

NDC VIRTUAL ACADEMY

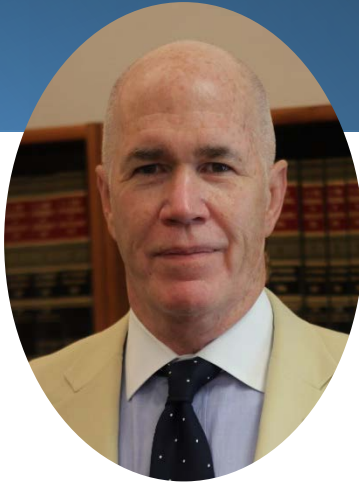
# American Rescue Plan Act (ARPA) Investment

October 1, 2021

JOBS | HOMES | PEOPLE



# Presenters



**Bob Rapoza**

Rapoza  
Associates



**Paul  
Anderson**

Rapoza  
Associates



**Dan Marsh**

President &  
CEO, NDC



**Maureen  
Milligan**

Field  
Director, NDC



# NDC's Role

## Capacity

Technical Assistance



**Technical Assistance-** NDC field directors help define, design and execute development and business finance initiatives.

**Training-** NDC instructors teach skills and knowledge needed to successfully facilitate housing and economic development projects.

Training & Certification



## Financing & Development

Affordable Housing



**Affordable Housing-** NDC serves as a development partner as well as providing syndicated investments in low income and historic tax credits

Small Business Lending



**Small Business Lending-** NDC creates jobs through lending that focuses on LMI as well as W/MBE businesses

Housing & Economic Development



**Housing & Economic Development-** NDC finances and builds community and public facilities on behalf of our client communities through public-private partnerships and new markets tax credits



# The American Rescue Plan Act of 2021

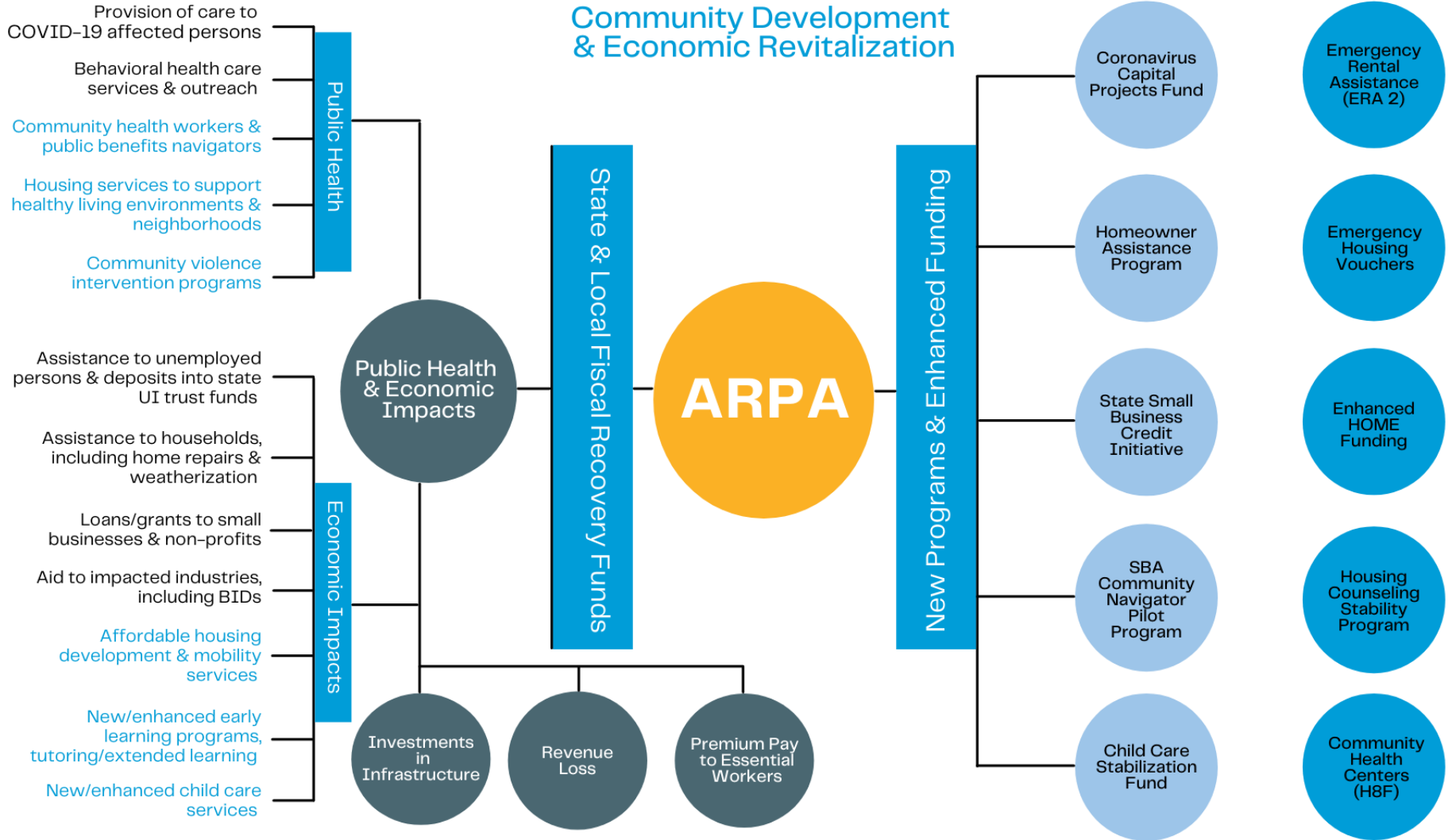


## Funding Background

\$1.9 trillion package signed into law March 11, 2021

- **State Fiscal Recovery Fund: \$219.8 billion**
  - Formula-based with \$20 billion reserved for tribal govt.
  
- **Local Fiscal Recovery Fund: \$130.2 billion**
  - Formula-based, \$45.57 billion to cities, \$19.53 billion to other local govts.
  
- **Coronavirus Capital Projects Fund: \$10 billion**
  - Critical capital projects directly enabling work, education and health monitoring in response to COVID-19.
  - Each state received *at least* \$100 million with additional allocations for tribal governments

# ARPA: Community Development & Economic Revitalization





**The American  
Rescue Plan  
Act of 2021**



**Congressional  
Objectives for  
Fiscal Recovery  
Funds**

- A. Public Health and Economic Impacts**
  - Responding to COVID
  - Responding to negative economic impacts
  
- B. Provide premium pay and benefits to essential workers**
  
- C. Provide government services to the extent of eligible governments' revenue losses, and**
  
- D. Make necessary water, sewer, and broadband infrastructure investments.**



Eligible Uses –  
Responding to  
Negative  
Economic  
Impacts

**A. Public Health and Economic  
Impacts**

Responding to negative economic impacts

- **Household assistance**
  - Housing assistance, including rent, mortgage and utility assistance
  - Counseling and legal aid to prevent eviction or homelessness
  - Emergency assistance for home repairs and weatherization
  - Job training



Eligible Uses –  
Responding to  
Negative  
Economic  
Impacts

**A. Public Health and Economic  
Impacts**

Responding to negative economic impacts

- **Assistance to small businesses, non-profits and impacted industries**
  - Loans or grants to mitigate financial hardship or to implement COVID-19 prevention or mitigation tactics
  - Technical assistance to assist with business planning needs
  - Aid that supports businesses, attractions, or business districts operating prior to the pandemic and affected by closures





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Targeted Assistance:  
*QCTs, Native American communities, communities with a disproportionate impact*

## Health Disparities

- Community health workers
- Public benefits navigators
- Remediation of lead paint or other lead hazards
- Community violence intervention programs

## Stronger Neighborhoods & Communities

- Supportive housing & other services for individuals experiencing homelessness
- Development of affordable housing
- Housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity

## Educational Disparities Exacerbated by COVID

- Early learning services
- Increasing resources for high-poverty school districts
- Educational services including tutoring or afterschool programs
- Supports for students' social, emotional, and mental health needs

## Healthy Childhood Environments

- Child care
- Home visiting programs for families with young children
- Enhanced services for child welfare-involved families and foster youth.



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## Ineligible Uses



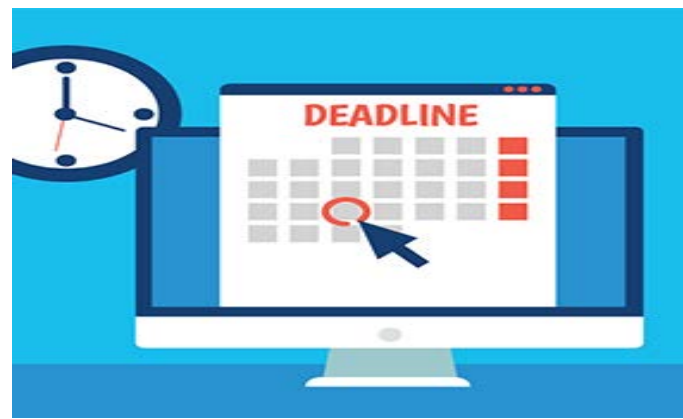
- **Debt:** To pay back borrowed money (interest or principal) or to cover fees and issuance costs associated with new debt
- **Settlements and judgments:** To satisfy settlement agreements or other judgements except if the judgment or settlement required the provision of government services.
- **Rainy day funds:** Replenishing financial reserves (though Unemployment Insurance Trust Funds can be replenished)
- **Pensions:** Deposits into any pension fund
- **Cutting taxes:** States and territories may not “use the funds ... to either directly or indirectly offset a reduction in ... net tax revenue ... resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax ... or delays the imposition of any tax or tax increase.”



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## Deadlines



- The Interim Final Rule requires that *costs* be incurred by December 31, 2024.
- Eligible recipients are encouraged to apply **as soon as possible**.
- Native American Tribal Entities have slightly different deadlines.



# Necessary Questions

## How do I identify community development and economic revitalization priorities?

- 1. What data is available to help identify my community's priorities? Are there existing plans that identify racial/ethnic disparities and disinvested geographies?**
- 2. Are there projects in the pipeline that are eligible uses of ARPA funds *and* will be completed within ARPA timelines?**
- 3. Are there existing programs that could be enhanced through use of ARPA funds?**
- 4. Is there an opportunity for regional collaboration? What are the benefits of such collaboration?**
- 5. Who has the capacity to manage the project? (public vs. vendor)**



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**Creative  
Strategies**

**Examples of how NDC is working with clients to design and implement ARPA funded recovery efforts:**

- 1. Long Beach, CA and Nassau County, NY are expanding existing recovery programs for restaurants still struggling under continued Covid guidelines.**
- 2. Washington State communities are looking to expand capital to a statewide loan fund for small business recovery.**
- 3. A community is creating workforce housing aimed at 80+% AMI hospital workers most of whom end up in more affordable neighborhoods 10+ miles from the hospitals. The hospitals would like employees closer in case of emergency situations.**



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# Problem Solving at the Local Level



# Struggling Downtown Business District

## Analyzing the Data & Defining the Problem

### Negative economic impacts to small businesses and BID

- Professionals are not returning to downtown as employers delay return-to-office dates & allow hybrid schedules
- Commercial vacancy rates are rising as office tenants shrink their footprint
- Some businesses continue to suffer financially due to a decreased customer base
- Other businesses are experiencing growth in their customer base, but can't find enough employees

### Negative economic impacts to child care providers and low-income workers

- Lower income workers want to return to work, but:
  - can't find affordable and available child care
  - can't find affordable housing downtown
- Lower income workers are responding by:
  - leaving the workforce
  - accepting positions closer to home that allow for a shorter commute, accepting remote work positions, or becoming entrepreneurs



# Struggling Downtown Business District

## Identifying Eligible Uses & Available Funding

### Eligible uses of ARPA to aid downtown businesses and BID

- Fiscal Recovery Fund
  - Loans/grants to small businesses and non-profits
  - Aid to impacted industries, including BIDs
- State Small Business Credit Initiative
- Coronavirus Capital Projects Fund



### Eligible uses of ARPA to aid child care providers and low-income workers

- Fiscal Recovery Fund
  - Loans/grants to small businesses and non-profits
  - Aid to impacted industries
  - Enhanced pay for essential workers
  - Housing vouchers and housing mobility services
  - New/enhanced child care services
- Child Care Stabilization Fund







# Struggling Downtown Business District

## Developing Impactful Solutions

### Recruit and retain office and small business tenants

- Provide funding to the BID for wayfinding/sidewalk improvements/outdoor shared restaurant seating and other improvements to ROW that support social distancing and walkability in downtown
- Create a downtown emergency small business grant program for existing businesses. Create a complimentary loan fund focusing on longer-term business sustainability.
- Create a downtown entrepreneur grant/loan fund with a focus on women and minority business owners. Provide up-front technical assistance.

### Recruit and retain child care providers and essential downtown workers

- Provide premium pay to child care workers and low-income essential downtown workers
- Provide housing vouchers and housing navigation services to low-income essential downtown workers
- Rehabilitate vacant downtown office space to be leased to a child care provider



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**Creative  
Strategies**

**Additional opportunities for clients to design and implement ARPA funded recovery efforts:**

- 1. Review your existing Housing Plan or HUD Consolidated Plan to identify areas where home repair/weatherization and multifamily rehab could be targeted.**
- 2. Acquire development sites or existing structures that would be suitable for housing development.**
- 3. Enter into an Interlocal Agreement with regional partners to develop a regional small manufacturer's/maker's space that includes an apprenticeship program.**



# The American Rescue Plan Act of 2021



## References

### US Treasury CLFRF Resources

- [Interim Rule](#)
- <https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>
- [Fact Sheet](#)  
[https://home.treasury.gov/system/files/136/S\\_LFRP-Fact-Sheet-FINAL1-508A.pdf](https://home.treasury.gov/system/files/136/S_LFRP-Fact-Sheet-FINAL1-508A.pdf)
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