

Public Listening Session

Regarding Use of ARPA Funds

Related to Community Campus Purchase

April 11, 2022



Purpose: Soliciting public input regarding the use of ARPA funds for re-identified projects as an alternative to the use of ARPA funds for the purchase of Community Campus

American Rescue Plan Act of 2021

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law which established the Coronavirus State and Local Fiscal Recovery Fund to provide direct support for local governments to respond to COVID-19's impact on our community, residents and businesses. It is an economic stimulus bill to help every city and town recover from the impacts of COVID-19.

ARPA Funds Awarded to City of Portsmouth

- **City was directly awarded ARPA funds of \$12,880,280.**
- **Funds must be obligated by December 31, 2024 and expended by December 31, 2026.**
- **City Council accepted on June 21, 2021, first tranche of \$6,440,140 in ARPA funds.**
- **City is scheduled to accept second tranche of \$6,440,140 at a public hearing scheduled for April 18, 2022.**
- **Treasury adopted Final Rules effective April 1, 2022, authorizing cities and towns to take a one time “standard allowance” of \$10 million dollars in lost revenue. The City has filed for this \$10 million dollar standard allowance.**
- **In FY22 City Council authorized use of ARPA funds to replace \$400,000 in capital outlay (City Hall HVAC and Citywide storm drainage).**

December 20, 2021 Resolution #26-2021 for Purchase of Community Campus

<i>Appropriation</i>		<i>\$10,000,000</i>
➤ Trusts, Special Revenue & Capital Outlay	\$1,576,179.30	
➤ ARPA Revenue Loss Calculation	<u>\$5,190,000.00</u>	
Sub-Total	\$6,766,179.30	
	Borrowing Requirement	\$3,233,820.70
➤ Potential School ESSER Funds	<u>\$2,000,000.00</u>	OR
Potential Funding Available	\$8,766,179.30	
		\$1,233,820.70

Bond Authorization Resolution – Authorized to Borrow up to \$3,250,000

Community Campus Purchase

- **March 14, 2022 – Community Campus was purchased for \$10 million.**
- **Borrowing is scheduled to take place in June 2022.**
- **Federal Government released the 400-page Final Rule Document of ARPA Grant Funds eligibility which provided additional and expanded guidance relative to the purchase and use of real estate.**
- **Use of ARPA funds for acquisition could limit future uses of this property.**

Steps to Avoid Restrictions on Potential Development on the Community Campus Property

City has 60 days from date of purchase (March 14, 2022) to change funding source – May 14, 2022

- **Adopt new resolution to appropriate the \$10 million from Trusts, Special Revenues, Capital Outlay and Bond Issuance for the purchase of Community Campus**
 - **Increases the borrowing authorization from \$3,250,000 to \$8,423,820.70 for purchase of Community Campus**
 - **Rescinds the December 20, 2021 resolution which utilized ARPA funding.**

- **Adopt a second resolution:**
 - **Appropriates \$5,260,000 from ARPA Funds for eligible projects**
 - **Rescinds the borrowing authorizations for these projects that are schedule to go out to bond in June.**

Proposed Changes to Debt:	Authorized Date	Authorized Unissued Debt	Proposed reduction to Authorized Unissued Debt	Proposed Increases to Authorized Debt	New Authorized Debt
Community Campus	12/20/2021	3,250,000	(3,250,000)	8,423,820.70	8,423,820.70
Multi-Purpose Recreation Fields-Lighting	7/9/2018	560,000	(560,000)		-
Citywide Sidewalk Reconstruction Program	7/15/2019	400,000	(400,000)		-
Street Paving, Management and Rehabilitation	7/15/2019	2,000,000	(2,000,000)		-
Islington Street Phase 2	8/2/2021	2,300,000	(2,300,000)		-
Total		\$ 8,510,000	\$ (8,510,000)	\$ 8,423,820.70	\$ 8,423,820.70

Net Change

	<i>Borrowing Authorizations</i>	<i>FY23 Budget Debt Payments</i>
➤ Reduction in the Original Community Campus Authorization	(\$3,250,000.00)	(\$32,500)
➤ Reduction in Authorized debt	(\$5,260,000.00)	(\$473,400)
➤ Issue Bond Anticipation Note (BAN)	<u>\$8,423,820.70</u>	<u>\$126,000</u>
Net Change for FY23	(\$86,179.30)	(\$379,900)

Public Hearings Scheduled for April 18, 2022

Public Hearing and vote for the new resolution to:

- 1. Appropriate the \$10 million for the purchase of Community Campus**
- 2. Identify the funding sources of
Trust Funds, Special Revenue Funds, Capital Outlay, and
Borrowing Authorization of \$8,423,820.70**
- 3. Rescind resolution #26-2021 from December 29, 2021**

Public Hearing and vote for a second resolution that would:

- 1. Appropriate \$5,260,000 from ARPA funds for the identified projects**
- 2. Rescind prior bonding resolutions of \$5,260,000**

Process for Spending Additional ARPA Funds

- Both during and after the FY23 budget discussion, there will be opportunities to provide input on ARPA fund expenditures. Expenditures will be informed by:
 - Listening sessions and public hearings;
 - Receipt of proposals;
 - Work of the Arts and Non-Profits Committee;
 - Work of the Covid Recovery Taskforce; and
 - Public Health Profile and Needs Assessment

Public Health Profile and Needs Assessment

- In order to help inform the future use of ARPA funds, staff recommends committing \$65,000 in ARPA funds towards a Public Health Profile and Needs Assessment.
- This Assessment would be used to identify the health needs of the community with the purpose of informing investments in community health.
- The last Assessment was done in 2006.

PUBLIC COMMENT

Please State Your Name and Place of Residence