

AMERICAN RESCUE PLAN SUMMARY

Gold Hill can expect to receive \$264,169. Half of that will be allocated this summer, and the other half twelve months after that, provided we have used the first half of the allocation.

Frequently Asked Questions (League of Oregon Cities)

How do cities get ARP funding? Do they need to apply?

There is no application process required under the ARP, nor is there a reimbursement process that is comparable to the Coronavirus Relief Fund (CRF) money that was released in 2020. Cities will receive the funds up front and will be responsible for submitting periodic reports to the U.S. Treasury, detailing how they are spending the funds.

When should my city expect to see the payments?

Community Development Block Grant (CDBG) entitlement cities (generally those with a population greater than 50,000) will receive distributions directly from the U.S. Treasury within 60 days of the law's enactment, March 11. Smaller cities will receive distributions about 30 days after that through the state. It is possible the state may request additional time, but they will have to justify their need for it.

Cities will receive one-half of the total allocation in the first payment and the balance of funds about one year later.

How will the state pass the money through to smaller cities?

The state will pass through funds according to a predetermined formula, and importantly, the language states that the state "shall" distribute the funds, not that it "may." The state is subject to penalties if it fails to distribute these funds and cannot collect any processing fees for the pass through of funds.

Can states place any additional restrictions on ARP funds?

Our understanding is that the guidance for the use of ARP funds will come from the federal government. The U.S. Treasury guidance for the CRF monies specified the state could not put any additional restrictions on use, and we hope the guidance for the ARP will use similar language. States have not been given any authority to place additional restrictions on the use of the ARP funds.

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What can ARP funds be used for?

- To respond to the public health emergency 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 city 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 the city due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency.
- To make necessary investments in water, sewer, or broadband infrastructure.

What uses are not allowed for the funds?

- Reducing taxes by legislation, regulation, or administration.
- Deposits into pension funds.