




CITY MANAGER'S OFFICE


Suzette Sibble, Assistant City Manager

Suzette.Sibble@copbfl.com | P: 954.786.4606 | F: 954.786.4504

DATE: June 15, 2021

TO: Mayor, Vice Mayor and Commissioners

FROM: Suzette Sibble, Assistant City Manager 

VIA: Greg Harrison, City Manager 

RE: Approval of American Rescue Plan Act Allocation Plan

As you are all aware, the Coronavirus Pandemic (“Covid-19”) has impacted every part of life on a local, national and international scale, resulting in millions of deaths worldwide. As social distancing became a necessity, businesses were forced to close, schools transitioned to remote learning, travel came to a halt, and millions of Americans lost their jobs. In addition, governments have faced a myriad of needs to curtail and address the spread of COVID-19, including, but not limited to implementing protective measures, testing, contact tracing, isolation and quarantine, public communications, issuance and enforcement of health orders and in recent months, a massive nationwide mobilization around vaccinations. In addition, local governments have tailored assistance to meet the needs of their communities which have included, but have not been limited to, food assistance; rent, mortgage, and utility support; cash assistance; internet access programs; expanded services to support individuals experiencing homelessness; support for individuals with disabilities and older adults; and assistance to small businesses facing closures or revenue loss or implementing new safety measures.

In responding to the public health emergency and its negative economic impacts local governments have seen substantial increases in costs to provide these services, often amid substantial declines in revenue due to the economic downturn and changing economic patterns during the pandemic. Facing these budget challenges, many local governments have been forced to make cuts to services or their workforces, defer hiring personnel or delay critical investments.

Throughout the Pandemic, the Federal Government has passed several stimulus packages, in an effort to provide funding to support local governments in their efforts to respond to the Covid-19 public health crisis and to provide much needed relief to communities and businesses. On March 11, 2021, the President passed the third federal stimulus initiative, the American Rescue Plan Act (“ARPA”). As a component of the ARPA, the Coronavirus Local Fiscal Recovery Fund (the “Fund”) was established and a total of \$45.6 billion was allocated from this fund to Metropolitan cities. This was a major milestone for local governments with populations under 500,000 as previous stimulus packages did not provide for significant direct allocations to local governments not meeting that criteria and it was also the first time that a stimulus package included provisions to allocate funds to cover the revenue losses that had been experienced by local governments as a result of the pandemic. Based on the Community Development Block Grant entitlement criteria, the City of Pompano Beach (the “City”) would be allocated a total of \$25,694,057 from the Fund.

City staff, under the direction of the City Manager worked diligently over the past weeks to develop an allocation plan for the City’s ARPA entitlement funds. **Exhibit “A”** to the proposed Resolution outlines the plan parameters, which encompasses four (4) major categories: Public Health Emergency Response; Community Recovery and Resiliency; Economic Stabilization and Recovery and General Government Expenditures. The latter category utilized funds to assist in balancing the recommended Fiscal Year (“FY”) 2022 General Fund Budget, covering proposed Public Safety Expenditures. This has allowed the City to balance the proposed General Fund Budget without an increase in the operating millage rate or the fire assessment fee for FY 2022 while maintaining service and program levels, as well as providing for the proposed funding of needed capital projects on a pay-as-you-go basis.

The U.S. Department of Treasury (the “Treasury Department”), charged with administering the Fund, issued Interim Final Rule on May 17, 2021 to provide guidelines to local governments in expending these funds and also issued Frequently asked Questions (“FAQs”) in an effort to further clarify the regulations based on questions received from local governments. It should be noted that the FAQs have been amended several times since initially issued by the Treasury Department, with the latest amendment issued on June 8, 2021. Due to the fluidity of clarifications to the regulations governing the expenditure of these funds, as well as amounts in the City’s proposed plan being estimates, staff is requesting that the City Commission allow the City Manager to authorize any transfer of funding between categories as may be necessary to allow for the efficient administration of the Plan. The City Manager will report to the City Commission any significant deviations from the initial plan being proposed.

The City’s direct ARPA funds will complement other initiatives to provide direct assistance from the Federal or State government to individuals and businesses provided for in the American Rescue Plan Act, to include stimulus payments, the exclusion of unemployment assistance (up to \$10,200) from taxable income, increases in the child tax credit for 2022 and related advance payments to be provided to eligible individuals meeting certain income criteria beginning in July 2021, extension of the employee retention credit and the extension of paid leave credits.