



Legislation Text

File #: 22-177, **Version:** 1

TITLE:

American Rescue Plan Act Framework Update

PURPOSE: The purpose of this agenda item is to provide the Town Council with an update on the development of a comprehensive plan to allocate the American Rescue Plan Act (ARPA) funds.

DEPARTMENT: Town Manager, Finance, Communication and Engagement, Housing & Community Services, Planning

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INFORMATION: The \$1.9 trillion American Rescue Plan Act (ARPA) was signed into law on March 11, 2021 to assist 19,000 state and local governments in the United States to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic. The Town received initial notice that it would receive \$6,200,00 of Local Fiscal Recovery Grant funding under ARPA. The interim final rule on use of the funds was released on May 10, 2021, and the final rule was released on January 6, 2022. All funds must be obligated or encumbered by December 31, 2024 and spent by December 31, 2026.

The timeline below briefly describes Town Council actions to date:

- May 4, 2021 - Carrboro Town Council adopted a Grant Project Ordinance to recognize Local Fiscal Recovery funding under the American Rescue Plan Act - [Town of Carrboro - File #: 21-141 \(legistar.com\)](https://carrboro.legistar.com/LegislationDetail.aspx?ID=4930154&GUID=25141654-5290-416C-8E80-2D4E12746C48&Options=ID%7CText%7CAttachments%7COther%7C) <<https://carrboro.legistar.com/LegislationDetail.aspx?ID=4930154&GUID=25141654-5290-416C-8E80-2D4E12746C48&Options=ID%7CText%7CAttachments%7COther%7C>>
- June 22, 2021 - Town Council amended the ARPA Grant Project Ordinance to authorize the Town Manager to use up to \$300,000 for business grants to help local businesses recover from the pandemic and enter into grant agreements with small businesses. Staff was directed to gather information on the impacts of COVID-19 on nonprofits supporting human services - [Town of Carrboro - File #: 21-243 \(legistar.com\)](https://carrboro.legistar.com/LegislationDetail.aspx?ID=4989703&GUID=3E149191-95B9-438A-85FB-170DE5B4A947&Options=ID|Text|Attachments|Other|&Search=Recovery) <<https://carrboro.legistar.com/LegislationDetail.aspx?ID=4989703&GUID=3E149191-95B9-438A-85FB-170DE5B4A947&Options=ID|Text|Attachments|Other|&Search=Recovery>>
- September 14, 2021 - Town Council amended the ARPA Grant Project Ordinance to reflect final award of \$6,753,198. The Council was also updated on the results of interviews with nonprofit/human services

organizations and offered an outline of the first steps for obtaining public input on establishing ARPA priorities- [Town of Carrboro - File #: 21-284 \(legistar.com\)](#)

<https://carrboro.legistar.com/LegislationDetail.aspx?ID=5134210&GUID=39DBE36B-FA88-40A5->

- October 19, 2021 - Provided comments on the staff presentation *American Rescue Plan Act: A Framework for Development of Comprehensive Plan for Use and Spending of ARPA Funds* - [Town of Carrboro - File #: 21-350 \(legistar.com\)](#) <https://carrboro.legistar.com/LegislationDetail.aspx?ID=5186085&GUID=4D8678C2-C15F-44D5-A878-C198AC89BB50&Options=&Search=>>
- December 14, 2021 - Town Council approved COVID-19 Business Mitigation Grants as recommended by COVID Grants Review Committee - [Town of Carrboro - File #: 21-389 \(legistar.com\)](#) <https://carrboro.legistar.com/LegislationDetail.aspx?ID=5361118&GUID=FFC65589-EE6C-4359->

Overview - Use of Funds: To date the Town Council has authorized grants to small businesses, essential pay to Town employees, revenue replacement, and the balance placed in unallocated. All ARPA funding will be accounted for in a Special Revenue Fund because these are non-recurring revenues with numerous restrictions.

Guiding Principles: The framework to be developed for use of ARPA will be centered around six principles: 1) Council Goals and Policy; 2) Racial Equity and Inclusion; 3) Environmental justice, 4) Town climate action plan; 5) Leverage local and regional partnerships; 6) use existing data or limited data and /or outreach.

Outreach and Engagement: The ARPA rules published by the U.S. Treasury emphasize the importance of public input, transparency, and accountability and urge grant recipients to engage constituents and communities in developing plans to use ARPA funds.

The Town has used several strategies to development the framework. These include:

Online and paper surveys, with Burmese, English, and Spanish versions offered; ARPA priority funding questions included in the Town Resident Survey with enhanced surveying conducted within the Town's Qualified Census Tract. Town staff also worked with the Refugee Community Partnership to increase survey responses from immigrants and refugees in Carrboro.

More than 975 people participated in three separate surveys, providing 275 comments, ideas, and suggestions (see Attachment A: ARPA Comments and Feedback). The results were reported to Town Council on April 12, 2022, see [Town of Carrboro - File #: 22-117 \(legistar.com\)](#) <https://carrboro.legistar.com/LegislationDetail.aspx?ID=5546910&GUID=A328A434-4A03-4DDF-8DCE-7D8203880D83&Options=ID|Text|Attachments|Other|&Search=survey>>.

Additionally, Town staff conducted 32 one-on-one interviews with nonprofit and human services agencies. Organizations were asked how the pandemic continues to affect their agencies and the communities they serve. Town staff also engaged with residents about ARPA funding priorities during the Town's Carrboro Conversations in-person and virtual events held February 23-24, 2022.

Project/program identification: Using the eligible use categories established in the ARPA rules, Town departments identified needs and possible projects for use of revenue recovery funds. Twenty-nine projects

have been identified as possible based on allowable eligible activities. A possible prioritization framework is in development to allocate the use of ARPA funds, which may include modification(s) to programs and activities previously established by Town Council. This framework incorporates information obtained through surveys and interviews and is organized by eligible use categories.

FISCAL & STAFF IMPACT: Staff impact will include time allocation for administration, disbursement, and monitoring of grant funds and for community engagement and outreach.

RECOMMENDATION: Staff recommends that the Town Council accept the updated report on development of a plan to allocate ARPA funds and provide additional guidance and instructions to staff.