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American Rescue Plan Act of 2021 ("ARPA") Funding Allocation Workshop

PURPOSE/BACKGROUND:

Signed into law on March 11, 2021, the \$1.9 trillion American Rescue Plan Act of 2021 ("ARPA") provides \$350 billion in funding for state and local governments. Of this amount, the City of Hampton is scheduled to receive a total of \$48,660,418. The first half of this funding (\$24,330,209) was received in June 2021 and the second half should be received in June 2022.

Eligible uses of these funds include revenue replacement for the provision of government services, relative to revenues collected in the most recent fiscal year prior to the pandemic, and other expenses outlined in the Act. The expenses outlined in the Act expand the uses authorized in the CARES Act to include other expenses such as investments in water, sewer and broadband infrastructure and to address public health and behavioral health care needs.

Funds allocated cannot be used, directly or indirectly, to offset tax reductions or delay a tax or tax increases; or to deposit money into any pension fund. Funds must be obligated by December 31, 2024, and the projects must be completed by December 31, 2026.

As with previous COVID-19 relief packages, implementation will be an extensive process as new or updated guidance and Frequently Asked Questions are developed and released by the U.S. Treasury.

The goal of this workshop is for Council to prioritize the various projects that have been identified as possible uses of these funds so that a spending plan can be developed.

Impact:

The various projects that have been identified are designed to move the strategic priorities of the City forward.

Recommendation:

Prioritize projects for ARPA funding.