



Request for City Council Committee Action from the Department of the City Coordinator

Date: February 25, 2010

To: The Honorable Robert Lilligren

Subject: The American Recovery and Reinvestment Act 2009 (ARRA)
– 2009 Year End Summary

Recommendation: Receive and File

Department Information

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Supporting Information

Since its passage in February of 2009, the American Recovery and Reinvestment Act has funded over \$60 million in projects and programs within the city of Minneapolis. From the various federal and state agencies providing ARRA funds, over \$165 million in formula and competitive grants has been sought. ARRA is in its second year of activity and is greatly focused on expenditure and implementation of dollars in 2010. The purpose of this report is to provide archival data on activity reported by contract managers on ARRA fund activity through year end of 2009.

ARRA Summary

The purpose of the ARRA Act as stated in PL111-15:

1. To preserve and create jobs and promote economic recovery.
2. To assist those most impacted by the recession.
3. To provide investments needed to increase economic efficiency by spurring technological advances in science and health.
4. To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
5. To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases."

ARRA is split in to two categories of funding, Division A which establishes appropriations and Division B which includes tax, unemployment, health, and other individual benefits. The bulk of grants for projects and programs derive from appropriations in Division A. Generally, Division B opportunities are not part of the federal reporting requirements.

City of Minneapolis Economic Recovery Strategy

A city workgroup was established to develop strategies and to guide investment as ARRA dollars were delivered to the city. The "Economic Recovery Workgroup" developed the "Minneapolis Economic Recovery Strategy" which states:

"[the strategy]...is to maximize the impact of the Federal stimulus investments and ensure that public investments translate into a more competitive future for the people of Minneapolis and the entire region."

It outlines seven strategic areas of focus:

- Protect public safety gains
- Retain and create jobs & prepare workers for the 21st century
- Modernize infrastructure
- Leverage Minneapolis' wireless & technology infrastructure
- Support people & communities most impacted by the economic downturn
- Expand our green economy & build a greener Minneapolis
- Promote regional competitiveness & efficiencies

Coordinated Project and Program Summaries

City staff categorized the funding according to sections of the Act and within typical federal agency designations for reporting (as per national practice). Those categories include:

- Energy & Environment
- Health & Human Services
- Housing & Urban Development
- Jobs & Employment
- Public Safety
- Transportation

Columns below include "project name," the "applied for amount," the "award amount," and the "expended" amount. The "status" column indicates the status of the project or program spending according to the contract manager responsible for that fund.

Energy & Environment – Category applications total \$71M/awarded \$6.6M

Project Name	Applied For	Award Amt	Expended	Status
EECBG Business Loan Fund	\$780,000	\$780,000	\$0	Not started
EECBG Climate Microgrants	\$98,000	\$98,000	\$0	Not started
EECBG Gov't Buildings	\$1,950,000	\$1,950,000	\$0	Less than 50%
EECBG Residential	\$705,000	\$705,000	\$0	Not started
Dewatering Plants (w Green Fund)	\$18,000,000	\$3,040,000	\$645,956	Less than 50%
Solar Integration Power Grid	\$2,000,000	\$0	\$0	Not funded
Smart Grid Demonstration	\$8,300,000	\$0	\$0	Not funded

EECBG Competitive	\$37,630,000	\$0	\$0	Pending award
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Health & Human Services – category applications total \$100,000/awarded \$100,000

Project Name	Applied For	Award Amt	Expended	Status
CDBG-R Handiworks	\$100,000	\$100,000	\$0	Not started

Housing & Urban Development – category applications total \$65.6M/awarded \$28.3M

Project Name	Applied For	Award Amt	Expended	Status
Engaged Public Housing - BTOP	\$5,298,236	\$0	NA	Not funded
Broadband Public Housing - BTOP	\$3,302,925	\$0	NA	Not funded
CDBG – Chicago Ave Fire Arts Ctr.	\$275,000	\$275,000	\$275,000	Less than 50%
CDBG – Fire Station No. 20	\$190,000	\$190,000	\$27,826	Less than 50%
CDBG – Housing Services Staff	\$100,000	\$100,000	\$0	Not started
CDBG – Lead Hazard Control	\$200,000	\$200,000	\$0	Less than 50%
CDBG – MN Schubert Ctr.	\$2,000,000	\$2,000,000	\$0	Less than 50%
CDBG – TenK Solar Manuf. Facility	\$284,847	\$284,847	\$0	Not started
CDBG – Van White Blvd.	\$260,000	\$260,000	\$0	Not started
CDBG – Homelessness Rehousing	\$5,520,902	\$5,520,902	\$23,865	Less than 50%
NSP2	\$48,180,000	\$19,455,156	\$0	Not Started

Jobs & Employment – category total of applications \$7.3M/awarded \$7.2M

Project Name	Applied For	Award Amt	Expended	Status
ARRA Adult Training	\$592,000	\$592,224	\$1,792	Less than 50%
ARRA WIA	\$962,634	\$962,634	\$253,089	More than 50%

Dislocated				
ARRA Youth Workers	\$1,746,121	\$1,649,235	\$88,410	More than 50%

Public Safety – category total of applications \$12.9M/awarded \$8.1M

Project Name	Applied For	Award Amt	Expended	Status
Downtown 100	\$1,312,946	\$0	NA	Not funded
Byrne JAG Victim Assistance – FED	\$156,208	\$0	NA	Not funded
Byrne JAG Prostitution – FED	\$591,828	\$0	NA	Not funded
Byrne JAG Victim Assistance-STATE	\$179,532	\$179,532	\$0	Not started
Byrne JAG Community – STATE	\$399,242	\$0	NA	Not funded
Byrne JAG Technology – STATE	\$374,000	\$0	\$0	Pending award
Byrne JAG Mobile Data – STATE	\$400,000	\$0	NA	Not funded
Byrne Competitive Computer – FED	\$442,140	\$442,140	\$0	Not started
Byrne JAG Police Retention	\$3,763,170	\$3,763,170	\$1,239,599	More than 50%
COPS Hiring	\$3,213,782	\$3,213,782	\$0	Not started
Winterized Homes	\$200,000	\$200,000	\$1,643	Less than 50%
Police Strategic Info Ctr	\$330,704	\$330,704	\$0	Not started
Port Security	\$1,545,000	\$0	\$0	Not funded

Transportation – category total of \$10M/awarded \$10M

Project Name	Applied For	Award Amt	Expended	Status
Camden Bridge	\$10,000,000	\$10,000,000	\$0	Less than 50%

Grants Overview

Grants are both competitive and formula. The City has received \$19.92M in formula Recovery grants to date. Programmatic spending is additive to ongoing annual programs (e.g. CDBG-"R"), others are new spending initiatives (e.g. Energy Efficiency Community Block Grant), while others still are one time allocations of federal funding to address national agenda needs (e.g. Broadband Technology Opportunities Program).

Grants that have been typically managed within individual departments continue to be managed by contract managers within the assigned area. Grants that are typically managed more centrally, such as the CDBG-R, continue to be managed according to ongoing business practices. A few of the grants are developing new work flow processes due to the novel nature of either the federal or state granting entity, or the type of program or project that is being delivered.

Federal reporting requirements of ARRA dollars allows for some centralized coordination of ARRA at the enterprise level. Quarterly reports are submitted by the city and then to the federal government through an online reporting system using FederalReporting.gov. Those reports are then compiled nationally and displayed Recovery.gov, a website designed to enhance the accountability and transparency of spending of ARRA dollars.

Locally, a staff team has developed a database system which enables contract managers to work within the parameters of 1512 federal reporting requirements to populate a database feeds www.minneapolisrecovery.us. This website functions as the portal to information around ARRA spending citywide to enhance accountability and transparency around these dollars and spending. The site includes the enterprise-wide projects or programs receiving ARRA dollars.

Future reporting and ongoing activity

Work in 2009 focused on applications and awards management, while work in 2010 will be heavily focused on implementation of expenditures. The federal agencies have displayed a desire for rapid expenditures of the funds and are articulating that desire to the local level.

A total of \$166.9M has been applied for according to citywide contract managers with a total of \$60.3M in award notifications. Contract managers report that of the 39 projects or programs within the city, 26 are listed as "not started"; 10 of which are listed as "less than 50%"; and 3 of which are listed as "more than 50%" as of the date of this report. No project or program has been listed as completed.

Activity will increase through 2010 once construction season begins and programs begin to implement dollars at the local level. Funds in various programs are beginning to be expended as the federal agency and local contract elements are completed.

Ongoing citywide ARRA activity is anticipated through 2012, including federal reporting requirements. Regular reports, at least on an annual basis, will be delivered to council. Individual projects and grants will make frequent and ongoing reports as already required by city procedures.