The current budget for ARPA funds follows:

Expenditures

Grants to Small Businesses	\$ 300,000.00
Essential Employee Pay	\$ 224,795.00
Town Revenue Replacement	\$ 1,834,730.00
Restricted Unallocated Funds	<u>\$ 4,393,673.84</u>
Total Expenditures	\$6,753,198.84

The restricted unallocated funds may increase based on the amount spent for Essential Employee Pay, and Town Revenue Replacement.

A Staff Work Group has been formed to develop strategies for developing a plan to guide the use of the unallocated funds which are restricted for ARPA eligible activities. This Staff Work Group is comprised of the Town Manager and the following Departments: Finance; Communication and Engagement; Economic Development; Planning; Housing and Community Services; and Recreation, Parks and Cultural Affairs; and Town Clerk. The Staff Work Group has developed a framework, which is being presented to Council for feedback in anticipation of develop a longer-range comprehensive plan for the use and expenditure of ARPA funds that have not been committed at this time. The Act encourages expenditures for those residents and low income communities who have been disproportionately impacted by the pandemic.

FISCAL & STAFF IMPACT: The ARPA Grant will provide \$6.7 million in special revenues to the

Town that must be used in accordance with ARPA, U.S. Treasury Interim Final Rules, state statutes, and other directives.

RECOMMENDATION: Town staff recommend that the Town Council receive the presentation on a framework for developing a comprehensive plan for the use of ARPA funds; and provide feedback and instructions to staff to guide the development of a plan.