

**American Rescue Plan Act:
Q&A from GMA Convention
Concurrent Session 2021**



Questions about ARPA SLRF directly allocated to cities. All responses are based on GMA's understanding of Treasury guidance as of August 12, 2021. Please consult with your city attorney and all Treasury guidance and reporting requirements to inform your city's decisions on how ARPA Local Fiscal Recovery Funds are used to meet needs in your communities.

NOTE: Treasury IFR is [here](#) and Treasury FAQ is [here](#)

Can Water Bills for our citizens be paid out of these funds and if so where do we go to get the information?

FAQ 2.21. Can funds be used for eviction prevention efforts or housing stability services?
[6/24]

Yes. Responses to the negative economic impacts of the pandemic include "rent, mortgage, or utility assistance [and] counseling and legal aid to prevent eviction or homelessness."

It has been recommended that all funds be used to retire debt sustained as a result of the pandemic. Is this a good idea? Why? Why not?

No, this is expressly prohibited. See Treasury [FAQ](#) 3.8, 4.3, and 9.4.

Can you use the funds for projects that are already underway? Do eligible projects have to be new projects?

See FAQ 4.7. Do restrictions on using Coronavirus State and Local Fiscal Recovery Funds to cover costs incurred beginning on March 3, 2021, apply to costs incurred by the recipient (e.g., a State, local, territorial, or Tribal government) or to costs incurred by households, businesses, and individuals benefiting from assistance provided using Coronavirus State and Local Fiscal Recovery Funds? [6/8]

The Interim Final Rule permits funds to be used to cover costs incurred beginning on March 3, 2021. This limitation applies to costs incurred by the recipient (i.e., the state, local, territorial, or Tribal government receiving funds). However, recipients may use Coronavirus State and Local Fiscal Recovery Funds to provide assistance to households, businesses, and individuals within the eligible use categories described in the Interim Final Rule for economic harms experienced by those households, businesses, and individuals prior to March 3, 2021.

My city needs infrastructure improvements to our water/ sewer system. Many local citizens want ARPA money to go to community needs. Will there be funding other than ARPA for community needs? Business losses?

Currently, the most complete guidance available on eligible uses is for infrastructure (water, sewer, and broadband). The ARPA legislation included \$1.9 trillion, and many state and federal agencies are receiving ARPA funds through existing programs, or to support new programs to target a variety of community needs. Cities can also use local ARPA funds to assist households and businesses impacted by the pandemic. When final guidance is available, we will have a clearer understanding of the eligible uses

and reporting requirements. It's really up to the individual city to determine how to invest ARPA funds and GMA recommends every city work with your community to identify needs and discuss the best way to meet them. A good summary of ARPA funding for businesses is available [here](#). Businesses should reach out to SBDC for technical assistance [here](#) or call 706-542-2762.

Landlords are having trouble getting tenants to both file for assistance and money, when given it's turned over to tenants. Is there an easier solution?

Once an application is complete, the landlords are always paid directly. Per the Treasury guidelines, tenants are paid directly in situations where the landlord does not provide the responses and documentation to complete the process.

Does ARPA funds cover renewable energy or clean energy projects?

The bipartisan infrastructure proposal currently under consideration in Congress will include funds for renewable and clean energy projects.

Can revolving loan funds be developed using ARPA funds?

Yes, but please refer to Treasury guidance for details. See Treasury [FAQ](#) question 4.11 *"Any contribution of Fiscal Recovery Funds to a revolving loan fund must follow the approach described above for loans with maturities longer than December 31, 2026. In other words, a recipient could contribute Fiscal Recovery Funds to a revolving loan fund, provided that the revolving loan fund makes loans that are eligible uses and the Fiscal Recovery Funds contributed represent the projected cost of loans made over the life of the revolving loan fund."*

Once money is fully expended and approved, is quarterly reporting still required?

Please see p. 15 of the Treasury reporting guidance (<https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>) and refer to the Treasury Portal User Guide for recipients at [SLFRF Treasury-Portal-Recipient-Reporting-User-Guide.pdf](#).

Will the lack of spending for the first tranche/ allocation impact our ability to get the second tranche/ allocation?

According to the current Treasury guidance, recipients have until December 31, 2024, to obligate funds and until December 31, 2026, to spend funds.

Is there any rule in place precluding a city from investing the funds while we wait for the final rule and allocation to designated/ eligible projects?

See Question 10.4 in the Treasury FAQ. Funds may be, but are not required to be, deposited into an interest-bearing account. Interest earned is not subject to ARPA program requirements. Among other things, States and other recipients may use earned income to defray the administrative expenses of the program, including with respect to NEUs.

Can a local government apply for broadband projects on behalf of a private entity? Where can we find details?

Please see the Interim Final Rule for details under the section titled VI. Transfer. Local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (e.g., a county is able to transfer Fiscal Recovery Funds to a city, town, or school district within it) or to private entities. This approach is intended to help provide funding to local governments with needs that may exceed the allocation provided under the statutory formula. A local government receiving an ARPA award is designated as a “recipient” and the recipient remains responsible for monitoring and overseeing the subrecipient’s use of Fiscal Recovery Fund and other activities related to the award to ensure that the subrecipient complies with the statutory and regulatory requirements and the terms and conditions of the award. Recipients also remain responsible for reporting to Treasury on their subrecipients’ use of payments from the Fiscal Recovery Funds for the duration of the award.

It was suggested to put our funds in an interest-bearing account. Is the interest earned subject to all the same rules? Or can it go into the general fund?

Interest earned on CSFRF/CLFRF payments is not subject to program restrictions. See question 10.3 of the FAQ.

Questions regarding the State ARPA grant program:

Link to the State Fiscal Recovery Fund and OPB FAQs on this program: <https://opb.georgia.gov/state-fiscal-recovery-fund>

With only 22 days left until the state grant program closes, will the state consider a deadline extension, maybe 30 days after the final Treasury rule? We don’t know for sure if our project is going to be allowed.

Currently, the deadline is still August 31, 2021. If applicants have questions about if their project is going to be allowed, they can email the OPB team.

For questions regarding State Fiscal Recovery Fund categories:

- Broadband Infrastructure Contact: Jen Wade, jennifer.wade@opb.georgia.gov
- Water/Sewer Infrastructure: Jasmine Lewis, jasmine.lewis2@opb.georgia.gov
- Negative Economic Impact: Sameerah Anderson, sameerah.anderson@opb.georgia.gov

Will state ARPA funds be available for revenue loss, or do we have to use our own ARPA funds to cover revenue loss?

Revenue loss is not covered under current categories: Broadband Infrastructure, Water/Sewer, and Negative Economic Impact. Negative economic impact proposal may include a component to assist small business due to revenue lost or in specific industries like hospitality, etc. Refer to the OPB link above for details.

Any restrictions on applying for OPB projects as an Authority (industrial development, DDA, etc.)?

Authorities are eligible to apply.

For state ARPA funding, is there a limit on the number of projects/ requests that can be submitted?

Applicants should submit one application per project area. There may be applicants that have a water/sewer and broadband application and that is fine as they are different project areas/categories.

Does local match for the state ARPA grant program have to be ARPA funds or can they be GEFA funds?

It doesn't have to be ARPA, but it must be match eligible. If an applicant provides match that is ineligible, they will not receive points.

Can you use the funds for projects that are already underway? Do eligible projects have to be new projects?

Projects can be retroactive to March of this year, however if the project does not get funded, it is not OPB's responsibility to cover costs incurred/work completed.