

NYS Extends Filing Deadline to August 11th for Non-Entitlement Units under ARPA

Under the American Rescue Plan Act, all Non-Entitlement Units (“NEUs”), which are cities, towns, and villages generally with populations below 50,000, that receive Coronavirus Local Fiscal Recovery Funds in New York State, must notify the state as to whether they request or decline funding under the Act. A total of \$774 million in ARPA Coronavirus Local Fiscal Recovery Funds is available to New York State to distribute to NEUs. NEUs will receive funds in two, 50 percent payments, the second 12 months after the first (i.e., Spring-Summer 2022). ***If an NEU would like to request its ARPA Coronavirus Local Fiscal Recovery Funds, an authorized representative of the local government must complete and submit a form to the NYS Budget Department by August 11th. The form can be found at <https://app.budget.ny.gov/dc/Forms/LocalARPA#july-update>.***

ARPA Funds – Reporting Requirements and the Revenue Loss Calculation

Under the American Rescue Plan Act (“ARPA”), metropolitan cities and counties receiving more than \$5 million in Coronavirus State and Local Fiscal Recovery Funds (“CSLFRF”) will be required to file their first report to the US Treasury by August 31, 2021. Known as the “Interim Report,” this filing will require summary level categorized expenditures through July 31, 2021. *Interim reports are not required by smaller “Non-Entitlement Units.”* Nevertheless, as detailed in the below table, there are other very important reporting dates that need to be observed:

Public Jurisdiction Type	Report		
	Interim	Project Expenditure	Recovery Plan Performance
States, US Territories, Metropolitan Cities/Counties with 250k Population	Due Date: <i>August 31, 2021</i>	Due Date: <i>October 31, 2021</i> <i>Then 30 Days After Each Quarter</i>	Due Date: <i>August 31, 2021</i> <i>Then Annually</i>
Metropolitan Cities/Counties Below 250k Population but \$5+ Million Allocation			<i>Not Required</i>
Tribal Governments		Due Date: <i>October 31, 2021</i> <i>Then Annually</i>	<i>Not Required</i>
Metropolitan Cities/Counties Below 250k Population and Below \$5 Million Allocation			
Non-Entitlement Units	<i>Not Required</i>		

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ARPA Funds – Reporting Requirements and the Revenue Loss Calculation (Cont.)

The U.S. Treasury’s Interim Final Rule (“IFR”) is the primary governing document of CSLFRF funds. It allows local governments to calculate and recoup certain revenues that were impacted by the COVID-19 pandemic. To account for revenue effects with a lag, municipalities will be permitted to calculate lost revenue at four distinct points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023.

Of note, the parameters for the use of calculated “lost revenue” are much broader than those for the remaining allocated funds. In fact, the Interim Final Rule states that jurisdictions can utilize revenue recoupment dollars toward the provision of *any* government service. Nevertheless, there are key usage exclusions pertaining to these funds. The lost revenue CSLFRF funds ***may NOT*** be used to:

- Pay interest or principal on outstanding debt, including short-term revenue or tax anticipation notes and issuance costs correlating to the issuance of new debt;
- Replenish fund balance or other financial reserves;
- Pay settlements or judgments;
- Fund non-federal match in other grant programs if barred by regulation or statute, and;
- Make deposits into pension funds.

To report revenue loss funds, a local government will be required to submit a description of governmental services provided. *As with all CSLFRF funds, documenting your decision-making process will be key.*

To determine the revenue loss, the IFR permits two calculation methodologies. In addition, the calculation is not limited to General Fund revenues. Nevertheless, there are certain types of revenues which must be excluded from the calculation. For additional information or for assistance with the revenue loss calculation, please contact Margaret Guarino, Managing Director of CMA’s Strategic Consulting Group, at mguarino@capmark.org.

MMD GENERAL OBLIGATION INTEREST RATES

Term	Today - August 2, 2021					1 Month Ago - July 1, 2021					1 Year Ago - August 3, 2020				
	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa
1 yr.	0.05%	0.07%	0.11%	0.12%	0.30%	0.12%	0.14%	0.19%	0.20%	0.38%	0.11%	0.16%	0.15%	0.26%	1.23%
5	0.36	0.41	0.44	0.49	0.74	0.50	0.55	0.60	0.66	0.92	0.23	0.33	0.41	0.56	1.53
10	0.82	0.95	1.00	1.07	1.45	0.98	1.11	1.16	1.23	1.61	0.65	0.80	0.88	1.02	2.04
15	1.02	1.17	1.20	1.32	1.65	1.16	1.31	1.34	1.46	1.79	0.97	1.17	1.23	1.42	2.47
20	1.19	1.34	1.38	1.49	1.82	1.31	1.46	1.50	1.61	1.94	1.17	1.38	1.43	1.62	2.67

RECENT CMA CLIENT SALE RESULTS

Issuer (Rating)	Issue Type	Par Amount	Sale Date	Term	Rate	Purchaser
Wappingers CSD (A2)	BAN	\$ 40,947,162	29-Jul	12 mos.	0.11%	JP Morgan Securities LLC
Suffolk County (BBB+/BBB+)	Bonds	\$ 85,915,000	27-Jul	13 yrs.	1.47%	Jefferies LLC
Port Washington UFSD (Aa2)	BAN	\$ 67,942,198	27-Jul	12 mos.	0.16%	TD Securities (USA) LLC
Monroe County (AA-)	Ref. Bonds	\$ 26,795,000	Negot.	10 yrs.	0.66%	FHN Financial Capital Markets
Rochester City (A2/AA-)	BAN	\$132,352,000	21-Jul	12 mos.	0.09%	JP Morgan Securities LLC
Rockland County (Aa2/A+/A)	Ref. Bonds	\$ 15,200,000	Negot.	6 yrs.	0.59%	D.A. Davison & Co.
Kent Town (Aa2)	Bonds	\$ 7,190,000	15-Jul	14 yrs.	1.19%	Roosevelt & Cross, Inc.
East Fishkill Town (A1)	Bonds	\$ 4,985,000	7-Jul	27 yrs.	1.63%	Roosevelt & Cross, Inc.