



Takoma Park City Council Meeting – July 5, 2023

Agenda Item 3

Presentation

The City's ARPA Manager will be presenting the ARPA 5-year spending plan as updated through the FY24 budget process along with a highlight of current unobligated funds. Presentation materials and a copy of the FY24 updated 5-year spending plan are attached.

Recommended Council Action

Discussion. Provide direction to staff.

Context with Key Issues

While the City Council advanced a number of planned and new ARPA projects in the FY24 Budget, there remain a small handful of high-dollar initiatives where ARPA funds are not currently programed or "obligated." These include items such as the balance of the Direct Cash Assistance program, Community Connectors, and the Takoma-Langley Crossroads Business Incubator.

Bearing in mind the successes from ongoing initiatives such as recreation scholarships, multi-family housing rehabilitation grants, and emergency rental assistance, staff has put together a short list of recommended reallocations where unobligated funds to be repurposed.

While Council does not need to decide on specific program reallocations during the session, Council should be prepared to provide initial guidance on whether unobligated funds may be considered for reallocation to other community priorities.

Council Priority

Advancing a Community of Belonging; Fiscally Sustainable Government; Environmentally Sustainable Community; Engaged, Responsive, Service-Oriented Government; Community Development for an Improved & Equitable Quality of Life.

Environmental Considerations

Current obligated ARPA funds support green projects. Additional funds could be reallocated to support additional green projects.

Fiscal Considerations

Decisions on the use of unobligated ARPA funds could have impacts on whether or not there will be ARPA dollars available to support contingency funding both during the budget development process and within adopted budget years.

Racial Equity Considerations

A number of ARPA programs are specifically listed as the City's "Major Projects, Initiatives, and Ongoing Activities" to support the Advancing a Community of Belonging Council priority.

Attachments and Links

5-year spending plan. PowerPoint Presentation.

ARPA/SLFRF Funded Projects Projections FY22-FY26	Spending	TOTAL ARPA FUNDS ALLOCATED	FY22 (Actual)	FY23 (Projected)	FY24 (Adopted Budget)	FY25	FY26
Administrative Salaries/Benefits		\$1,353,984	\$85,104	\$175,727	\$410,629	\$421,710	\$260,814
Façade Improvement Grant		\$8,000	\$0	\$8,000	\$0	\$0	\$0
Emergency Rental Assistance		\$750,000	\$286,599	\$213,401	\$250,000	\$0	\$0
Document Management Platform		\$238,160	\$8,160	\$0	\$230,000	\$0	\$0
Food Insecurity Program		\$250,000	\$0	\$90,000	\$90,000	\$70,000	\$0
Small Business Grants		\$300,000	\$149,400	\$112,600	\$38,000	\$0	\$0
Multi-Family Housing Rehabilitation Fund		\$1,000,000	\$0	\$500,000	\$500,000	\$0	\$0
Grants to Non-Profits (Social Services Partnerships)		\$240,000	\$0	\$130,000	\$110,000	\$0	\$0
Community Connectors (Social Services Partnerships)		\$350,000	\$0	\$0	\$0	\$0	\$0
Direct Cash Assistance (Social Services Partnerships)		\$2,300,000	\$0	\$1,310,000	\$120,000	\$0	\$0
Takoma-Langley Crossroads Business Incubator		\$500,000	\$0	\$100,000	\$300,000	\$100,000	\$0
Energy Efficiency Upgrades: Weatherization, Electrification		\$500,000	\$0	\$150,000	\$350,000	\$0	\$0
Lending Program: Laptops		\$11,000	\$0	\$6,835	\$4,165	\$0	\$0
Lending Program: Wi-Fi Hotspots		\$3,000	\$3,000	\$0	\$0	\$0	\$0
Mental Health Crisis Counselors		\$600,000	\$0	\$102,500	\$275,000	\$222,500	\$0
Recreation Program Scholarships & Tutoring		\$320,000	\$0	\$170,000	\$150,000	\$0	\$0
Interactive Online Budget Tool		\$124,000	\$0	\$0	\$124,000	\$0	\$0
Community Engagement		\$42,800	\$18,000	\$9,800	\$5,000	\$5,000	\$5,000
Municipal Broadband		\$215,000	\$0	\$30,000	\$185,000	\$0	\$0
Library Expansion		\$4,000,000	\$0	\$0	\$3,500,000	\$500,000	\$0
Recreation Center Redevelopment		\$320,000	\$0	\$160,000	\$160,000	\$0	\$0
Community Center Renovation		\$1,000,000	\$0	\$1,000,000	\$0	\$0	\$0
Premium Pay for Essential Workers		\$241,400	\$241,400	\$0	\$0	\$0	\$0
Public Space Management (from contingency)		\$90,000	\$0	\$90,000	\$0	\$0	\$0
Neighborhood Community Connectors (from contingency)		\$100,000	\$0	\$100,000	\$0	\$0	\$0
Street Rehabilitation		\$523,825	\$0	\$273,825	\$250,000	\$0	\$0
FY24 Add - Sidewalks CIP		\$650,000	\$0	\$0	\$650,000	\$0	\$0
FY24 Add - 4 Bulletin Boards		\$20,000	\$0	\$0	\$20,000	\$0	\$0
FY24 Add - Neighborhood Comm Ctr Improvement		\$57,457	\$0	\$0	\$57,457	\$0	\$0
FY24 Add - Bike Improvement-CIP		\$40,000	\$0	\$0	\$40,000	\$0	\$0
FY24 Add - Metro Branch Trail City Match 20%-HCD		\$12,000	\$0	\$0	\$12,000	\$0	\$0
FY24 Add - Maple Ave Connectivity Project City Match 20%-HCD		\$50,000	\$0	\$0	\$50,000	\$0	\$0
FY24 Add - New Hampshire Ave- City Match Fund-HCD		\$61,200	\$0	\$0	\$61,200	\$0	\$0
ARPA Fund Summary Total		\$16,271,826	\$791,663	\$4,732,688	\$7,942,451	\$1,319,210	\$265,814
General Fund Revenue Loss Reimbursement		\$1,191,900	\$1,191,900	\$0	\$0	\$0	\$0
Unencumbered		\$6,535	\$0	\$0	\$0	\$0	\$0
ARPA Fund TOTAL		\$17,470,260	\$1,983,563	\$4,732,688	\$7,942,451	\$1,319,210	\$265,814



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5-year Plan Updates & Amendments America Rescue Plan Act (ARPA) FY24 – FY27

Presented by:

Andrew Bolduc
ARPA Manager

July 5, 2023

Agenda:

- **Session Goals**
- **Review: Takoma Park Spending Plan History**
- **Review: FY24 Budget Amendments to Spending Plan**
- **Projects: “Obligated” vs. “Unobligated”**
- **Future Spending: Direct Cash Assistance**
- **Future Spending: Community Connectors**
- **Future Spending: Takoma-Langley Crossroads**
- **Staff Recommended Reallocations**
- **Questions?**

 **City of Takoma Park**

American Rescue Plan Act (ARPA)
Spending Plan

\$17.5 MILLION



Affordable
Housing



Small Business
Recovery



Social Services
Partnerships



Family Resiliency
Programs



City
Operations



Community
Anchors

Session Goals

- **Review of 5-year plan changes following FY24 budget**
- **Consider current “unobligated” funds and provide guidance to staff on the future of certain projects**
- **Brief review of staff recommended reallocations for consideration at future**



Review: Takoma Park Spending Plan History

- **March 2021: American Rescue Plan Act signed into law**
 - \$360 billion in pandemic-related aid to state and local governments
- **July 2022: City received final of two \$8.7m installments for a total award of \$17.5m**
- **Decision 1: FY22 Budget included \$1.19m in “revenue loss” to support the general fund**
- **Decision 2: FY22 July budget amendment included \$2,605,600 in initial project funding**
 - Food security grants
 - Rental assistance
 - ARPA salaries
- **Decision 3: Adoption of FY23-26 Spending plan codified as Ordinance No. 2022-3 for the remainder of ARPA funds**
 - 23 new programs/initiatives
- **Decision 4: Fiscal year reallocations**

Total ARPA Award	\$17,470,260
FY22 adopted budget	\$1,191,600
FY22 July budget amendment	\$2,605,600
FY23-26 Spending Plan, Ordinance No. 2022-3	\$13,558,824.52
FY23 July budget amendment	<i>FY22 to 23 reallocations</i>
Final installment & interest	\$6,807



Review: FY24 Budget Amendments to Spending Plan

- Decision 5: FY24 Amendments - \$1.28m in reallocated spending**

ARPA/SLFRF Funded Projects	Pre-FY24	FY24 Budget	FY22 (Actual)	FY23 (Projected)	FY24 (Adopted Budget)	FY25	FY26
Administrative Salaries/Benefits	\$2,005,000	\$1,353,984	\$85,104	\$175,727	\$410,629	\$421,710	\$260,814
Document Management Platform	\$100,000	\$238,160	\$8,160	\$0	\$230,000	\$0	\$0
Grants to Non-Profits (Social Services Partnerships)	\$330,000	\$240,000	\$0	\$130,000	\$110,000	\$0	\$0
Community Engagement	\$100,000	\$42,800	\$18,000	\$9,800	\$5,000	\$5,000	\$5,000
Municipal Broadband	\$400,000	\$215,000	\$0	\$30,000	\$185,000	\$0	\$0
Premium Pay for Essential Workers	\$272,000	\$241,400	\$241,400	\$0	\$0	\$0	\$0
Street Rehabilitation	\$273,825	\$523,825	\$0	\$273,825	\$250,000	\$0	\$0
Workforce Development	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0
Finance Software Update	\$165,000	\$0	\$0	\$0	\$0	\$0	\$0
FY24 Add - Sidewalks CIP	\$0	\$650,000	\$0	\$0	\$650,000	\$0	\$0
FY24 Add - 4 Bulletin Boards	\$0	\$20,000	\$0	\$0	\$20,000	\$0	\$0
FY24 Add - Neighborhood Comm Ctr Improvement	\$0	\$57,457	\$0	\$0	\$57,457	\$0	\$0
FY24 Add - Bike Improvement-CIP	\$0	\$40,000	\$0	\$0	\$40,000	\$0	\$0
FY24 Add - Metro Branch Trail City Match 20%-HCD	\$0	\$12,000	\$0	\$0	\$12,000	\$0	\$0
FY24 Add - Maple Ave Connectivity Project City Match 20%-HCD	\$0	\$50,000	\$0	\$0	\$50,000	\$0	\$0
FY24 Add - New Hampshire Ave- City Match Fund-HCD	\$0	\$61,200	\$0	\$0	\$61,200	\$0	\$0



Projects: “Obligated” vs. “Unobligated”

- **“Obligated”** – A present or pending encumbrance, such as a contract, work order, or open grant program where the expectation is that all funds will be awarded.
 - Also included: FY24 budget additions and redevelopment projects
- **“Unobligated”** – No present or pending encumbrance on funds, or, open grant program where the expectation is that all funds will not be awarded.

ARPA/SLFRF Funded Projects	TOTAL ARPA FUNDS ALLOCATED	FY22 (Actual)	FY23 (Projected)	FY24 (Adopted Budget)	FY25	FY26	Total Unobligated
Document Management Platform	\$238,160	\$8,160	\$0	\$230,000	\$0	\$0	\$230,000
Community Connectors (Social Services Partnerships)	\$350,000	\$0	\$0	\$0	\$0	\$0	\$350,000
Direct Cash Assistance (Social Services Partnerships)	\$2,300,000	\$0	\$1,400,000	\$120,000	\$0	\$0	\$740,000
Takoma-Langley Crossroads Business Incubator	\$500,000	\$0	\$30,000	\$300,000	\$100,000	\$0	\$470,000
Interactive Online Budget Tool	\$124,000	\$0	\$0	\$124,000	\$0	\$0	\$124,000
Municipal Broadband	\$215,000	\$0	\$30,000	\$185,000	\$0	\$0	\$185,000
ARPA Fund TOTAL	\$3,727,160						\$2,099,000



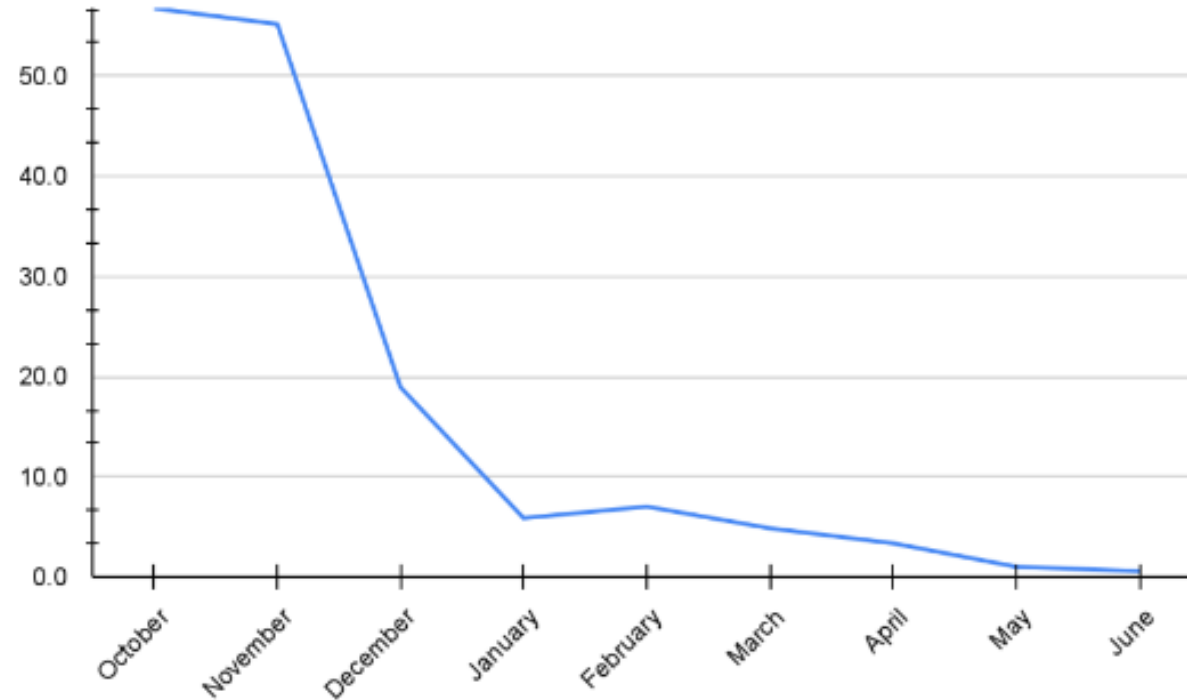
Future Spending: Direct Cash Assistance

- **Launched October 2022**
- **Contracted with third-party vendor LiveStories/FORWARD**
- **Public outreach efforts have included:**
 - Partnership with LiveStories to craft messaging and outreach plan
 - Partnerships with third-party organizations to distribute materials and increase awareness
 - Developed translated informational fliers & application materials
 - City website banner and up-to-date dashboard
 - Multiple live in-person sign-up events
 - Meetings with property managers and owners of multi-family dwellings
 - Newsletter and radio stories
- **To date, 2,323 applications submitted and 1,360 approved serving 1,360 Takoma Park households**



Direct Cash Assistance (continued)

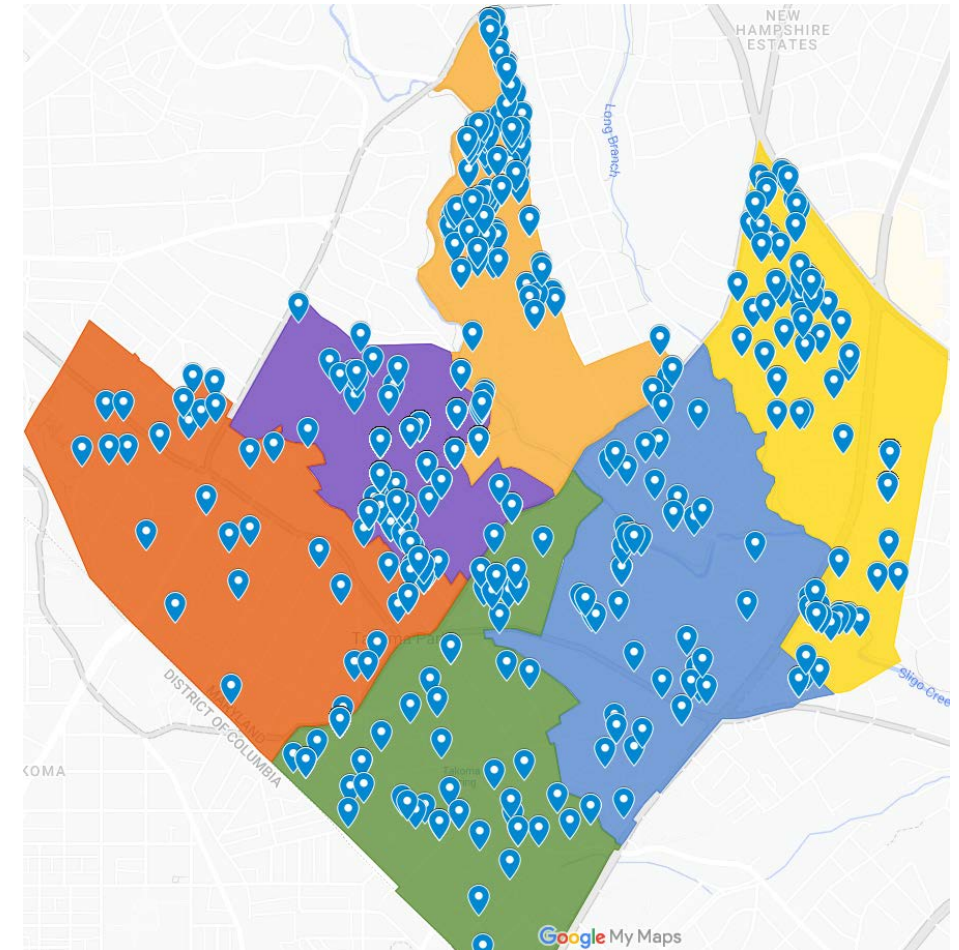
- As of 6/29/23, funds remaining \$740,000; 740 households
- Application approval rate in 2023
 - January: 5.9/week
 - February: 7.0/week
 - March: 4.9/week
 - April: 3.4/week
 - May: 1.0/week
 - June: 0.6/week



Direct Cash Assistance – By Ward

- **More demographic data can be found on the City's website :**
<https://public.tableau.com/app/profile/livestories/viz/TakomaPark/km>

Ward	#Grantees
1	74
2	75
3	197
4	542
5	264
6	188



Direct Cash Assistance – Project Future

- **With the diminishing number of daily applicants, does Council have a date-certain or target number of households for this program?**
 - August 1? October 1? December 31?
 - 100 more? 200? 400?
- **Once established, staff will coordinate with LiveStories to begin last phases of outreach**
- **Once the program is concluded, staff will propose reallocation options for any remaining balance of funds**

Total Funds Distributed

\$1,360,000.00

Total Funds Remaining

\$790,060.00

Percent of Funds Distributed

63.25%

Average Processing Time

22 days

Total Households Served

1,360



Future Spending: Community Connectors

- **The second prong of a three-prong plan to address economic and social services needs of residents with low incomes and those facing barriers to accessing social services, including those who have been negatively affected, economically or otherwise, by the COVID-19 pandemic**
- **City will employ a community outreach specialist “Navigator” to develop the program to assist residents and connect them with available social services at the City, County and State levels**
- **Project timeline:**
 - July-August 2023 – Develop job description and job posting
 - September-October – Recruit, hire, & onboard
 - October-January – Develop project plan and begin implementation



Takoma-Langley Crossroads Business Incubator

- **\$500,000 allocated in original 5-year spending plan to support a permanent, brick-and-mortar establishment to be transformational to the Crossroads area and provide stable employment for area residents, workforce training, and business incubation for restaurants and artisans**
- **The \$500,000 was intended to be leveraged for rent, tenant improvements, property acquisition, or other needs of the business located within the Business Incubator**
- **To date, \$30,000 has been spent on a market study with no present plan for future spending**



Staff Recommended Reallocations

- **Re-fund administrative salaries/benefits to ensure the ARPA Manager, IT Specialist, and Finance FTEs remain funded through Dec. 31, 2026 (FY27) - \$250,000**
- **Continue recreation scholarship program into FY25 - \$75,000**
 - **Include another year of funding for STEAM tutoring \$20,000**
- **Continue emergency rental assistance into FY25 - \$125,000**
- **Unforeseen FY25 budgeting opportunities - \$200,000**
- **HR Policy and Employee Handbook review - \$30,000**
- **Redistribute funds within Direct Cash Assistance program**

Reallocations	
Admin	\$ 250,000.00
Recreation Scholarships	\$ 75,000.00
STEAM	\$ 20,000.00
Rental Assistance	\$ 125,000.00
FY25 Budget	\$ 200,000.00
HR Handbook	\$ 30,000.00
Direct Cash Assistance	\$ 740,000.00
Total	\$ 1,440,000.00
Unobligated Balance	
Document Management	\$ 230,000.00
Direct Cash Assistance	\$ 740,000.00
Community Connectors	\$ 350,000.00
Takoma-Langley	\$ 470,000.00
Municipal Broadband	\$ 185,000.00
Interactive Online Budget	\$ 124,000.00
Total	\$ 2,099,000.00





Questions & Answers