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ARPA 3-Year Anniversary: Documenting the Success of Direct Federal Aid to Cities and Towns.

Three years after its passage, the impact of the American Rescue Plan Act (ARPA) on America's cities, towns and villages cannot be overstated.

ARPA's State and Local Fiscal Recovery Fund (SLFRF) provided integral relief for local governments to navigate the COVID-19 pandemic and ensure stability for communities moving forward. During a time of uncertainty, SLFRF allocations ushered in funds to help cities, towns and villages ignite a bottom-up economic recovery strategy to assist the hardest-hit residents, stabilize municipal budgets, and maintain consistent spending on standard local government operations and services.

The SLFRF program provided direct federal aid in the form of block grants to all state, county and municipal governments, allowing for more opportunities for regional and multi-jurisdictional collaborations compared to competitive or categorical grants that are often limited to narrowly defined activities. Additionally, the SLFRF distribution model equitably allocated aid for metropolitan cities by borrowing the anti-poverty formula from the Community Development Block Grant (CDBG) program to deliver funding where it was needed the most. Relatedly, the three- and a half-year timeframe given to recipients to obligate funds has continued to foster opportunities to broadly engage residents and respond to community feedback on decisions around the use of these one-time dollars to address historic, immediate and long-term inequities. Many communities formalized community feedback opportunities, like Dayton, OH, which invested in a resident survey to use community voices and data to guide their decisions.

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National League of Cities

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