



AGENDA MEMORANDUM
City Council Meeting of May 11, 2021

DATE: May 3, 2021
TO: Peter Zaroni, City Manager
FROM: Heather Hurlbert, CPA, Director of Finance and Business Analysis
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Federal Economic Stimulus Package – American Rescue Plan Act of 2021

STAFF PRESENTER(S):

<u>Name</u>	<u>Title/Position</u>	<u>Department</u>
1. Heather Hurlbert	Director	Finance and Business Administration

ISSUE:

The City of Corpus Christi is expected to receive \$68.77 million of federal funding from The American Rescue Plan Act of 2021. This presentation is an overview of the act and is the beginning of a discussion with the City Council on the best uses to spend the City's funds.

BACKGROUND:

In March 2021 President Biden signed the \$1.9 trillion COVID-19 relief package - The American Rescue Plan Act of 2021 ("The Act"). The package includes \$350 billion for state and local governments along with additional funding for other areas like education, rental assistance, and transit. The City of Corpus Christi expects to receive \$68.77 million in two payments with the first payment to be received in May 2021 and the second payment in May 2022. The funds can be used for costs incurred by the City through December 31, 2024.

The Act lists four broad allowable uses:

- To respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality
- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work

- For the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal government due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or Tribal government prior to the emergency
- To make necessary investments in water, sewer, or broadband infrastructure

While the Act lays out the broad allowable uses, the United States Department of Treasury will provide detailed guidance on how the funds can be used and on what type of expenses and projects are allowable under the Act. This guidance is expected to be released on or before May 11, 2021. In preparation for the release of the guidance, executive staff collaborated and identified possible opportunities across all City functions for effective use of the available funding. The project listing provides a starting point for discussion with the City Council. Once the guidance is received and thoroughly reviewed by City staff, an action plan with eligible projects will be brought to City Council for approval.

LIST OF SUPPORTING DOCUMENTS:

None