

# Legislature of the Virgin Islands

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The Honorable  
**Angel Bolques, Jr.**  
Senator-At-Large  
35<sup>th</sup> Legislature of the Virgin Islands

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Committee on Homeland Security, Justice & Public Safety  
Committee on Housing, Transportation, & Telecommunication  
Subcommittee on Energy & Infrastructure Development

## **MEDIA PRESS RELEASE**

**For Immediate Release:**  
**September 1, 2023**

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### **U.S. Department of Treasury Expanding Uses of ARPA Funding to Address Natural Disasters, Infrastructure, and Housing (ARPA Flex, Interim Final Rule)**

**VIRGIN ISLANDS** - In response to ongoing challenges faced by state and local governments in utilizing American Rescue Plan Act (ARPA) funding effectively, the U.S. Department of Treasury is introducing interim rules that broaden the scope of ARPA funding usage (ARPA Flex, Interim Final Rule). These interim rules are designed to provide more flexibility in spending the \$350 billion allocated under the American Rescue Plan Act, with a focus on addressing pressing needs such as natural disasters, transportation projects, and housing.

The new rules, which are currently in **draft form** and **subject to further revision**, enable state and local governments to allocate funds in the following ways:

1. **Natural Disasters**: Governments will be permitted to utilize ARPA funding to address the challenges posed by natural disasters, including preparation for impending storms, disaster recovery efforts, and provision of temporary housing, food assistance, and firefighting or flood mitigation.
2. **Transportation Projects**: Unspent ARPA dollars can be directed toward bolstering existing transportation projects, such as the Surface Transportation Block Grant Program, the Highway Safety Improvement Program, and the Charging and Fueling Infrastructure Discretionary Grant Program, without replacing existing state funding.
3. **RAISE Program Projects**: ARPA funds can be used for projects not receiving federal funding but aligning with the requirements of the RAISE program. Examples of current RAISE-funded projects include bridge

construction in Tucson, Arizona, a bike and pedestrian bridge between Virginia and Washington, D.C., [waterfront revitalization in the Virgin Islands](#), and the replacement of a 60-year-old ferry in Washington state.

4. **Transportation Infrastructure Finance and Innovation Act (TIFIA) Loans**: ARPA funds may be employed to repay federal government loans incurred under the Transportation Infrastructure Finance and Innovation Act loan program.
5. **Community Block Development Grants (CDBG)**: State and local governments can allocate ARPA funds for projects meeting CDBG requirements, including property acquisition for public purposes, rehabilitation, or construction of public facilities and private utilities.

However, it's essential to note that these expanded funding options come with specific deadlines. Under the original ARPA guidelines, governments had until December 31, 2024, to determine how to allocate the funds. **These funds must be expended for surface transportation, disaster relief, and CDBG projects by September 30, 2026.** While the new rules provide more spending options, the U.S. Department of Treasury has also introduced additional requirements for these new ARPA fund usage categories. Projects related to transportation and CDBG **must** adhere to the National Environmental Policy Act (NEPA) standards.

Senator-At-Large Bolques urges our Honorable Delegate Stacey Plaskett and Honorable Governor Albert Bryan, Jr. to remain vigilant and proactive in their efforts to explore the expanded opportunities provided by the U.S. Department of Treasury's ARPA Flex, Interim Final Rule. With these new possibilities, our leaders have a unique chance to address pressing needs, bolster infrastructure, and enhance disaster preparedness to benefit the Virgin Islands' residents. As we navigate these changes and deadlines, the Senator-At-Large encourages all stakeholders to collaborate, ensuring that ARPA funding is maximized to its fullest potential while adhering to the requirements. Together, we can build a more resilient and prosperous future for the people of the Virgin Islands.

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For further information on ARPA fund allocation and usage, please visit the official U.S. Department of Treasury website:

<https://home.treasury.gov/system/files/136/2023-Interim-Final-Rule.pdf>

<https://home.treasury.gov/system/files/136/SLFRF-Program-Quick-Reference-Guide.pdf>

<https://home.treasury.gov/system/files/136/Overview-of-the-2023-Interim-Final-Rule.pdf>

Additionally, you can find more insights on ARPA Flex and the National Environmental Policy Act (NEPA) standards at:

<https://www.nlc.org/article/2023/08/14/arpa-flex-and-the-national-environmental-policy-act/>