



City of Cambridge

City Hall

410 Academy Street, Cambridge, MD - P O Box 255

Phone: 410-228-4020 Fax: 410-228-4554

MD Relay (V/TTY) 711 or 1-800-735-2258

E-Mail info@choosecambridge.com

January 21, 2022

To: City Council
From: David J. Deutsch, Acting City Manager
Subject: American Rescue Plan Act (ARPA) Allocations
Date: January 21, 2022

In July 2021, the City of Cambridge received \$6,039,640 from the federal government from ARPA, which had been signed into law by President Biden on March 11, 2021. An additional \$6 million is expected in July of this year. To date, the only expenditure is \$1,563,939 for fire apparatus, (aerial power truck) which is currently being manufactured. Thus, the ARPA balance remaining is \$4, 475,939.

A few funding requests have been received from community non-profit organizations. There will not doubt be additional requests, as a review process and schedule are established regarding these potential grants. I would suggest that Council designate a “chunk” of the available funds, say 10%, for non-profit support. That 10% amounts to \$447,759. Let’s call it \$450,000. If the request total surpasses \$450,000, then you can look to the second tranche of \$6 million to make additional allocations.

Commissioner Roche has provided information from the Brookings Institution that contains a potential decision-making framework.

REQUESTS FOR CAMBRIDGE COVID ARP FUNDS

This is a request to affiliated organizations, small businesses, and community nonprofits that have been negatively affected by the COVID-19 health emergency to request, and potentially qualify to receive, ARP funds.

Please provide a brief description, your specific financial requests, in order of priority, along with justification on your organization’s official letterhead, signed by an authorized representative and addressed to:

via email (preferred):

citycouncil2021@choosecambridge.com

citymanager@choosecambridge.com

This is also a solicitation for expressions of interest from persons that are willing to serve on a TEAM, in the event the city council decides to form such an entity, to help the city determine which applications meet the criteria of the funding, make recommendations to the mayor and commissioners on fulfilling the specific funding requests, and/or assist us with monitoring and reporting on the program if needed.

This team ideally would be a public/private partnership that includes small businesses, neighborhood leaders, social service agencies, philanthropic leaders, nonprofit and corporate heads. They would be tasked with aggregating and supplementing existing recovery plans, setting goals, recommending investments, and tracking results.

THE STRONGEST APPLICATIONS WILL BE THOSE THAT ARE CONCISE AND DEMONSTRATE THEY MEET THE FEDERAL GUIDELINES OF THE FUNDING, provide a clear benefit to the city and community, have an organizational capacity to receive and deploy the funds, as well as have a MULTIPLIER effect on helping the city's ability to recover from COVID-19 shortfalls and withstand future financial impacts.

Time may be of the essence. Please note that submitting a request is no guarantee that city council will consider your request, and you will also be competing primarily with internal city departmental and critical infrastructure repair requests.

Your contributions as private and nonprofit partners to the city of Cambridge and its citizens are sincerely appreciated. Also know that even with this request, the council may require a subsequent or more formal or modified application process at a later date.

In addition to the non-profit allocation of \$450,000, I endorse the retention bonus proposed by Chief Lewis. The \$10,000 bonus would require that an officer sign a four-year commitment. This retention bonus should help stem the tide of departures from the Cambridge Police Department. The retention program costs approximately \$400,000.

Another significant item relates to additional apparatus needed by the Rescue Fire Company (RFC). The current rescue unit needs to be replaced. The cost is \$1, 543,355 through a cooperative bid arrangement. One dilemma, in addition to the heavy price tag, is that prices are going up 7% on February 1, 2022. A positive decision now would avoid an additional \$108,076 cost. I suggest a combination of using ARPA and tapping an existing line of credit with a local bank to fund this necessary acquisition. I propose allocating \$275,000 from current ARPA funds, and \$275,000 from next ARPA funding the summer. The remaining \$1,000,000 would be borrowed over a ten-year period. And funds received from the sale of apparatus can be used for debt service.

This plan has the benefit of securing necessary apparatus and preserving ARPA dollars for other issues by allocating one-third of the cost from ARPA, leaving approximately \$1 million for other issues.

In addition to the handful of requests from non-profits requests have been received from:

- Boys and Girls Club to support the Mace's Lane project (\$1 million)
- CWDI \$1million for promenade extension

- **Dorchester County Board of Education – an unspecified amount requested for school security and other building upgrades**

Specific recommendations mentioned above total \$1,125,000, leaving \$3,350,000 to allocate. City staff has identified needs that surpass ten times the available amount. There are at least two options here: (1) allocate the entire \$3.3 million to city infrastructure, or (2) allocate \$2.3 million to city infrastructure, which allows Council to direct a total of \$1 million among the bulleted items above, or other projects.

I look forward to discussing these recommendations with you.