

# CITY COUNCIL AGENDA



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<b>DATE:</b>	5/21/2024	<b>REFERENCE NO.:</b>	**M&C 24-0459	<b>LOG NAME:</b>	13UPDATE AMERICAN RESCUE PLAN ALLOCATIONS
<b>CODE:</b>	G	<b>TYPE:</b>	CONSENT	<b>PUBLIC HEARING:</b>	NO
<b>SUBJECT:</b>	(ALL) Approve Changes in Allocated Funds from the American Rescue Plan Act State and Local Fiscal Recovery Funds (ARPA SLFRF) in the Amount of \$5,207,163.00 and Recategorize Allocations for the FW Housing Solutions-Stop Six Infrastructure Initiative				

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### **RECOMMENDATION:**

It is recommended that the City Council:

1. Approve the reduction of allocations in the American Rescue Plan Act State and Local Fiscal Recovery Funds Revenue Recovery Category by \$4,881.50 from the allocation for the Central Multimodal Mobility HUB Concept initiative; and
2. Approve the reduction of allocations in the American Rescue Plan Act State and Local Fiscal Recovery Funds Non-Revenue Recovery Category by \$5,202,281.46 from allocations for Pandemic Recovery/Testing and Vaccinations, the Evans-Rosedale Affordable Housing, and Administrative Services; and
3. Approve the recategorization of the FW Housing Solutions-Stop Six Infrastructure initiative in the amount of \$1,600,000.00 by reducing allocations in the American Rescue Plan Act State and Local Fiscal Recovery Funds Revenue Recovery category and increasing allocations in the American Rescue Plan Act State and Local Fiscal Recovery Funds Non-Revenue Recovery category.

### **DISCUSSION:**

The purpose of this Mayor & Council Communication (M&C) is to notify City Council of available American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) and to authorize the reduction of allocations for initiatives with timelines not able to meet required ARPA obligation deadlines and initiatives that are complete and have excess revenue and the recategorization of one initiative between ARPA funding categories.

The City of Fort Worth received a total ARPA SLFRF allocation of \$173,745,090.00, consisting of \$87,024,408.00 to be spent in the areas of Public Health and Negative Economic Impacts (Non-Revenue Recovery), and \$86,720,682.00 to assist the City of Fort Worth (City) with the provision of governmental services (Revenue Recovery). On June 21, 2021, M&C 21-0445 adopted a framework of the City's priorities for ARPA funding.

To-date City Council has approved projects totaling \$171,290,405.42. \$84,451,275.00 has been allocated in the Revenue Recovery category in addition to \$2,203,725.00 earmarked for the Texas A&M Innovation HUB, leaving \$65,682.00 available for allocation, and \$87,024,408.42 has been allocated in the Non-Revenue Recovery category, leaving \$185,278.00 available for allocation. Per U.S. Treasury guidelines, all general ARPA funds must be fully obligated by December 31, 2024 and fully expended by December 31, 2026.

The City Manager's Office and Financial Management Services Department have been evaluating project timelines and projected residual revenue with Department Directors and Project Managers during Fiscal Year 2024 to identify available amounts and additional uses for ARPA SLFRF funds, as any funds not fully obligated by December 31, 2024 must be returned to the U.S. Treasury.

#### **ARPA SLFRF Revenue Recovery Funds**

ARPA allows local governments to designate a portion of the funds they receive to replace revenue lost as a result of the COVID-19 public health emergency, with such funds eligible to be used for the provision of government services. (Section 603(c)(1)(C) of Title VI of the Social Security Act, added by ARPA). Treasury guidance construing the revenue recovery provision indicates such funds can generally be used for any purpose for which a city could use its own funds, subject to certain narrow exceptions that are not applicable here.

On October 10, 2021 Fort Worth Housing Solutions was allocated \$1,600,000.00 in ARPA SLFRF Revenue Recovery funds for infrastructure improvements to housing developments in the Stop Six neighborhood (M&C 21-0184). The initiative also qualifies under the ARPA SLFRF Non-Revenue Recovery category. City leadership determined that recategorizing the project to the Non-Revenue Recovery category will more accurately reflect the nature of the initiative and allow the best use of the more flexible Revenue Recovery category for additional government services.

The ARPA SLFRF Revenue Recovery category also held \$5,000,000.00 earmarked for the Texas A&M Innovation HUB project. Previously approved M&Cs, 23-0284 (April 11, 2023), 23-0518 (June 27, 2023), and 24-0180 (February 27, 2024) allocated funds in the total amount of \$2,646,275.00. Upon review of the ongoing project timeline, City leadership determined the remaining earmarked funds would not be able to be obligated by the ARPA deadline of December 31, 2024, and the best course of action was to remove the earmark for the remaining funds and instead provide funding from the General Fund fund balance. The remaining amount also absorbed a correction between Revenue Recovery and Non-Revenue Recovery funds in an amount of \$150,000.00.

In addition, one project within the Revenue Recovery category, the Central Multimodal Mobility HUB Concept has been completed at a lower cost than budgeted, leaving excess revenue for reallocation totaling \$4,881.50. Projects and amounts are shown below, along with Revenue Recovery funds held in contingency, for a total of Revenue Recovery funds available for reallocation of \$3,874,289.50.

Action	Amount	M&C
Category Change	\$1,600,000.00	21-0814 ARPA ALLOCATIONS TO HOUSING AND HUMAN SERVICES PROJECTS
Release Held Funds	2,203,725.00	Unallocated - Texas A&M Innovation HUB
Allocation Reduction	4,881.50	23-0609 ARPA\\_CENTRAL\\_MULTIMODAL\\_MOBILITY\\_HUB
Contingency	65,682.00	Unprogrammed
	<b>\$3,874,289.50</b>	<b>Total Revenue Recovery Funds Available</b>

### ARPA SLFRF Non-Revenue Recovery Funds

Responding to the negative health and economic impacts of the coronavirus pandemic is a specifically identified use of ARPA dollars under Section 603(c)(1)(A) of Title VI of the Social Security Act (added by ARPA). Treasury Department guidance specifically notes that these Fiscal Recovery Funds can be deployed for a broad range of uses to mitigate the effects of COVID-19 on local residents and accelerate the community's recovery from the pandemic. The intended outcomes of this program will be to deliver increased access to childcare, healthcare and workforce development.

On October 19, 2021, the Evans-Rosedale Affordable Housing project was allocated \$4,245,533.48 in the ARPA SLFRF Non-Revenue Recovery funding category (M&C 21-0810). Due to the delay in the project and the ARPA obligation deadline, City leadership determined the best course of action would be to remove the allocation of ARPA Non-Revenue Recovery funds and provide funding from the General Fund fund balance.

Two other projects within the Non-Revenue Recovery category, Vaccination and Testing Operations and Administration Services, have identified excess revenue for reallocation totaling \$956,748.04. Those projects and amounts are shown below, along with the reclassification of the Fort Worth Housing Solutions infrastructure project and previous Non-Revenue Recovery funds held in contingency, for a total of Non-Revenue Recovery funds available for reallocation of \$3,787,560.04.

Action	Amount	M&C
Allocation Reduction	\$4,245,533.42	21-0810 17ARPA ALLOCATIONS EVANS & ROSEDALE
Allocation Reduction	556,748.04	21-0908 23ARPA-VACCINATIONS AND TESTING
Allocation Reduction	400,000.00	21-0805 13ARPA-ADMINISTRATION
Category Change	(1,600,000.00)	21-0814 ARPA ALLOCATIONS TO HOUSING AND HUMAN SERVICES PROJECTS
Contingency	185,278.58	
	<b>\$3,787,560.04</b>	<b>Total Non-Revenue Recovery Funds Available</b>

### Summary of ARPA Allocations To-Date

The following chart reflects the current status for allocation of the City's ARPA funding under Subtitle M and incorporates each ARPA M&C on the May 21, 2024 Council Agenda:

		M&C's
Total CFW ARPA Subtitle M Funding	\$173,745,090.00	21-0445 2021 AMERICAN RESCUE PLAN

Allocations Approved To-Date	6,000,000.00	21-0794 ARPA-VFW-TDG
Allocations Approved To-Date	1,000,000.00	21-0805 ARPA-ADMINISTRATION
Allocations Approved To-Date	4,245,533.42	21-0810 ARPA ALLOCATIONS EVANS & ROSEDALE REDEVELOPMENT
Allocations Approved To-Date	2,400,000.00	21-0811 ARPA ALLOCATIONS UNTHSC TECHSTARS
Allocations Approved To-Date	10,100,000.00	21-0814 ARPA ALLOCATIONS TO HOUSING AND HUMAN SERVICES PROJECTS
Allocations Approved To-Date	3,000,000.00	21-0809 ARPA ALLOCATION CDFI FRIENDLY AMERICA
Allocations Approved To-Date	300,000.00	21-0820 ARPA-WRMC MURAL PLAQUES
Allocations Approved To-Date	6,400,000.00	21-0935 ARPA-PEG FUNDING-FUTURE CITY HALL
Allocations Approved To-Date	8,000,000.00	21-0908 ARPA-VACCINATIONS AND TESTING
Allocations Approved To-Date	4,560,000.00	21-0913 ARPA-PED//////////_CAPITAL//////////_RESTORE
Allocations Approved To-Date	52,000,000.00	21-0934 ARPA-FWCC EXPANSION FUNDING & PROJECT MANAGEMENT
Allocations Approved To-Date	3,000,000.00	22-0268 ARPA CENTER FOR TRANSFORMING LIVES
Allocations Approved to-Date	5,000,000.00	22-0270 ARPA ALLOCATION FOR PERMANENT SUPPORTIVE HOUSING
Allocations Approved to-Date	7,091,047.00	22-0368 ARPANEIGHBORHOOD WIFI CARES RATIFICATION/ARPA ALLOCATION
Allocations Approved to-Date	3,595,000.00	22-0366 ARPA INFRASTRUCTURE PROGRAM
Allocations Approved to-Date	3,675,000.00	22-0367 ARPA CYBERSECURITY PROGRAM
Allocations Approved to-Date	16,000,000.00	22-0789 MMA INFRASTRUCTURE – STREETLIGHTS & PEDESTRIAN SAFETY
Allocations Approved to-Date	2,500,000.00	22-0789 MMA INFRASTRUCTURE – COBB & HIGHLAND HILLS PARKS
Allocations Approved to-Date	3,200,000.00	22-0789 TARRANT AREA FOOD BANK FACILITY
Allocations Approved to-Date	2,000,000.00	22-0789 POLICE AND FIRE COVID WORKER’S COMPENSATION CLAIMS
Allocations Approved to-Date	1,458,372.00	22-0789 POLICE COVID HEALTH EXPENDITURES
Allocations Approved to-Date	750,000.00	22-0789 VISIT FORT WORTH SPECIAL EVENT FUNDING
Allocations Approved to-Date	4,411,080.00	22-0789 UNITED WAY ONE SECOND COLLABORATIVE
Allocations Approved to-Date	8,000,000.00	22-0789 DEEPLY AFFORDABLE HOUSING INFRASTRUCTURE & DRAINAGE
Allocations Approved to-Date	1,500,000.00	22-0789 FORT WORTH ZOO ROAD REPAIR, EROSION CONTROL, BROADBAND
Allocations Approved to-Date	200,000.00	22-0789 TX WESLEYAN ON-CAMPUS PUBLIC UTILITY RELOCATION

Allocations Approved to-Date	1,925,000.00	22-0789 WILL ROGERS MC AIR HANDLER REPLACEMENT
Allocations Approved to-Date	5,950,000.00	22-0789 WILL ROGERS MC CONCOURSE, LOBBY AND RESTROOM UPDATES
Allocations Approved to-Date	2,000,000.00	23-0284 ARPA FWTC INNOVATION PARTNERSHIP
Allocations Approved to-Date	50,000.00	23-0518 WSTAMUS ILA
Previously Reclaimed Allocations	(4,216,902.00)	23-0609 ARPA\\_CENTRAL\\_MULTIMODAL\\_MOBILITY\\_HUB
Allocations Approved to-Date	\$100,000.00	23-0609 ARPA\\_CENTRAL\\_MULTIMODAL\\_MOBILITY\\_HUB
Allocations Approved to-Date	4,500,000.00	23-0925 RFP 22-0146 BROADBAND ENHANCEMENTS CH CITY
Allocations Approved to-Date	596,275.00	24-0180 WSTAMUS-MCO
Reclaimed Allocations	(5,207,162.96)	13UPDATE AMERICAN RESCUE PLAN ALLOCATIONS (This M&C)
Pending Allocations	\$515,000.00	2020INT IMPROV N. BEACH ST/WESTERN CENTER BLVD APPROPRIATION
<b>Unallocated balance</b>	<b>\$7,146,847.54</b>	

Forthcoming M&Cs will be presented to Council to request approval for the allocation of the remaining unallocated balance.

ARPA projects are located Citywide.

**FISCAL INFORMATION/CERTIFICATION:**

The Director of Finance certifies that funds are available in the Grants Operating Federal Fund, and upon approval of the above recommendations, funds will be available in the current operating budget, as appropriated, of the Grants Operating Federal Fund's American Rescue Plan Act project. Prior to any expenditure being incurred, the participating department shall be responsible for ensuring funds are available and that only expenditures allowable under the American Rescue Plan Act are charged to the ARPA funding source.

**TO**

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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**FROM**

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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**Submitted for City Manager's Office by:** Reginald Zeno (8517)

**Originating Department Head:** Reginald Zeno (8517)

**Additional Information Contact:** Anthony Rousseau (8338)

**ATTACHMENTS**

[ARPA PBS 5.10.24.xlsx](#) (CFW Internal)