

Resolution to designate and appropriate 19,750,000 in City Council Initiatives of ARPA Funds

WHEREAS, on March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President. Section 9901 of ARPA amended Title VI of the Social Security Act to add section 602, which established the Coronavirus State Fiscal Recovery Fund, and section 603, which established the Coronavirus Local Fiscal Recovery Funds (together, the Fiscal Recovery Funds). The Coronavirus Local Fiscal Recovery Funds was established to provide support to local governments (“recipients”) to respond to the impacts of COVID-19 on communities, residents, and businesses; and

WHEREAS, section 602(c)(1) and 603(c)(2) provides that funds may be used to:

- A. 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;
- B. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- C. For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency;
- D. To make necessary investment in water, sewer, or broadband infrastructure; and

WHEREAS, the City of Memphis has been notified by the Department of the Treasury of ARPA funding in the amount of \$161,061,490.00, payable in two tranches. The City of Memphis is in receipt of the first tranche in the amount of \$80,530,745; and

WHEREAS, at the September 16, 2021 regular meeting of the Memphis City Council, the Council approved the Administration’s proposal for allocations of ARPA funding. This proposal included \$20,000,000 in funding to be used for Council Initiatives; \$250,000 has been already allocated by separate resolution, leaving a remaining \$19,750,000 in unallocated funds; and

WHEREAS, Section 602(c)(3) authorizes local government recipients to transfer amounts paid from the Fiscal Recovery Funds to a number of specified entities including private nonprofit organizations, a public benefit corporation involved in the transportation of passengers or cargo, a special-purpose unit of State or local government, other constituent units of government, or to private entities. Entities that receive funds from local governments (“subrecipients”) will receive a subaward from a recipient to carry out a program or project on behalf of the recipient with the recipient’s Federal award funding.

NOW, THEREFORE BE IT RESOLVED the Memphis City Council adopts the following terms of eligibility and guiding principles to appropriate ARPA funding to aid local recovery:

Eligibility to receive Fiscal Recovery Funds

The City of Memphis Finance Department will determine the eligibility of subrecipients. Subrecipients will be required to comply with additional financial guidelines set forth by the City of Memphis Finance Office, in accordance with the Federal government. Every subrecipient must accept the funds and complete an agreement with the City of Memphis. Failure to comply with the financial guidelines may result in forfeiture of Fiscal Recovery Funds. If any Fiscal Recovery Funds are unable to be distributed, the Finance Department shall notify the City Council in order to reallocate the unused funds.

The Finance Department will submit quarterly written reports to the City Council on funds allocated and used by subrecipients until Fiscal Recovery Funds expire in December 2024. The report shall include accounting records from recipients, schedules of distribution, and other regular reporting.

Principles

1. Subrecipients should address one of the following community needs and priorities of the City Council:
 - a. COVID-19 Mitigation
 - b. Homelessness
 - c. Youth Initiatives
 - d. Blight
 - e. Solid Waste
 - f. Safe and Affordable Housing
 - g. Community Development
2. Utilize other funding sources first when possible. Prioritize funding for subrecipients not eligible for other grants.
3. Prioritize working with regional partners such as Shelby County Government, Shelby County Schools, and the State of Tennessee, who are also in receipt of Fiscal Recovery Funds, to fully fund initiatives.
4. Consider the temporary nature of Fiscal Recovery Funds and the ongoing financial commitment required after funding expires in December 2024.
5. Consider the long-term impact allocated funds will have for the City of Memphis.

NOW, THEREFORE BE IT FURTHER RESOLVED by the Memphis City Council that \$19,750,000 of the recently awarded Council Initiatives of Local Fiscal Recovery Funds be allocated and managed, in accordance with Attachment A, and in accordance with federal guidance for expenditures that are reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending said fund payments.

Sponsors:

Chase Carlisle
Edmund Ford, Sr.
Ford Canale
Frank Colvett, Jr.
Michalyn Easter-Thomas
Cheyenne Johnson
Martavius Jones
Rhonda Logan
Worth Morgan
Patrice Robinson
JB Smiley, Jr.
Jamita Swearengen
Jeff Warren

Chairman:

Frank Colvett, Jr.

Council Initiative \$19,750,000	Initiative	Spend	Priority
	DMC	\$ 1,350,000	Blight
	MMDC Memphis Medical District Collaborative	\$ 240,000	Blight
	Africa in April	\$ 125,000	Community Development
	Choose901	\$ 30,000	Community Development
	Explore Bike Share	\$ 50,000	Community Development
	Food Desert Initiative North Memphis	\$ 3,000,000	Community Development
	Memphis Food Waste Project	\$ 180,000	Community Development
	Midsouth Food Bank	\$ 250,000	Community Development
	National Civil Rights Museum	\$ 250,000	Community Development
	Orpheum Theatre	\$ 125,000	Community Development
	Public Transportation Initiatives	\$ 1,500,000	Community Development
	Relationship Unleashed	\$ 25,000	Community Development
	Stax Museum	\$ 125,000	Community Development
	Healthcare Navigator	\$ 1,071,640	COVID-19 Mitigation
	ShotRX	\$ 750,000	COVID-19 Mitigation
	Satellite Hub for Homeless	\$ 3,000,000	Homelessness
	Affordable Housing Grant/Loan	\$ 3,000,000	Safe and Affordable Housing
	Habitat for Humanity	\$ 500,000	Safe and Affordable Housing
	Share the Pennies	\$ 250,000	Safe and Affordable Housing
	Solid Waste Initiatives	\$ 1,428,360	Solid Waste
	Communities in Schools	\$ 500,000	Youth Initiatives
	Equity to Prosperity	\$ 1,000,000	Youth Initiatives
	HBCU Scholarship Initiative	\$ 1,000,000	Youth Initiatives
Total		\$ 19,750,000	