



**MEMO FROM COUNCIL OFFICE ON
LEGISLATION RELATED TO AMERICAN RESCUE PLAN ACT FUNDING:**

**Resolution 21-25 – To Adopt a Community Investment Plan Detailing the Use of
Funding Provided under the American Rescue Plan Act to Support the City of
Bloomington’s Recovery from the COVID-19 Pandemic**

- and -

**Appropriation Ordinance 21-01 - To Appropriate from the ARP Coronavirus Local
Fiscal Recovery Fund, IFA Coronavirus Relief Fund, General Fund, and Parks and
Recreation General Fund Expenditures for Purposes that Fulfill the Intent of the
American Rescue Plan Act in Aid of the City of Bloomington’s Recovery from the
Effects of the COVID-19 Emergency**

Synopses

Resolution 21-25 - This resolution adopts a Community Investment Plan to provide details for the use of funds received by the City of Bloomington under the American Rescue Plan Act.

Appropriation Ordinance 21-01 - This ordinance appropriates funds from the ARP Coronavirus Local Fiscal Recovery Fund for the purposes set forth in the ARPA Community Investment Plan, and from the IFA Coronavirus Relief Fund, General Fund, and Parks & Recreation General Fund for additional expenditures the City will make to aid the community’s recovery from the COVID-19 pandemic.

Relevant Materials

- Resolution 21-25
- ARPA Community Investment Plan – Version 1.0
- Appropriation Ordinance 21-01
- Memo from staff

Summary

Resolution 21-25 and Appropriation Ordinance 21-01 both relate to funds received by the City of Bloomington as a result of the COVID-19 pandemic. The City will receive a total of approximately \$22.1 million as a result of the American Rescue Plan Act (“ARPA”) that may be used for the purposes specified in Ordinance 21-25, which are restated in the attached memo from Corporation Counsel Philippa Guthrie.



All uses of ARPA funding received by the City are subject to the requirements outlined in the U.S. Department of Treasury Interim Final Rule (available online at <https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf>). In addition, the Indiana State Board of Accounts (“SBOA”) has published a memorandum on accounting processes for ARPA funding that requires the City to: 1) establish by ordinance a local ARP Coronavirus Local Fiscal Recovery Fund to receive the ARPA allocation (which was accomplished via Ordinance 21-25) and 2) develop “a plan that will provide the details for use of these funds.”

Resolution 21-25 would adopt an American Rescue Plan Act Community Investment Plan (“ARPA Plan”) to provide details for the use of ARPA funds and to comply with SBOA requirements.

The ARPA Plan identifies four broad categories of need for the City – revenue replacement, housing insecurity, economic recovery, and public infrastructure. The ARPA Plan also details proposed expenditures totaling \$3,350,000 that have been included in Appropriation Ordinance 21-01 for the Council’s consideration. Both Resolution 21-25 and Appropriation Ordinance 21-01 state that the ARPA Plan will remain in effect until amended or supplemented in accordance with future appropriation ordinances of the Council.

Appropriation Ordinance 21-01 proposes additional appropriations for expenditures called for in the ARPA Plan and additional expenditures the City will make related to the COVID-19 pandemic out of the ARP Coronavirus Local Fiscal Recovery Fund, IFA Coronavirus Relief Fund, General Fund, and Parks and Recreation General Fund. Indiana Code 36-4-7-8 provides that the legislative body may, on the recommendation of the city executive, make further or additional appropriations by ordinance, as long as the result does not increase the city’s tax levy that was set as part of the annual budgeting process. The additional appropriations requested by Appropriation Ordinance 21-01 should not result in such an increase to the city’s tax levy. Please note that a public notice of the proposed additional appropriation will be published pursuant to Indiana Code 6-1.1-18-5 and also note that the Council must conduct a public hearing on the proposal before adoption.

Contact

Philippa Guthrie, Corporation Counsel, 812-349-3426, guthriep@bloomington.in.gov

Jeff Underwood, Controller, 812-349-3412, underwoj@bloomington.in.gov

RESOLUTION 21-25

TO ADOPT A COMMUNITY INVESTMENT PLAN DETAILING THE USE OF FUNDING PROVIDED UNDER THE AMERICAN RESCUE PLAN ACT TO SUPPORT THE CITY OF BLOOMINGTON'S RECOVERY FROM THE COVID-19 PANDEMIC

WHEREAS, the American Rescue Plan Act of 2021 ("ARPA") was enacted by Congress on March 11, 2021; and

WHEREAS, the ARPA will provide an estimated \$350 billion in emergency funding directly to state and local governments for the purpose of supporting their recovery from the ravages of the COVID-19 pandemic; and

WHEREAS, the City of Bloomington ("City") will receive approximately \$22.3 million under the ARPA ("ARPA Funds"), which will be distributed in two tranches of fifty percent (50%), one each in 2021 and 2022; and

WHEREAS, the ARPA Funds must be obligated by 2024 and ultimately spent by 2026; and

WHEREAS, the U.S. Department of the Treasury issued an Interim Final Rule providing guidance on allowable expenditures of the ARPA Funds; and

WHEREAS, the Indiana State Board of Accounts provided additional guidance to Indiana governmental units on accounting for use of ARPA funding in a Memorandum dated May 12, 2021 (RE "Accounting Processes for ARPA Subtitle M-Coronavirus State and Local Fiscal Recovery Funds"), which mandates that a recipient establish a separate fund by ordinance for its ARPA Funds; and

WHEREAS, Ordinance 21-25 was adopted by the Common Council on June 16, 2021 and signed by the Mayor on June 25, 2021; and

WHEREAS, Ordinance 21-25 established the ARP Coronavirus Local Fiscal Recovery Fund, listed the purpose of the fund and its permitted uses, and stated that the Common Council shall adopt a plan to provide details for the use of the ARPA Funds;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. The Common Council adopts the attached document entitled *American Rescue Plan Act Community Investment Plan* ("Plan") (dated July 16, 2021) (Version 1.0) to provide details for the use of ARPA Funds. The Plan Version 1.0 shall remain in effect until amended or supplemented in accordance with appropriation ordinances adopted by the Council.

SECTION 2. This resolution shall be in full force and effect from and after its passage by the Common Council and approval by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2021.

Jim Sims, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2021.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2021.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This resolution adopts a Community Investment Plan to provide details for the use of funds received by the City of Bloomington under the American Rescue Plan Act.

AMERICAN RESCUE PLAN ACT CITY OF BLOOMINGTON, INDIANA COMMUNITY INVESTMENT PLAN

as of July 16, 2021

Introduction

On March 11, 2021, the American Rescue Plan Act of 2021 (“ARPA”) was signed into law by President Joe Biden. ARPA establishes the Coronavirus Local Fiscal Recovery Fund (“ARP Fund”) to provide resources to local governments to assist with recovery efforts related to the COVID-19 public health emergency. The City of Bloomington (“City”) will receive a total of approximately \$22.1 million in ARPA funds under this program, and received a first allocation of \$11.1 million on May 20, 2021.

On March 18, 2021, the Indiana State Board of Accounts issued a memorandum requiring each recipient to establish a local fund for the grant money, to identify the eligible uses for which the recipient intends to use the grant money, and to establish a plan detailing the use of the funds that may be amended over time. The City Council established this fund by action (Ordinance 21-25) on June 16, 2021.

This document shall serve as the City’s plan, to be updated as appropriations from the ARPA grant fund are approved by the City Council. The U.S. Department of Treasury has issued specific guidance defining the use categories for which grant funds may be used, but two caveats inform the City's plan, including timing and program choices: 1) new or additional guidance may be issued in the future which could affect eligible uses, and 2) new or additional funding sources have been or may be made available from federal or state sources to support similar uses.

Community Vision

The COVID-19 pandemic has affected the lives of all Bloomington residents, and disproportionately impacted individuals and communities that have been historically disadvantaged.

We believe that all potential ARPA investments should be reviewed through the lenses of sustainability and of equity. The City should use these one-time investments in order to advance Bloomington toward a more sustainable, equitable future. Based on conversations with city staff, members of the City Council, as well as community feedback through a citizen survey and input from civic organizations, the City has identified four major categories of need and many potential components within the categories:

1. Revenue replacement, in order to assist city government in recovering from the fiscal impact of the pandemic.

2. Housing insecurity, in order to address both the need for more rental and ownership housing more affordable to more people, and the need for services for those experiencing or at risk of homelessness.
3. Economic recovery, in order to help the individuals and enterprises (nonprofit and for-profit) of our community recover from the pandemic and expand access to high-quality job opportunities and educational or workforce training.
4. Public infrastructure, to strengthen the resiliency of Bloomington’s physical and operational assets.

Many of these priorities may be addressed through use of the ARP Fund. Still others may be supplemented with related programs authorized by ARPA or future federal initiatives.

As the City pursues these goals, and others, it is committed to doing so through a process that embodies the importance of public input, transparency, and accountability.

Plan for ARPA-Eligible Projects

As set forth in §603(C) of ARPA, in accordance with Treasury Guidance, the City’s plan for Recovery Fund spending includes the following:

1. *The City will allocate funds to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) and its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality. This could include programs such as: delivering assistance to workers and families, supporting small businesses, speeding the recovery of the hospitality sector, and/or rebuilding public sector capacity.*

The City will specifically fund the following programs totaling **\$3,350,000** in 2021:

- (a) **\$250,000** grant to the Bloomington Housing Authority (“BHA”) to enhance the strength and functionality of the Summit Hill Community Development Corporation, “SHCDC”), to create more affordable housing options through activities such as establishing a land trust, developing permanently affordable housing units, managing deed-restricted units and fostering public-private partnerships across the city.
- (b) **\$1,200,000** grant to support the ongoing work of the Housing Insecurity Group, a collaborative, regional group of governments, funders and providers, focused on increasing success for community members experiencing housing insecurity including homelessness or unaffordable or unsuitable housing, to be administered through United Way. The grant will provide a portion of the funding needed for a projected multi-year operational budget of \$3 million. It is expected that substantial additional ARPA support

would be allocated in the future to advance direct housing goals as identified by the Housing Insecurity Group.

(c) **\$200,000** to establish or support a new landlord risk mitigation fund designed to increase landlord participation in programs designed for renters facing barriers, including the federal Section 8 program and other such rental programs.

(d) **\$150,000** to accelerate inclusive job training and employment growth, including through collaborative programs Bloomington Remote, ReBoot, Brighten B-Town, and other direct or indirect city employment for underemployed categories of workers.

(e) **\$175,000** for grants to local arts and cultural groups to foster recovery through support for employment, equipment purchases, facility upgrades or access, program enhancements, or other activities or needs to strengthen the arts and cultural sector.

(f) **\$550,000** to fund essential deferred maintenance at the Waldron to reactivate it as a community arts venue and foster economic recovery for arts organizations that serve as economic engines for the community.

(g) **\$50,000** for third-party professional services to evaluate the potential for a new downtown performing arts facility.

2. *The City will allocate funds to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) and its disproportionate impact on low-income families and communities of color, which has exacerbated systemic health and economic inequities. This could include programs such as: addressing health disparities and the social determinants of health, investments in housing and neighborhoods, addressing educational disparities, and/or promoting healthy childhood environments. Projects related to investments in housing and neighborhoods in this category are presumed eligible if they are used in a qualified census tract.*

No requests at this time. Projects from other categories related to housing and neighborhoods or infrastructure may also qualify under this category, but that will depend on geocoding for qualified census tracts.

3. *The City will allocate funds to assist in meeting the critical need for investments and improvements to existing infrastructure in water, sewer, and broadband, funding necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, and provide access to high-quality broadband service. This could include projects that maintain a level of service that meets applicable health-based standards, take into account resilience to climate change, or*

establish or improve broadband service to unserved or underserved populations to reach an adequate level to permit a household to work or attend school, and that are unlikely to be met with private sources of funds.

The City will specifically fund the following programs:

(a) **\$700,000** for a program to identify and inventory all lead-based service lines in the CBU system, to prepare for a replacement program designed to protect public health risks (which may be funded through a future federal infrastructure program). The support will be offered as a loan/credit program to CBU, with potential future reimbursement.

(b) **\$75,000** to expand Digital Equity investments advancing the goals of the Digital Equity Strategic Plan developed after the recent digital equity community survey, including expanding public wi-fi access at city parks such as Crestmont, Butler, Peoples, and Waldron, Hill, Buskirk (3rd Street).

4. *The City will allocate funds for the provision of government services to the extent of the reduction in revenue of the City due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the City prior to the emergency.*

No requests at this time. The ARPA provides a formula for determining the amount of “lost revenues.” A current estimate is \$6.4 million; we anticipate requesting allocations with the 2022 budget process.

APPROPRIATION ORDINANCE 21-01

TO APPROPRIATE FROM THE ARP CORONAVIRUS LOCAL FISCAL RECOVERY FUND, IFA CORONAVIRUS RELIEF FUND, GENERAL FUND, AND PARKS AND RECREATION GENERAL FUND EXPENDITURES FOR PURPOSES THAT FULFILL THE INTENT OF THE AMERICAN RESCUE PLAN ACT IN AID OF THE CITY OF BLOOMINGTON’S RECOVERY FROM THE EFFECTS OF THE COVID-19 EMERGENCY

- WHEREAS, the American Rescue Plan Act of 2021 (“ARPA”) was enacted by Congress on March 11, 2021; and
- WHEREAS, the ARPA will provide an estimated \$350 billion in emergency funding directly to state and local governments for the purpose of supporting their recovery from the ravages of the COVID-19 pandemic; and
- WHEREAS, the City of Bloomington (“City”) will receive approximately \$22.1 million under the ARPA, which will be distributed in two tranches of fifty percent (50%) in 2021 and 2022, and which must be obligated by the end of 2024 and ultimately spent by the end of 2026; and
- WHEREAS, the U.S. Department of the Treasury issued an Interim Final Rule providing guidance on allowable expenditures of ARPA funds; and
- WHEREAS, on June 16, 2021, in accordance with the requirements of the Indiana State Board of Accounts as set forth in its Memorandum dated May 12, 2021 and entitled “Accounting Processes for ARPA Subtitle M-Coronavirus State and Local Fiscal Recovery Funds” (“SBOA Memo”), the Common Council adopted Ordinance 21-25 establishing the ARP Coronavirus Local Fiscal Recovery Fund (“ARP Fund”); and
- WHEREAS, and the City has already received the first distribution of its ARPA allocation, in the amount of approximately \$11 million, and deposited the monies in the ARP Fund; and
- WHEREAS, ARPA funds may only be used for the purposes specified in Section 603 of the ARPA, and the City must adopt a plan detailing the proposed expenditures of the funds; and
- WHEREAS, on _____, 2021 in Resolution 21-25, the Common Council adopted the American Rescue Plan Act Community Investment Plan (Version 1.0) (“ARPA Plan Version 1.0”), which details initial 2021 ARP Fund expenditures and shall be amended from time to time as and when the Common Council approves additional appropriations from the ARP Fund for the benefit of the community; and
- WHEREAS, the Administration hereby brings this request for appropriation of the amounts specified herein for the purposes set forth in the ARPA Plan Version 1.0, and for appropriation of the amounts specified from the IFA Coronavirus Relief Fund, General Fund, and Parks & Recreation General Fund for additional expenditures the City will make to aid the community’s recovery from the COVID-19 pandemic.

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION I. For the expenses of said Municipal Corporation the following additional sums of money are hereby appropriated and ordered set apart from the fund herein named and for the purposes herein specified, subject to the laws governing the same:

AMOUNT
REQUESTED

ARP Coronavirus Local Fiscal Recovery Fund 176

Classification 3 – Services and Charges:

Grant to the Bloomington Housing Authority to create affordable housing options	\$ <u>250,000</u>
Grant to United Way for addressing homelessness and housing insecurity	\$ <u>1,200,000</u>
Efforts to increase landlord participation in federal Section 8 and similar programs	\$ <u>200,000</u>
Accelerating job training and employment of underemployed categories of workers	\$ <u>150,000</u>
Grants to local arts and cultural groups to foster recovery	\$ <u>175,000</u>
Deferred maintenance at the Waldron to reactivate it as a community arts venue and economic engine.	\$ <u>550,000</u>
Professional services to evaluate the potential for a new downtown performing arts facility.	\$ <u>50,000</u>
Identification and inventory of all lead-based service lines in the CBU system; prepare for a replacement program.	\$ <u>700,000</u>
Digital Equity grants advancing the goals of the Digital Equity Strategic Plan.	\$ <u>75,000</u>
Grand Total	\$ <u>3,350,000</u>

IFA Coronavirus Relief Fund 160

Classification 3 – Services and Charges:

To transfer \$340,000 to the departments Information & Technology Services, Community & Family Resources, and Facilities Maintenance in the General Fund; and \$260,000 to the Parks & Recreation General Fund	\$ <u>600,000</u>
Grand Total	\$ <u><u>600,000</u></u>

General Fund 101

Information & Technology Service Classification 4 -

Capital Outlays: To pay for Coronavirus-related computer and equipment purchases	<u>\$ 300,000</u>
--	-------------------

Community & Family Resources Classification 3 -

Other Services and Charges: For a grant to Monroe County Community Schools Corporation.	<u>\$ 30,000</u>
---	------------------

Facilities Maintenance Classification 3 –

Other Services and Charges: for Security and Cleaning for the restrooms at the 4th Street and Trades garages.	<u>\$ 10,000</u>
---	------------------

Grand Total for the General Fund	\$ <u>340,000</u>
---	--------------------------

Parks & Recreation General Fund 200

Parks & Recreation Classification 3 - Other Services and Charges: For the Security and Cleaning for the restrooms at Switchyard Park \$ 260,000

Grant total for the Parks & Recreation General Fund **\$ 260,000**

SECTION 2. The Common Council has adopted by Resolution 21-25 the ARPA Plan Version 1.0, which details the proposed expenditures from the ARP Fund. The ARPA Plan Version 1.0 shall be amended from time to time as and when the Common Council approves additional appropriations from the ARP Fund for the benefit of the community.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2021.

JIM SIMS, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2021.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2021.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This ordinance appropriates funds from the ARP Coronavirus Local Fiscal Recovery Fund for the purposes set forth in the ARPA Community Investment Plan, and from the IFA Coronavirus Relief Fund, General Fund, and Parks & Recreation General Fund for additional expenditures the City will make to aid the community’s recovery from the COVID-19 pandemic.

**CITY OF BLOOMINGTON
LEGAL DEPARTMENT
MEMORANDUM**

TO: Members of the Common Council of the City of Bloomington

FROM: Philippa Guthrie, Corporation Counsel
Jeffrey Underwood, Controller

CC: Stephen Lucas, Council Administrator/Attorney

RE: Appropriation Ordinance for Expenditures from the ARP
Coronavirus Local Fiscal Recovery Fund (“ARP Fund”), IFA
Coronavirus Relief Fund, General Fund, and Parks and Recreation
General Fund

DATE: July 16, 2021

The American Rescue Plan Act of 2021 (“ARPA”) was enacted by Congress on March 11, 2021 to provide economic relief funding for individuals, businesses and non-profits, and local government units across the country trying to recover from the COVID-19 pandemic. The ARPA will provide an estimated \$350 billion in emergency funding directly to state and local governments, and the City of Bloomington’s (“City”) allocation is an estimated \$22.1 million. Half of the funds are being distributed in 2021 and half in 2022. The City has already received its 2021 distribution in the amount of approximately \$11 million and it has been deposited in the ARP Fund which was established by the Council in Ordinance 21-25, adopted on June 16, 2021.

The ARP fund dollars must be obligated by the end of 2024 and ultimately spent by the end of 2026, and allowable expenditures include the following:

- (A) 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;
- (B) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the City that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- (C) For the provision of government services to the extent of the reduction in revenue of the City due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the City prior to the emergency, that being 2019; or
- (D) To make necessary investments in water, sewer, or broadband infrastructure.
- (E) For any other purpose as may be allowed by Congress or regulations issued by the Department of the Treasury.

In accordance with Indiana State Board of Accounts (“SBOA”) requirements, the City must have “a plan that will provide the details for use of these [ARPA] funds.” The Administration therefore requests first that the Council approve the initial plan, entitled the ARPA Community Investment Plan, by adopting Resolution 21-25, which details the 2021 ARP Fund expenditures. Once the plan is approved, we request that the Council adopt Appropriation Ordinance 21-01, approving the appropriation of funds for the 2021 ARP expenditures, as well as the appropriation of funds from the IFA Coronavirus Relief Fund to fund additional security details for Parks and equipment and related expenditures for ITS.

The Administration looks forward to working with the Council on determining how best to deploy the ARP Fund monies over the next several years for the benefit of our community as it recovers from the COVID-19 pandemic. The plan will be amended by the Administration as each appropriations ordinance is adopted by the Council so that the plan will document the approved expenditures from the ARP Fund in accordance with directives from the SBOA.