



Published January 19th, 2022

ARPA funds distribution comes into greater focus for Lafayette

By Lou Fancher

At the first city council meeting of 2022 on Jan. 10, recommendations for new, "immediate needs" allocations related to the distribution of American Rescue Plan Act (ARPA) funds dominated an update from ARPA subcommittee members. HDL Companies Principal/Managing Director Barry Foster led the presentation, with input from subcommittee members Vice Mayor Carl Anduri and Council Member Gina Dawson. The council's approval was sought for expenditures of \$920,000 from ARPA funds for assistance to households, small businesses and restaurants, the nonprofit Lafayette Partners in Education (LPIE), the Lafayette Veterans Memorial Building, and upgrades at the Lafayette Community Center.

In November 2021, the council had approved the ARPA first tranche spending plan in the amount of \$1,945,555. Items identified as TBD were tabled for a Dec. 13 meeting, at which time concerns about using ARPA funds to purchase the Lafayette Park Theater were discussed. The council authorized the city manager to move forward with using general funds to finance the Park Theater Grant Agreement and other TBD items up for review were tabled until the meeting on Jan. 10.

Foster at the meeting presented details of the new allocations recommended by the subcommittee, explaining the city has currently allocated a little over \$1.67 million. Among the recommendations are \$1,000 for city website development aimed at providing informational resources for residents, especially households most negatively impacted by the pandemic; \$159,000 for partnering with Lafayette Partners in Education to examine a mental health program expansion for children attending schools in the Lafayette School District; \$100,000 to develop marketing programs to help downtown businesses with recovery from the pandemic; \$100,000 for small business technical assistance (a development center was one example of a small business resource); \$200,000 to local restaurants to support outdoor dining; \$90,000 in assistance to ensure the long-term viability of the Veterans Memorial building, a nonprofit that due to decreased rentals during the pandemic is experiencing significant revenue declines; and \$270,000 in HVAC and ventilation improvements at the Community Center. Foster noted the new allocations are \$920,000 in total.

Foster said he was still reviewing the United States Treasury's 437-page document that was released last week with more ARPA rules. He indicated it will provide more flexibility in the use of funds, especially for small cities. In the case of Lafayette, adjustments to the standard revenue loss (up to \$10 million) can be made and the new rules will allow ARPA allocations to be used for general city services and recovery from the pandemic.

Council Member Dawson note that the subcommittee's "immediate needs" recommendations are based on helping Lafayette households and families as well as on addressing the needs of small businesses in the community.

Council Member Wei-Tai Kwok asked about the Veterans building and if the \$90,000 allocation would only allow the nonprofit to meet funding needs through June, but might cause them to "collapse" shortly thereafter. Foster said more ARPA funds coming in the summer months will be applied to meet the subcommittee's goal to provide more funding in the future, although funding parameters that shift continually, he said, leave the final determination unknown. Vice Mayor Anduri said the organization with this immediate need funding can get to the end of their fiscal year and deferred maintenance projects will allow them to stay stable, assuming events resume by the summer.

The council then discussed the LPIE funding for mental health services delivered to students. Council Member Susan Candell expressed concern that the benefits were distributed equitably to all schools in the district. Dawson said LPIE will be active in facilitation the money being distributed to the district; after which the district makes sure funds are dispensed equitably to all schools in its jurisdiction.

In a brief discussion about the \$500,000 drawn from general funds to purchase the Park Theater and how those funds might be replaced, Foster said, "You have to do these things without knowing if ARPA rules will allow the city to offset the costs." While awaiting the arrival of new ARPA ruling on city funds allocations, Foster reiterated that when approved by council in November 2021, the timing necessary to purchase the theater meant making the decision to take the money out of the general fund and then deal with the resolution of it later.

Council voted unanimously to approve the recommendations for "immediate needs" funding as presented in the staff report.

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[back](#)

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