



Briefing: Takoma Park Approach to American Rescue Plan Act Funds

Presented by:

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June 9, 2021

Big Picture



- The American Rescue Plan Act of 2021 (ARPA) appropriates \$1.9 trillion to States and other jurisdictions to address health and economic issues exacerbated by the pandemic, address budget shortfalls of jurisdictions, and allows for investment
- Of this amount, \$19.53 billion was allocated to States for distribution to “non-entitlement units of local government” (NEUs), such as the City of Takoma Park.
- Takoma Park is likely to receive about \$17.4 million in two tranches, the first of which is expected later this month.
- These funds are one-time funds, so should be targeted to one-time expenditures. The most cost-effective uses of the funds are to take steps that provide immediate protection and lead to long term or systemic improvements for residents, businesses and the City government.

City of Takoma Park ARPA Decision Schedule

- **May 2021 – Inclusion of some funds in the FY22 Budget**
 - **\$1,191,900 included in Intergovernmental Revenues to replace expected lost revenue, mostly forgone Recreation program income**

- **June 2021 – Receive briefing; consider allowing early actions**
 - **Ensure all steps in place to receive transfer of funds**
 - **Advertise critically needed positions**
 - **Allow for rapid use of eviction protection funds**

- **July 2021 – First FY22 Budget Amendment**
 - **Identify specific budget amendments related to ARPA**
 - **Place remaining funds in general “buckets” to be refined at a later time**

- **October 2021 – Council specifies criteria; further refinement of budgeted funds**
 - **First report to Federal Government due October 31**
 - **The criteria for spending these one-time funds could focus on making major steps forward on Council priorities**



Major ARPA Uses

- **Public Health and Economic Impacts**

- Expanded list of uses similar to those paid for from City's COVID-19 Fund, including direct help to residents and businesses

- **Premium Pay**

- Similar to hazard pay paid to City employees at beginning of the pandemic

- **Revenue Loss**

- Compensates City for revenue we would have normally received; included in the FY22 budget

- **Investments in Infrastructure**

- A category the City has not had available through COVID-19 funding to date



Major ARPA Uses

▪ Public Health and Economic Impacts

- Health care, testing, communication efforts, enhancement to health care capacity through alternative care facilities
- Safety measures in schools, congregate living facilities, dense worksites; includes ventilation improvements, lead paint screening
- Mental health, children's mental health, domestic violence
- Services to address health disparities, including supporting healthy living environments conducive to mental and physical wellness and evidence-based community violence intervention programs

- Assistance to households including food assistance, rent, mortgage or utility assistance
- Counseling and legal aid to prevent eviction or homelessness; emergency assistance for burials, home repairs or other needs; internet access or digital literacy assistance; job training
- Loans and grants to small businesses and non-profits
- Building stronger communities including through affordable housing development and reduce concentrated areas of low economic opportunity
- Addressing educational disparities, including early learning services
- Healthy childcare environments, childcare, positive parenting programs, coping skills



Major ARPA Uses

▪ Premium Pay

- Premium pay up to \$13 per hour in addition to wages
- Pay can be retrospective or prospective
- Pay is for workers performing in-person essential work; is not for employees working from home
- There may be some other types of workers eligible, but more guidance is needed
- Premium pay should prioritize compensation of those lower income eligible workers
- If Council wishes to allocate funds for this purpose, discussions would need to take place with the City's unions

▪ Revenue Loss

- Guidance identifies a formula to be used for lost revenue; some calculations must wait until City's audit is completed
- Guidance needed on how revenue is identified vis-à-vis City expenses
- Estimates for FY22 could be over \$4 million; \$1.2 million included in FY22 budget



Major ARPA Uses

▪ Investments in Infrastructure

- Investments in water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure
- Control non-point sources of pollution, improve resilience of infrastructure to severe weather events, create green infrastructure, and protect waterbodies from pollution.
- Construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works
- Green infrastructure projects are encouraged; such as rain gardens, green streets, and other ways to improve resilience to climate change precipitation events
- Broadband improvements must meet upload and download speeds of 100 Mbps and are targeted to unserved and underserved households and businesses; Treasury encourages recipients to prioritize support for broadband networks owned, operated by, or affiliated with local governments, non-profits and co-operatives
- Assistance to households facing negative economic impacts due to COVID-19 is also an eligible use, including internet access or digital literacy assistance



Advancing Race Equity Through ARPA

This one-time investment in communities can be a true opportunity to advance race equity. The following list is from PolicyLink:

- 1. Explicitly name racial equity as a goal, with specific targets to produce results at scale**
- 2. Engage historically underserved communities in prioritizing investments**
- 3. Connect unemployed and low-wage workers with good jobs and careers**
- 4. Stabilize and grow businesses owned by people of color and immigrants**
- 5. Restore and expand public services that deliver critical physical and care infrastructure to disadvantaged communities**
- 6. Invest in frontline, Covid-impacted, and disinvested communities**
- 7. Prevent displacement and increase community ownership of land and housing**
- 8. Strengthen civic infrastructure that builds the power and capacity of marginalized communities**
- 9. Prioritize a few deep, cross-sector, high-impact equity investments**
- 10. Track disaggregated data to ensure accountability to equity goals**



Recommended Immediate ARPA Decisions

- **Allow for the immediate advertisement of critically needed limited term positions – in order to hire staff, set up technology and monitoring systems, need staff to get process started**
 - **Need staff added to the Human Resources division to recruit and hire staff and assist departments in managing staff**
 - **The Information Technology division needs staff to help select and integrate the technology into existing systems that will facilitate distribution of grant funds, contracts, and monitoring reports**
 - **Once the HR and IT staff are in place, an ARPA Coordinator limited-term position should be advertised**

- **Allow for use of ARPA funds for eviction prevention and other urgent needs before budget amendments are approved and Council criteria are set.**
 - **Currently using available funds, but need to be able to have no slow-down in expenditures at this critical time**



Recap: ARPA Decision Schedule

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