



Legislation Text

File #: R2024-071, Version: 1

Consider approving Resolution No. 2024-071, authorizing the reallocation of American Rescue Plan Act Grant Funds; and take appropriate action.

BACKGROUND:

The American Rescue Plan Act (ARPA) of 2021 provided emergency grants to governments to support the response and recovery from the COVID-19 public health emergency. The City of Farmers Branch was awarded \$11,956,459. ARPA budget allocations were approved by the previous City Council in September 2021.

DISCUSSION:

The ARPA Fund Reallocation was previously presented to the City Council during the Study Session on January 23, 2024. However, with Parks staff changes, the formal ordinance was delayed to allow the new Parks Director time to review the ARPA-funded Park projects.

Currently, the City of Farmers Branch has allocated \$11,920,000 to eight projects related to the categories of Negative Economic Impact, Administrative Costs, and Public Health (supporting public safety or promoting healthier living and socialization to mitigate the spread of COVID-19). Four projects, the Justice Center, Branch Connection, Joya Park, and Mercer Park, have not yet been completed as of April 2024. All but Mercer Park are anticipated to be completed by the grant deadlines.

Per the U.S. Department of Treasury, ARPA grant recipients may only use funds to cover costs incurred (contracted) by December 31, 2024. All obligations must be liquidated no later than December 31, 2026. Based on delays with development at Mercer Crossing, staff does not believe Mercer Park construction costs will be contracted and completed by the December 2024 and 2026 deadlines. Therefore, the staff is proposing a funding reallocation to the eligible Justice Center renovation, as this project is about to begin.

The budget allocation for Mercer Park is \$1,000,000, with design costs of \$27,500 already incurred. The proposed reallocation of funds would place \$1 million into the existing Justice Center renovation project and the \$27,500 already spent in an Administrative category.

Currently, the Justice Center renovation project has ARPA-allocated funds of \$2.5M, plus an additional \$1.3M contribution from the General Fund in the fiscal year (FY) '23-24 budget. The Justice Center renovation project will be completed within the grant timeline and make an easier budget swap. The Justice Center Capital Improvement Project (CIP) budget would shift its \$1M General Fund transfer to Mercer Park CIP.

The reallocated funds of \$27,500 already expended for Mercer Park design would be added to the Administrative category. Staff also recommends adding \$8,959 to the Administrative funding allocation for a total of \$36,459. This will fully allocate all the money received from ARPA of \$11,956,459 versus what was previously allocated by the City Council of \$11,920,000. The administrative category covers the costs of implementing program objectives, such as contract support, audit and legal expenses, and materials and supplies for a project.

The reallocation of ARPA spending would still be centered around the goals of improving public health, strengthening the community, and preparing for the future.

FISCAL IMPACT:

Budgeted Financial Impact-Mercer Park's \$1,000,000 budget remains in CIP. Funding will come from the General Fund, and ARPA funding will go to the Justice Center renovation budget instead. In order to fully allocate all ARPA funds received, \$27,500 will be reallocated for Mercer Park design, and \$8,959 will be allocated to administrative costs.

DISTRICT:

Citywide

POSSIBLE COUNCIL ACTION:

1. I move to approve to approve Resolution No. 2024-071 as presented.
2. I move to approve Resolution No. 2024-071, with modifications.
3. I move to table the issue for further study or take no action.

ATTACHMENT(S):

1. Resolution No. 2024-071
2. Presentation