



March 8, 2022

Honorable Mayor and
Members of the City Council
City of Warrensburg, Missouri

Dear Mayor and Council Members:

SUBJECT: ARPA Code Compliance Grant Update

BACKGROUND:

At the January 24, 2022 City Council meeting, staff gave a presentation on the potential use of the City's American Rescue Plan Act funds for a Code Compliance Grant program. The program would offer grants in three target areas; sprinkler system installation, commercial hood system installation, and installing curb and gutter along arterial or collector streets. With Council's input, staff worked in February to finalize the grant requirements and application materials. One of the main issues to address was how to have organizations substantiate a negative economic impact due to Covid-19.

The U.S. Department of the Treasury issued the Coronavirus State & Local Fiscal Recovery Fund: Overview of the Final Rule in January and the Compliance and Reporting Guidance State and Local Fiscal Recovery Funds on February 28, 2022. After reviewing both documents, staff determined the information the subrecipients (the grantees) will have to submit to the City in order to be awarded a grant are extensive and burdensome. Additionally, all the reporting the City is required to do will flow down to subrecipients and be required of them as well. Failure to do so, or failure to do so correctly, will mean the City will have to give back the ARPA funds to the federal government. Knowing this, staff does not believe it is viable to continue with the Code Compliance Grant program. Staff will continue to monitor the landscape and if we see other cities or counties find a way to implement a grant system, we will reach out and to learn from them.

STRATEGIC PLAN:

This program would have been consistent with Focus III strategy *Adopt City goals, policies and plans to support and encourage residential, commercial, and industrial growth.*

FISCAL IMPACT:

The decision to not pursue the grant program will allow approximately \$500,000 of ARPA funds to be used for a City project.

RECOMMENDATION:

No action is needed by City Council. This item is informational only.

Sincerely,

A handwritten signature in black ink that reads "Barbara Carroll".

Barbara Carroll
Director of Community Development