

One Year Later...

How cities are investing ARPA funds into infrastructure projects



Disclaimer

This presentation is for educational purposes and should not be considered legal advice. Please talk with your legal counsel as you make decisions on spending your ARPA funds.

Temperature Check

- Who's in the room?
- Have you started spending ARPA funds?
- Have you invested ARPA funds in infrastructure projects?

Quick Overview

- ARPA passed in March 2021
- \$1.2 B for Washington cities | \$1.4 B for Washington counties
- First half of funds distributed in 2021.
- Second half distributed late-June, early-July.
- Funds must be obligated by end of 2024. Spent by end of 2026
- Final Rule released in January, is now fully in effect

Where Money Can be Spent

- EC 1 Public Health
- EC 2 Negative Economic Impacts
- EC 3 Public Sector Capacity
- EC 4 Premium Pay
- EC 5 Infrastructure
- EC 6 Revenue Replacement
- EC 7 Administrative

Where Money Can be Spent

- EC 1 Public Health
- EC 2 Negative Economic Impacts
- EC 3 Public Sector Capacity
- EC 4 Premium Pay
- EC 5 Infrastructure – Water, Sewer, Broadband
- EC 6 Revenue Replacement – General Government Services
- EC 7 Administrative

Revenue Replacement – General Gov Services

- “The final rule offers a standard allowance for revenue loss of up to \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation. Recipients that select the standard allowance may use that amount – in many cases their full award – for government services, with streamlined reporting requirements.” ([Page 4 – Final Rule Overview](#))
- “Under this option, which is newly offered in the final rule Treasury presumes that up to \$10 million in revenue has been lost due to the public health emergency and recipients are permitted to use that amount (not to exceed the award amount) to fund “government services.” The standard allowance provides an estimate of revenue loss that is based on an extensive analysis of average revenue loss across states and localities, and offers a simple, convenient way to determine revenue loss, particularly for SLFRF’s smallest recipients. **All recipients may elect to use this standard allowance instead of calculating lost revenue using the formula below**, including those with total allocations of \$10 million or less. Electing the standard allowance does not increase or decrease a recipient’s total allocation.” ([Page 9 – Final Rule Overview](#))

Revenue Replacement – General Gov Services

- Recipients that select the standard allowance may use that amount – in many cases their full award – for government services, with streamlined reporting requirements.
- Under this option, which is newly offered in the final rule Treasury presumes that up to \$10 million in revenue has been lost due to the public health emergency and recipients are permitted to use that amount (not to exceed the award amount) to fund “government services.”
- **All recipients may elect to use this standard allowance instead of calculating lost revenue using the formula below**

Revenue Replacement – Final Rule Spending

“Revenue loss is the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements. Recipients should be mindful that certain restrictions, which are detailed further in the Restrictions on Use section in the Overview of the Final Rule and Final Rule and apply to all eligible use categories, apply to government services as well. Note also that every use that is eligible under other eligible use categories is also eligible under revenue loss, because those eligible uses are also services provided by recipient governments, and Treasury encourages recipients to use their funds for investments that serve the needs of their communities and build a stronger and more equitable recovery.”

(FAQ 3.2)

Revenue Replacement – Final Rule Spending

Revenue loss is the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements.

Note also that every use that is eligible under other eligible use categories is also eligible under revenue loss...Treasury encourages recipients to use their funds for investments that serve the needs of their communities and build a stronger and more equitable recovery

Temperature Check

- Who claimed lost revenues?

Revenue Replacement

Didn't claim the standard allowance? Deadline extended.

“Based on recipient feedback and in anticipation of additional questions related to the revenue loss election, Treasury has decided to keep this portion of the reporting portal open for recipients in upcoming reporting cycles, which will permit recipients to update their prior revenue loss election, as appropriate. Upon update, the prior revenue loss election will be superseded. Treasury expects to keep this portion of the reporting portal open through the April 2023 reporting period in order to provide an opportunity for annual reporters to take advantage of this flexibility. Recipients continue to be required to employ a consistent methodology across the period of performance (i.e., choose either the standard allowance or the regular formula), and may not elect one approach for certain reporting years and the other approach for different reporting years.” ([P&E Report User Guide, page 43](#))

Revenue Replacement

Didn't claim the standard allowance? Deadline extended.

Treasury expects to keep this portion of the reporting portal open through the April 2023 reporting period in order to provide an opportunity for annual reporters to take advantage of this flexibility.

How Cities Spent Funds – April 2022

Obligated: \$421,437,247

Spent: \$223,014,868

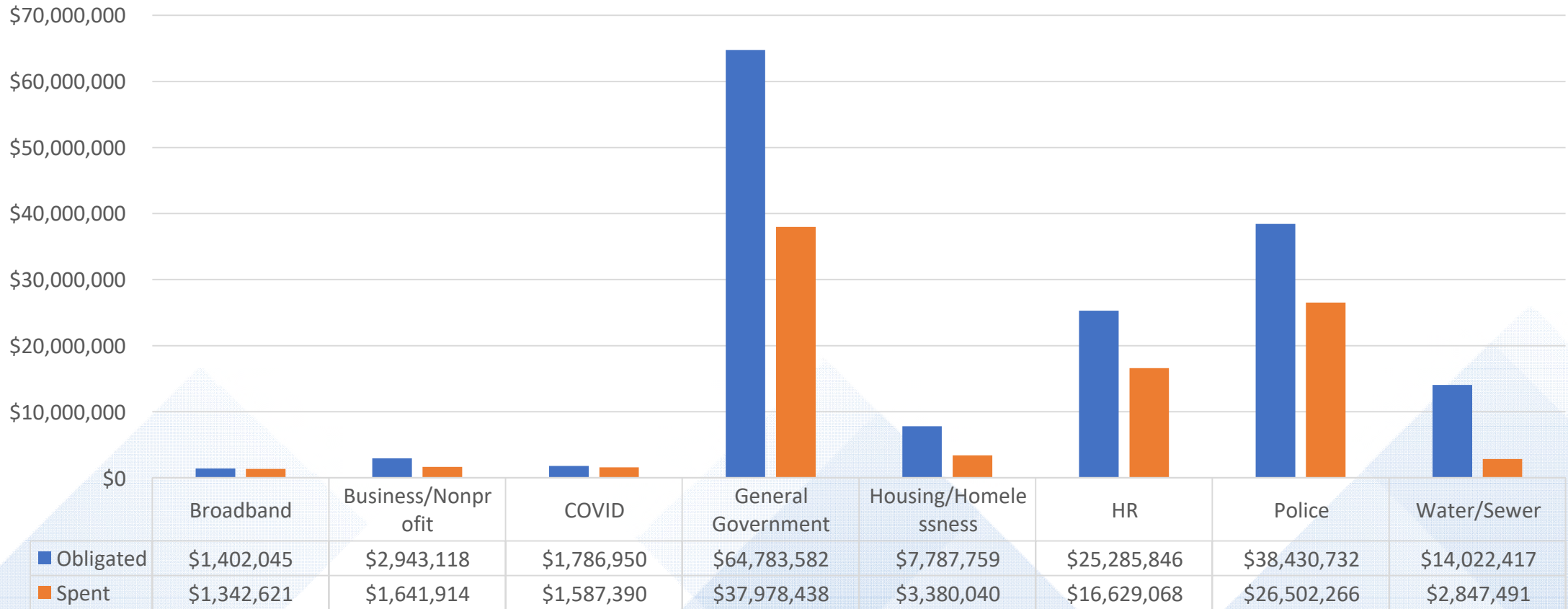
**Total Reported:
\$644,452,115**

Where has money been obligated/spent? *(Cities – Combined Totals as of 4/2022)*

- EC 1 Public Health: \$5,487,174 | \$4,468,900
- EC 2 Negative Economic Impacts: \$77,080,649 | \$38,492,402
- EC 3 Public Sector Capacity: \$4,276,625 | \$2,774,113
- EC 4 Premium Pay: \$3,290,325 | \$3,288,055
- EC 5 Infrastructure: \$21,502,932 | \$3,592,249
- EC 6 Revenue Replacement: \$309,212,011 | \$170,288,442
- EC 7 Administrative: \$588,071 | \$169,707

Revenue Replacement – Breakdown

(Cities – Combined Totals as of 4/2022)



Top Spending Areas – June 2022 Survey

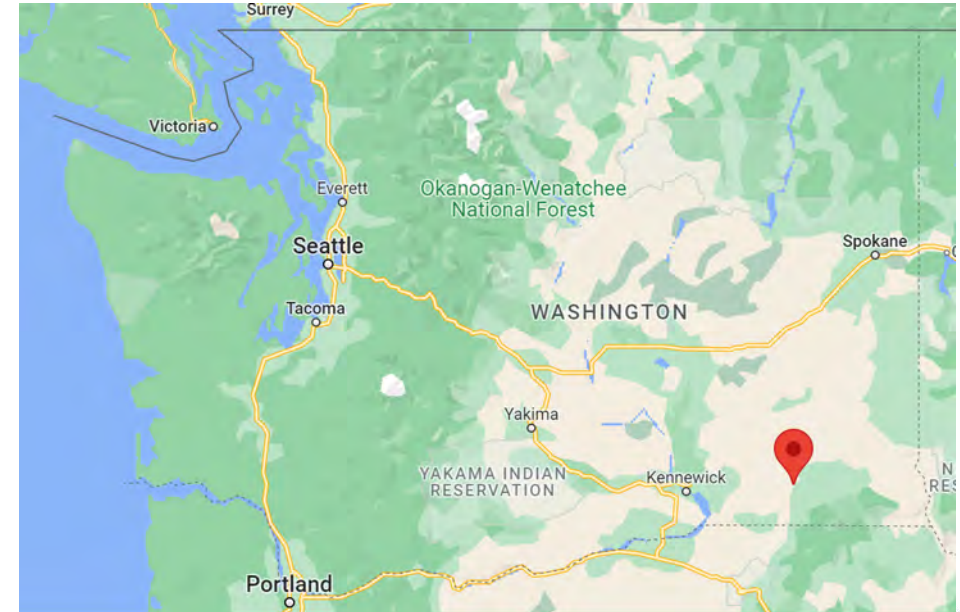
1. Administrative/General Government
2. Infrastructure – Water
3. Business Loans or Grants
4. Public Safety – Police
5. COVID Mitigation & Prevention
6. Infrastructure
7. Utility Assistance
8. Public Works - General
9. Parks & Recreation
10. Loans or Grants for Nonprofits
11. Direct & In-Direct Costs
12. Economic Development
13. Staffing
14. Rent & Mortgage Assistance
15. Behavioral Health
16. Public Safety – Fire

Top Spending Areas – June 2022 Survey

1. Administrative/General Government
2. Infrastructure – Water
3. Business Loans or Grants
4. Public Safety – Police
5. COVID Mitigation & Prevention
6. Infrastructure
7. Utility Assistance
8. Public Works - General
9. Parks & Recreation
10. Loans or Grants for Nonprofits
11. Direct & In-Direct Costs
12. Economic Development
13. Staffing
14. Rent & Mortgage Assistance
15. Behavioral Health
16. Public Safety – Fire

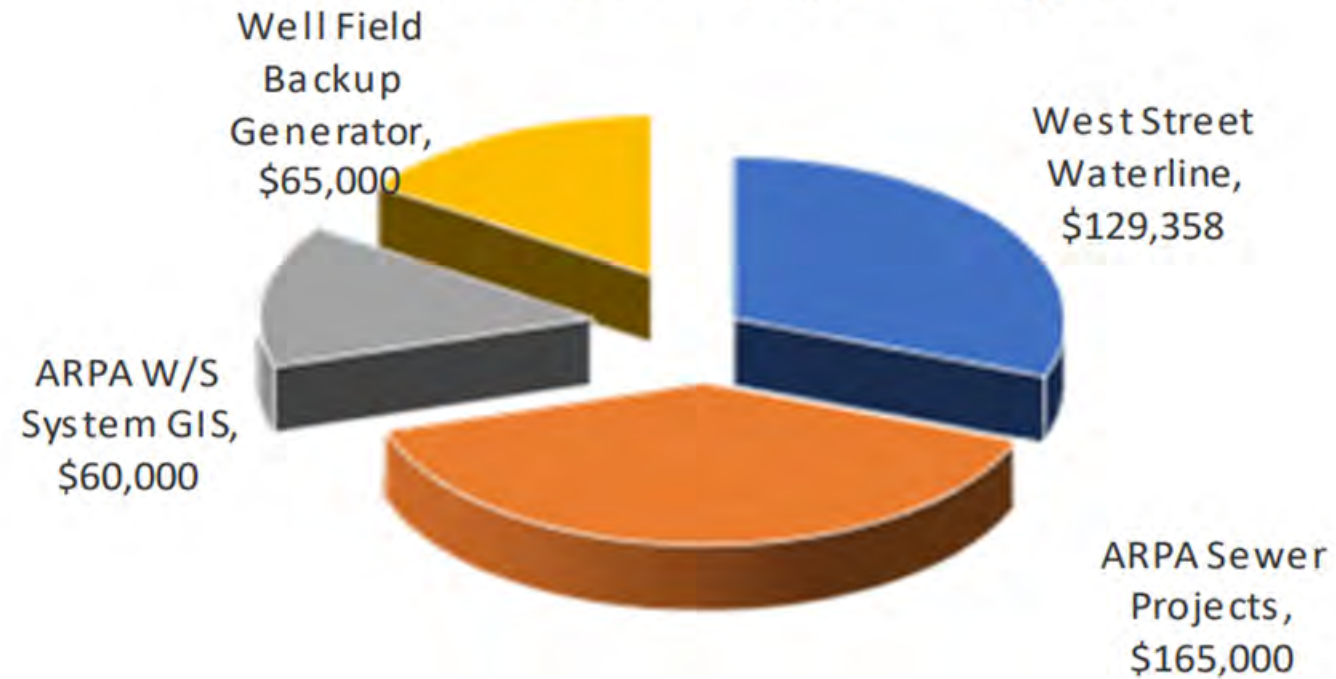
Example: Waitsburg

- Population: 1,180
- ARPA Award: \$343,631
- Historical investment in city sewer system: \$165,000
 - Installation of new sewer manholes
 - Relined sewer mainlines
- GIS mapping project of water and sewer systems: \$30,000



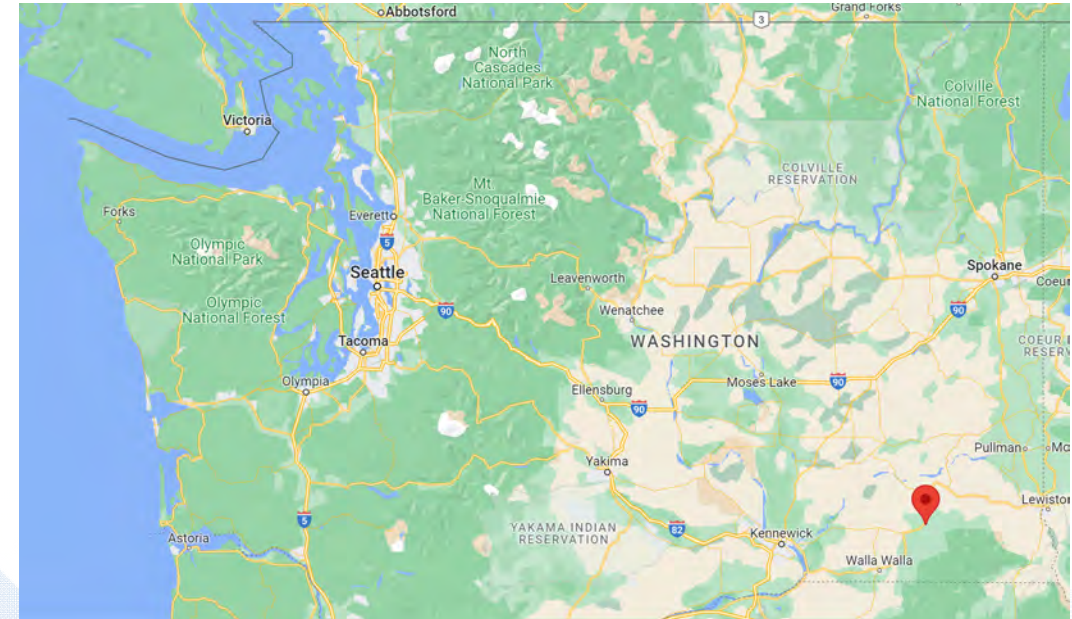
Example: Waitsburg

Water and Sewer Capital Projects



Example: Dayton

- Population: 2,445
- ARPA Award: \$681,679
- Broadband infrastructure investments: \$335,000
 - Partnership with Port of Columbia – Port secured \$2 million from CERB
 - Port owns, operates, maintains. Private companies provide internet service



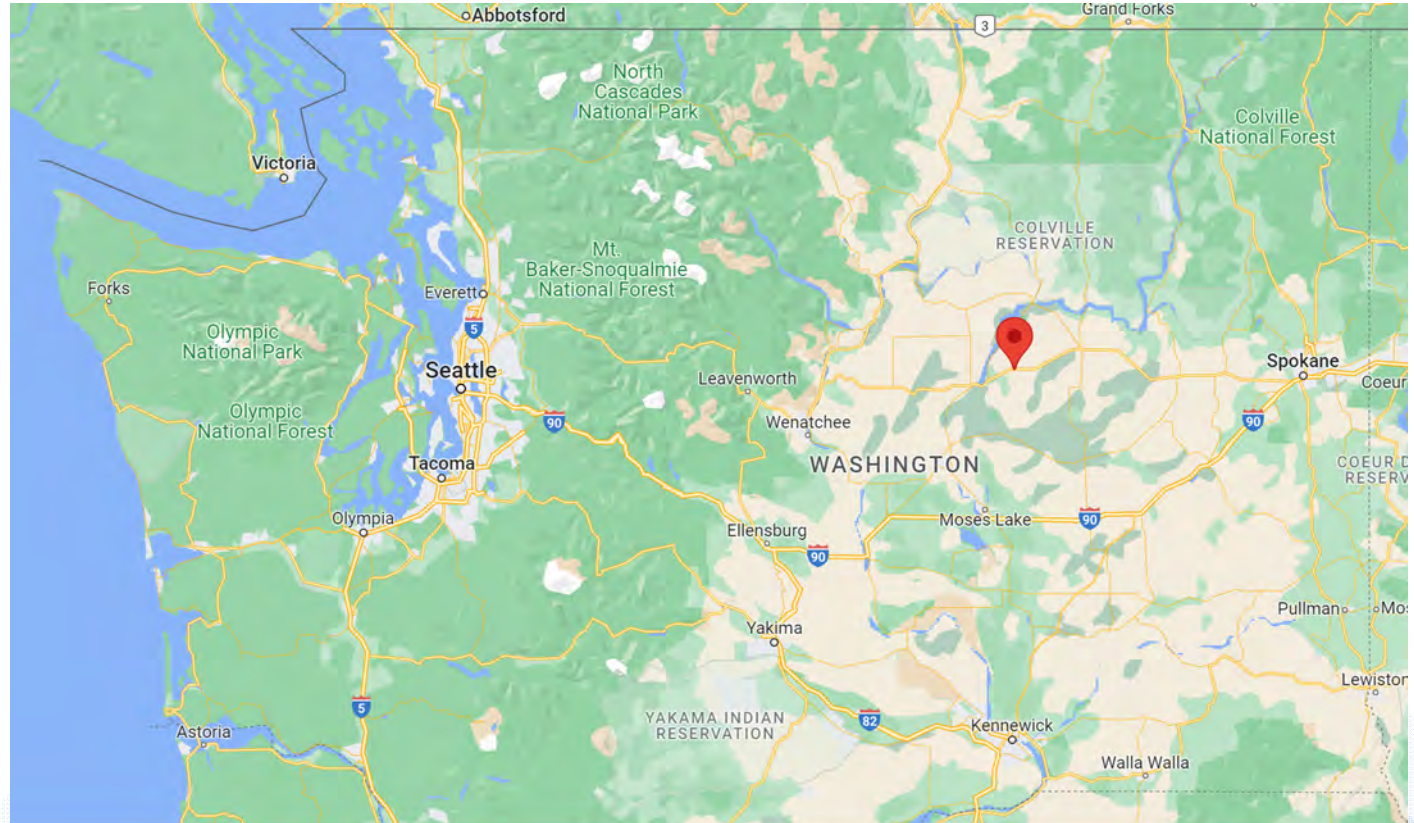
Example: Dayton

- 1,139 households will have access – 140 businesses
- 231,000 feet of fiber optic will be strung from power poles
- Expected speeds: 1 GBps – Expected cost: \$70 per month
- Set to go live early 2023



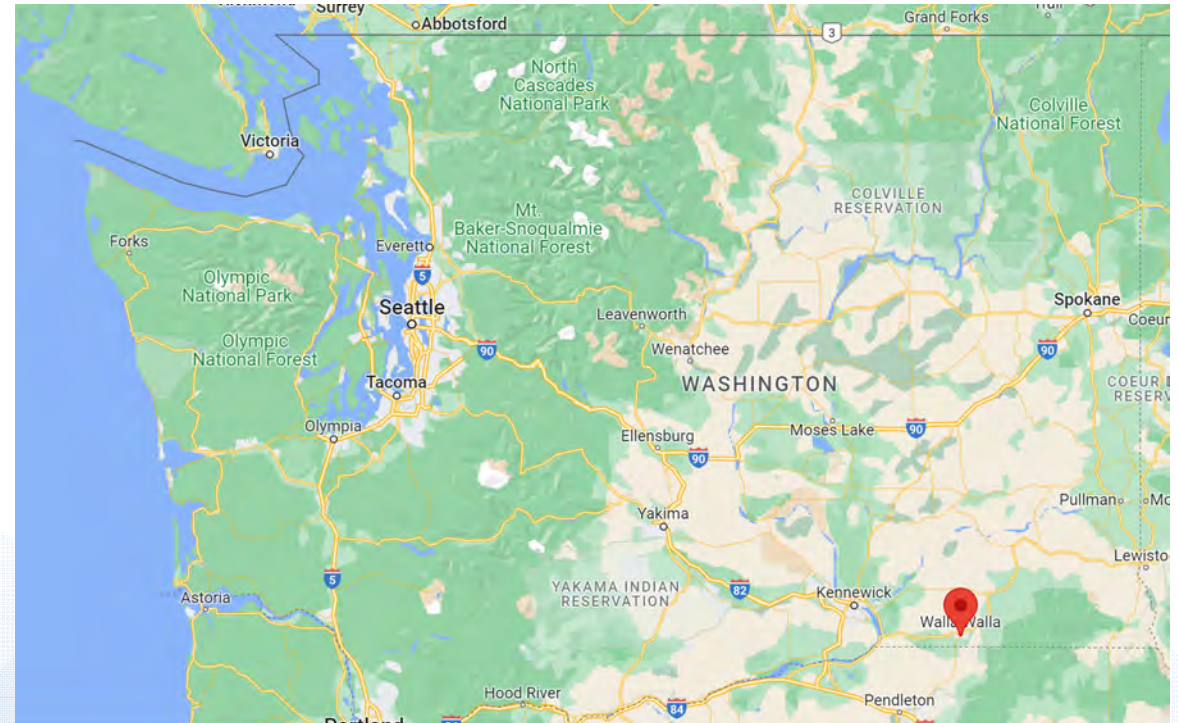
Example: Hartline

- Population: 180
- ARPA Award: \$42,989
- \$40,000 to upgrade town to remote water meters



Example: Walla Walla

- Population: 34,060
- ARPA Award: \$9,974,964
- 1st Ave ARPA Project
- Heritage Square Park ARPA Project
- Senior Center Parking Lot



Example: Walla Walla

- 1st Ave ARPA Project
- Turned a temporary pedestrian space into a permanent space.
- Funded through ARPA and other city revenues



Example: Walla Walla

- Heritage Square Park ARPA Project
- Creating a central gathering place with performance area and water feature
- Funded through ARPA, other city revenues, Port of Walla Walla



Example: Walla Walla

- Senior Center Parking Lot
- Key building for reaching older population
- Funded through ARPA and CDBG



Rapid Fire Examples

- Asotin: \$179,811 – Upgrade sewer plant
- Black Diamond: \$850,000 – New water mains
- Cathlamet: \$155,829 – New water plant backup generator
- Cheney: \$30,000 – Sewer leak detector, \$300,000 – Street Sweeper
- Colfax: \$350,000 – Replace well heads
- Elma: \$935,881 – Street improvements & upgrades, pedestrian safety
- Grand Coulee: \$292,833 – Waterline replacement and tree removal

Rapid Fire Examples

- Newport: \$554,446 – Wastewater treatment plant upgrades, stimulate old wells, purchase VAC truck
- Pe Ell: \$188,609 – Improve access road for water system access
- Republic: \$77,803 – Replace two pumps
- Starbuck: \$35,766 – Water & wastewater repairs and cleaning
- Washtucna: \$58,120 – Meter and failing water line replacement
- Westport: \$40,000 – Develop a storm drainage plan

Other projects to consider

- City facility upgrades – Security, HVAC, Fire, Council Chambers
- Consulting & contract work for future projects
- Matching funds*
- Parks improvements
- Downtown façade investments
- Other one-time costs

Tips for Success

- Gather feedback – Council, Staff, Community
- Look for partnerships – Port, Public Utilities, Non-Profits, County
- Be deliberate – Obligate by 2024, Spend by 2026
- Provide clear direction – Turnover
- Tell your story – Engage the community

Community Engagement

Crosscut.

How federal ‘revenue’ relief obscures local government spending

Washington cities and counties claimed more than \$750 million of federal relief as ‘revenue replacement’ – and they don’t have to say where it’s going.

by Brandon Block / September 6, 2022

Community Engagement

What happened to \$10M in COVID aid? Benton should be ashamed by its vague response

BY THE TRI-CITY HERALD EDITORIAL BOARD

UPDATED SEPTEMBER 12, 2022 7:32 AM



Tri-City Herald



The new Benton County Administration building in Kennewick near the Justice Center. BOB BRAWDY

Examples

Seattle Rescue Plan Transparency Portal

"Federal funds provided a critical lifeline to help residents during the pandemic, and in One Seattle we are committed to spending them transparently, responsibly, and equitably."

- Mayor Bruce Harrell

[What is the Seattle Rescue Plan? >](#)

[What Progress Are We Making? >](#)

[What's Next? >](#)

Examples

ARPA Project Options (CLOSED TO NEW ENTRIES)

\$0 Selected \$1.0m Available

Project Name	Amount	Status	Author
Landlord and Rent Assistance	\$100,000	Selected	Erin Mclean
Human Services Funding at \$250,000	\$250,000	Selected	Noorulabdeen Ahmad
City Hall Playground and Sport Courts	\$680,000	Available	Antalike Herra
Assistance for the Local Arts Community	\$50,000	Selected	Susan Paulson
Homelessness Response Pilot Program	\$50,000	Selected	Matt Callamer
Subsidized Pool Program for Kenmore Youth	\$50,000	Available	Hussein Raddeh
Septic-to-Sewer			
Business			
Human Services			

Examples

City of Walla Walla
January 2022 | www.wallawallawa.gov

City Central

@CityofWallaWalla @CityofWW CityofWW

How is Walla Walla spending its ARPA money?

The American Rescue Plan Act (ARPA) is a \$1.9 trillion economic stimulus bill passed by Congress and signed into law by President Joe Biden in 2021. The goal of the bill is to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession.

These relief funds are being distributed to government agencies in two installments — the first in May 2021 and the second in May of this year. The City of Walla



A portion of Walla Walla's ARPA money will be used to redo the decaying parking lot at the Walla Walla Senior Center and to improve accessibility for patrons of the facility.

place to ensure the money is only spent on eligible projects.

Walla Walla's officials, Finance Committee, and City Council have had frequent and extensive discussions to figure out where to

parking lot and improving ADA access;

- Rebuilding Heritage Square and the 1st Avenue Plaza;
- Upgrading facilities at the Mill Creek Sportsplex; and

Examples

Approved Subrecipient	Approved Program/Project through 12/20/21	Amount	Amount including 5% Admin Cost
Pierce County Economic Development Department	Pierce County BIPOC Business Accelerator Contribution + 5% Direct Admin Costs	\$500,000	\$525,000
Clover Park School District/Communities in Schools Lakewood (CPSD/CIS Lakewood)	2021 Warriors of Change + 5% Direct Admin Costs (Clover Park High School) (included in Motion as \$68,450 + \$3,423 = \$71,873) = \$20,423 difference	\$49,000	\$51,450
Habitat for Humanity	Habitat for Humanity Boat Street Project (utilities and road improvements for 12 unit project)	\$242,000	\$254,100
Low Income Housing Institute (LIHI)	Comfort Inn + 5% Direct Admin Costs (Purchase & Emergency Shelter Operation for 2 yrs)	\$1,000,000	\$1,050,000
Community Services Advisory Board (CSAB)	Lakewood Community Services Advisory Board 1% of Funds in 2022 and 2023 + 5% Direct Admin Costs (2 yrs)	\$137,662	\$144,545
Lakewood Police Department (LPD)	LPD Body Cameras + 5% Direct Admin Costs (Purchase of cameras and video storage)	\$98,004	\$102,944
LPD	LPD Body Cameras + 5% Direct Admin Costs (2021-2022 biennium operations)	\$284,009	\$298,247
Emergency Services Partnership	Emergency Services Alert & Warning System (Partnership with UP, Steilacoom, WPFR)	\$13,331	\$13,998
City of Lakewood	City Website Multilingual Services	\$35,000	\$36,750
City of Lakewood	Youth Employment Program (\$84,000 per year)	\$84,000	\$88,200
City of Lakewood	City Reader Boards (2 @ \$160K each)	\$320,000	\$336,000
West Pierce Fire and Rescue (WPFR)	West Pierce Fire & Rescue A/V needs, HAM radios, and emergency messaging translation	\$230,000	\$241,500
City of Lakewood	ARPA Program Administration Indirect Costs* (5 yrs)	\$688,312	\$688,312
City of Lakewood	HR Temporary Staff (12/1/21 - 6/30/22) to handle City COVID-19 Protocols	\$30,360	\$32,162
Tacomaprobono (2022-2023)	Pre- eviction Legal Representation	\$450,000	\$472,500
Rebuilding Together South Sound (RTSS) (2022-2026)	Rebuilding Healthy Neighborhoods (RaHN) Program (5 years)	\$325,000	\$341,250
Boys & Girls Club (2022-2026)	Teen Service Programs (Teen Late Nights, Teen Mental Health First Aid, Talk Saves Lives)	\$226,070	\$237,374
YMCA (2022-2026)	Child and Teen Service Programs (Child Care, Summer Day Camp, Summer Learning Academies, Early Learning/Little Learners, Water Safety/Swimming Lessons, Youth Sports, Art Classes, Gymnastics, Leaders and Counselors in Training, Afterschool Club)	\$697,500	\$732,375
City of Lakewood	Municipal Court Technology Improvements	\$135,000	\$141,750
City of Lakewood	City Hall HVAC Air Handlers and Bipolar Ionization	\$500,000	\$525,000
City of Lakewood	Handwashing Stations at Parks without Bathrooms	\$75,000	\$78,750
City of Lakewood	City Hall Reconfiguration Study to 1st & 2nd Floors	\$100,000	\$105,000
City of Lakewood	LPD Retention Bonus	\$637,500	\$669,375
City of Lakewood	City Council Chamber Dias Improvements	\$125,000	\$131,250
Subtotal**		\$7,166,582	
Remaining ARPA Funds		\$6,599,654	
Available for Project Costs		\$6,285,385	
Available for 5% Direct Admin Costs		\$314,269	

ARPA Expenditures through 12/20/21

Outreach can be simple

Available ARPA Resources

- Treasury Website
- Treasury YouTube Page
- SAO
- AWC, MRSC, WSAC

The screenshot shows the website for the Office of the Washington State Auditor, Pat McCarthy. The header includes the state seal, the office name, and navigation links for 'The Audit Connection Blog', 'Coronavirus', 'Public Records', and 'Client Login'. A search bar is located on the right. A blue navigation bar contains links for 'Reports & Data', 'Performance Audits', 'About Audits', 'Improving Government', 'BARS & Annual Filing', 'Report a Concern', and 'About SAO'. Below this is a breadcrumb trail: 'SAO HOME / THE AUDIT CONNECTION BLOG / Spending Coronavirus State and Local Fiscal Recovery Funds? Here are some resources for you'. The main content area features a large blue banner with the text 'Spending Coronavirus State and Local Fiscal Recovery Funds? Here are some resources for you'. Below the banner, there is a 'Subscribe to Updates' form with fields for 'EMAIL', 'FIRST NAME', and 'LAST NAME'. To the right of the form is a 'back to Audit Connection Home' link and a box containing 'Categorized in: Center for Government Innovation + Local governments' and 'Tags: COVID-19 federal funds'. The article text begins with 'Published: January 20, 2022' and 'The American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), assistance listing number of 21.027. CSLFRF provides \$65.1 billion directly to counties and another \$65.1 billion to cities and other municipalities. These funds represent a substantial infusion of resources to meet pandemic response needs and rebuild a stronger and more equitable economy as the country recovers.' A small 'Privacy - Terms' icon is visible in the bottom right corner of the page content.

Available ARPA Resources



Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule

U.S. DEPARTMENT OF THE TREASURY

January 2022

AS OF JULY 27, 2022

Coronavirus State and Local Fiscal Recovery Funds

Final Rule: Frequently Asked Questions

This document contains answers to frequently asked questions regarding the Final Rule of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF, or Fiscal Recovery Funds). The final rule became effective on April 1, 2022. Treasury intends to update this document periodically in response to questions received from stakeholders. Recipients and stakeholders should consult the [final rule](#) for additional information, as this document does not describe all relevant requirements that apply to the SLFRF program. Recipients also may find helpful the [Overview of the Final Rule](#), which provides a summary of major provisions of the final rule for informational purposes.

- For overall information about the program, including information on requesting funding, please see <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>
- For general questions about SLFRF, please email SLFRF@treasury.gov.

Answers to frequently asked questions on distribution of funds to non-entitlement units of local government (NEUs) can be found in this [FAQ supplement](#).

Answers to frequently asked questions on the taxability and reporting of payments from SLFRF can be found in this [FAQ issued by the IRS](#).

The FAQs in this document are applicable to the final rule, although readers will notice that many have been incorporated from the FAQs that were available in connection with the interim final rule, because they remain applicable. Answers to frequently asked questions that are unique to the interim final rule remain available at [Interim Final Rule: Frequently Asked Questions](#). A categorization is provided on the following page to assist in identifying the FAQs that remain largely the same as in the FAQ document associated with the interim final rule and the FAQs that are new or have been updated in conformity with the final rule.

Throughout these FAQs, Treasury may refer readers to relevant sections of the Overview of the Final Rule. The Overview of the Final Rule provides a summary of major provisions of the final rule for informational purposes and is intended as a brief, simplified user guide to the final rule provisions. The descriptions provided in the Overview summarize key provisions of the final rule but are non-exhaustive, do not describe all terms and conditions associated with the use of SLFRF funds, and do not describe all requirements that may apply to this funding. Any SLFRF funds received are also subject to the terms and conditions of the agreement entered into by Treasury and the respective jurisdiction, which incorporate the provisions of the final rule and the guidance that implements this program.

Let's Hear From You