



Legislation Text

File #: 22-0017, Version: 1

Resolution to Amend the Fiscal Year 2022 - 2026 Capital Improvement Plan to Incorporate Additional Fiscal Year 2022 Projects Due to Funding Received or Allocated Through the American Rescue Plan Act of 2021

PURPOSE/BACKGROUND:

This resolution amends the City's Capital Improvement Plan for the current fiscal year to incorporate additional projects due to the award of funds through the American Rescue Plan Act of 2021 ("ARPA").

Discussion:

The City Council annually considers and approves the City's Capital Improvement Plan ("CIP") for the upcoming and four (4) additional fiscal years. This consideration and approval generally occurs in conjunction with the annual budget cycle, and those capital projects scheduled for start and/or completion in the subsequent fiscal year are also funded through the City Council Approved budget for the Capital Projects Fund (Capital Budget). Most recently, the Council approved the Fiscal Year 2022 -2026 CIP.

Since the approval of the Fiscal Year 2022 Budget, the United States Congress passed and the President of the United States recently signed the American Rescue Plan Act of 2021 ("ARPA"). A primary component of ARPA is the disbursement of \$350 billion in assistance to state, local, territorial, and tribal governments, known as Coronavirus State and Local Recovery Funds ("CLFRF"). Allocations will be sent directly to local governments. For the purposes of ARPA, independent cities are classified in the same manner as counties, resulting in the City receiving a portion of the CLFRF funds allocated for both Counties and Metropolitan Cities, as defined by ARPA. Based on that allocation formula, Hampton is scheduled to receive an allocation of \$26,126,991 as County CLFRF funds and \$22,533,427 as Metropolitan City CLFRF funds, for a combined total amount of \$48,660,418.

The CLFRF funds may be used solely for certain qualifying expenses, including: 1) revenue replacement for the provision of government services to the extent of the reduction in revenue caused by the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to that emergency; 2) expenses related to COVID-19 expenditures or negative economic impacts of COVID-19, including recovery and assistance to small businesses, households, and hard-hit industries and economic recovery; 3) premium pay for essential workers; and 4) investments in water, sewer, and broadband infrastructure.

Through multiple sessions, the Council has vetted many proposed uses of the CLFRF funds, with the final decision directing staff that a substantial amount of the CLFRF funds be invested in projects that would normally be considered part of the CIP. All CLFRF funds are expected to be received before June 30, 2022. In the normal course, a current year CIP is indirectly modified through budget amendment actions and appropriation of additional funds to the Capital Projects Fund for new

projects, however, the current circumstances are unique because with the CLFRF funds, the City's Fiscal Year 2022 CIP will be increased by more than fifty percent (50%) of the amount previously approved. In addition, due to ARPA spending deadlines, there is a need to immediately begin many of those projects.

Through a separate action this same evening, the Council will also consider a resolution to accept and appropriate the CLFRF funds to provide funding for those projects.

Impact:

The Fiscal Year 2022 Capital Improvement Plan will be amended to include projects to improve the quality of life for the City's citizens and the City's infrastructure.

Recommendation:

Approve the Resolution.

WHEREAS, the United States Congress passed and the President of the United States recently signed the American Rescue Plan Act of 2021 ("ARPA") to address the impacts of the COVID-19 pandemic;

WHEREAS, a primary component of ARPA is the disbursement of \$350 billion in assistance to state, local, territorial, and tribal governments, known as Coronavirus State and Local Recovery Funds ("CLFRF");

WHEREAS, ARPA classifies independent cities in the same manner as counties; and Hampton, as an independent city, will receive portions of CLFRF funds allocated for both Counties and Metropolitan Cities, as defined by ARPA;

WHEREAS, the City of Hampton has received an allocation of \$24,330,209 in CLFRF funds and expects to receive an additional allocation of \$24,330,209 by June 30, 2022;

WHEREAS, the City Council approved the Fiscal Year 2022 - 2026 Capital Improvement Plan by action taken on April 28, 2021, which included \$69,415,780 for Fiscal 2022 capital projects; and

WHEREAS, the City Council has determined that \$44,924,418 can be added to the Fiscal Year 2022 Capital Improvement Plan primarily due to the receipt of those CLFRF funds.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Hampton, Virginia that it hereby amends the Fiscal Year 2022-2026 Capital Improvement Plan to include \$44,924,418 of additional projects for Fiscal Year 2022, to be allocated as follows:

- a) \$2,545,035 for Assistance to Residents and Outside Agencies;
- b) \$25,700,000 for Resiliency Projects; and
- c) \$16,679,383 for Infrastructure Enhancements and Maintenance.