

Agenda Item Summary

Date: January 12, 2022

To: Honorable Mayor and Members of the Town Council

Prepared By: Peter Souza, Town Manager

Subject: American Rescue Plan Act Funding

Background

The town will be directly receiving federal funds over the course of the next two years through the American Rescue Plan Act (ARPA). This is a unique opportunity for our community to work together to meet a variety of needs created by the far reaching pandemic.

An overview of the American Rescue Plan Act was provided to the Town Council in July and a Council Workshop was held in August to further discuss the overall program guidelines and eligible use categories.

Staff has prepared an overall framework and a potential allocation plan for the community and Town Council to begin reviewing and considering.

Discussion/Analysis

At a very high level, the American Rescue Plan Act includes overall eligible use categories such as:

- Support a range of public health expenditures (e.g. COVID mitigation efforts, physical, mental and behavioral healthcare)
- Address negative economic impacts to workers, households, small businesses
- Replace lost public sector revenue to maintain or restore government services
- Investments in water, sewer, storm water and broadband infrastructure

The funding will be provided to the town over a two year period with the expected amount to be approximately \$8.5M. Funds need to be expended or committed by the end of calendar year 2024. In some cases, such as capital projects, funds need to be committed by that date but not fully expended until 2026.

In reviewing the US Treasury's interim final rule and other guidance, there is a degree of flexibility in eligible uses. For example, funds can be used for capital expenditures related to ventilation improvements at key facilities (e.g. schools, community centers). Eligible uses could include increased or enhanced programs to address substance abuse/prevention, mental health crisis intervention, and physical health. Directed job training, workforce development, employment programs, home repair and weatherization programs also are possible under the program guidelines. In addition, park improvements and workforce/affordable housing are eligible uses but must meet a variety of threshold parameters.

Municipalities are allowed greater latitude in use of the funds beyond the overall use categories to support "governmental services" based on a rather complex formula that calculates projected loss of municipal revenue due to the economic impacts of the pandemic. Finance staff continues the process of updating the projected revenue loss calculation. At this juncture, we are forecasting the ability to use approximately \$2.75M of the \$8.5M allocation towards "governmental services."

The draft allocation plan is cognizant of the reality that the funding is not recurring in nature and funds authorized for non-capital uses are required to be expended by December 2024. Therefore staff is suggesting that at least approximately 60% of the \$8.5M be considered for capital or infrastructure projects. The remaining resources are suggested to be used to shore up our small business sector, stimulate workforce training and development efforts, enhance our neighborhoods and help address the emotional, mental and physical health needs of our residents

The draft allocation plan follows a general framework consisting of four Areas of Focus:

- Competitive & Sustainable Economy
 - Small Business & Nonprofit Grants
 - Workforce Development and Training
 - Small Business Incubator & Technical Assistance

- Safe, Strong, Diverse Neighborhoods & Families
 - Housing Rehabilitation and Energy Efficiency
 - Elderly Housing Storm Drainage Improvements
 - Neighborhood Enhancement Projects, Programs & Events
 - Windsor Volunteer Ambulance Operating Grant
 - Discovery Center & Caring Connection Operating Contributions

- Community Health & Wellness
 - Expand Mental Health Clinician Services through police department
 - Youth Mental Health Services
 - Community Mental Health Awareness & Training
 - Health & Fitness Initiatives

- Capital & Infrastructure Investment

Financial Impact

At this time, the town has received \$4.25M in ARPA funds. In October the Town Council authorized \$500,000 to be used for the small business and not-for-profit grant program and is being requested this evening (Item 12j) to approve an additional \$125,000 towards the program.

Other Board Action

None

Recommendations

This item is being presented as an overview of possible uses of the American Rescue Plan funding and to provide an opportunity for the Town Council to begin discussing an approach to reviewing and determining an allocation plan.

One possible approach for Council consideration is to hold a Special Town Council meeting or workshop in January to have staff present in more detail elements of the potential allocation plan as well as an opportunity to receive public comment.

Attachments

Draft - December 2021 Potential Allocation Plan

COMPETITIVE ECONOMY

Small Business & Nonprofit Grants	625,000
School to Business Connection (work co-op/internships)	285,000
Workforce Development - Municipal Apprenticeship Prog.	520,000
Small Business Incubator & Support Center	150,000
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	1,580,000

SAFE, STRONG, DIVERSE NEIGHBORHOODS & FAMILIES

Housing Rehab & Energy Efficiency Programs	500,000
Fitch Court Senior Housing Stormwater Improvements	250,000
Neighborhood Enhancement Projects, Programs & Events	100,000
Discovery Center Revenue Restoration	100,000
Caring Connection Revenue Restoration	100,000
Windsor Volunteer Ambulance Grant	100,000
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	1,150,000

COMMUNITY HEALTH & WELLNESS

Community Health & Wellness Needs Assessment	30,000
Embedded Mental Health Clinician at Police Dept.	100,000
Youth Mental Health Clinician & Services	210,000
Community Mental Health Awareness / Training	50,000
WinWellness Health & Fitness Initiatives (all ages)	100,000
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	490,000

CAPITAL INVESTMENT ALLOCATION 5,130,000

ALLOCATION SUMMARY

COMPETITIVE ECONOMY	1,580,000
SAFE, STRONG, DIVERSE NEIGHBORHOODS & FAMILIES	1,150,000
COMMUNITY HEALTH & WELLNESS	490,000
CAPITAL INVESTMENT ALLOCATION	5,130,000
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Sub-total	8,350,000
Project Management / Administration	150,000
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TOTAL ALLOCATED	8,500,000
EXPECTED REVENUE	8,500,000
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UNALLOCATED	0