



Takoma Park City Council Meeting – September 8, 2021

Agenda Item 1

Work Session

Update on Staff Progress on ARPA Spending Plan Proposal

Recommended Council Action

Hear the presentation, ask questions, and provide additional direction.

Context with Key Issues

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. The City will receive \$17.4 million in two tranches, the first \$8.7 million of which was received in mid-July.

As a first step, City staff identified urgent expenditure categories related to ARPA that were included in the Fiscal Year 2022 Adopted Budget and the first budget amendment of Fiscal Year 2022 (see fiscal impact section below). The remaining ARPA funds are held in reserve; further ARPA spending categories will be defined later through budget amendments. ARPA funding eligibility can be used in four primary categories per federal guidelines: Public Health and Economic Impacts, Premium Pay, Revenue Loss, and Investments in Infrastructure.

In this work session, the new City manager will provide a presentation on ARPA that begins with a refresher on eligible expenditures under ARPA, dollar amounts already allocated in the City budget to date, and staff progress on those initial spending items already approved by Council. The presentation will also outline a best practices framework for prioritizing potential ARPA projects, the current process the senior leadership team is using to develop a spending plan for Council review, planned community engagement around ARPA spending, and the overall timeline for the implementation of ARPA-funded projects. Per federal guidance, the City has until 2024 to obligate or encumber the funds, and until the end of calendar year 2026 to fully spend down the funds; any remaining balance not spent by that date will be returned to the State of Maryland.

Council Priority

Fiscally Sustainable Government

Environmental Considerations

Multiple eligible uses under ARPA would support the City's efforts to promote energy efficiency and sustainable practices. City staff are weighing potential ARPA projects that will have an environmental benefit to the City and further implementation of the Takoma Park Climate Action Plan goals.

Fiscal Considerations

In Fiscal Year 2022, the City Council has already approved the use of \$2,214,900 for the following items. Subsequent ARPA spending in Fiscal Year 2022 will be approved by Council via budget amendment.

ARPA Funding Use	Council Action	FY22
Revenue Loss Reimbursement	FY22 Adopted Budget	\$ 1,191,900
Façade Improvement Grant	FY22 Adopted Budget	\$ 8,000
Document Management Platform	FY22 Adopted Budget	\$ 100,000
IT Software Developer	FY22 July Budget Amendment	\$ 120,000
ARPA Coordinator	FY22 July Budget Amendment	\$ 120,000
Payroll & Accounting Specialist	FY22 July Budget Amendment	\$ 75,000
Emergency Rental Assistance	FY22 July Budget Amendment	\$ 250,000
Food Insecurity RFP	FY22 July Budget Amendment	\$ 250,000
Community Engagement	FY22 July Budget Amendment	\$ 100,000
TOTAL ALLOCATED		\$ 2,214,900

Racial Equity Considerations

The American Rescue Plan act is designed to assist people who are disproportionately affected by COVID-19 via direct and indirect funding. In the development of an ARPA spending plan for Council review, City staff are ensuring that a significant portion of ARPA funds are dedicated to helping the City's most vulnerable residents.

Attachments and Links

- [Interim Final Rule \(Federal ARPA Guidance\)](#)