



Staff Report November 9, 2021

TO: Honorable Mayor and Town Council
FROM: Roger Carroll, Finance Officer
DATE: November 3, 2021
RE: American Rescue Plan Act

Recommendation

Discuss alternatives for using the American Rescue Plan Act funds and provide staff direction.

Issue Statement and Discussion

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA), in response to the Covid-19 pandemic, which allocated \$1,624,494 to the Town of Loomis.

There are four specified allowable uses for these funds. I have added some comments regarding the uses:

1. **Respond to the public health emergency and its negative economic impacts.** The Town's costs have been very low. There is some possibility of making grants to businesses and individuals, but such a program would take either hours of oversight on our part, or a contract with someone else to administer the program.
2. **Provide premium pay to essential workers.** Our employees don't qualify as essential workers for this grant.
3. **Replace revenue lost to the Town because of the pandemic.** The ARPA provided a formula to determine if we lost revenue due to the pandemic. According to the formula, we did financially better than we would have without it.
4. **Make investments in water, sewer, or broadband infrastructure.** This is our best option for using the funds.

One might think that the Town of Loomis would not have need for a water or sewer project as both of those are covered by special districts in our area. Sewer projects, though, include storm drains. There are current and upcoming storm drain regulations that we are not in compliance with. The ARPA was written to be broad enough that any

road project that incorporates improvement to the storm drain system would be considered acceptable. With the amount of deferred maintenance throughout the Town, these funds could provide valuable help in updating the current infrastructure and bring it into compliance with State and Federal regulations.

The funds can be used to improve broadband infrastructure. Currently, much of the Town only has access to internet with download speeds of 25 Mbps and upload speeds of 3 Mbps. Creating infrastructure that improves the service to 100 Mbs both upload and download is an allowed use for the funds. It is unclear how much additional broadband infrastructure can be created with these funds.

The final overriding requirement is that whatever project is chosen, it serves as many citizens as possible.

Funds must be expended by December 31, 2026.

CEQA Requirements

There are no CEQA issues at this point, although such issues may arise depending on the project chose for use of the funds.

Financial and/or Policy Implications

Failure to properly expend the ARPA funds would necessitate the Town returning the funds.

Attachments

None.