



# American Rescue Plan Funding Overview

**Naperville City Council | June 1, 2021**



# American Rescue Plan Act (ARPA)

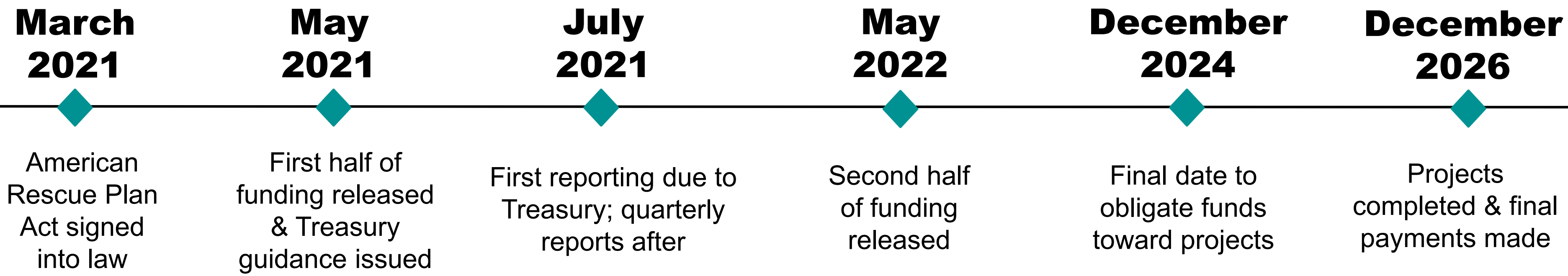
## Funding Methodology

- \$350 billion to state, local and tribal governments
- \$45.6 billion in direct payment to metropolitan cities
- Funding based on CDBG formula – funds not considered part of CDBG program

## Naperville Allocation

- Total allocation: **\$13,308,689**
  - Distributed in two payments: May 2021 and May 2022
- Direct payment from U.S. Treasury
  - Not a pass-through from state or counties
- First \$6.65 million received on May 18

# ARPA Timeline



- \$6.65 million available for immediate use – remainder available in 2022
- Capital projects may be approved through 2024 for completion by 2026



# U.S. Treasury Approved Uses

## Support public health

- Medical expenses, behavioral healthcare, public health & safety staff

## Address negative economic impacts

- Economic harm to small businesses, households, public sector

## Replace lost public sector revenue

- Funding government services

## Provide premium pay to essential workers

- Additional support to workers bearing greatest risk

## Invest in water, sewer & broadband infrastructure

- Improve access to clean water and broadband internet

**Acceptable uses more broadly defined than CARES Act of 2020 – projects/programs must adhere to latest published guidance**



# A Local Approach to Investment

## Tailored approach for Naperville community

- Based on past experience and current trends

## One-time versus recurring investments

- Consider the long-term implications of how funds are used

## Comprehensive economic impacts

- Achieved through transformative ideas and strategic partnerships to grow economic base

## Potential Approaches and Goals

*Direct economic investment*  
to support local economy

*Direct assistance*  
to businesses and/or residents

*Supporting community health/well-being*  
through community partners

*Solidifying the City's financial position*  
through replenishment of lost revenues

*Maximize efforts across economic sectors*  
not receiving direct ARPA funding



# A Local Approach to Investment

## SOLIDIFYING THE CITY'S FINANCIAL POSITION THROUGH THE REPLENISHMENT OF CITY FUNDS

- Intended to support government services
  - **Broad latitude for use of funds once identified**
  - **May not be allocated to reserve or rainy-day funds**
- Applies to general revenue on an entity-wide basis, not fund-by-fund
- Excludes utility charges, bond proceeds, self-insurance revenue, and federal transfers

**Revenue replacement approach  
provides greatest flexibility for  
Naperville's use of ARPA funds**



# A Local Approach to Investment

## USING FUNDS AND PARTNERSHIPS TO DRIVE TRANSFORMATIVE, INNOVATIVE AND LONG-TERM ECONOMIC RE-INVESTMENT TO OUR LOCAL ECONOMY'S BUSINESS SECTOR

- Wide-ranging potential for innovative ideas to strengthen local economy
- May include business development programs or capital investments
- Revenue replacement expands potential uses for capital

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## PROVIDING DIRECT FINANCIAL ASSISTANCE TO BUSINESSES AND/OR RESIDENTS

- Address immediate needs related to pandemic challenges
- Acceptable uses broadly defined
- City must define negative impacts suffered and how aid responds to the impact



# Local Approach to Investment

## SUPPORTING THE HEALTH AND WELL-BEING OF OUR COMMUNITY THROUGH OUR NON-PROFITS AND PARTNERS

- Another broadly defined category under ARPA guidance
- Can address direct or indirect public health response, e.g. mental health
- Funds may support local service providers as sub-recipients

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## ALLOCATING FUNDING IN A WAY THAT MAXIMIZES SUPPORT FOR UNIQUE EFFORTS AND ECONOMIC SECTORS NOT ALREADY COVERED BY EXISTING ARPA ASSISTANCE CHANNELS

- Consider all available federal assistance programs
  - e.g. Restaurant Revitalization Program: \$30 billion to restaurant and bar industry
- Avoid duplication in use of funds
- May transfer funds to other government units or non-profits
  - City responsible for monitoring as sub-recipient





# Timing Considerations

**June  
2021**

**August  
2021**

**October  
2021**

**December  
2021**

**Strategic planning process/approval**

**2022 Annual Budget & CIP preparation/approval**

**Addressing immediate needs**

*Annual budget can be amended at any point in the year as needed to address ARPA priorities*

- Strategic planning process may provide direction on areas that ARPA can be focused
- Annual budget process can identify/evaluate projects
- Funds are available to address immediate needs through independent evaluation



# Next Steps

- **Direct staff to calculate revenue replacement value**
  - Report to City Council
- **Identify priority projects**
  - Strategic planning process
  - 2022 budget preparation
  - Independent evaluation





**Questions?**

