



Takoma Park City Council Meeting – November 17, 2021 Agenda Item 10

Work Session

Update on Staff Progress on ARPA Spending Plan Proposal for January 12, 2022

Recommended Council Action

Hear the presentation and ask questions

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. 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.

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 and are already in use for emergency rental assistance, food security, community engagement, revenue loss reimbursement, and administrative staffing. The remaining ARPA funds are held in reserve; further ARPA spending categories will be defined in later budget amendments in January 2022.

In this work session, the presentation will preview the best practices framework staff are using for prioritizing and developing potential ARPA projects into a comprehensive, multi-year spending plan for Council review. Council will receive the spending plan at the Council Work Session January 12, 2022. Staff anticipates community engagement opportunities in early 2022 to discuss the proposed spending plan after it is presented to Council.

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

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

The City Council has already allocated the use of \$3,159,900 from the first tranche of \$8,700,000. Subsequent ARPA spending of in Fiscal Year 2022 will be approved by Council through an budget amendment.

ARPA Funding Use	Council Action	FY22	Est. FY23-FY27
Revenue Loss Reimbursement	FY22 Adopted Budget	\$ 1,191,900	TBD
Façade Improvement Grant	FY22 Adopted Budget	\$ 8,000	TBD
Document Management Platform	FY22 Adopted Budget	\$ 100,000	TBD
IT Software Developer	FY22 July Budget Amendment	\$ 120,000	\$ 360,000
ARPA Coordinator	FY22 July Budget Amendment	\$ 120,000	\$ 360,000
Payroll & Accounting Specialist	FY22 July Budget Amendment	\$ 75,000	\$ 225,000
Emergency Rental Assistance	FY22 July Budget Amendment	\$ 250,000	TBD
Food Insecurity RFP	FY22 July Budget Amendment	\$ 250,000	TBD
Community Engagement	FY22 July Budget Amendment	\$ 100,000	TBD
TOTAL ALLOCATED		\$ 2,214,900	\$ 945,000
TOTAL REMAINING OUT OF \$17.4 MILLION		\$	14,240,100

Racial Equity Considerations

The American Rescue Plan act is designed to assist people who are disproportionately affected by COVID-19 through 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 \(Federal ARPA Guidance\)](#)