

MEMORANDUM

To: File
From: Douglas R. Farnham, Chief Recovery Officer
Date: August 5, 2024
Subject: Community Recovery and Revitalization Grant Program Eligibility Criteria

The Capital Investment Grant Program was created in Sec. H.18 of Act 74 of 2021 with \$10,580,000 of American Rescue Plan Act – State Fiscal Recovery Fund and later amended in Sec. 46 of Act 183 of 2022 to include the following language under the eligible applicant section and was renamed the Community Recovery and Revitalization Grant Program (CRRP):

(ii) intends to utilize the funds for an enumerated use as defined in the U.S. Treasury Final Rule for Coronavirus State and Fiscal Recovery Funds;

The Agency of Administration (AOA) participated in discussions in the House Committee on Commerce and Economic Development which focused on ensuring that the program was compliant with the federal rule and did not focus on the requirements or specifics of what enumerated uses entailed. Because revenue loss is specifically named in the Final Rule, AOA considered revenue loss to be an enumerated use during those discussions.

On October November 9, 2022, AOA included this program in a list of programs which it intended to apply revenue loss eligibility rules to reduce risk of federal recapture and simplify administration. While the Joint Fiscal Committee was only receiving an update and had no formal approval function, no concerns were expressed with the simplification of the program. AOA then approved a simplified version of the program under revenue loss eligibility on November 11, 2022.

Because the Treasury defines the term “enumerated eligible use”, uses the phrase enumerated use, and applies the term enumerated to elements of the Final Rule, there is some ambiguity in the execution of the CRRP if one determines that “enumerated uses” was intended to be “enumerated eligible uses” in Act 183 of 2022.

AOA has determined that the intent of the General Assembly was for the program to be eligible with the Final Rule (31 C.F.R. Part 35) with the lowest risk possible and not to force the CRRP to meet specific criteria in the Final Rule. Because the revenue loss determination ensured that the program met the criteria of the Final Rule with the lowest risk possible, AOA is approving the program structure as documented in the November 9, 2022, response to the Agency of Commerce and Community

Development under Sec. E106(a) of Act 113 of 2024 and that the current structure of the program most appropriately meets the legislative intent.

