

ATTACHMENT A

Guidelines and Eligible Use of Funds

The ARPA Coronavirus State and Local Fiscal Recovery Funds program provides substantial flexibility for the City to meet local needs within the eligible use categories. While activity eligibility is flexible, the intent of this portion of the City's Local Recovery Funds is to remediate the public health and negative economic impacts of the pandemic on households and communities disproportionately affected with Housing Assistance Projects and Programs.

The City may use funds to:

- Support the COVID-19 public health and economic response by addressing COVID-19 and its impact on public health as well as addressing economic harms to households, small businesses, nonprofits, impacted industries, and the public sector.
- Recipients can use funds for programs, services, or capital expenditures that respond to the public health and negative economic impacts of the pandemic.
- Assistance to impacted households may include aid for rent, mortgages, utilities, affordable housing development, and many more uses.
- Assistance for "impacted" and "disproportionately impacted" classes: Impacted classes experienced the general, broad-based impacts of the pandemic, while disproportionately impacted classes faced meaningfully more severe impacts, often due to preexisting disparities.

Responding to Public Health and Economic Impacts of COVID-19

Local Recovery Funds provide resources for the City to meet the public health and economic needs of those impacted by the pandemic in their communities, as well as address longstanding health and economic disparities, which amplified the impact of the pandemic in disproportionately impacted communities, resulting in more severe pandemic impacts.

To identify eligible uses of funds in this category, recipients should (1) identify a COVID-19 public health or economic impact on an individual or class (i.e., a group) and (2) design a program that responds to that impact. Responses should be related and reasonably proportional to the harm identified and reasonably designed to benefit those impacted.

To determine whether a program, service or other intervention "responds" to the public health emergency, the recipient must do the following:

- Identify a need or negative impact of the public health emergency
- Identify how the program, service, or other intervention addresses the need or negative impact

- To be eligible for ARPA funds, the program, service, or other intervention must be in response to the disease itself or the harmful consequences of economic disruptions from or exacerbated by the COVID-19 public health emergency

Step	1. Identify COVID-19 public health or economic impact	2. Design a response that addresses or responds to the impact
Analysis	<ul style="list-style-type: none"> • Can identify impact to a specific household, business or nonprofit or to a class of households, businesses, or nonprofits (i.e., group) • Can also identify disproportionate impacts, or more severe impacts, to a specific beneficiary or to a class 	<ul style="list-style-type: none"> • Types of responses can include a program, service, or capital expenditure • Response should be related and reasonably proportional to the harm • Response should also be reasonably designed to benefit impacted individual or class
Simplifying Presumptions	<ul style="list-style-type: none"> • Final Rule presumes certain populations and classes are impacted and disproportionately impacted 	<ul style="list-style-type: none"> • Final Rule provides non-exhaustive list of enumerated eligible uses that respond to pandemic impacts and disproportionate impacts

Additional Resources

For details on and examples of types of potentially eligible recipients and project activities please refer to the Overview of the Final Rule located at:

<https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>

Other resources for determining eligible uses of funds under the Final Rule can be found at:

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

The Final Rule made effective April 1, 2022, is located at:

<https://home.treasury.gov/system/files/136/SLFRF-Final-Rule.pdf>

Treasury releases guidance updates and how-to guide to increase investments in affordable housing using American Rescue Plan funds:

<https://home.treasury.gov/news/press-releases/jy0889>

The Uniform Administrative Requirements Title 2 CFR Part 200 can be accessed at:

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>

The City of Flagstaff's 10 Year Housing Plan is available at:

<https://www.flagstaff.az.gov/DocumentCenter/View/71407/Flagstaffs-10-Year-Housing-Plan>

