



CITY OF RICHMOND

Department of Planning & Development Review *Staff Report*

Ord. No. 2022-284 – To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept the second tranche of American Rescue Plan Act funds in the amount of \$77,439,914.00 from the United States Department of the Treasury; to amend the Fiscal Year 2022-2023 General Fund Budget by increasing estimated revenues and the amount appropriated to the General Fund Budget for certain agencies and reserves for contingencies by \$16,939,914.00; to amend the Fiscal Year 2021-2022 Capital Budget by increasing estimated revenues and the amount appropriated to the Department of Parks, Recreation, and Community Facilities for certain existing and new capital improvement projects in the Culture and Recreation category by \$60,500,000.00, all for the purpose of funding the City's efforts to recover from the economic and health effects of the COVID-19 pandemic in accordance with the American Rescue Plan Act.

To: City Planning Commission
From: Department of Budget & Strategic Planning
Date: October 17, 2022

PETITIONER

Jason P. May, Director of Budget & Strategic Planning

PURPOSE

To accept the second tranche of funding in the amount of \$77,439,914 from the United States Department of Treasury allocations of monies from the American Recovery Plan Act (ARPA), and to amend two budgets for the purpose of continuing implementation of the ARPA spend plan as adopted by Ord. 2021-291. A summary of the two budgets being amended to appropriate the second tranche of funding are as follows:

Budget	FY 2023 Adopted Budget	Amendment Increase	FY 2023 Modified Budget
General Fund	838,715,828	16,939,914	855,655,742
Capital Budget (All Funds)	315,587,293	60,500,000	376,087,293
Total Amendment		77,439,914	

Below provides the details of each of the four budget amendments:

General Fund

Amend Ordinance 2022-055, adopted May 9, 2022, which adopted the FY 2023 general fund budget by amending several general fund departments budgets by appropriating \$16,939,914 for implementing the following purposes/objectives, etc. in accordance to the ARPA Spending Plan:

Department	Total Amendment Increase	ARPA Spending Plan Implementation Objective:
Housing & Community Development	\$10,000,000	Affordable Housing Fund
Finance	2,500,000	Health Equity Trust Fund
Finance	199,914	Covid-19 Administrative Response Reserve

Public Works	500,000	Façade and city beautification improvements (trees, signs, etc.)
Public Works	1,000,000	Enhanced Lighting (street and business) and cameras
Office of Sustainability	1,240,000	Climate Risk Assessment and Implementation
Parks & Recreation	1,500,000	Property Acquisition for new parks
Total	\$16,939,914	

Capital Improvement Plan

Amend Ordinance 2022-057, adopted May 9, 2022, which adopted the FY 2023 capital budget by appropriating \$60,500,000 for the creation and implementation of capital projects in accordance to ARPA the Spending Plan:

New or Existing Project	Category	Project Name	Appropriation
Existing	Culture & Recreation	TB Smith (ARPA)	19,000,000
Existing	Culture & Recreation	Lucks Field (ARPA)	19,000,000
Existing	Culture & Recreation	Calhoun Center (ARPA)	7,000,000
Existing	Culture & Recreation	Southside Community Center (ARPA)	8,000,000
Existing	Culture & Recreation	James River Branch Trail Purchase and Development (ARPA)	4,500,000
NEW	Culture & Recreation	Crooked Branch Ravine Bridge (ARPA)	1,000,000
NEW	Culture & Recreation	Texas Beach/North Bank Tower Repair (ARPA)	2,000,000
		Total	\$ 60,500,000

SUMMARY & RECOMMENDATION

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President. The ARPA is a \$1.9 trillion coronavirus rescue package designed to facilitate the United States' recovery from the economic and health effects of the COVID-19 pandemic. Of the \$1.9 trillion, \$350 billion has been allocated to aid states, cities, tribal governments, and U.S. territories in their recovery efforts.

In May 2021, the Treasury Department released its Interim Final Guidance on the State and Local Government funding from the ARPA to provide guidance on the eligible uses. This funding is to aid localities in their recovery efforts over a four year period. The funding can be used within four area: (i) public health and economic impacts; (ii) premium pay; (iii) revenue loss; and (iv) investments in infrastructure.

The total allocation for the City is approximately \$155 million from just the State & Local Recovery funds portion. Funding will be distributed to the City in two tranches. The City has received the first tranche of \$77.4 million in the spring of 2021 and the second tranche this past summer in 2022.

On July 27, 2021 the City released a survey for the purpose of determining resident and community priorities for spending the \$77 million in ARPA funding. Almost 2,000 surveys were completed. The survey asked residents to rank four core priorities, spending options within those priorities, and provide any other feedback via open response questions. Overall, residents ranked *Supporting Children and Families* the most important spending category, followed by *Transforming Infrastructure, Neighborhoods and Public Spaces*. City leadership used this feedback to assist them in crafting the ARPA Spending Plan to aid in the recovery efforts.

The ARPA Spending Plan consists of six priority area categories, which are: (i) Building Back Affordable and Healthy Homes; (ii) Building Back Healthier; (iii) Investing in our Future – Children and Families; (iv) Building Back Stronger; (v) Building Back Greener and more Resilient; (vi) Building Back Safer.

This ordinance is to amend certain FY23 budgets to appropriate the second year of funding in order to continue implementing the ARPA Spending Plan. The City will have until December 2026 to expend all funding it receives.

Lastly, part of the requirements of the City for receiving the ARPA funding is that the City is obligated to submit quarterly reports to the Department of Treasury. The quarterly reports require the City to report out on the expenditure details. As such, in addition to submitting these quarterly reports to Treasury, the Administration is committed to continuing to provide City Council with quarterly reporting in an effort to remain transparent on the use of this monumental funding.

City Administration recommends approval of this request.

Staff Contact:

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