


David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Director, City Planning Commission
Janese Chapman
Director, Historic Designation Advisory Board

John Alexander
LaKisha Barclift, Esq.
Paige Blessman
M. Rory Bolger, Ph.D., FAICP
Victory Corley
Lisa DiChiera
Eric Fazzini, AICP
Willene Green
Christopher Gulock, AICP
Marcel Hurt, Esq.
Sandra Jeffers

City of Detroit
CITY COUNCIL
LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

Kimani Jeffrey
Anthony W. L. Johnson
Phillip Keller, Esq.
Edward King
Kelsey Maas
Jamie Murphy
Dolores Perales
Analine Powers, Ph.D.
W. Akilah Redmond
Rebecca Savage
Sabrina Shockley
Renee Short
Floyd Stanley
Thomas Stephens, Esq.
Timarie Szwed
Theresa Thomas
Janice Tillmon
Ian Tomashik
Emberly Vick
Ashley A. Wilson

TO: The Honorable City Council

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: February 18, 2025

RE: Earned Interest on American Rescue Plan Act Funds

Council President Pro-Tem James Tate requested the Legislative Policy Division (LPD) to work with the Office of the Chief Financial Officer (OCFO) to determine amount of money the City of Detroit will receive on the interest earned from the \$826.7 million American Rescue Plan Act (ARPA) funds.

According to the OCFO Treasury Office, the City of Detroit has received \$52.3 million in ARPA interest earnings as of December 31, 2024. Also, the Treasury Office anticipates that the City will receive a total of \$79.3 million in ARPA interest earnings by December 31, 2026, the date that all ARPA funds must be spent, in accordance with U.S. Treasury federal regulations. Of course, the final total ARPA interest earned could be significantly different based on the fluctuation in interest rates between now and December 31, 2026, and based on the rate the ARPA funds are used by December 31, 2026.

It is important to remind the Council that ARPA interest earnings can be used for discretionary purposes based on the ARPA Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Final Rule FAQ (frequently asked questions), page 54, Section 10.1 where it explains that any interest earned on ARPA funds may be retained by local governments and that the interest earnings are not subject to SLFRF program requirements. As a result, the City uses ARPA interest earnings as other revenue for general fund discretionary purposes.

Please let us know if we can be of any more help.

cc: Auditor General's Office
Jay Rising, Chief Financial Officer

Tanya Stoudemire, Chief Deputy CFO-Policy & Administration Director/Interim Budget Director
John Naglick, Chief Deputy CFO/Finance Director-Controller
Donnie Johnson, Deputy Budget Director
Nikhil Patel, Treasurer/Deputy CFO
Malik Washington, Mayor's Office