

City council considers how to spend \$8.8 million

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City council members are considering how to spend \$8.8 million they expect to receive through the American Rescue Plan, federal legislation aimed in part at restoring local economies.

The American Rescue Plan, enacted by Congress in March, allocates \$1.9 trillion for economic recovery following the coronavirus pandemic. One goal of the plan is to stabilize local government operations, households and small businesses.

Part of the plan provides direct financial assistance local governments, including Sanford, Broadway and Lee County. The city expects to receive \$4.4 million in June of this year and another \$4.4 million in June 2022, said city Management Analyst Holly Marosites.

The deadline for spending the money is Dec. 31, 2024, Marosites said, although staff are awaiting additional guidance from the U.S. Department of Treasury.

There are rules about how the money can be spent. First, like funds allocated by the CARES Act, the money can be used to address economic effects of the coronavirus pandemic. The city council could provide financial aid to households, small businesses and nonprofits. It could also fund projects to boost tourism.

Second, the money could be used to make investments in water, sewer and broadband infrastructure. Investing in infrastructure has been a long-term goal of the city council, with particular attention paid in recent months to expanding internet access in rural areas.

Third, the city could use the funds to replace lost revenues — money they didn't make because of the COVID-19 crisis. Fourth, the city could provide additional pay to essential employees or grants to their employers.

The city council met Tuesday to discuss how the money should be spent.

"We have a chance, as a council, to do some very impactful things," said Mayor Chet Mann. "We have one chance to get it right."

Expanding affordable housing

Several city council members said Tuesday they hope to use the money to expand affordable housing in Sanford. Creating more housing is one way the city could help promote economic stability, according to some council members.

Instead of investing directly in affordable housing, Mann suggested creating incentives for contractors to build more affordable housing, such as offering to cover an initial down payment on land.

"How do we reduce the cost enough that an entity can build even more (housing) and be able to rent it at even less, so everybody wins?" Mann said.

City Manager Hal Hegwer said many contractors are unable to move forward on projects because of the high cost of infrastructure. The city could create a loan program to help builders install water and sewer to get projects off the ground, he said. Similarly, the city could cover the cost of installing curb and gutter, added city councilman Byron Buckels.

Councilman Sam Gaskins said the city council should consult Brick Capital Community Development Corporation, which is already at work building affordable housing, to find out what they need to expand.

Another way to help boost Sanford's economy is to offer forgiveness for rent and utility bills, said Gaskins. The councilman suggested using the federal money to cover the bills of people in dire financial straits. This would also help the city replace revenue that would otherwise be lost.

Gaskins also said the city should consider expanding the Urgent Repair Program, which helps fix the homes of low-income people who are elderly or disabled. The money could supplement the program's existing budget, helping people who might be on a waiting list.

Likewise, the city has a waiting list of people who are in need of temporary housing, said councilman J.D. Williams. He and councilman Buckels suggested working with S3 Housing Connect to help house people who were evicted or are experiencing homelessness.

Mann suggested some of the money could be spent on creating an outreach or day center for the homeless, so churches and other nonprofits have somewhere to run programs providing food and medical services.

The money could also be used to help fund a daytime recreation and service center for teenagers, Salmon said. The idea of creating a teen center has been raised frequently by members of the Lee County Juvenile Crime Prevention Council, including chairwoman Pam Glover.

The goal is to give teenagers access community resources and reduce crime among juveniles. Salmon said Tuesday that such a center could provide mental health help, education and substance abuse counseling.

Expanding broadband for low-income families should be another priority for the funds, said Buckels. Mann said that since county is already working to expand broadband in rural areas, the city should look to address gaps in internet access downtown.

Boosting the economy

One of the city's main priorities for the American Rescue Plan money should be to keep local government running smoothly, Buckels said.

"Before we rescue anybody, I believe we have to rescue ourselves," he said. "In terms of self-preservation, from the city standpoint, we have to stop the bleeding."

Along those lines, Buckels said the city council should plan on using some of the money to restore lost revenue. The city council should also consider funding projects that were paused or canceled due to the coronavirus pandemic, he said. Council members Gaskins and Salmon agreed.

Another priority should be restoring the city’s small businesses, Buckels said. Several other council members agreed the city needed to invest in the local economy downtown.

“I think we do have to help our merchants,” Mann said. “We have lost quite a bit of money in potential tourism revenues.”

Councilman Charles Taylor suggested funding improvements to Depot Park including a new audio-visual system for the stage. The park is in dire need of upgrades, Taylor said. For example, a new LED video panel and sound system could help draw more people downtown for outdoor performances, festivals and fairs, he said.

Likewise, a renovation of the Temple Theatre parking lot could help all downtown business owners, Salmon said. Mann said such one-time expenditures could help create a lasting boost to tourism.

“We can do some permanent Depot Park one-time improvements to enhance the number of people we draw downtown, and do it in a way it doesn’t cost downtown every time we do these events,” Mann said. “I think that one-time expenditures on these kinds of improvements can really pay (business owners) back.”



Wilrik Apartments, on South Steele Street, is an affordable housing building the Sanford City Council is considering improving with American Rescue Plan funds.