



COUNTY | DELAWARE

American Rescue Plan Act



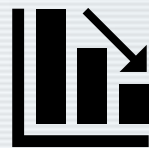
# Background

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- In March of 2021, Congress passed the American Rescue Plan of 2021 (ARPA) into law, which established the Coronavirus State and Local Fiscal Recovery Fund. This fund is to be used to help local governments nationwide with COVID-19 pandemic recovery assistance.
- Sussex County will receive a total of \$45,495,460 in direct appropriations from the U.S. Treasury. The County received \$22,747,730 on May 17, 2021. The County will receive the 2<sup>nd</sup> half in May of 2022. All funds must be encumbered by December 31, 2024.



# Eligible Uses



Replace Public Sector Revenue Loss



Support the Public Health Response to COVID-19



Address the Negative Economic Impacts of COVID-19

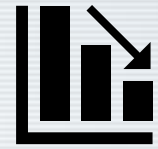


Offer Premium Pay for Essential Workers



Invest in Water, Sewer and Broadband Infrastructure





# Replacing Lost Revenue

- \$10 million revenue loss allowance
- These funds are to be used for government services traditionally provided by the government
- The funds cannot be used for rainy day funds, debt service, additional pension contributions or any activity that would conflict with the ARPA statute.





# Public Health Response to COVID-19

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- Vaccination/testing Programs
- Monitoring, contact tracing and public health surveillance
- Services that promote isolation and quarantine
- Public health and safety staff
- COVID-19 prevention and treatment
- Emergency medic transportation related to COVID-19
- Communication efforts related to COVID-19
- Purchase personal protective equipment (PPE)
- Ventilation improvements in congregate settings
- Enhance behavioral and mental health services





# Address Negative Economic Impacts

- Households
- Small Businesses
- Non-Profits
- Industries
- Restore Public Sector Capacity

Impacted Household Overview	Disproportionately Impacted Household Overview
<ul style="list-style-type: none"><li>• Income at or below 65 percent of area median income</li><li>• May presume any household of three earning below \$65,880 is impacted and eligible for services (300% of the Federal Poverty Level)</li></ul>	<ul style="list-style-type: none"><li>• Income at or below 40 percent of area median income</li><li>• May presume any household of three earning below \$40,626 is disproportionately impacted and eligible for services (185% of the Federal Poverty Level)</li></ul>







# Address Negative Economic Impacts

## Impacted Households

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### Eligible Uses:

- Food assistance and food banks
- Emergency housing assistance
- Health insurance coverage
- Benefits for surviving family members
- Burials, home repairs, and home weatherization
- Cash assistance
- Child care services
- Assistance to address the impact of early learning loss





# Address Negative Economic Impacts

## Disproportionately Impacted Households

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### Eligible Uses:

- Remediation of lead paint or other hazards
- Investments in medical facilities and equipment
- Housing vouchers and assistance relocating to neighborhoods with higher economic opportunity
- Investments in neighborhoods to promote improved outcomes
- Improvements to vacant/abandoned properties
- School and other educational equipment and facilities







# Address Negative Economic Impacts

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## Impacted Small Businesses:

No more than 500 employees and is independently owned and operated and is not dominant in its field of operations

- Had decreased revenue or gross receipts
- Had increased costs
- Had challenges covering payroll, rent, mortgage and other operating costs

## Eligible Uses:

- Loans or grants to mitigate financial hardship
- Technical assistance, counseling, or other services to support business planning





# Address Negative Economic Impacts

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## Impacted Nonprofit:

Must be a 501(c)(3) or 501(c)(19)

- Had decreased revenue
- Had increased costs
- Financial insecurity
- Had challenges covering payroll, rent, mortgage and other operating costs

## Impacted Industries:

- Travel, tourism or hospitality sector
- An industry that experienced at least 8 percent employment loss from pre-pandemic levels

## Eligible Uses:

- Loans or grants to mitigate financial hardship
- Technical assistance that mitigates negative economic impacts of the pandemic





# Address Negative Economic Impacts

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## Restore Public Sector Capacity

Counties may use Recovery Funds to restore and bolster public sector capacity, which supports government's ability to deliver critical COVID-19 services

- Payroll and covered benefits for public safety employees
- Rehiring public sector staff to pre-pandemic levels or above pre-pandemic levels (7.5 percent growth); based on employment levels as of January 27, 2020 (30 additional SC employees could be paid by ARPA)
- Provide worker retention incentives
- Invest in additional technology infrastructure to adapt government operations to the pandemic (video-conferencing software)



# Capital Expenditures

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## Capital Expenditures

- Capital projects must be related to public health and/or negative economic impacts and be proportional to the pandemic impact identified.
- To ensure the expenditure is eligible, counties are required to write a written justification which includes the following:
  - Description of harm or need to be addressed
  - Explanation of why the capital expenditure is appropriate (i.e. why existing resources are inadequate)
  - Comparison of proposed capital expenditure project against at least two alternative capital expenditures and why the proposed capital expenditures is superior





# Premium Pay for Essential Workers

Eligible:

- Essential workers face heightened risks of COVID-19 due to the character of their work
- Work involving regular in-person interactions and was not able to be performed from a residence
- Any work performed by an employee of the state or local government
- Treasury urges that priority is placed on low- moderate-income persons
- Premium pay could be up to \$13/hr.







# Water, Sewer and Broadband

- Water, stormwater and sewer infrastructure that aligns with the EPA's Clean Water State Revolving Fund and Drinking Water State Revolving Fund
  - Improve or build wastewater treatment plants
  - Control non-point sources of pollution
  - Improve resilience of infrastructure to severe weather events
  - Assist water systems most in need on a per household basis according to State affordability criteria
- Broadband infrastructure to provide services that meet at least 100 megabits per second download





# Recommendation

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## Goals:

1. Projects that meet ARPA requirements
2. Projects that can be completed or under contract by December 31, 2024
3. Do not “grow” government with these temporary funds
  - a. Do not invest in something we cannot sustain after the funds are gone
  - b. Strengthen the programs/services we already have in place
4. Align the recommendations with Council priorities
  - a. Affordable Housing
  - b. Adequate Infrastructure – Sewer and I.T.
5. Do not duplicate what has already been done or will be done



# Recommendations

First, fund County services already in place



Sewer Infrastructure - \$25,000,000



Affordable Housing - \$6,300,000 (2 application periods at \$3,150,000)



I.T. Security Upgrades for our water and sewer infrastructure - \$3,000,000

- Modernization of cybersecurity, including hardware, software and protection of critical infrastructure
- Develop cybersecurity practices and measures at drinking water and county-owned treatment facilities



Additional Low-Income Services (CD&H) - \$2,000,000



Additional EOC/EMS Employees - \$1,400,000



Bolster training in the local hospitality industry – Kitchen Incubator - \$500,000



Large grants to other non-profit entities such as hospitals for eligible expenses - \$5,000,000



Intergovernmental grants for COVID-19 efforts - \$250,000

\* these estimates do not include administrative costs that will be incurred to manage these ARPA programs, do the ARPA reporting, and monitor for ARPA compliance



# Affordable Housing

Utilize the current Housing Trust Fund program endorsed by Council and expand its reach

Current Program	Proposed Program
<p>Direct Buyer Assistance</p> <ul style="list-style-type: none"> <li>Under 80% AMI - \$10,000</li> </ul>	<p>Direct Buyer Assistance</p> <ul style="list-style-type: none"> <li>100% - 120% AMI - \$10,000</li> <li>66% - 99% AMI - \$20,000</li> <li>65% AMI and under - \$30,000</li> </ul>
<p>Development Loan Fund</p> <ul style="list-style-type: none"> <li>\$100,000/project or \$10,000/unit with a cap of \$100,000</li> <li>Funds are available once a year</li> <li>5-year loan, 0% interest</li> <li>Deed restriction – 20 yr affordability; 30 yr affordability (rentals)</li> </ul>	<p>Development Grant Fund</p> <ul style="list-style-type: none"> <li>\$500,000/project or \$50,000/unit with a cap of \$500,000</li> <li>Funds could be available a second year – if activity warrants it</li> <li>Grant</li> <li>Deed restriction – 20 yr affordability; 30 yr affordability (rentals)</li> </ul>



# Additional Low-income Services

- Increase the rehabilitation allowance from \$7,500 to \$10,000
- New roof replacement program – higher threshold; contractors have been able to keep up with these
- New “weatherization” program – completed for finished jobs or jobs in the pipeline (window and door replacements)
- Additional funds to help homeowners connecting to our water districts – 65% of AMI or below
- Low-income program for delinquent taxes – 65% of AMI or below (people don’t qualify for the above because they owe taxes/impoverished communities)
- Low-income program for connection fees – 65% of AMI or below



# EMS/EOC Employees

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- Due to COVID, we are sometimes finding that we have minimal staff. I recommend hiring one additional person per shift to get us through the COVID. If positions are still needed after funding is exhausted, RTT is eligible to be used.
  - 4 Paramedics with benefits -  $\$400,000 \times 2 \text{ years} = \$800,000$
  - 4 Dispatchers with benefits -  $\$300,000 \times 2 \text{ years} = \$600,000$





# Grant Program

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## Eligible Uses and Restrictions

- Must respond to:
  - The public health emergency
  - The negative economic impacts related to the public health emergency
- Not for affordable housing
- Non-profits only
- Projects of \$500,000 or greater
- Must be able to meet the compliance and reporting requirements of the U.S. Treasury

Online application process with first round due April 29<sup>th</sup>

<https://sussexcountyde.gov/arpa>





# Steps – Grant Program

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All awards through the non-profit grant program, intergovernmental grant program, and the affordable housing development grant fund will be brought to Council for a vote.



## American Rescue Plan Act

Questions?



# First Request – Intergovernmental Grant

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- Statewide substance use disorder needs assessment
- Assessment, broken down by County, will look on how COVID-19 influenced substance abuse in our communities
- The total cost is \$445,097. Kent and Sussex are being asked to contribute \$75,000 each.
- The project will be coordinated through New Castle County Government.
- Two town hall meetings on this initiative are scheduled for March 15, 2022, at Delaware Tech in Georgetown

