



City of Independence, Ohio

"THE HEART OF CUYAHOGA COUNTY"

6800 BRECKSVILLE ROAD

INDEPENDENCE, OHIO 44131

(216) 524-4131

MEMORANDUM

To: Mayor Gregory P. Kurtz
Members of Council

From: Finance Director Vernon Blaze

Date: Friday, March 19, 2021

Re: Finance Department Updates

American Rescue Plan Act of 2021

The American Rescue Plan Act of 2021 recently passed by narrow margins in both the House and Senate and signed into law contains some \$350 billion for states, counties and local municipalities.

Funds from this Act will be distributed in two tranches – one-half (50%) within 60 days from the date of enactment of the Act (early March, 2021) and the other half “no earlier” than one year later.

If the current funding allocations hold, **Independence is slated to receive a total of \$1,406,775.** Listed next are the allocations projected to be distributed to nearby, local communities here in the Cuyahoga Valley region of Cuyahoga County:

<u>Community</u>	<u>Projected Distribution</u>
Brecksville	\$2,667,285
Broadview Heights	\$3,745,257
Brooklyn Heights	\$ 293,511
Cuyahoga Heights	\$ 119,012
Seven Hills	\$2,272,408
Valley View	\$ 391,544

Some larger cities in Cuyahoga County are slated to receive significantly more funds:

Cleveland	\$541,408,395 (Over a half billion dollars)
Garfield Heights	\$ 5,381,626
Lakewood	\$ 50,293,341
Parma	\$ 24,247,773



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American Rescue Plan Act of 2021 Continued

According to the Tax Foundation, funds to be distributed to cities will be based on “*the existing formula for Community Development Block Grants (CDBG’s). The CDBG formula takes into account population, poverty, and the age and density of housing, as it was designed for grants administered by the U.S. Department of Housing and Urban Development (HUD) to promote affordable housing and expand economic opportunities for low-income households.*”

More detailed guidance on the use of the 2021 Act funds is anticipated, but currently provided guidance limits the use of these funds to four general areas:

- To respond to the COVID-19 emergency and address its economic effects, including through aid to households, small businesses, nonprofits and industries such as tourism and hospitality.
- To provide premium pay to essential employees.
- To provide government services affected by a revenue reduction resulting from COVID-19.
- To make investments in water, sewer and broadband infrastructure.

According to the National Conference of State Legislatures (NCSL), “*state and local governments cannot use the funds towards pensions.*”