**MEMORANDUM**

**DATE:** September 13, 2021

**TO:** City Council

**FROM:** Nicole Ard, City Manager

 ARPA Project Team

**RE:** American Rescue Plan Act – Immediate Funding Plan: Resident/Business Assistance

Based on the discussion at the August 30, 2021 Council Work Session, staff has revised the American Rescue Plan Act (ARPA) Immediate Funding Plan, presented below. As laid out in the pages that follow, the recommended funding level for the Immediate Funding Plan has been increased to accommodate assistance to homeowners as well as to provide contract-employee assistance in processing the expected volume of applications.

To this end, staff is recommending that Council set aside $1.6M to be allocated over the next four (4) months to provided assistance to residents, businesses and other Greenbelt-located or serving entities in need. This amount reflects a small overall share of the City’s ARPA funds, approximately 7%, but will provide important urgent and meaningful assistance.

The funds would be divided with $500,000 being allocated for resident rental assistance programs, $500,000 being allocated for business assistance programs and $500,000 allocated for mortgage/HOA fee assistance. The remaining $100,000 will provide immediate assistance to non-profits (including food banks) and will fund two (2) contract employees that will assist CARES and Economic Development in rapidly reviewing and processing the assistance applications and delivering funds to those in need. The City recognizes that there are other sources of relief funding, such as the County rental relief program. Residents and businesses may choose to seek those resources instead of City funds. City and County staff will continue to coordinate awards to avoid duplication.

Staff is requesting that Council review and approve the ARPA Immediate Funding Plan and allocate $1.6M in ARPA funds to carry out the programs and activities described below.

**City of Greenbelt COVID-19 Rental and Utility Assistance Program**

* The purpose of the City’s Rental and Utility Assistance Program is to provide financial support to residents who have been impacted by COVID-19. Assistance can be provided for past due rent and utilities that occurred beginning April 1, 2020. Maximum grant amount of $10,000 per household. With an initial ARPA allocation of $500,000, this initial Immediate Funding program anticipates serving 50-75 households.
* Residents in need of more than $10,000 will be referred to the County Rental and Utility Assistance Program. The County program offers to cover “Past due rent or utilities beginning April 1, 2020, up to 18 months”.

**Eligibility:**

* Must live with the City of Greenbelt
* Must show financial hardship due to COVID-19
* Must meet income guidelines
* May have received less than $10,000 in Rental Assistance from City or County Rental and Utility Assistance Programs.
* Cannot have received $10,000 or more previously from the City or County Rental and Utility Assistance program. Residents who exceed the $10,000 maximum amount will be referred to the County Rental and Utility Assistance Program which is offering up to 18 months of assistance.

**Requirements:**

1. Completed Application
2. Submission of documents:
* 30 Day Proof of income or unemployment
* Copies of Monthly bills (phone, cable, electric, etc.)
* Copy of Lease or Letter from Landlord
* Completed Landlord Form

*Note: The Federal Treasury does not require proof of resident status thus it will not be required for this grant program.*

**Grant Amount:**

* A household may receive up to $10,000 in rental and utility assistance
* Households who previously received assistance totaling less than $10,000, from the City or County may apply for additional assistance. No household is to receive more than $10,000 in Rental Assistance total.
* Households that need more than $10,000 in combined Rental and Utility Assistance will be referred to the County Program.

**County Coordination:**

The program will coordinate with the Prince George’s County Department of Housing and Community Development (DHCD) to ensure applicants are enrolled in one program for assistance.

**Grant Disbursement:**

Grant checks will be made out to the Landlord.

**Income Guidelines for Rental and Utility Assistance**

 Household income at or below 80% of Area Median Income (AMI

|  |  |  |  |
| --- | --- | --- | --- |
| **Household Size** | **Extremely low income****(30% AMI = Maximum Income)** | **VERY LOW INCOME****(50% AMI = Maximum Income)** | **LOW INCOME****(80% AMI = Maximum Income)** |
| 1 | $27,100 | $45,150 | $57,650 |
| 2 | $31,000 | $51,600 | $65,850 |
| 3 | $34,850 | $58,050 | $74,100 |
| 4 | $38,700 | $64,500 | $82,300 |
| 5 | $41,800 | $69,700 | $88,900 |
| 6 | $44,900 | $74,850 | $95,500 |
| 7 | $48,000 | $80,000 | $102,100 |
| 8 | $51,100 | $85,150 | $108,650 |

*Source: Chart from Prince George’s County ERAP Program - DHCD*

**City of Greenbelt COVID 19 Mortgage and**

**HOA/GHI Cooperative Fees Assistance Program**

* The purpose of the City’s Mortgage and HOA/GHI Cooperative (HOA/Co-op) Assistance Program is to provide financial support to residents who have been impacted by COVID 19. Assistance can be provided for past due mortgage and HOA/Co-op payments that occurred beginning April 1, 2020.
* Maximum grant amount of $10,000 per household. This Immediate Funding program anticipates serving 50-75 households.

Eligibility:

* Must live with the City of Greenbelt
* Must show financial hardship due to COVID 19
* Must meet income guidelines (100% AMI or below)
* Can receive for both past due mortgage and HOA/Co-op fees up to $10,000 total per household. For example resident could receive $8,000 past due mortgage and $2,000 past due HOA fees.

*Note: State Assistance program proposes to offer $5,000 in assistance per household for past due Mortgage payments. The State of Maryland has not yet released the requirements for the mortgage assistance program. The City of Greenbelt is may revisit the criteria and outlay of funds to be consistent with the State program.*

Requirements:

1. Completed Application
2. Submission of documents:
* 30 Day Proof of income or unemployment
* Copy of notice from lender of imminent danger to displace or to foreclose
* Copy of current Mortgage and/or HOA/Co-op payment due
* Completed Mortgage Lender Form and/or HOA/Co-op Manger form

Grant Amount:

* A household may receive up to $10,000 in Mortgage and HOA/Co-op fee assistance

Grant Disbursement:

* Grant checks will be made out to the Mortgage Lender or HOA/Co-op.

**Income Guidelines for Mortgage and HOA/Co-op Fees Assistance**

FY 2021 HAF Income Limits for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area:

|  |
| --- |
| **FY 2021 HAF Income Limits Summary for Washington-Arlington-Alexandria,** **DC-VA-MD HUD Metro FMR Area** |
|  | **1-Person** | **2-Person** | **3-Person** | **4-Person** | **5-Person** | **6-Person** | **7-Person** | **8-Person** |
| Greater of 100% AMI or 100% U.S. Median Income | $90,300 | $103,200 | $116,100 | $129,000 | $139,350 | $149,650 | $160,000 | $170,300 |

*Source: Chart from State Homeowner’s Assistance Fund Proposal - DHCD*

**Greenbelt Business Improvement and Recovery Fund**

**Immediate ARPA Action Plan (Round II)**

The Greenbelt Business Improvement and Recovery Fund, ARPA Funded Round II, is being recommended to offer financial assistance to local small businesses, sole proprietorships, self-employed individuals, independent contractors, cooperative businesses and 501(c)3 nonprofit organizations whose operations continue to be impacted by the Covid-19 pandemic. This program, initially funded for immediate assistance with $500,000 of ARPA funds, will provide local businesses and nonprofit organizations with a grant for up to $20,000. This grant supports operating and workforce-related expenses related to business interruption, improvements and continuity. Applicants must meet eligibility guidelines and provide evidence of financial impact due to the COVID-19 pandemic. Examples of expenses include, but are not limited to:

* Rent
* Utilities
* Advertising
* Employee Hiring & Recruitment
* Employee Training & Onboarding
* Personal Protective Equipment
* Outdoor Space Build-out or Expansion

**Application Process:**

The application process has been streamlined to expedite the review, selection and disbursement of grant funds. The process is as follows:

1. Businesses would be required to provide the following documentation:
	1. Completed application.
	2. Business is in Good Standing as required by Maryland Department of Assessments and Taxation (SDAT)
	3. 2020 Business Tax Return
	4. 2020 Personal Tax Return (If filing a Schedule C)
	5. 2021 Interim Income Statement (July – September)
	6. Proof of employment
2. Applications will be accepted between Monday, October 4, 2021 and Friday, October 29, 2021.
3. Applications will be reviewed and approved by a committee of key stakeholders to ensure that the process is fair and equitable at the end of the application period.
4. Approved businesses would then be issued a grant for up to $20,000.
5. Businesses receiving funding would be encouraged via the Grant Award Letter to:
	1. Adopt Federal, State and County guidance for operating their businesses (i.e. social distancing, clean down procedures, limiting in-store occupancy, etc).
	2. Prioritize hiring Greenbelt residents and delivery or designate special hours for the purchase of food and services to seniors or other economically vulnerable populations.

Please note that priority will be given to eligible Greenbelt-based small businesses and nonprofits that did not receive city, county, state or federal emergency relief assistance. Also note that if a person owns multiple Greenbelt-based business entities, only one of the businesses will be eligible to receive a grant at this time.

**Grant Review and Recommendations**

Staff is recommending an initial application period starting October 4, 2021 going through October 29, 2021 and that applications are reviewed at the end of the application period. Staff is also recommending that if all funds are not allocated to applicants during the second round, then a third round of applications will be accepted. As mentioned, staff is recommending that the grant application be reviewed by an external committee that is comprised of residents and volunteers from Greenbelt businesses. The application review committee will review and make recommendations of businesses to receive grant funds all at once. Staff will work with City Administration and Finance Departments to also review grant applications and evaluator recommendations before disbursement of grant funds. Staff will work with the Finance Department on a process for disbursing funds. Council will receive regular update reports on disbursement of funds, unless a different process is otherwise requested.

Informational materials about the program will be created in English and Spanish. Application forms and information will be available on the City of Greenbelt website and sent directly to businesses through a variety of outreach methods including newsletters and partnering organizations.