


December 3, 2021

MEMORANDUM

TO: Town Council
FROM: Bev Habada, Town Administrator 
SUBJECT: **American Rescue Plan Projects**

Attached is a listing of projects that have come up in Council meeting discussions that occurred on November 8 work session.

The list also reflects resident discussions during the November 5 Listening session at the First Baptist Church sponsored by Council member Williams committee.

Please check the list to make sure I have not missed anything that has come up in past discussions. I think I took pretty good notes during the Council work session and the Listening session, but I could have missed something.

I have reviewed the US Treasury regulations and the page numbers referenced on the project list are the source for making a determination on project eligibility for spending American Rescue Plan funds on the projects listed. I have given Kenneth Warrant a copy of the US Treasury regulations to place on the Town website so that citizens can review the highlighted pages.

The only project that I cannot say for sure is eligible is the Solar for homeowners. I plan on sending an email to the US Treasury ARP email to ask them about this "green" category.

The general eligible categories include the following:

- 1) **Revenue Loss by a local government** – this will allow the Town to use ARP funds for revenue replacement to be spent on Town projects.
- 2) **Premium Pay during the pandemic**, for essential Town employees
- 3) **Public Health** – examples: paying for vaccine clinics, mental health resources
- 4) **Economic Impact on residents** – example: addressing food assistance
- 5) **Infrastructure – water/sewer/stormwater/green infrastructure** – example: replacement of polybutylene pipes, addressing flooding, green street project
- 6) **Administrative costs – For Town expenses** like Single Audit required, Project/Grant Manager

Discussions with MML

On Thursday, December 3, I spoke by phone with Tom Reynolds, Maryland Municipal League (MML) staff, regarding the request from MML for municipalities in Maryland to share with MML what their plans were for spending their ARP allocation. Mr. Reynolds is responsible for receiving this information.

Mr. Reynolds stated that so far, they had only received a couple of responses from municipalities. He is also responsible for checking in with the National League of Cities (NLC) to see what cities and towns are spending around the country. I asked him specifically about the timing of spending the funds and whether there was any risk of not spending any of the funds by the first reporting deadline of April 30, 2022 and any risk of US Treasury starting to reclaim funding. His response was that most municipalities are being careful and methodical about their planning and were not rushing to spend their first allocation by the first reporting deadline of April 30, 2022. I asked if that is what he is seeing from checking with the National League of Cities and he said yes.

In reviewing the US Treasury regulations again, it is clear to me that the following deadlines apply:

Municipalities must obligate the funds by 2024 and must spend all funds by 2026.

Conclusion: We do not have to be a rush to spend a majority of the first allocation of ARP funds by the first reporting date to US Treasury of April 30, 2022. Council may want to have more citizen input and can take more time to decide on allocation of funds.

Information from other Municipalities in Prince George's County - Use of Funds – Other Municipalities

Kenneth Warren called **Greenbelt** and received the following information:

Per Tim George, Greenbelt just had an election and under the prior Council, Greenbelt's American Rescue Funds have so far been allocated with \$10,000 going towards rental assistance, \$10,000 towards mortgage assistance, and \$20,000 to small businesses impacted by Covid 19. The new Council will likely decide what happens with the rest of their allocation. Mr. George is currently in the process of compiling a list of upcoming projects that will receive assistance from Greenbelt's American Rescue Fund - - to be released at a later date.

We have reviewed the websites for Laurel, College Park, Bowie, Seat Pleasant, Fairmount Heights and Forest Heights.

See the attached list of funding areas that Laurel has published on their website.

See the attached list of funding areas that College Park has published on their website.

The City of Bowie does not have anything on their website about ARP fund allocations.

Kenneth Warren placed calls to: The City of Seat Pleasant, The Towns of Fairmount Heights and Forest Heights and is waiting for a response from them.... None of them had ARP information on their websites.

Recommendations:

- 1) Council may want to receive additional citizen comments on how the Town's allocation should be spent either in a public hearing setting, a listening session, or solicitation of citizen input on the Town website for citizens to send comments to an email address just for ARP input, with a certain deadline for citizens to submit comments.
- 2) Decide when you want to make decisions on ARP funds allocations. Set a deadline to start making decisions on the first batch of funding and/or your desire to allocate the whole amount of funding at one time.

American Rescue Plan – Use of funds – Town of Capitol Heights

WHAT CAN NOT BE FUNDED WITH FEDERAL ARP FUNDING:

Allocation for Pensions
Debt Service
Adding funds to Town reserves
For Legal settlements or judgments

Eligible Categories:

Refer to highlighted sections of Pages 3,6-8,11,14, 17, 19, 21, 22, 29, 30, 31,33, 41, 60, 121 of US Treasury regulations – NOTE: a copy of the entire 151 pages of the US Treasury regulations are on the Town website

Public Health –

Mental health – See pages 14, 17, 19, 21,22,41

From CW Ford: Mental health site to offer resources - Mobile? Police Dept. training funds for dealing with mentally ill, families in distress (CW Ford);

- From CW Williams - Extra resources on hand for families in distress, Create Fund for vulnerable persons/families
- Dog Park – Resident recommendation
- Recreation facility for children – Resident recommendation
- From CW Williams - Look at Capitol Heights Elementary site for possible location of local recreation facility and/or walking track
- From CW Brown - A Building to be gutted – for public use, e.g. museum, library

Stimulus payments - Refer to Page 33 of US Treasury regulations

Stimulus payment to Town residents – 1498 households and 89 senior residents living at Gateway = 1587 households – **Eligible Activity** – Suggested by multiple Councilmembers

Food Assistance/Food insecurity: Refer to Pages 33,38,39,41 of US Treasury regulations

Food Co-op project – including food truck - \$175,000 – CW Williams,
Coupons for Residents that have a certain value - for grocery delivery – CW Brown

Housing – Refer to Pages 23,33, 38, 39, 121 of US Treasury regulations

Housing assistance for vulnerable populations for those facing evictions, foreclosures, to address racial equity – programs like emergency rental assistance to prevent evictions, From CW Brown - Coupons for Residents that have a certain value for home repairs

Water-Sewer infrastructure projects; Green infrastructure projects – Refer to Pages 60, 62-64, 68 of US Treasury Regulations

Replacement of polybutylene pipes in 400 homes, addressing water/flooding impacting housing on Capitol Heights Blvd. and nearby streets (Nova). – **Qualifies as eligible activity for ARP as a water-sewer-street infrastructure related project.** From CW Cason

Flooding problems on Capitol Heights Blvd and other nearby streets – From CW Cason - Need an Engineering study on homeowners flooding problems first to determine solutions? Obtain Engineering study on how to fix the homeowners flooding problems first? Estimated cost of engineering study = \$????

Solar for homeowners – CW Akers – **Green infrastructure project – not storm water or water/sewer related – will send inquiry to US Treasury information website**

Green street project – Additional funding if needed – TA Habada – **Qualifies as green infrastructure project – See Page 68 of US Treasury regulations** Possible need: \$350,000

Government Services - Public Safety services – Refer to Page 60 of US Treasury regulations also eligible as a result of revenue loss from 2020-2022 – a category that is also allowed under US Treasury regulations

From CW Brown - RING doorbell systems for residents - Note: From NSD staff who distribute flyers – about 20%-25% (1 in 4 or 1 in 5) of current homes in the Town have RING door bells. Number of households – 1498 Cost: \$125 per doorbell installation

From CW Akers - Additional street lights to address locations with inadequate lighting at night – Government services category – also could be done under loss of revenue category

Page 60 of US Treasury Regulations - Modular building – Additional funding if needed – TA Habada – Possible Cost: ????? Eligible for facility costs under revenue loss calculations

Page 60 of US Treasury Regulations - Additional Police cruiser purchases to prepare for going from 20 to 24 hours police coverage in the Town - From TA Habada, Costs from Chief Cummings - 8 new cruisers would be needed x \$58,021/cruiser = \$464,168 for outright purchase, Lease purchase would be less. Eligible under revenue loss calculations.

Possible Breakdown - use of funds – by percentage (percentage formula a Councilmember suggested as a guide for distribution of ARP funds):

Monetary assistance _____ % e.g., Stimulus payments

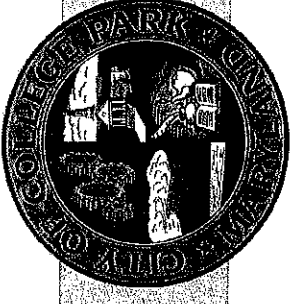
Structural _____ % e.g., Infrastructure projects like polybutylene pipe replacement, flooding issues

Public Safety/Government Services _____% e.g., RING doorbells, additional streetlights, police cruisers

Facility _____% e.g., Recreation facility, walking track, library, museum

Project Name	Amount Awarded
Revenue Loss	
City of Laurel Revenue Replacement	\$ 2,856,215.39
Premium Pay	
City of Laurel Employee Premium Pay	\$ 612,000.00
Public Health	
Universally Accessible Playspace	\$ 620,613.00
HVAC System	\$ 2,525,000.00
15-Passenger Bus	\$ 96,942.00
Police Headquarters Controlled Access	\$ 4,974.00
COVID-19 Testing Program	\$ 40,000.00
Ballot Drop Boxes	\$ 4,560.00
Permit and License Support	\$ 372,404.00
Personal Protective Equipment	\$ 5,500.00
Economic Impact	
Raising the Bar Community Apprenticeship Readiness Program	\$ 100,000.00
Laurel Smart Move Business Grant Program (Recruitment)	\$ 200,000.00
Legacy Business Grant Program (Retention)	\$ 500,000.00
Façade Renovation Grant Program (Improvement)	\$ 1,000,000.00
LARS Emergency Services Program	\$ 250,000.00
Laurel Library Digital Equity Program	\$ 345,000.00
City of Laurel Food Pantries*	\$ 38,500.00
Infrastructure	
Trash Capture Tachnology	\$ 1,408,345.00
Administrative	
COVID-19 After Action Report	\$ 60,000.00
Administrative Costs	\$ 800,000.00
Total Awarded	\$ 11,840,053.39

*City of Laurel Food Pantries	
St. Mary's of the Mills	\$ 7,000.00
Prayer Tower Church	\$ 6,000.00
Laurel Elementary School	\$ 3,000.00
Knight's of Columbus	\$ 4,000.00



SUMMARY OF ARPA ALLOCATION:

Funds Spent or Committed:

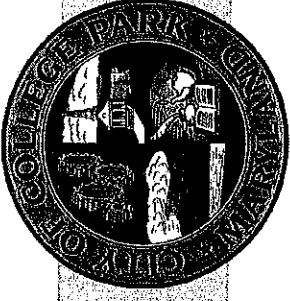
Food service organization grants & Shop Made in MD grant	\$ 325,000
Lost revenue recovery 2020 (see next slide)	1,900,000
Lost revenue recovery 2021 and 2022*	5,075,000
Financial assistance/grants for Residents and Businesses	5,550,000
COVID prevention related exp. & ARPA administration	350,000

Remaining Funds for other uses

\$8,800,000

– Requesting Public Comment for these funds

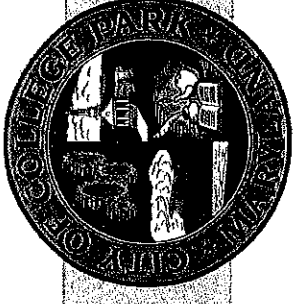
** estimated, subject to change, could be substantially lower providing additional funds to be allocated*



“RECOVERED” 2020 LOST REVENUE COMMITTED FUNDING

(per FY2022 Budget Amendment (21-O-14))

FY2022 real estate property tax rate reduction	\$ 380,000
FY2022 budget increases in operating expenses	180,000
Additional funding for 3 local fire departments	150,000
Transfers to CIP for:	
City-wide Hydrology and Hydraulics Study	600,000
Old Parish House major repairs	100,000
Housing Authority funding reno/repairs	490,000
Total use of lost revenue recovered from 2020	\$1,900,000



ARPA INELIGIBLE USES

The following are **not** eligible uses for local government:

- Deposits to a pension fund
- Debt service
- Legal settlements or judgements
- Deposits to financial reserves