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Agenda Date: 3/4/2021
Council Meeting

FRESNO CITY COUNCIL



Information Packet

ITEM(S)

File ID 21-333 (3-B)

Workshop on American Rescue Plan and proposed allocation methodology

Contents of Supplement: PowerPoint Presentation.

Item(s)

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

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AMERICAN RESCUE PLAN ACT OF 2021

AMERICAN RESCUE PLAN (ARP)

1. Currently subject to Congressional deliberations.
2. **\$1.9 trillion emergency relief measure** provides additional relief to address the continued impact of COVID-19 (i.e., coronavirus disease 2019) on the economy, public health, state and local governments, individuals, and businesses.
3. Lawmakers intend to advance this massive legislative package using the “Budget Reconciliation” process that requires only a simple majority in both chambers of Congress
 - a. House voted on 02/26/2021 to send the measure to the Senate
 - b. However, Senate parliamentarian ruled that the \$15 minimum wage increase would violate the chamber’s rules for inclusion in a filibuster-proof reconciliation measure, so it will need to be amended
4. The White House and lawmakers maintain that March 14th is still their target deadline for passage and enactment into law (since unemployment benefits expire then)
5. We are closely monitoring legislative developments

DIRECT STATE AND LOCAL ASSISTANCE

1. \$130.2 billion to local government, evenly divided between cities and counties, through the Coronavirus Relief Fund administered by the Department of Treasury. \$65.1 billion to cities, including \$45.57 billion to cities with populations of 50,000+
 - a. **Preliminary estimated allocation of \$164 million to the City of Fresno** (as of 2/26/21), based off \$350 billion top-line funding, according to House Committee on Oversight and Reform
 - b. City of Fresno received **\$92.8 million from the CARES Act** last March with pop. over 500,000
2. Eligible Uses
 - a. Replace revenue that was lost, delayed or decreased as determined based on projections of the government as of January 27, 2020, as a result of the COVID-19 emergency;
 - b. Address negative economic impacts of the COVID-19 disease;
 - c. Respond to or mitigate the public health emergency with respect to the COVID-19 emergency or its negative economic impacts; or
 - d. Cost overruns incurred as a result of the COVID-19 emergency
3. Funds awarded by Treasury within 60 days of enactment, available until expended

ADDITIONAL ARP FUNDING

1. **\$19.05** billion for Emergency Rental Assistance Program (ERAP) administered by Treasury
 - *City of Fresno received \$15,804,677.70 in the previous \$25 billion round of ERAP*
2. **\$5 billion** to address homelessness by providing supportive services, developing affordable housing, or help acquiring non-congregate shelter using the formula for the HOME Investment Partnerships Program
3. **\$30.5 billion** for public transit agencies to support the payroll and operating expenses, including \$26.1 billion for Section 5307 Urbanized Area Formula Grant Program grantees
4. **\$8 billion** in emergency funding for airports, including \$6.5 billion for primary airports and \$608 million for airport development projects
5. **\$7.5 billion** to the Centers for Disease Control and Prevention (CDC) for vaccine distribution, administration, and monitoring, and support for vaccination activities conducted by state or local public health departments with Secretary's discretion
 - *However, based on previous relief packages, this is unlikely to be distributed to all cities*

ADDITIONAL ARP FUNDING (cont'd)

Additional ARP Community Investments

1. Agriculture and Nutrition Programs, including the Women Infant and Children Program (WIC) and Supplemental Nutrition Assistance Program (SNAP);
2. Schools and institutions of higher education;
3. Childcare and programs for older Americans and their families;
4. Mental health and substance-use disorder services;
5. Multiemployer pension plans;
6. Small business assistance, including specific programs for restaurants and live venues; and
7. Programs for health care workers, transportation workers, federal employees, veterans, and other targeted populations.

Additional ARP Individual Investments

1. Extend unemployment benefits and related services;
2. Provide a maximum recovery rebate of \$1,400 per eligible individual;
3. Expand and otherwise modify certain tax credits, including the child tax credit and the earned income tax credit;
4. Provide premium assistance for certain health insurance coverage; and
5. Require coverage, without cost-sharing, of COVID-19 vaccines and treatment under Medicaid and the children's health insurance program (CHIP).

AMERICAN RESCUE PLAN
Proposed Funding Allocation

Note: Need to coordinate City's Community Investments with ARP's Community Investments to identify funding gaps not covered by others.

