As you may know, on Saturday the U.S. Senate passed the American Rescue Plan (ARP) which we expect will be approved by the House and signed by President Biden in the coming days. This is a huge victory for all of us as the Plan includes $360 billion in direct financial relief for state and local governments, including $65 billion for America's cities, villages and towns, as well as $65 billion for counties. Please be advised that we anticipate that the Department of the Treasury will be issuing regulations that will provide more detail and guidance but based on the information we currently have, below are the highlights of the Plan.

- The money for local governments will be disbursed in two equal installments (tranches) over a two-year period. Those municipalities that are CDBG entitlement communities will receive their first allocation (half of the total amount) directly from the Treasury Department within 60 days of the President signing the bill. For non-entitlement communities, your first allocation will be sent to New York State within 60 days of the President signing the bill, and then the State has 30 days to pass it along to you. Second installments will be made available 12 months later.

- Non-entitlement communities – your total allocation is capped at 75% of the size of your pre-pandemic all funds budget. To the extent your total allocation exceeds that amount, the excess will need to be returned to the Department of the Treasury.

- Villages – your individual share will be a percentage of your town's allocation equal to the percentage of the town’s population located in your village (based upon the most recent Bureau of the Census data).

The Plan dictates how the federal money can be used but includes all of the following options:

- For the provision of government services impacted by a reduction in revenue resulting from the pandemic;
To make necessary investments in water, sewer or broadband infrastructure;

To respond to the COVID-19 public health emergency or its negative economic impacts including assistance to households, small businesses, and non-profits or to assist impacted industries such as tourism, travel and hospitality;

For “Premium Pay” to eligible essential workers.

For additional information on the key provisions of the Plan, please review NYCOM’s preliminary summary. A list of the estimated allocation for each city and town can be found here. For villages, your share can be calculated by multiplying your village's percentage of the town’s population by the town’s allocation. Town and village populations can be found here.