

The background features a gradient from light green at the top to dark blue at the bottom. It is overlaid with several semi-transparent circular elements, including concentric circles, dashed lines, and arrows, suggesting a technical or data-driven theme. A vertical scale on the left side of the image has numerical markings from 140 to 260 in increments of 10.

AMERICAN RESCUE PLAN ACT (ARPA) BOARD UPDATE AND DIRECTION

PRESENTED TO THE BOARD OF SUPERVISORS ON APRIL 30, 2024

ARPA BACKGROUND AND HISTORY

March of 2021, the American Rescue Plan Act (ARPA) was signed into law.

El Dorado County was allocated:

- \$37.46 million in Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
- \$870,850.48 in Local Assistance and Tribal Consistency Fund (LATCF) funding

May 2021, the U.S. Treasury releases the Interim Final Rule outlining eligible ARPA spending categories.

November 2021, the Board approved an initial ARPA SLFRF spending plan.

ARPA BACKGROUND AND HISTORY

April 2022, the U.S Treasury releases the 2022 Final Rule that establishes a standard allowance of \$10 million in revenue loss

April 2023, the Board approved an updated SLFRF and LACTF spending plan

The Consolidated Appropriations Act (CAA), enacted in 2023, add SLFRF eligible categories for natural disaster, surface transportation projects, and community development expenses incurred after December 29, 2022

November 2023, the U.S. Treasury releases the Obligation Interim Final Rule

ARPA RECOMMENDED SPENDING PLAN

SEEKING BOARD DIRECTION ON HIGHLIGHTED CHANGES

PUBLIC HEALTH EMERGENCY & NEGATIVE ECONOMIC IMPACTS



- Use funds to meet the public health and economic needs of those impacted by the pandemic in their communities, as well as address longstanding health and economic disparities, resulting in more severe pandemic impacts.
- The eligible use category to respond to public health and negative economic impacts is organized around the types of assistance a recipient may provide and includes several sub-categories:
 - Public health,
 - Assistance to households,
 - Assistance to small businesses,
 - Assistance to nonprofits,
 - Aid to impacted industries, and
 - Public sector capacity.

PUBLIC HEALTH EMERGENCY & NEGATIVE ECONOMIC IMPACTS

Description	Amount
El Dorado County Fair Association Economic Impacts	\$1,190,000
Nonprofit Pandemic Lost Revenue Grants	\$1,200,932
Small Business Lost Revenue Grants	\$2,121,128
Fire Districts Pandemic Response	\$500,000
CalTahoe Pandemic Response	\$183,000
El Dorado Hills CSD Pandemic Impacts	\$33,000
Behavioral Health System Pandemic Impacts	\$6,264,000
Behavioral Health Crisis Residential Treatment (CRT) Facility*	\$150,000

*Reduce CRT Allocation by \$850,000 due to changes in project need.

PUBLIC HEALTH EMERGENCY & NEGATIVE ECONOMIC IMPACTS

Description	Amount
Ventilation System Improvements in Building C*	\$248,810
Public Health Pandemic Impacts / Health Disparities	\$2,201,840
Sheriff's Office Defibrillators in Vehicles	\$185,000
Pandemic Impacts to CSA3 Ambulance Services**	\$3,145,707
Youth and Families Commission System Improvements	\$100,000
Pandemic Increases to General Assistance Program***	\$735,511
Non-Grant Funded Community HUBS Costs****	\$1,167,329

*ARPA-eligible improvements were made to the ventilation system in Building C.

** In FY 2022-23 the Board made a \$1,025,000 contribution to CSA due to pandemic impacts to the ambulance system, this is ARPA eligible. The prior-approved contribution of \$2,120,707 is also eligible as a pandemic impact.

*** General Assistance Program costs have increased due to the economic impacts of the pandemic.

****The Community Hubs Program navigates those impacted by the pandemic to community resources and services.

WATER, SEWER, AND BROADBAND INFRASTRUCTURE

SLFRF funds may be used to make necessary investments in water, sewer, and Broadband infrastructure.

Description	Amount
Water Agency Projects	\$5,445,000
South Upper Truckee Water Project	\$575,000
Broadband Projects*	\$0
Environmental Management Headworks Improvements	\$2,600,000

*The Board allocated \$4,500,000 for broadband projects, primarily to serve as a funding source for non-grant eligible costs for pending broadband grants. Updated cost estimates for pending grants show this funding is not needed.

PROGRAM ADMINISTRATION

SLFRF funds may be used for a number of administrative processes and requirements, including on distribution of funds, timeline for use of funds, transfer of funds, treatment of loans, use of funds to meet non-federal match or cost-share requirements, administrative expenses, reporting on use of funds, and remediation and recoupment of funds used for ineligible purposes.

Description	Amount
Central Fiscal ARPA Administration	\$778,746



NATURAL DISASTERS

Recipients may use SLFRF funds to provide emergency relief from natural disasters or the negative economic effects of natural disasters that occurred after December 29, 2022.

Description	Amount
Winter Storm Emergency Sheriff Response*	\$52,000

*The Sheriff's Office incurred \$52,000 in costs related to response to the Winter 2022-23 storm emergencies. These costs are not eligible for FEMA reimbursement.



SURFACE TRANSPORTATION AND COMMUNITY DEVELOPMENT

Recipients may use SLFRF funds for Surface Transportation projects and Title I projects that occurred after December 29, 2022.

Recipients may use SLFRF funds for Title I projects, which are the activities eligible under the CDBG and ICDBG programs that occurred after December 29, 2022.

Staff does not recommend the use of SLFRF funds in these categories due to the narrow list of eligible projects.



REPLACING LOST PUBLIC SECTOR REVENUE

The County can allocate a standard amount of \$10 million in revenue loss. This is the easiest category to report as the County only must show that the funding was used to fund government services.

Description	Amount
Forebay Park Improvements	\$3,000,000
Library Rooms for Health Services	\$77,100
Emerald Bay Property Purchase	\$1,700,000
Permanent Navigation Center Build	\$1,000,000
General Fund Government Services*	\$2,805,897

*This was titled an audit reserve, but it is recommended this be funding be allocated to cover the cost of General Fund Government Services.

SUMMARY OF ARPA SPENDING PLAN

Spending Category	Amount
Public Health Emergency & Negative Economic Impacts	\$19,426,257
Water, Sewer, and Broadband Infrastructure	\$8,620,000
Program Administration	\$778,746
Natural Disasters	\$52,000
Surface Transportation Projects & Community Development	\$0
Replacing Lost Public Sector Revenue	\$8,582,997
Total	\$37,460,000

ARPA REPORTING & OBLIGATION PLAN

SEEKING BOARD DIRECTION

ARPA REPORTING & OBLIGATION PLAN

- All ARPA funds must be obligated by December 31, 2024.
- To create the greatest flexibility in reporting and obligating the funds, staff are recommending:
 - The County report the full \$10 million allowed under lost revenue using General Fund capital investments that have already occurred.
 - The Board delegate authority to the Chief Administrative Office to move funding between board-approved projects to ensure the County will not return any SLFRF funds to the U.S. Treasury.
- Staff will return to the Board with a budget transfer to reflect the approved spending and reporting plan.

