



American Rescue Plan Act

City Council Update, June 9, 2021



Recommendation



That City Council:

1. Receive this update regarding the current status for developing an ARPA spending plan, and
2. Discuss prioritization of potential programs/projects for the first tranche to advise staff on the development of the ARPA Spending Plan



ARPA Overview



- On March 11, President Biden signed the \$1.9 trillion American Rescue Plan Act (ARPA), which established the Coronavirus State and Local Fiscal Recovery Fund.
- This fund provides \$130.2 billion to local governments nationwide for COVID-19 pandemic recovery assistance.
- The City will be allocated \$59.6 million
- These funds will be paid to localities in two equal allotments, the first already received and the second in May 2022
- The spending period is from March 3, 2021 to December 31, 2024 (45 months)
- ACPS will receive a separate allocation of \$35,407,000



ARPA Overview



The permitted use of the funds as stated in the law are proscribed and limited as follows:

- A. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- B. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- C. For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- D. To make necessary investments in water, sewer, or broadband infrastructure.



ARPA Update



Since the signing of this legislation and subsequent discussion at the March 27 City Council Legislative Session, there have been five new developments:

1. The U.S. Treasury Department released the Interim Final Rule on May 10, providing detailed guidance on the regulatory uses of the funds;
2. Virginia Independent Cities prevailed with the federal government recognizing the dual city and county roles of Virginia Cities, as was the Congressional intent, resulting in more than \$450 million allocated from the county list to the Virginia Cities, in addition to their city allocation.
3. On May 17, the U.S. Treasury transferred \$29.8 million to the City.
4. City staff collected community feedback on potential uses of the funds; and
5. Staff prepared proposals for projects and programs.



Interim Final Rule



- The Interim Final Rule provided greater detail and clarification on the legislation and its uses.
- Most notable included revenue loss and infrastructure.
 - Clarification on revenue loss:
 - Provides the greatest flexibility and would allow the City to fund services or projects that would not otherwise be considered eligible expenses.
 - When calculating revenue loss, the Treasury guidance allows the City to use the last full pre-COVID year (FY 2019) with an assumed rate of growth of 4.1% to determine the revenue that the City would have expected to collect if not for the economic impacts of the pandemic.
 - This calculated revenue estimate is compared to the actual revenue collected for the calendar year ending December 31, 2020. The difference is considered the City's revenue loss due to COVID.
 - The first period comparison as of December 31, 2020, shows lost revenue equal to about two-thirds of the total ARPA allocation to the City.
 - Calculations are being double checked and will be independently verified.
 - ARPA revenue loss dollars can be used for nearly any authorized government purpose.



Interim Final Rule



- Clarification on Infrastructure:
 - A general infrastructure project typically would not be included unless the project responded to a specific pandemic public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact like those described above (e.g., affordable housing).
 - The ARPA explicitly includes infrastructure if it is “necessary” and in water, sewer, or broadband.”
 - Water projects should ensure clean and safe drinking water and sewer projects should consider green infrastructure investments and projects to improve resilience to the effects of climate change
 - Eligible broadband projects are expected to be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps and/or
 - Assistance to households facing negative economic impacts due to COVID-19 is also an eligible use, including internet access or digital literacy assistance.



Community Engagement



- Between April 30 to May 13, the City sought feedback from the community on ARPA funding uses.
- The process included distribution of an online survey and two virtual public meetings.
- Staff directly reached out to community organizations, boards, and commissions, including the COVID-19 Community Response Group, to ensure their participation and assist with information distribution.
- Over 1,300 individuals responded to the survey and 60 participants in the virtual meetings
- Responses were shown to be broad, reflecting a diversity of interests.
- A full report on Community Feedback is posted on the City's website.



Community Engagement



If it were up to you (and assuming each costs about the same), how would you allocate \$100 among each of the following service areas? *(Note, the aggregated responses below are shown as percentages rather than dollar amounts)*

Infrastructure	19.65%	CIP	51.00%
Business Recovery & Workforce	14.01%	Human Services	25.37%
Health and Social Services	13.01%	Economic Recovery	23.64%
Housing	12.35%		
Technology	11.89%		
Cultural Art, History and Events	9.63%		
Emergency Services	8.50%		
City facility improvements	6.24%		
Government efficiency	4.71%		



Community Engagement



In your opinion, should the City prioritize projects that...

	Percent	Responses
There should be a balance between those projects that related to the impacts of COVID-19 and those that are a critical investment for the City's future	52.10%	684
Focus on projects that are a critical investment for the City's future, regardless of their connection to COVID-19	31.20%	410
Focus on those projects that directly relate to an issue or challenge that was created or exaggerated by COVID-19	16.70%	220
		Total 1,314



Community Engagement



The survey included one open-ended question, allowing survey takers to provide their thoughts and ideas on how the funds should be used. The results were wide-ranging, covering topics that included:

- Workforce
- Arts, History, and Events
- Taxes and Finance
- Businesses
- Housing
- Health & COVID-19
- Mental Health
- Domestic Violence
- Equity
- Assistance Programs
- Family Care/Enrichment
- Schools
- Environment, Open Space, and Recreation
- Transportation and Mobility
- Technology
- Stormwater
- City Facilities
- Emergency Services
- Government Efficiency and Services
- City Employees



Proposals Process



- Started with a list of potential programs and projects that have previously vetted through a community process
- Added to the list programs and projects that will address issues exacerbated by COVID-19
- Further developed and refined the list through community engagement
- As Treasury guidance was released, ensured proposals meet eligibility
- Human Services Recovery Team, CIP Steering Committee, and Economic Recovery Team scored proposals based on:
 - 1) Feasibility, 2) Cost, 3) Community feedback, 4) Equity, 5) Any potential red flags
- Based on review, prioritized proposals within four quadrants



Proposals Process



- Tier 1&2 – Projects and programs that will have the most immediate impact, are “shovel-ready,” and highly important.
 - Count of projects: 18
 - Total amount of projects: \$28,663,360
- Tier 3&4 – Projects and programs that are highly important but may not be as urgent or ready to address immediately (may make more sense for the 2nd tranche)
 - Count of projects: 31
 - Total amount of projects: \$29,136,785
- Beyond Tier 4 – Projects that may not directly qualify for the intent of ARPA funds, may not be considered feasible within the timeframe, and/or should be considered through other funding sources.

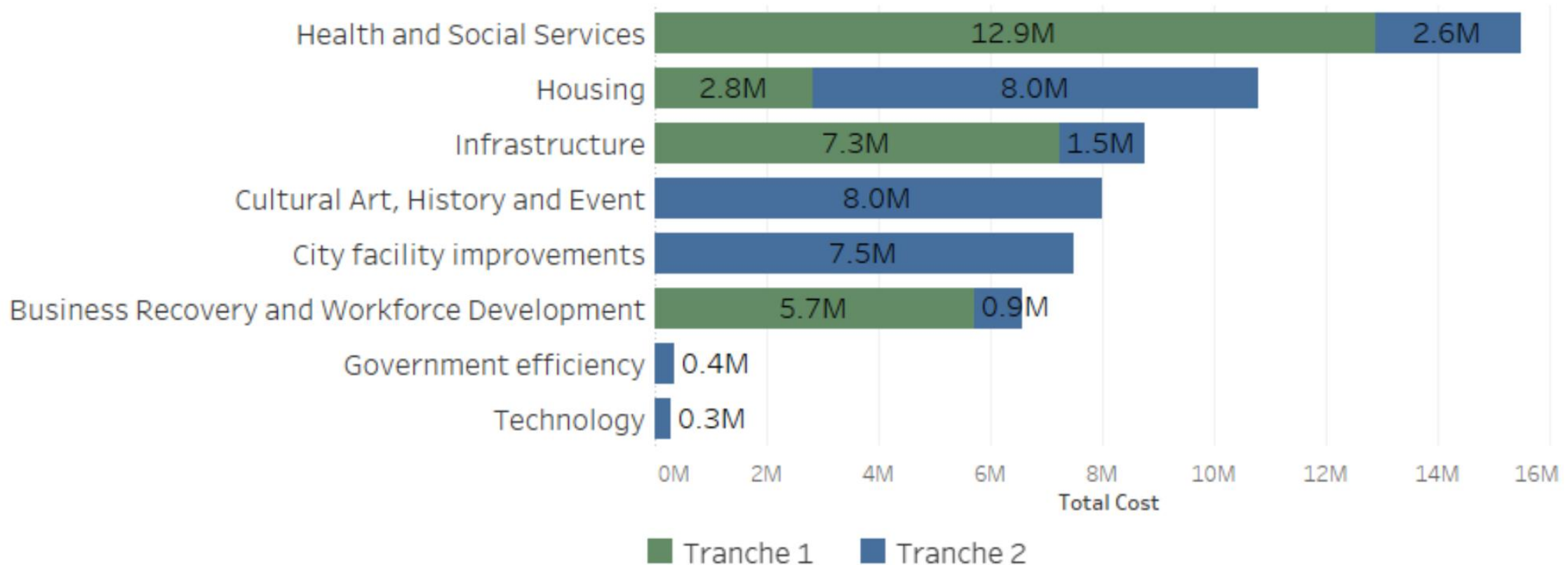
The proposals do not show costs at this time because many of the proposals are scalable and can be adjusted based on City Council discussion and consideration of priorities. However, the projects do show cost by ranges.



Prioritized Proposals



Spending by Category
Projects Recommended for Funding



Prioritized Proposals



TIER 1

Out of School Time Program (OSTP) Enhanced Enrichment Programming and Financial Assistance Opportunities	\$\$
Rental Resiliency	\$\$
Alexandria Community Access and Emergency Support Grant Program	\$\$\$\$
The Unified Early Childhood Workforce Stabilization Initiative	\$\$\$
LGBTQ & BIPOC Equity Project	\$
Channel and Floodway Maintenance	\$\$\$\$
New Business Support Programs	\$
Foundational Support for Commercial Business Districts	\$\$
Alexandria Library Mobile Hotspot Lending Program	\$

\$ = Under \$300,000
 \$\$ = \$300,001 - \$1,000,000
 \$\$\$ = \$1,000,001 - \$3,000,000
 \$\$\$\$ = \$3,000,001 - \$8,000,000



Prioritized Proposals



Tier 2

Food Security System Advancement	\$\$\$
Court Mental Health & Asset Builder Program	\$\$
Stormwater State of Good Repair & Resiliency	\$\$\$\$
Alexandria Guaranteed Basic Income Pilot	\$\$\$
Economic Sustainability 2.0 Consultant	\$
AHDC - Arlandria Community-Serving City Flex Space	\$\$\$
Alexandria Library Outdoor Programs & Job Skills Workshops	\$
Re-employment and Upskilling Project	\$\$\$
Arlandria Chirilagua Housing Cooperative Improvement Initiative	\$\$\$

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Prioritized Proposals



TIER 3	
Transit and Transportation Subsidy Program for Employers Bringing Employees Back to the Office	\$
AHDC Arlandria Project - Infrastructure	\$\$\$\$
Waterfront Improvements (Windmill Hill Park)	\$\$
Digital Equity Plan	\$
Alexandria African American History Tourism Enhancements	\$
Alexandria Talent Initiative/Talent Hub	\$\$
Lower King Street Closure/King Street Place (Short Term)	\$
Web Site Enhancement	\$
Moss Kendrix Collection Digitization, Conservation, and Exhibition	\$\$
Flash Flooding spot improvements	\$\$
Healthy Homes in Alexandria	\$\$
Accessible and Affordable Dental and Vision Care for All Alexandrians	\$\$
Existing Business Support Programs	\$
Increase Seasonal Staffing Hours at Museums	\$
Peer-Powered Resilient Neighborhoods: The Community Wellness Hub Model	\$\$
Alexandria Community Remembrance Project	\$\$

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Prioritized Proposals



TIER 4	
Gap Funding for New Tourism Catalysts	\$\$\$
Expanding Length of Stay	\$
Site/See: New Views in Old Town 2022 & 2023	\$
Office of Internal Audit Federal Funding Oversight Project	\$
Expanding Audiences, Awareness & Regional Marketing	\$\$\$
ALIVE & Archives Building Improvement Project	\$\$\$
Building Management Systems for Build HVAC Improvements and Scheduling	\$\$
Resilient Power System -- Solar + Battery Energy Storage @ Lee Center	\$\$\$
Broadband Strategist and Policy Analyst	\$
Seed Funding for Alexandria Arts District Community Development Authority	\$
Solar Power Systems at Various City Facilities	\$\$\$\$
Meetings Recovery	\$
Visitor Center Disability Access	\$
Cybersecurity User Behavior Analytics	\$
City Arts Relief and Recovery Grants to Alexandria-based Artist(s) and Arts Organizations	\$\$

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Beyond Tier 4	
Early Childcare Center at Minnie Howard	\$\$\$\$
Dash/Witter Wheeler Flood Mitigation	\$\$\$\$
Resident Mental Health Survey	\$
Alexandria 275th Anniversary Celebration	\$
Clearpass Network Access Controls Implementation	\$
City Building UV Air Filtration System Installation	\$\$\$
Fire Station lighting retrofits (interior / exterior)	\$
Sliding partition walls	\$
City of Alexandria 275th Anniversary (RPCA Segment)	\$
Lower King Street Closure/King Street Place (long-term)	\$\$
City of Alexandria 275th Anniversary (OHA segment)	\$
Broadband In Parks	\$\$
Resilient Power System -- Solar + Battery Energy Storage @ 2900 Business Center Drive	\$\$\$
Resilient Power System -- Solar + Battery Energy Storage @ Fire Station 204	\$\$
OHA Point-of-Sale System Replacement	\$
Illuminate Alexandria--Holiday Lighting Installations	\$\$
Knox Box Key Replacement	\$\$
Operable Window installations	\$
Fire Department RMS Replacement	\$\$
Technology Enhancements for Juvenile & Domestic Relations Court & Court Service Unit	\$
Dry Hydrants	\$
Regional Next Generation Emergency Dispatch	\$\$\$
Expanding Opportunities for Public Comment	\$\$\$
Replacement of the Mobile Art Lab and Increased Outreach and Recovery Art Programs	\$

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Next Steps



- Staff will further develop the draft ARPA spending plan for the first tranche of funds.
- City Council will consider the plan for allocation of the first \$29.8million on July 6, 2021.
- Staff will develop the plan for the second \$29.8 million tranche in parallel with the FY23 budget and bring forward an allocation plan in the late fall. The second tranche plan will consider proposals that did not get funded in the first spending plan, in addition to new proposals, and will also need to sync with the FY23 budget process.





Discussion