



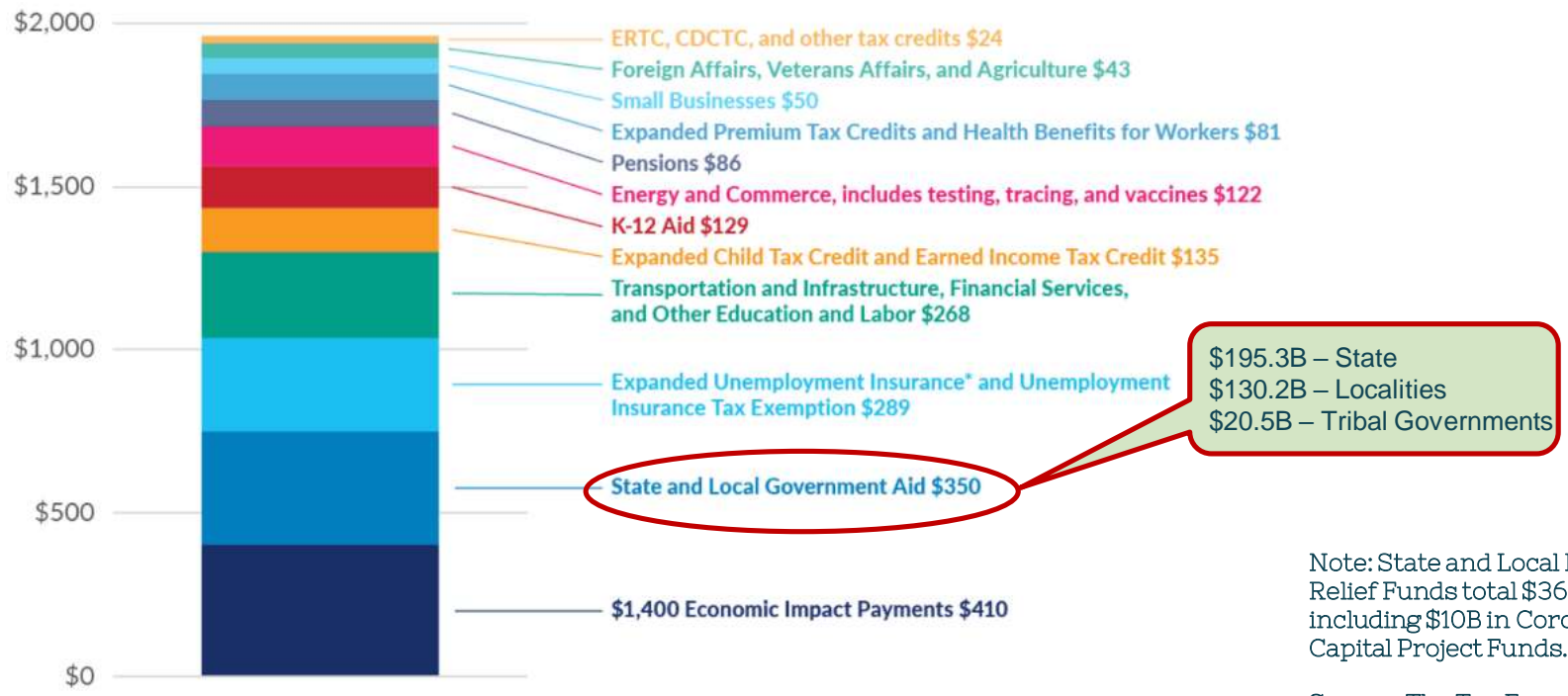
Overview of the American Rescue Plan Act

**Garden Grove City Council Meeting
March 23, 2021**



Components in the \$1.9 Trillion American Rescue Plan Act

(Summary of Relief in Billions of Dollars)



Note: State and Local Emergency Relief Funds total \$360B, including \$10B in Coronavirus Capital Project Funds.

Source: The Tax Foundation.

\$350 Billion

State &

Local

Emergency

Relief

Funds

Allocation to Cities – \$65 Billion

Allowable Uses

- Respond to COVID-19 emergency and address its economic effects
- Provide government services to the extent of the reduction in revenue due to COVID-19
- Invest in water, sewer or broadband infrastructure
- Provide premium pay for eligible workers performing essential work during the pandemic

Disallowed Uses

- Deposit into pension funds
- Directly or indirectly offset tax cut

Allocation to Cities - \$65 Billion

- Estimated amount allocated to **Garden Grove - \$50.6M**
- First half to be distributed within 60 days of submitting a Certification of Need, the remainder 12 months later
- Allocation is based on FY2020 CDBG Entitlement Awards distributed, subject to change



Council Priorities

COVID Recovery & Balanced Budget

- Maintain service
- Protect jobs
- Support businesses

Infrastructure

- Streets
- Long-term funding plan
- Storm drain/
park irrigation

Public Safety

- Maintain staffing
- Facility Improvement
- Crime Reduction Strategy

Quality of Life

- Code Enforcement
- Parking
- Trash
- Homelessness
- Graffiti
- Signage



Proposed Uses

- COVID Recovery – fund certain essential government services up to the amount of lost revenue
 - Cumulative loss of revenue since March 2020 to date - \$25.7M (90% in TOT)
 - Additional anticipated loss of revenue through FY 21-22 \$19.0M
- Maintain City Services - restore budget cuts since March 2020*
 - 22 Defunded Positions
 - Deferred maintenance
 - Deferred equipment and capital purchases

** Up to the amount of total loss of revenue, must be spent by 12/31/2024*

Administration of the ARP Funds



Additional guidance is to be provided by the US Treasury

Certain one-time revenue generated from non-operating activities outside the City's normal operations... are committed by formal action of the City Council .

-- City Council Policy 200-07, General Fund Reserve Policy,
passed on 12/17/2019

AMERICAN RESCUE PLAN

The American Rescue Plan

The COVID-19 pandemic and the corresponding economic crisis have undermined the health and economic wellbeing of American workers. Millions of Americans, many of whom are people of color, immigrants, and low-wage workers, continue to put their lives on the line every day to keep the country functioning through the pandemic. And more than 9.5 million workers have lost their jobs in the wake of COVID-19, with 4 million out of work for half a year or longer. Without additional government assistance, the economic and public health crises could drag on and our national vaccination program will be hobbled at a critical moment.

The American Rescue Plan will change the course of the pandemic and deliver immediate relief for American workers. The plan will build a bridge to an equitable economic recovery and immediately reduce child poverty. In fact, a Columbia University study found that passing the plan will lift more than 5 million children out of poverty this year, cutting the poverty rate by 50%. The bill is one of the most progressive pieces of legislation in history, with more than two thirds of its tax cuts and direct payments going to families making less than \$90,000 per year. It will:

Mount a national vaccination program, contain COVID-19, and safely reopen schools. American workers should not have to lie awake at night wondering if they'll make it home from work safely the next day, or if they'll bring home the virus to their loved ones and communities. President Biden has a comprehensive plan to address the pandemic that will:

- Invest about \$160 billion to provide the supplies, emergency response, testing, and public health workforce to stop the spread of COVID-19, while distributing vaccines as quickly as possible and addressing racial disparities in COVID-19 outcomes. These emergency measures will help combat the heavy toll this virus is exacting, and will deliver community-based and culturally competent care.
- Provide \$130 billion to help schools serve all students, no matter where they are learning, and help achieve President Biden's goal to safely open the majority of K-8 schools within the first 100 days of his Administration. These investments include set asides at the local and state level to ensure states and districts address the learning loss and social and emotional needs of students disproportionately impacted by COVID-19, including students of color, English learners, and students with disabilities.

Deliver immediate relief to American families bearing the brunt of this crisis. The American Rescue Plan devotes about \$1 trillion towards building a bridge to economic recovery for working families. All told, a single parent with one young child making the minimum wage could see her income increase from the equivalent of \$7.25 to around \$11 per hour. The plan will:

- Give working families a \$1,400 per-person check**, bringing their total relief payment from this and the December down payment to \$2,000. More than 85% of households will receive a check and checks in this bill are bigger than the checks in the CARES Act or in the December bill. And, for the first time, adult dependents are entitled to a check as well. This means a lower or middle-income family of four will see an additional \$5,600 in their pockets.
- Extend current unemployment insurance benefits and eligibility to September 6 (saving 11 million Americans from losing benefits starting in about a week)**, provide a \$300 per week supplement, and help protect Americans from surprise tax bills on unemployment insurance they received last year.

AMERICAN RESCUE PLAN

The American Rescue Plan: Impacts on California

The Need for Action in California

The pandemic and the associated economic crisis have had a severe impact on California. The need for action is clear:

- Since the pandemic began, more than 3.5 million people have been infected with COVID-19 and more than 54,000 people have died.
- The unemployment rate is 9.3%, up from 4.3% before the pandemic.
- Since February 2020, more than 1.6 million fewer people are employed.
- 3.2 million adults – 13% of all adults in the state – report not having enough food to eat. This includes 1.8 million adults living with children, or 17% of all adults living with children, who report that the children in their household do not have enough to eat.
- An estimated 1.9 million renters or 16% of renters are not caught up on rent.
- An estimated 11.4 million adults or 41% of all adults statewide report having difficulty covering normal household expenses.

The Effect of the American Rescue Plan on California

President Biden's American Rescue Plan will provide California with:

- \$27 billion in state fiscal relief
- \$18.5 billion in local fiscal relief
- More than \$15 billion in relief for K-12 schools
- Economic impact payments of up to \$1,400 per person (above the \$600 per person provided in December) for more than 22 million adults and 9 million children. This is 80% of all adults in the state and 81% of all children in the state.
- Additional relief of up to \$1,600 per child through the Child Tax Credit to the families of 7.8 million children, lifting 553,000 children out of poverty
- Additional relief of up to nearly \$1,000 through the Earned Income Tax Credit to 1.8 million childless workers, including many in frontline jobs
- Marketplace health insurance premiums that are \$1,270 lower per month for a 60-year old couple earning \$75,000 per year

Visit ggcity.org for additional information on the American Rescue Plan

2021 economic development strategic plan

- Update the City's 2018 economic roadmap
- Prioritize small business resources
- Deploy workforce development initiatives
- Fund small business grants and loans
- **Council Consideration (est. May 2021)**

+700 commercial sites

Target available sites and vacancies (brokers and owners)

+6 INFO webinars

(OC/IE Small Business Development Center, VACOC, KACCOC, GG Chamber and Workforce Development)

\$800k JOBS 1st

Small Business Loans and Grants Resources

\$7.25B LENDERS

Fund Paycheck Protection Programs (PPP) thru lenders

\$20B SBA

Fund Targeted EIDL Advance grants thru SBA

\$28.6B restaurants

Fund Restaurant Revitalization Fund

Questions & Discussions...

