

Introduced by:

First Reading:  
Second Reading:

**CITY OF TAKOMA PARK, MARYLAND**

**ORDINANCE NO. 2022-XX**

**AN ORDINANCE APPROVING AND ADOPTING  
THE BUDGET FOR ARPA/SLFRF FUNDED PROJECTS**

WHEREAS, the U.S. Department of the Treasury (Treasury), through the American Rescue Plan Act of 2021 (ARPA), appropriated \$528.96 million to the State of Maryland to disburse ARPA grant funds for the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) program to Non-Entitlement Units of Local Government for the purpose of helping Americans recover from the public health crisis and negative economic impacts caused by the COVID-19 public health emergency; and,

WHEREAS, the State of Maryland serves as the pass-through entity for the disbursement of ARPA/SLFRF from Treasury to the City of Takoma Park; and,

WHEREAS, the City has a population below 50,000 persons it has been designated as a Non-Entitlement Unit of Local Government pursuant to statute governing the American Rescue Plan Act (ARPA) and is eligible to receive and allocate ARPA/SLFRF for the following purposes:

- (1) To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- (2) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- (3) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- (4) To make necessary investments in water, sewer, and/or broadband infrastructure; and,

WHEREAS, the City will receive a total of **\$17,463,724.52** million in federal funding from the State of Maryland for the ARPA/SLFRF program in two tranches; and,

WHEREAS, the City received \$8,731,862.26 million in ARPA/SLFRF through the State of Maryland in July 2021 (first tranche), and will receive \$8,731,862.26 million in ARPA/SLFRF from the State of Maryland in mid-July 2022 (second tranche); and,

WHEREAS, the City must obligate ARPA/SLFRF (\$17,463,724.52) by December 31, 2024 and expend all funds (\$17,463,724.52) by December 31, 2026; and,

WHEREAS, the City Council appropriated \$1,299,900 as part of the Fiscal Year 2022 Adopted Budget for revenue loss reimbursement, the purchase of document management software, and a façade improvement grant; and,

WHEREAS, in July 2021, the City Council approved \$915,000 in ARPA/SLFRF allocations via the first budget amendment of Fiscal Year 2022, which represents one year's worth of costs for the hire of three ARPA administrative positions, as well as funds for emergency rental assistance support, food insecurity grants, and community engagement for a total of \$2,214,900 previously appropriated; and,

WHEREAS, there is a total balance of \$15,248,824.52 remaining in ARPA/SLFRF to be allocated to eligible new projects as well as for subsequent years of the previously approved administrative positions to reflect the full costs of all projects over the entire funding period through 2026; and,

WHEREAS, the City Manager first presented the Staff-Recommended ARPA/SLFRF spending plan to the City Council on January 12, 2022 as the result of a six month needs assessment, project evaluation, and project prioritization process; and,

WHEREAS, following the initial presentation of the Staff-Recommended Spending Plan, City staff and Councilmembers hosted a virtual community meeting as well as a public hearing, multiple staff presentations, and Council budget reconciliation sessions during regular Council meetings in January and February to allow for discussion and public input regarding the best uses of the remaining balance; and,

WHEREAS, the City Council revised the Staff-Recommended Spending Plan into a final ARPA Spending Plan that is outlined in this ordinance and reflects Council priorities and Council's desire to address the most urgent needs of Takoma Park residents over the next five years; and,

WHEREAS, descriptions and budgeted amounts for City Council approved ARPA/SLFRF projects are attached here as Exhibit A; and,

WHEREAS, the City Council believes the uses outlined in this ordinance will optimize positive impacts on the residents of Takoma Park and the City as an institution, by focusing on immediate aid for high-need residents and businesses to promote the City's economic recovery, investments in City facilities and operational capacity to improve service delivery for vulnerable residents long-term, and a contingency margin to protect the City's fiscal health.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT:**

**SECTION 1.** The ARPA budget for the remaining SLFRF in the amount of \$15,248,824.52 is adopted hereto and by reference made a part hereof is hereby effective for the fiscal year commencing on July 1, 2021 and ending June 30, 2022.

**SECTION 2.** The following amounts are hereby appropriated for the remaining balance of ARPA/SLFRF:

<b>Fund</b>	<b>Effective Period</b>	<b>City Council Appropriation</b>
ARPA/SLFRF Fund	March 2, 2022 – December 31, 2026	\$15,248,824.52

**SECTION 3.** A general contingency amount of \$1,000,099.52 has been included in the ARPA/SLRF Fund spending plan.

**SECTION 4.** Budget breakdowns for each newly approved project by fiscal year will be provided in the upcoming Fiscal Year 2023 Preliminary Budget Book.

**SECTION 5.** The City Council will review the ARPA Spending Plan on an annual basis as part of the regular budget process and make adjustments as necessary depending on the pace and impact of the ARPA projects proposed herein.

Adopted this \_\_\_\_ day of \_\_\_\_\_ by roll-call vote as follows:

AYE:

NAY:

ABSENT:

ABSTAIN:

**EXHIBIT A**  
**ARPA/SLFRF Project Descriptions and**  
**City Council Approved Budget Amounts**  
**For Balance of ARPA/SLFRF**

**1. Emergency Rental Assistance**

**Budget: \$500,000**

ARPA funding will be utilized to prevent Takoma Park residents from potential eviction from rental housing and homeownership. This is a continuation of efforts already underway for two more years, with assistance from Montgomery County as well as local non-profits.

**2. Mental Health Crisis Counselors**

**Budget: \$600,000**

This two-year pilot program will employ two mental health counselors on a full-time basis to respond to calls involving residents in crisis and suffering mental health issues. Counselors embedded in the Police Department will work with City Departments and the Montgomery County Health and Human Services crisis teams to respond to active cases and to provide follow-up for identified residents.

**3. Grants for Small Businesses**

**Budget: \$300,000**

Short-term grants will be made available to small businesses to meet rent and/or payroll obligations, and grants for business expansion, business improvements, technical assistance, development of products and services. Grants will be prioritized for small businesses who experienced economic harm during the pandemic, and those that were open during the pandemic but did not previously receive pandemic-related business assistance from any source.

**4. Recreation Scholarships and Academic Tutoring**

**Budget: \$300,000**

A portion of the Recreation Scholarships funding will be for individual scholarships for all recreation classes and activities, to allow residents to participate who are otherwise unable to pay for services and programs. The other portion will be used to release a request for proposals for tutoring services to assist Takoma Park students who are struggling with schoolwork.

**5. Social Services Partnerships – Community Navigators, Grants to Non-Profits, and Direct Cash Assistance to Vulnerable Residents**

**Budget: \$2,463,725**

The City will develop a Community Navigators program to ensure that individuals and households that may not typically engage, or otherwise not aware of government services, are identified and connected to available social services at the City, County and State levels. Funds will also be used for regional partnerships with non-profits to evaluate and fill any gaps in social services provision in Takoma Park and to build community awareness of resources available. As the third prong of this program, the City will distribute cash payments directly to vulnerable residents in need of financial support.

**6. Lending Program: Wi-Fi Hotspots**

**Budget: \$3,000**

The City will purchase 30 Wi-Fi hotspot units at approximately \$99/each, for a total of \$3,000 to expand internet access in Takoma Park to those who can't afford it. The cost of administering the use of hotspot units has been built into the Library's regular General Fund budget.

**7. Lending Program: Laptops**

**Budget: \$11,000**

For laptop lending, the City will purchase 30 convertible laptops to provide for computing needs of residents who require access beyond open hours of the Library Computer Center, for periods longer than a session at the Computer Center, or to use elsewhere inside the Library. At a cost of approximately \$250 per laptop, plus \$70 for a 4 Year Laptop Accident Protection Plan, the total cost of purchasing laptops equals \$9,600. The remaining \$1,400 of this project line-item is to be spent on a secure cart that keeps computers charged and ready for checkout. Paired with the Wi-Fi hotspot lending and municipal broadband programs, this is part of the Library's effort to use ARPA funding to bridge the City's digital divide.

**8. Municipal Broadband**

**Budget: \$400,000**

This project will help bridge the digital divide, encourage workforce development, and support remote work and education. Monthly subsidies for broadband internet access will be made available for residents who are experiencing economic hardship, in particular those families who earn less than \$50,000 per year.

**9. Multi-Family Housing Rehabilitation**

**Budget: \$800,000**

Loans and/or grants to multi-family property owners will incentivize rehabilitation and ensure availability of quality and affordable units. Loans and/or grants may also incorporate energy conservation or other sustainability requirements. Rehabilitation grants have been shown to improve housing conditions, health outcomes, and mental health. ARPA/SLFRF housing rehab funds will be targeted to multi-family building owners (including condominiums) and their tenants who are low-to-moderate income or most affected economically by COVID-19.

**10. Energy Efficiency Upgrades**

**Budget: \$500,000**

Grants for energy efficiency upgrades will be targeted to multi-family buildings that are occupied by low-to moderate-income residents and to homeowners with low-to moderate-incomes (including condominium unit ownership). Small business would also be eligible to install high-efficiency utility systems (such as all-electric heating, cooling, water heating, insulation, air sealing measures, renewable energy systems, etc.) and associated repairs (e.g., ventilation improvements, moisture control, structural improvements). The Sustainability Manager will coordinate funding for energy efficiency upgrades with the Housing Rehabilitation Fund as appropriate.

**11. Workforce Development for Underemployed Residents**

**Budget: \$100,000**

The changing landscape of work requires that more residents receive training and skills enhancement to increase economic opportunities over the long-run. Many City residents are underemployed or unemployed. This requires a focus on re-training or credentialing of residents who are seeking additional training and support.

**12. Business Incubator**

**Budget: \$500,000**

Takoma Langley Crossroads is undergoing a transition as many first- and second-generation immigrants are becoming young adults and beginning their entrepreneurial journeys. The services of the business incubator will be available to this population and any resident of the City of Takoma Park. A permanent, brick and mortar home will be transformational to the Crossroads area and will provide stable employment for area residents, workforce training, and business incubation for restaurants and artisans. The City's financial support can be leveraged for rent, tenant improvements, property acquisition, or other needs of the businesses located there.

**13. Recreation Center Redevelopment**

**Budget: \$320,000**

The Recreation Center building continues to host programming for residents and City offices. These funds can support any major repairs that might be needed while research is being completed on the center's redevelopment path. This funding can also be used for part of the design costs of the redevelopment as needed. Redevelopment of the facility will allow more space for social distancing and resident programs, as well as improve the ventilation system and overall usability of the facility by residents (parts of the structure are currently inaccessible).

**14. Community Center Renovation**

**Budget: \$1,200,000**

The first-floor lobby area will be reconfigured to improve the emergency call center work environment and allow social distancing. Additional office space and meeting rooms will be created as a result of this renovation project and will be made available for private mental health counseling as needed and other City functions.

**15. Premium Pay for Essential Workers**

**Budget: \$272,000**

This allocation will provide premium pay for City workers who performed essential work during the pandemic, defined by the Interim Final Rule as "work involving regular in-person interactions or regular physical handling of items that were also handled by others." ARPA funds cover pay for employees who worked during the COVID-19 emergency, many of whom were hardest-hit by the pandemic. The proposed pay will be structured as a \$3,400 one-time lump sum payment to essential employees.

**16. Financial Software Upgrade**

**Budget: \$165,000**

The City's financial software will be upgraded to help City staff administer City services more efficiently (budget monitoring, expense tracking, procurement, other administrative functions), facilitate greater transparency, and public reporting.

**17. Interactive Online Budget Platform**

**Budget: \$124,000**

The purchase of a user-friendly interactive web-based tool or budget explorer will help staff, Council and residents navigate the City's operating and capital budget. This will help users understand how the City spends its money, make it easier for the City to arrive at budget decisions, and preserve fiscal resources.

**18. City/ARPA Contingency Fund**

**Budget: \$1,000,099.52**

The contingency fund is a set-aside for any new City project and program priorities which could emerge between 2022 and 2024. The contingency fund could also be used urgencies and/or for costs related to Council approved ARPA projects that may exceed budget projections.

**19. Library Expansion**

**Budget: \$4,000,000 (HOLD)**

Due to inflation and supply chain issues related to the pandemic, the Library's original bond funding is no longer sufficient to complete the project as designed. ARPA funds will allow the City to move forward with the project without further delays and increases to the funding gap. This project ensures that the Library's services are improved and remain accessible to disproportionately impacted communities. These funds are on hold pending further review by Council.

**20. July Budget Amendment Administrative Positions – Subsequent Years**

**Budget: \$1,690,000**

The July budget amendment approved the first year's worth of costs for the new hires to administer the ARPA funds, namely the ARPA Manager, IT Analyst, and Payroll & Accounting Specialist. These positions are either already hired or in the hiring process. This amount reflects the remaining four years of salaries and benefits for the duration of the funding period (2023-2026) to support these positions.

**EXHIBIT B**  
**ARPA/SLFRF Budget Plan**

<b>PROJECT NAME</b>	<b>AMOUNT</b>
Administrative Salaries/Benefits (July Budget Amendment cont.)	1,690,000
Emergency Rental Assistance	500,000
Mental Health Counselors	600,000
Grants to Small Businesses	300,000
Recreation Scholarships and Tutoring	300,000
Social Services Partnerships	2,463,725
Lending Program: WiFi Hotspots	3,000
Lending Program: Laptops	11,000
Municipal Broadband	400,000
Multi-Family Housing Rehabilitation	800,000
Energy Efficiency Upgrades	500,000
Workforce Development	100,000
Crossroads Business Incubator	500,000
Recreation Center Redevelopment	320,000
Community Center Renovation	1,200,000
Premium Pay for Essential Workers	272,000
Financial Software Upgrade	165,000
Interactive Online Budget Platform	124,000
ARPA Contingency Fund	1,000,099.52
Library Expansion – HOLD	4,000,000
<b>TOTAL ARPA/SLFRF</b>	<b>15,248,824.52</b>