

## The Silver Lining: We Have A Once in a Generation Opportunity

The COVID-19 pandemic has been a dark cloud hanging over us for more than a year, but if you believe every cloud has a silver lining, the American Rescue Plan Act (ARPA) is the silver lining for state and local governments. Local governments, in particular, have a once-in-a-generation opportunity to restore their foundations and energize their communities by using the funds to build, repair and reinvigorate infrastructure that has been deteriorating for decades.

The ARPA state and local government funding will, first and foremost, provide funding to address the negative economic impacts caused by the public health emergency, including economic harms to small businesses, impacted industries, and the public sector. It also provides funding for upgrading K-12 schools, including HVAC systems, windows, and door repair and replacement. This funding will help alleviate some of the financial stress many municipalities are still suffering under. It will put many municipalities back on solid financial footing, address expensive accommodations that have become necessary, and begin to restore normalcy to their operations.

The ARPA also includes \$8 billion for airports to provide economic relief, including a 100% cost-share for Airport Improvement Program (AIP) grants awarded this year.

The transformational component of the ARPA is that it will provide funding for state and local governments to improve their infrastructure in the areas of water and sewer, broadband, roads and bridges, airports, and recreational facilities. In many communities, this funding will bring much-needed change, funding essential infrastructure improvements and recreational facilities that communities need while addressing urgently needed infrastructure repairs that were delayed during the pandemic and years prior due to lack of funding. Governments must be bold, think about the future, and be strategic about the investments needed most to bring equity and a higher quality of life to their residents.

The pandemic clearly exposed the need for improvements to broadband infrastructure. As kids attended school online and workers adjusted to remote work, the inequities in broadband access became very apparent. Other declining infrastructure, including roads, bridges, water, sewer, airports, and recreational facilities, continue to threaten the quality of life in many communities due to age or underfunding. The ARPA funding can help communities bring about some much-needed change in these areas.

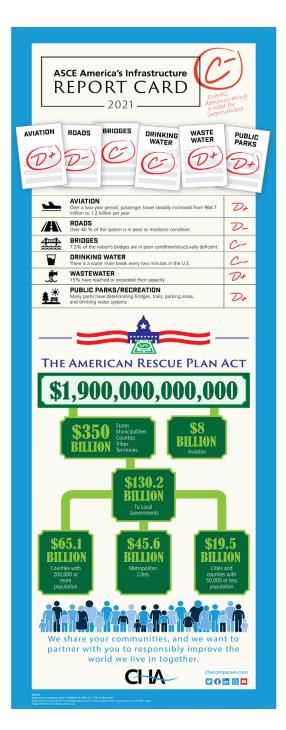
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The silver lining of the ARPA includes a high degree of flexibility in the use of the funds, fairly generous deadlines to obligate funds by December 31, 2024, and a requirement to complete projects by December 31, 2026. However, truly transformational projects can take years when you consider community input, assessments, permitting, design, and construction. The best course is to get started now. Keeping in mind that every municipality in the country will be trying to use their funds in the most productive way adds some urgency to begin the planning process with the help of partners like CHA, who you've trusted for generations. Together, we can build the business case to invest ARPA funding wisely to result in the greatest transformational change for our communities.

This kind of change doesn't happen by chance; it takes thoughtful planning, envisioning a better world and careful consideration of priorities, of which there are many. If you want to make the most of your ARPA funding, I encourage you to reach out to us. We share your communities, and we want to partner with you to responsibly improve the world we live in together.

About the Author: Erin Crotty is a Senior Vice President and National Government Market Director delivering CHA's services to meet the needs of state agencies, public authorities and municipal governments. Erin joined CHA in July 2017 and has over 30 years of public and private sector experience, including as the Commissioner of the NYS Department of Environmental Conservation, Vice Chair of the NYS Thruway Authority Board of Directors, and Chair of the NYS Environmental Facilities Corporation. You can reach Erin at <a href="mailto:ECrotty@chacompanies.com">ECrotty@chacompanies.com</a>.







