

Staff Responses to Council ARPA Questions Continued 1/25/22

Q18: Can you provide an update on the status of the library expansion project? (Kovar)

To support the library project I would first need an update on construction timing, status, and costs, and an opportunity to quickly assess the options council identified earlier that might be dropped if costs became an issue. Can we separate out some portion of the costs that specifically affects those most vulnerable? Can you provide updated cost estimates for the library expansion project Are there places to trim the budget if we need to (Dyballa)

Response: Arcadis is now under contract as our Construction Manager, and we are working with them to obtain updated cost estimates and schedules. Arcadis has hit the ground running and is working well with the City, architect, and engineering team to produce this documentation. The next steps are the constructability review, value engineering study, developing the risk register and conducting a risk workshop, and then finalizing construction documents so that we can solicit RFQ/RFPs and go to bid -- the latter of which is dependent on the approval of funding the remainder of the project.

We should be receiving an updated cost estimate soon from Arcadis; the most recent data available are from RRMM's estimate in Summer 2021, calling for a construction estimate of approximately \$8.4 million. This number, combined with design and soft costs (permitting, fees, moving and relocation, furnishings, landscaping, etc.), and minus the available funds from the Library Infrastructure Bond, State Capital Grants, and Cable Capital Grants, the funding gap is approximately \$1.67 million. It is possible that this gap may have increased since the summer. In terms of trimming the budget, Arcadis's value engineering study will identify areas in which it is possible to trim, but it is also likely that significant opportunities for this will be limited due to the impact it could have on delaying the permitting and bidding process.

Q19 Municipal broadband -- the number is very specific; is this proposal ready to go? Are there issues that need to be worked out with the companies? Are there health related concerns around larger multi-family buildings which already have extensive small cell arrays? (Kovar) Q33 Digital Divide. Were other approaches to broadband besides subsidizing individual households considered? How many estimated households can be served? (Dyballa)

Response: This project is shovel-ready. The project estimate is derived from the Comcast Internet Essentials program and the number of households in the City's Data Explorer making less than \$50,000. We would be sponsoring Internet Essentials access by offering promo codes to residents (\$15 per subscriber per month for 50 mbps downstream and 10mbps upstream which supports video conferencing and media streaming); we will be billed for the number of promo codes that are redeemed. The subsidized costs include equipment rental. Our Library Director met with Comcast to learn about their programs to provide subsidized internet access and verified the estimate. Comcast will help with the engagement component and provide free print materials as well. If Council accepts this ARPA proposal, we will work with Comcast to develop an MOU for a more formal agreement.

We assumed the best approach would be for the City to use existing cabling and infrastructure to subsidize internet access for residents who are experiencing economic hardship as opposed to building new infrastructure. We were also concerned that other approaches like laying our own cable would have been prohibitively expensive; we are not aware of other cost-effective options that use other providers' infrastructure. We are not aware of health concerns but can raise this issue with Comcast if applicable.

Q20 Mental Health -- could this proposal be combined in some fashion with the AHC proposal? (Kovar)

Response: If the City decides to obtain counselors via a contract rather than direct (temporary) hires, Adventist Healthcare may be able to submit a bid and/or assist with recruiting contractual staff. We will be collaborating closely with the County mobile crisis and outreach teams and Crisis Center.

Q21 Weatherization -- how do we ensure this program benefits tenants financially and not just landlords or management companies? (Kovar)

Housing and Electrification. We should commit to carefully target these funds to low-and-moderate-income residents (and their landlords), and more closely coordinate with each other, and include compliance with county building performance standards (or implementation of all cost-effective measures) as a condition of funds. Housing rehab description in the worksheet is one place where some minimal data on need is already included: 3500 rental units, many over 40 years old. (Dyballa)

Response: These two programs – Housing Rehabilitation and Energy Efficiency Grants- will be closely coordinated together during the application process. We will look to structure the application process to target the funds to low- and moderate-income residents. The City's existing energy efficiency grants have benefitted low-moderate income, single family homeowners because income is part of the application criteria; the ARPA rehab program will extend to condominiums and multi-family as well. The types of projects available to multi-family buildings historically for energy efficiency have included replacing equipment with high efficiency EnergyStar certified options such as air conditioning, heat pumps, water heaters, refrigerators, and washing machines.

Q22 Premium pay for employees performing essential work -- is this referring to past work or work the employees will be involved in going forward? (Kovar)

Response: The premium pay is structured as a one-time lump sum payment of \$3,400 per employee (\$3,400 multiplied by approximately 80 Public Works and Police staff) and is not based on the number of hours. The employees who will receive it are selected based on ARPA eligibility – the nature of their work needs to be critical infrastructure, frontline, at-risk in person work.

Q23 Can we get more details on the Rec. Dept. redevelopment proposal? Is this for the Recreation Dept. facilities in the Community Center or at the Rec Center on New Hampshire Ave.? (Kovar) Rec Center. What is the \$350k for more specifically, how does it move the project forward, and more generally what are next steps for this project. (Dyballa)

Response: The Recreation Center proposal is both for repairs to the existing building on New Hampshire Avenue to ensure that it continues to be functional and habitable for recreational

activities in the interim period prior to redevelopment (e.g. minor roof repairs), as well as for the design of a new recreation center on New Hampshire Avenue.

Q24 For the Recreation Dept. program scholarships, how many years does that cover. (Kovar) Recreation Scholarships. What is the recent/current need and funds expended? Is there more demand than funds at this point? Was expanding current childcare and recreation programs considered (I don't see a project on the list)? (Dyballa?)

The Recreation Department provides approximately 80 Takoma Park families a scholarship per year. The ARPA estimate of \$500,000 covers two years of scholarships for Takoma Park residents at approximately \$150,000 per year (\$300,000 total for two years). The objective here is to continue offering scholarships and increase the number of families benefitting from a scholarship. The remaining \$200,000 will be used to provide subject specific tutoring services for grades K-12. Sample subjects include math, reading, writing, social studies, etc. The Department currently provides need-based 100% scholarships to any resident that completes an application and falls within the guidelines of the Federal Housing and Urban Development's income chart. The scholarships cover all recreation classes and programs that the resident enrolls in for one year.

Expansion of Recreation programs beyond what is currently offered is not an option as we do not have the space nor staff to accommodate additional participants. The Department may also experience a reduction in space/capacity once Library construction begins.

Q25 Budget Integration. Some proposed projects (such as rec center, atrium, library, recreation scholarships, Maple Ave) are also in the current budget. What's the interaction between the two budgets, and with ongoing work on those projects--are the ARPA funds for additional work, faster work, substitute funds for budgeted funds and/or potential grant funding? I'd also like to see us approach this as a multi-year budget, with proposed project funds organized under the overall goals (p.14), by Department and by year, which could be a reworking of table 3 in appendix 5. (Dyballa) Can you describe the annual review process if we want to make changes to the plan later? Could the annual review correct labor shortages, take on new commitments, update contractor quotes (Stewart)? How will the ARPA Fund interact with the other City funds/the regular budget, what will be the process (Kostiuk)? (Dyballa)

Response: Yes, staff are proposing one multi-year spending plan as opposed to passing a plan in multiple parts. There will be an annual review of the multi-year plan that will be incorporated into the regular budget process, same as the five-year capital improvement plan in the budget book each year. The ARPA Fund will be displayed as a fund separate from the General Fund in the budget book, with its own section in the same way that the Stormwater Management Fund, Special Revenue Funds, and Speed Camera Fund are displayed in the budget book. The ARPA Fund expenditure lines can be amended through budget amendments, again in parallel/in sync with the annual City budget process.

Q26 Should we approve the spending plan in two parts – urgent then less urgent (focus on first tranche)? E.g., approve emergency assistance projects first, then take more time to decide on longer-term projects? Or approve one at a time to be able to do more vetting and analysis of the proposed projects? (Kovar, Dyballa)

Staff would recommend approving the full plan rather than in parts to ensure all funds are fully spent by 2026. As a parallel example, if the capital improvement plan was approved in multiple parts, staff could not plan for capacity, procurement processes, or other preparations. We want to lay the groundwork early for well-executed projects that have lasting impact for residents, so that the public knows what to expect and to facilitate multi-year financial planning for the City's other funds and fiscal health as well.

Q27 Timing. I'm still concerned about timing, level of urgency, and staff capacity for these projects. (Dyballa) Is spending effectively spread out across all 5 years to ensure that all of the money is spent or encumbered in time, without stretching staff capacity too thin in the early years? What is the timing of the projects by year (Searcy)? Some of these projects seem staff intensive, what is staff capacity to execute this plan? (Kostiuk)

We included three temporary positions – IT Analyst, Payroll/Accounting Specialist, and ARPA Manager – to expand staff capacity for ARPA program administration. Projects that were highly complex and therefore required a lot of staff capacity or would not have a positive internal impact on City operations were down-scored based on the ARPA matrix; senior staff believe the staff-recommended projects to be feasible and manageable, with some flexibility over the course of the five years to adjust the pace of spending and timing of projects as part of the annual review of the ARPA spending plan. We do not have the capacity to provide social services; for that reason, the social services “bucket” places emphasis on partnerships rather than capacity development.

Q28 Eviction Assistance. Updated numbers on households served and dollars spent would help to evaluate whether \$500k is the right amount here.

As of mid-November, \$110,725 of the original allotment had been spent, and 26 households served. We are working on updated numbers.

Q29 Small Business Grants. Are these intended for businesses citywide?

Yes, these are intended for businesses Citywide. Businesses who opened during the pandemic and may have been ineligible for pandemic-related business assistance as well as businesses located in areas not served by Takoma Park's two business associations will be prioritized (including at-home businesses).

Q30 Social Services Partnerships. A bit more on what's intended here (besides community connectors) and who the target audience is would help me understand the \$1.2M request. I don't see “social services partnerships” in the list of projects evaluated, so is it a combination of several projects? Why is needs assessment included instead of just service delivery? (Dyballa) For the Social Services Partnerships, is that pot of money to fund both the outreach and the projects that emerge out of the outreach? Will it include intensive outreach? In that case, additional funds might be needed, \$1.2M may not cover both community navigators AND payments to non-profits. Can that pot of money be used to increase the other budget amounts? (Kostiuk, Stewart). For ideas like a tutoring network or aid for developmentally disadvantaged residents (as suggested by Mary Jane Muchui), I think both of those could potentially come out of the Social Services Partnership funds (Kovar)

The \$1.2 million is a bucket for one or multiple projects related to social services. The pot of money could be used to augment budget amounts for the other proposed projects like food

insecurity or workforce development. The full amount could be used for direct cash assistance. The full amount could be distributed to non-profits in the area through RFP for social services. A portion of the funds could be used for a community outreach program. There are several possibilities here. The City does not currently have the capacity for intensive social services or intensive community outreach, so any projects of this type need to be structured through partnerships as opposed to relying on in-house capacity.

Q31 Explain expected outcomes and intended audiences for the projects. It would help us have a better sense of who and how many a particular proposed project would reach. Estimates, even ball park estimates, of how many residents are intended to be served by these projects would be useful and for most projects are not written down. For example, about how many households might be served each year for \$500k in eviction assistance funds or \$500K in recreation scholarships? How many households have been served with the current allocations? (Dyballa, Kostiuk).

Response: Projects were [scored](#) on whether they would impact less than 25 percent of the population, between 25% and 75% of the population, or more than 75% of the population, and double-scored if they benefitted vulnerable populations. We supplemented staff expertise on each project area with data from the data explorer and other sources. The following table highlights some examples of data available from the explorer on the likely beneficiaries of certain projects in the spending plan:

<i>Selected Projects</i>	<i>Census data on potential beneficiaries</i>
Emergency Rental Assistance	49% of Takoma Park renters experience housing cost burden (spending > 30% of their income on rent), and 17.9% severely-burdened (> 50%)
Laptop Lending Program, Municipal Broadband, Wi-fi Hotspot Lending	4.44% of Takoma Park residents do not have a computer, and an additional 5.62% do not have broadband internet
Social Services Partnerships	8.79% of Takoma Park residents are in poverty. 15% make less than 1.5 times the poverty line, and 23.5% of residents make less than 2 times the poverty line
Takoma-Langley Crossroads Business Incubator Funding	11.7% of Takoma Park residents did not graduate high school; 26.61% concluded their education after or before completing high school. 5.6% of Takoma Park residents are unemployed While the Crossroads is not in a qualified census tract, it is on the border of its tract and just adjoins a tract in the 97th percentile of the CDC's Social Vulnerability Index in Maryland (as of the 2014-2018 ACS)
Workforce Development	11.7% of Takoma Park residents did not graduate high school; 26.61% concluded their

	education after or before completing high school. 5.6% of Takoma Park residents are unemployed
--	--

Q32 How can we ramp up community engagement with the intended audiences? (Dyballa)

The \$1.2 million for social services partnerships could be used to ramp up community outreach.

Q33 COVID Related Staff Needs. Do we have any need for continuing funds for PPE and other staff COVID-related needs? Are these costs reimbursable with ARPA funds or are they a “project”? With COVID continuing, this immediate need should be covered somewhere. (Dyballa)

PPE purchases would need to be its own project, not a reimbursement. The City will continue to seek reimbursement from FEMA through April 1, 2022, and after that the cost of PPE can be absorbed in the General Fund supplies budget if needed; we also plan to continue our partnership with the County on supplying PPE and test kits.

Q34 Should we purchase KN95 masks for residents? (Smith)

This could be expensive with a short-term impact relative to other proposed projects. We expect the County and federal government to continue free distributions.

Q35 Balance of Funds. I am concerned that the balance of the funds may tilt too much towards public infrastructure, and more investment in long-term efforts to directly support our most vulnerable may be better. (Dyballa)

Staff view the investments in public infrastructure as investments with long-term benefits for vulnerable residents, e.g. the library expansion. Given the City’s current fiscal condition, any new long-term efforts to directly support vulnerable residents would need an ongoing revenue source; if supported by ARPA, effort would sunset with the end of the ARPA funding period.

Q36 Workforce Development. What are dollars and number of residents reached for current program, and an estimate of residents to be reached with these new dollars. (Dyballa)

This would depend on the number of applicants. In the past, the City has partnered with Worksource Montgomery and Upwardly Global for this service delivery. We are working on updated totals.

Q37 Crossroads Incubator. More specifics on whether this is for the current farmers market, or towards a permanent location, or to support new entrepreneurs, or other, as this is not enough funds to do all of these. (Dyballa)

This funding is towards the acquisition of a permanent location. The City would be one of multiple contributors to the project; funds could be leveraged for rent, tenant improvements, property acquisition, or other needs. Yes, it is not enough funds to do the full acquisition or other needs of the projects, the City will need to partner with other stakeholders with funding to make it happen.

Q38 Stormwater. While I think I understand why a significant stormwater project is not proposed and evaluated, it’s important that this be explained publicly so residents can understand as well. (Dyballa)

Yes, we can explain this publicly.

Q39 Maple Ave. Can we tie this more strongly to the needs of the most vulnerable by focusing on the northern section? I note that the June 2021 30% design cost estimate is \$825k.

This funding will provide for 100% design and construction of the Maple Avenue Complete Street. The purpose of using ARPA is to accelerate this project and be able to complete the whole project, given its prominent location in the City and close proximity to low- and moderate-income residents.

Q40 Atrium. Compare this cost estimate with capital budget (\$200k for this FY, \$600k next year). (Dyballa)

This would replace the capital budget General Fund allocation.

Q41 How can individual non-profits or other community stakeholders access ARPA funding? (Kovar)

The \$1.2 million for social services partnerships could be used for grants to non-profits.

Q42 How do we get cash into people's hands who need it? Why is there no project related to direct cash assistance? (Smith, Kovar, Kostiuk, Stewart) It would be great to have a guaranteed income pilot that could drive structural changes long-term as research has shown, and build capacity for families (Stewart).

The \$1.2 million for social services could be used for this purpose. Senior staff did score a \$1.2 million basic income pilot and a \$3 million cash assistance program but those projects but did not score as high as the projects selected for the staff spending plan. They scored high on the racial equity criteria and Council priorities alignment; however, they lost points on other matrix criteria in that the scoring committees were concerned that these project concepts could be costly, complex to implement, impact less than 25% of the City's population, and negatively impact internal operations. The City also lacks a revenue source to support an ongoing cash assistance program beyond a one-time payment when basic income is often implemented over time through monthly payments. During the project prioritization process for ARPA, senior staff discussed possible scenarios (amounts below do not include administrative costs such as an accounting firm, consultants, marketing, outreach):

- \$1,000 unconditional assistance payments to 2,147 renter households (earning less than 60% AMI) - *\$2.2 million*
- \$1,000 unconditional assistance payments to all 3,000 renter households in the City - *\$3 million total cost*
- \$1,000 unconditional assistance payments to 1,632 households earning less than \$50K - *\$1,632,000 in total cost*
- Basic income pilot paying \$1,000 to 1,000 households or \$500 to 2,000 households with possibility of leveraging contributions from private foundations - *\$1,200,000 total cost*

Q43 Can you explain revenue loss one more time? (Kovar)

Based on the final rule, Treasury is offering a standard allowance of up to \$10 million in revenue loss that Takoma Park could take advantage of. This could be beneficial in that the revenue loss allowance can cover any projects that are not directly eligible under the other ARPA spending categories. The revenue loss allowance can cover general government services which provides broader eligibility than the specific spending categories (premium pay, public health, economic impacts, or infrastructure).