



⋮ Fiscal Year 2024 Proposed Budget -
⋮ America Rescue Plan Act (ARPA)
⋮ July 1, 2023 - June 30, 2024

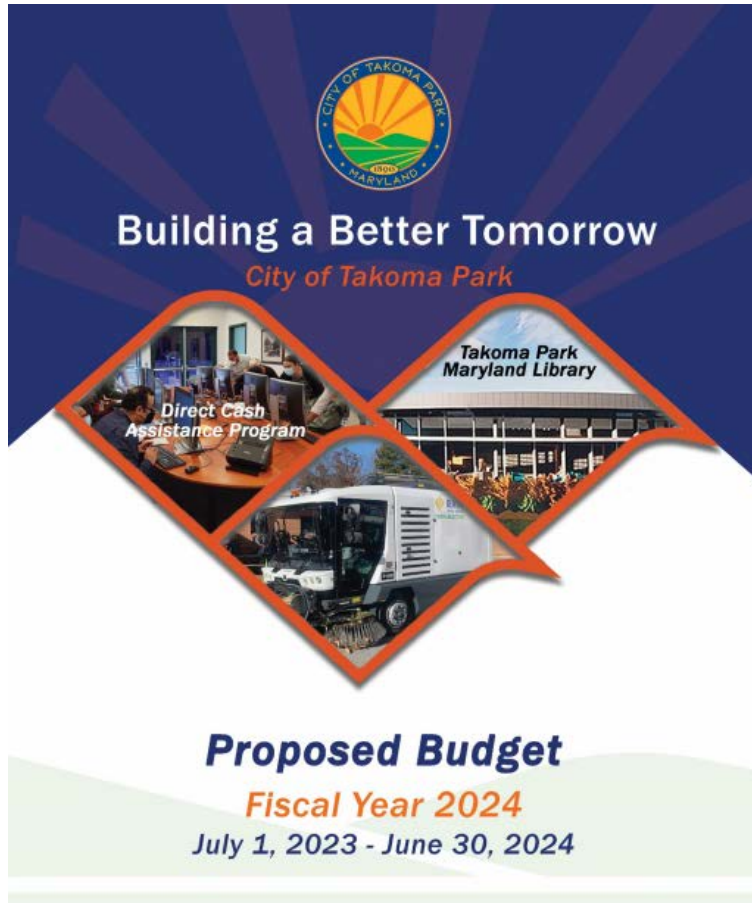
Presented by:

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Agenda:

- Overview of Decision Points: Why Now?
- Takoma Park ARPA Spending Plan: A History
- Compliance & Deadlines
- FY23 Budget Highlights & Year-End Balances
- FY24 Budget Highlights & Amendments
- ARPA 5-year Spending Plan - Next Steps
- Questions?



Overview of Decision Points: Why Now?

- **All projected expenditures must be included as part of the City's Annual Budget**
- **“Special Fund”:**
 - Independent from the general fund
 - In theory, it does not impact the tax rate
 - ✓ Revenue source directly from fund
 - However, it may be broadly used for the “provision of government services” and offset general fund expenditures; “lost revenue”
- **FY24 draft budget includes:**
 - Advancing unspent FY23 to FY24 for ongoing projects
 - \$1.1m re-allocation of ARPA funds for CIP projects
 - \$240,000 re-allocation to established ARPA programs
 - ✓ Quality of Life grants – \$110,000 to continue the program through FY24
 - ✓ Document Management Platform - \$130,000 cost-estimate overage



Takoma Park ARPA Spending Plan: A 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 \$1.91m 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	\$6,807



Compliance & Deadlines

- **Treasury Final Rule, January 6, 2022**

- Outlines how funds must be spent
- “Revenue loss” \$10m standard allowance “any government purpose”
- Remaining \$7.5m to be used for a broad range of purposes such as:
 - ✓ Responding to a public health emergency and economic impacts
 - Direct cash assistance
 - Rental Assistance
 - Small business & non-profit support
 - ✓ Premium pay for essential workers
 - ✓ Restore the provision of government services that were cut as a result of lower revenues during the pandemic
 - ✓ Costs associated with administering ARPA funds
 - ✓ Investments in water, sewer, and/or broadband infrastructure

- **Entire award must be “obligated” by December 31, 2024**

- “Obligated” - two approaches

- **Entire award must be spent by December 31, 2026**



Compliance & Deadlines

Non "Revenue Loss" Expenditures

- \$10m "Revenue Loss" allowance
 - "any government purpose"
- \$7.5m *must* be for other ARPA eligible purposes

ARPA/SLFRF Funded Projects	TOTAL FUNDS ALLOCATED	Anticipated Spent non-revenue loss	Treasury Code
Administrative Salaries/Benefits	\$2,005,000	\$ 860,831	7.1 "Administrative expenses"
Façade Improvement Grant	\$8,000	\$ 8,000	2.31 "Rehabilitation of Commercial Properties"
Emergency Rental Assistance	\$750,000	\$ 750,000	2.2 "Household Assistance: Rent, Mortgage, and Utility Aid"
Food Insecurity Program	\$250,000	\$ 250,000	2.1 "Household Assistance: Food Programs"
Small Business Grants	\$300,000	\$ 300,000	2.29; 2.31 "Assistance to Small Business"
Multi-Family Housing Rehabilitation Fund	\$1,000,000	\$ 1,000,000	2.15 "Long-term Housing Security: Affordable Housing"
Grants to Non-Profits (Social Services Partnerships)	\$350,000	\$ 240,000	2.34 "Assistance to Impacted Non-profit Organizations"
Community Connectors (Social Services Partnerships)	\$350,000	\$ 350,000	2.19 "Community Health Workers or Benefits Navigators"
Direct Cash Assistance (Social Services Partnerships)	\$2,300,000	\$ 2,300,000	2.3 "Household Assistance: Cash Transfers"
Takoma-Langley Crossroads Business Incubator	\$500,000	\$ 500,000	2.32 "Business Incubators & Start-Up Assistance"
Energy Efficiency Upgrades: Weatherization, Electrification	\$500,000	\$ 500,000	2.15 "Long-term Housing Security: Affordable Housing"
Lending Program: Laptops	\$11,000	\$ 11,000	2.4 "Internet Access Programs"
Lending Program: Wi-Fi Hotspots	\$3,000	\$ 3,000	2.4 "Internet Access Programs"
Mental Health Crisis Counselors	\$600,000	\$ 600,000	1.12 "Mental Health Services"
Municipal Broadband	\$400,000	\$ 215,000	TBD; 5.21 "Broadband: Other projects"
Premium Pay for Essential Workers	\$272,000	\$ 241,400	4.1 "Premium Pay"
Public Space Management (from contingency)	\$90,000	\$ 90,000	2.31 "Rehabilitation of Commercial Properties"
Neighborhood Community Connectors (from contingency)	\$100,000	\$ 100,000	2.31 "Rehabilitation of Commercial Properties"
ARPA Fund Summary Total		\$ 8,319,231	



Other Funds - ARPA



- **Supports approximately 30 City ARPA programs targeted to 6 distinct purposes**
 - Affordable Housing
 - Small Business Recovery
 - Social Services Partnerships
 - Family Resiliency Programs
 - City Operations
 - Community Anchors
- **Programs range from micro-grants and emergency assistance to municipal service improvements**

FY23 Budget Highlights & Year-end Balances

Total FY23 Budget	FY23 Year-End Projection	Unspent (\$)
\$10,077,505.74	\$4,712,687.32	\$5,364,818.42

- **Project delays**
 - Library
 - Mental health crises counselors
 - Interactive online budget tool & document management platform
- **Unimplemented programs/disbursements due to staffing shortages**
- **Distributed over \$2.8m in grants**
 - \$1.3m direct cash assistance
 - \$500,000 multi-family housing rehabilitation
 - Awarded all energy efficiency grants
 - \$213,400 in emergency rental assistance
 - \$110,000 Quality of Life grants
 - \$90,000 food security grants to non-profits
- **Hired an ARPA Manager and temporary assistance in finance**



FY23 Budget Highlights & Year-end Balances

Unencumbered Surplus

Program	Total Allocation (FY23-26 SP)	FY23 Budget (amended)	End of FY23 Projected Actual	Surplus
Administrative Salaries	\$2,005,000	\$636,679.37	\$175,726.56	\$460,952.81
Premium Pay	\$272,000	\$0	\$241,400	\$30,600
Financial Software Upgrade	\$165,000	\$0	\$0	\$165,000
Final Installment Difference	\$0	\$0	\$0	\$6,535
Account Interest FY22	\$0	\$0	\$0	\$272
TOTAL				\$663,359.81



FY23 Budget Highlights & Year-end Balances

Underdeveloped Projects/Disbursements

Program	Total Allocation (FY23-26 SP)	FY23 Budget (amended)	FY23 Projected Actual	Balance Unspent
Grants to Non-Profits	\$95,000	\$95,000	\$0	\$95,000
CP2 Grants	\$100,000	\$100,000	\$0	\$100,000
Mini Grants – Spark	\$25,000	\$25,000	\$0	\$25,000
Community Connectors	\$350,000	\$200,000	\$0	\$350,000
Workforce Development	\$100,000	\$100,000	\$0	\$100,000
Community Engagement	\$100,000	\$20,000	\$9,800	\$72,200
Total				\$742,200



FY23 Budget Highlights & Year-end Balances

Underdeveloped Allocations Awaiting Studies

Program	Total Allocation (FY23-26 SP)	FY23 Budget (amended)	FY23 Projected Actual	Balance Unspent
Municipal Broadband	\$400,000	\$400,000	\$30,000	\$370,000
Takoma-Langley Crossroads Business Incubator	\$500,000	\$500,000	\$100,000	\$400,000
Total				\$770,000



FY23 Budget Highlights & Year-end Balances

Developed Projects with FY23 Surplus

Program	Total Allocation (FY23-26 SP)	FY23 Budget (amended)	End of FY23 Projected Actual	FY23 Unspent
Document Management Platform	\$100,000	\$100,000	\$0	\$100,000
Direct Cash Assistance	\$2,300,000	\$2,300,000	\$1,310,000	\$990,000
Interactive Online Budget Tool	\$124,000	\$124,000	\$0	\$124,000
Small Business Grants	\$300,000	\$150,600	\$112,600	\$38,000
Energy Efficiency Upgrades	\$500,000	\$500,000	\$150,000	\$350,000
Mental Health Crisis Counselors	\$600,000	\$350,000	\$102,500	\$247,500
Lending Program: Laptops	\$11,000	\$11,000	\$6,834.87	\$4,165.13
Library Expansion	\$4,000,000	\$2,000,000	\$0	\$2,000,000



FY23 Budget Highlights & Year-end Balances

Ongoing & Completed Projects

Program	Total Allocation (FY23-26 SP)	FY23 Budget (amended)	End of FY23 Projected Actual	FY23 Balance
Food Insecurity RFP	\$250,000	\$90,000	\$90,000	\$0
Community Quality of Life Grants	\$110,000	\$110,000	\$110,000	\$0
Emergency Rental Assistance	\$750,000	\$213,401.37	\$213,401.37	\$0
Recreation Scholarships & Tutoring	\$300,000	\$125,000	\$150,000	(\$25,000)
Multi-Family Housing Rehabilitation	\$1,000,000	\$500,000	\$500,000	\$0
Recreation STEAM Program	\$20,000	\$20,000	\$20,000	\$0
Recreation Center Repair/Redevelopment	\$320,000	\$160,000	\$160,000	\$0
Community Center Renovation	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Public Space Management	\$90,000	\$90,000	\$90,000	\$0
Neighborhood Commercial Center Improvements	\$100,000	\$100,000	\$100,000	\$0



FY24 Budget Highlights & Amendments

- Due to FY23 project delays, FY24 is going to be an exciting year!
- Many projects shifting unspent FY23 funds to FY24
- Two reallocations of unspent funds to current projects
 - A \$130,000 increase in the projects costs for the city document digitization project
 - Continuation of the Quality of Life grants into FY24; \$110,000
- Reallocation of \$1.1m of unspent funds to fund two city CIP projects
- Projects without a current project plan show a zero or adjusted FY24 expenditure
- All but \$2.8m of the total ARPA award will currently remain for the last 2.5 eligible years of spending

Projected Unspent ARPA (\$) through FY23	FY24 Budget	Remaining Balance
\$10,774,019	\$7,901,794	\$2,872,225



FY24 Budget Highlights & Amendments

Selected Fiscal Year Adjustments

Program	FY23 Budget (amended)	FY23 Projected Actual	FY24 in Spending Plan	FY24 Budget
Administrative Salaries/Benefits	\$636,679.37	\$175,726.56	\$416,712	\$410,639
Document Management Platform	\$100,000	\$0	\$0	\$100,000
Interactive Online Budget Tool	\$124,000	\$124,000	\$0	\$124,000
Small Business Grants	\$150,600	\$112,600	\$0	\$38,000
Library Expansion	\$2,000,000	\$0	\$2,000,000	\$3,500,000
Mental Health Crisis Counselors	\$350,000	\$102,500	\$250,000	\$275,000



FY24 Budget Highlights & Amendments

Reallocations

- \$10.7m in unspent ARPA funds leading into FY24
 - Of the \$10.7m; \$350,000 officially “obligated”
- \$1.34m reallocated from the following:
 - Unencumbered balance
 - Salary & premium pay
 - Interest; final installment
 - Finance software upgrade
 - Unspent non-profit spending programs
 - “Non-profits”; CP2 Grants; Spark
 - Workforce development
 - Municipal Broadband
 - Anticipated future salary savings
- Future discussion
 - \$870,000 Direct Cash Assistance (balance)
 - \$350,000 Community Connectors
 - \$400,000 Takoma-Langley Crossroads

FY24 Reallocations	
FY24 Funded	
CIP Projects	\$ 1,100,000.00
Document Management	\$ 130,000.00
Quality of Life Grants	\$ 110,000.00
Total	\$ 1,340,000.00
Reallocated from	
Unencumbered Balance	\$ 663,259.81
Grants to non-profits	\$ 220,000.00
Workforce Development	\$ 100,000.00
Community Engagement	\$ 57,200.00
Municipal Broadband	\$ 185,000.00
Anticipated admin savings	\$ 114,540.19
Total	\$ 1,340,000.00



ARPA 5-year Spending Plan Next Steps

- **Council's FY24 decision will amend the Spending Plan**
- **Additional amendments can occur at any time**
 - First FY24 budget amendment
 - Amendment to Ordinance No. 2022-3
- **Remaining unobligated for future discussion (May; June)**
 - \$870,000 Direct Cash Assistance (balance)
 - \$350,000 Community Connectors
 - \$400,000 Takoma-Langley Crossroads
- **Other discussions on the future direction of programs**
 - Recreation Scholarships
 - Municipal Broadband
 - Social Services Grants
- **Quarterly project updates (May/June; Sept; Dec)**
 - Energy Efficiency Upgrades
 - Food Insecurity Program
 - Small Business Grants
 - Direct Cash Assistance
 - Many more!





Questions & Answers