

# American Rescue Plan Act of 2021

City Council Meeting

Item 1.b.

March 15, 2021





# Overview

- **American Rescue Plan**
  - > \$1.9 trillion
  - > Signed into law on March 11, 2021
- **State and Local Aid: \$350 billion**
  - > To Cities and Counties of ALL population
  - > \$45.6 billion to Cities over 50,000 population
  - > Using CDBG formula, but not CDBG rules
  - > Pasadena is estimated to receive \$52 million
  - > Funds will be distributed over two years
    - 50% within the next 60 days
    - Available through December 31, 2024



# State & Local Assistance Eligibility Uses

- 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;
- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the local government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;



# State & Local Assistance Eligibility Uses

- For the provision of government services to the extent of the reduction in revenue of such local government due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the local government prior to the emergency;
- To make necessary investment in water, sewer, or broadband infrastructure;
- Two restrictions on the use of the funds: Pension contributions or Tax reductions are PROHIBITED



# Allocations

- **\$5 billion for homeless assistance using HUD Home formula**
  - > \$3 billion directly to Pasadena
- **\$19 billion for rental assistance**
  - > Population threshold remains at 200,000 for direct funding
    - County will receive funding
- **\$30 billion for public transit**
  - > \$1.65 billion to LA-Long Beach area with most to LA Metro
- **\$5 billion for power, water, wastewater utility relief**
  - > HHS to administer through states
- **\$50 billion for FEMA Disaster Assistance at 100% reimbursement**



# Allocations

- \$7.5 billion for vaccine distribution;
- \$50 billion for COVID testing and tracing;
- \$129 billion for K-12 schools by formula; 90% to Local Education Agencies;
- \$8 billion to airports/ airport concessionaires by formula;
- \$25 billion for a new SBA “Restaurant Revitalization” grants;
- \$3 billion for Economic Development grants