

INVESTING IN RECOVERY AND RESILIENCY IN TAKOMA PARK

Five Year Spending Plan and Narrative on Staff-
Recommended Uses of Coronavirus State and Local
Fiscal Recovery Funding Under the American Rescue
Plan Act of 2021 in the City of Takoma Park

January 2022

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City of Takoma Park, Maryland

Office of the City Manager
Tel: (301) 891-7229
Fax: (301) 270-8794
Email: Jamal.Fox@takomaparkmd.gov



7500 Maple Avenue
Takoma Park, MD 20912
www.takomaparkmd.gov

Jamal T. Fox, City Manager

Honorable Mayor, Members of City Council, and Residents,

I am pleased to provide you with a copy of the staff-recommended American Rescue Plan Act (ARPA) Spending Plan for the City of Takoma Park, which spans the next several years through 2026.

The City of Takoma Park has been allocated \$17.4 million in American Rescue Plan Act (ARPA) federal funds to spend on eligible projects. Staff have worked very hard during the fall of 2021 using principles of priority-based budgeting (PPB) to establish our staff-recommended Spending Plan in compliance with the eligibility parameters as defined by the U.S. Department of the Treasury. Under these parameters, funds can be used to:

- Respond to the COVID-19 public health emergency
- Address negative economic impacts caused by the public health emergency on households, local businesses, and non-profits
- Replace lost public sector revenue to support government services
- Provide premium pay for essential workers
- Invest in water, sewer, and broadband infrastructure

The City's Staff-Recommended Plan took into consideration Council priorities, previous City planning documents, data on residents' needs, guidance from Treasury, community feedback, and organizational needs. Through our ARPA process we focused on the theme "A Recovered, Resilient Takoma Park" with the goal of centering our plan on immediate community needs, as well as a focus on short-term and long-term organizational success.

On behalf of the employees who work for the City of Takoma Park, I thank you for your continued support and partnership as we collectively work together to make the City of Takoma Park a resilient community in the wake of the pandemic.

Respectfully,

A handwritten signature in blue ink, appearing to read "Jamal T. Fox", is written over a light blue circular stamp that matches the City of Takoma Park seal.

Jamal T. Fox, MPA
City Manager

EXECUTIVE SUMMARY

ARPA Funding Available to the City of Takoma Park

The American Rescue Plan Act of 2021 (referred to herein as “ARPA”) appropriates \$1.9 trillion to States and other jurisdictions to help Americans recover from the public health crisis and economic crisis caused by COVID-19. Signed into law in March 2021, the Act includes \$350 billion for the Coronavirus State and Local Fiscal Recovery (SLFR) program to provide emergency funding for eligible state and local governments, including municipalities. SLFR funds are intended to respond to acute pandemic response needs, fill revenue shortfalls among local governments, support populations hardest-hit by the COVID-19 pandemic, and lay the groundwork for an equitable economic recovery.

Due to its size, the City of Takoma Park is what ARPA terms a “non-entitlement unit of local government” (“NEU”) or sub-county local government that serves less than 50,000 residents. ARPA allocates a total of \$19.5 billion of the Coronavirus State and Local Fiscal Recovery Funds to NEUs around the county, and the State of Maryland distributes ARPA payments to eligible NEUs in Maryland. The City of Takoma Park will receive a total of \$17.4 million in two tranches from the State of Maryland. The City’s first \$8.7 million tranche was received on July 12, 2021. The City will receive the second \$8.7 million tranche in July 2022. 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.

Staff-Recommended ARPA Spending Plan

The purpose of the Staff-Recommended ARPA Spending Plan is to present spending options for the \$17.4 million in ARPA funding to the Takoma Park City Council and to the public for review and comment.

The Staff-Recommended Spending Plan represents what staff believe to be the best uses of the funding after a six-month needs assessment, project review, and project prioritization process. Over the next five years, we hope to optimize positive impacts on the residents of Takoma Park and the City as an institution.

The City’s senior leadership team used the following general principles to guide decision-making for the staff-recommended spending plan:

1. In the short-term, ARPA funds should be used for *economic recovery*: provide immediate aid for vulnerable residents and businesses and facilitate their recovery from the pandemic.
2. Over the long-term, ARPA can be used for *community resiliency*: make systemic improvements for residents, businesses, and the City government that will have transformative, long-lasting impacts.

3. ARPA funds are *one-time funds*, so should be targeted to one-time expenditures to protect the fiscal health of the City.¹
4. ARPA funds should be used to advance the *City Council's Strategic Priorities* and to promote *equity for all residents*.

Based on these guiding principles, the main areas of investment proposed by City staff align with the following Recovery and Resiliency goals:

- \$6.6 million to directly assist the City's most vulnerable residents and businesses
- \$4.8 million to renovate city facilities and improve public infrastructure as community anchors
- \$2 million to support city operations, workforce, and fiscal stability

50% of the Staff-Recommended Spending Plan is focused on direct investment in vulnerable communities. The remaining 50% is dedicated to capital investments, public infrastructure investments, and fiscal sustainability.

The Staff-Recommended Spending Plan does not represent the City's final ARPA spending plan. Following the presentation of this spending plan to the City Council on January 12 during regular session, there will be a period of Council discussion and public comment. The City Council has scheduled two Council work sessions on the spending plan during January 19th and January 26th regular sessions. On Tuesday, January 18, City staff and City Councilmembers will also host a Community Meeting on the ARPA Spending Plan at 6:00 PM. On Wednesday, January 26, the City Council will host a public hearing on the spending plan during its regular session. The final ARPA Spending Plan reflecting Council and public feedback will be voted on by the City Council on February 2nd (first reading ordinance) and February 9th (second reading ordinance).²

Our collective goal is to help households, businesses, and other City stakeholders respond to the public health emergency and its negative economic impacts while making strategic investments in the City's operations, workforce, public infrastructure, and fiscal health.

¹ Use of ARPA funds for non-recurring expenditures only is a best practice advised by the Government Finance Officers Association (GFOA) American Rescue Plan Act Guiding Principles: <https://www.gfoa.org/american-rescue-plan-spending-guiding-principles>. Professional services firms such as Ernst & Young also endorse one-time ARPA expenditures as a best practice: https://www.ey.com/en_us/government-public-sector/american-rescue-plan-act-what-it-means-for-state-and-local-governments

² For more information on upcoming public feedback opportunities, visit the [City Council Upcoming Agenda page](#).

BACKGROUND ON THE DEVELOPMENT OF THE STAFF-RECOMMENDED SPENDING PLAN

How ARPA Funds Can Be Spent

The City's use of State and Local Fiscal Recovery Funds under the American Rescue Plan Act is subject to requirements specified by the U.S. Treasury in its [Interim Final Rule](#), adopted and published in May 2021. Funds can be spent directly by local governments for four purposes: responding to the public health emergency or its negative economic impacts, replacing lost public sector revenue, providing premium pay to essential workers, or investing in water, sewer, and broadband infrastructure. ARPA funds can cover costs incurred back to March 3, 2021, but all funds must be fully obligated (e.g. contract signed) by the end of calendar year 2024 and fully spent by the end of calendar year 2026.

Within those four categories, the Final Rule provides guidelines for allowable uses that provide flexibility for each jurisdiction to address local needs. Local governments can spend funds directly on eligible projects, or indirectly by transferring funds to private non-profits organizations or other governmental entities. State and local governments cannot use ARPA Funds to fund tax cuts, contribute to a financial reserve, fund debt service, invest in general infrastructure (outside water, sewer or broadband), or make a deposit to a pension fund; these are ineligible uses. Projects that are eligible because they are responding to the negative economic impacts of COVID-19 must be targeted to vulnerable populations to be eligible or have vulnerable populations as their primary intended beneficiary, rather than broadly targeted to the whole population (explained in more detail below).³

COVID-19 Impact in Takoma Park

State and local governments have been on the front lines of responding to the immense public health and economic needs created by the COVID-19 pandemic, and Takoma Park was no exception. While the Citywide effort and adaptation of City operations to a new pandemic landscape cannot be fully summarized for the purposes of this report, a few brief highlights: The City immediately began distributing relief funding to small businesses and residents at risk through the creation of the COVID-19 Emergency Assistance Fund, as well as the Takoma Park Healthy Business Initiative and Takoma Park Together campaign. Communications on available COVID-19 resources were centralized on the [City's COVID-19 webpage](#) and staff also tracked health metrics on the Takoma Park [COVID-19 Dashboard](#). Recreation classes and Library programming were moved online and non-essential employees transitioned to remote work; Library staff pivoted to book delivery. City staff partnered with the County to host numerous testing and vaccination clinics at the Takoma Park Recreation Center and Takoma Park Community Center. Takoma Park also successfully sought CARES and FEMA reimbursement for City dollars expended on COVID-19 relief and purchases of personal protective equipment.

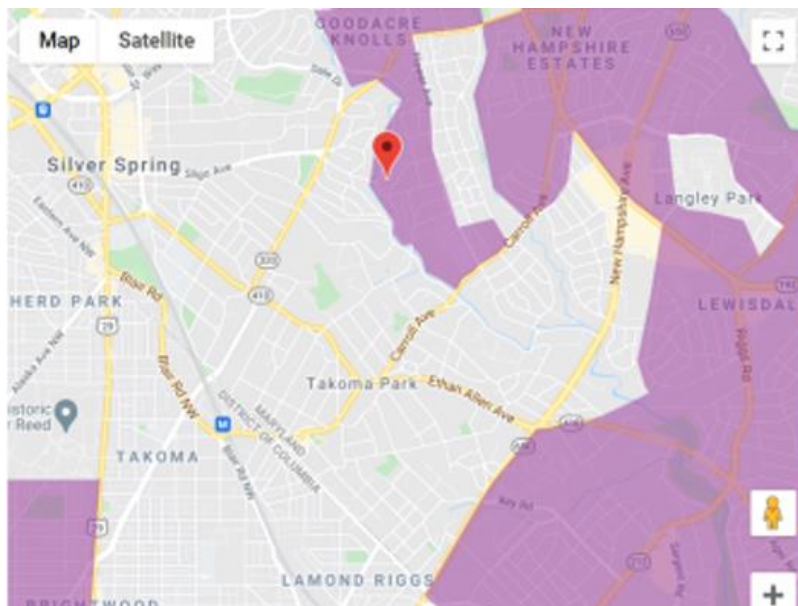
³ For more information visit the GFOA Guide on Eligible Uses: <https://www.gfoa.org/reference-in-treasury-guidance> and the U.S. Treasury ARP Guide: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

A. Disproportionate Impacts of COVID-19 in Takoma Park

Treasury provides some guidance around what projects are eligible if they are intended to respond to the negative economic impacts of COVID-19. Projects may be presumptively eligible under this criteria if they are delivered in qualified census tracts or targeted to residents or businesses in these tracts. Qualified census tracts are designated by the U.S. Department of Housing and Urban Development, and [are](#) “any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income less than 60 percent of the Area Median Gross Income (AMGI), or which has a poverty rate of at least 25 percent.” Projects may also be eligible even if they are not targeted at a qualified census tract if the City can show that they are targeted to groups disproportionately impacted by the pandemic, including by showing inequalities before the pandemic that the pandemic exacerbated.

In Takoma Park, Qualified Census Tract 7017.2 covers most of Ward 5 and Qualified Census Tract 7020 overlaps with the corner of Ward 6 (the rest of the tract is mostly outside the City). Staff can demonstrate that projects not targeted explicitly to these tracts are targeted to residents experiencing pre-existing socioeconomic disparities that were exacerbated by COVID-19. Pre-existing inequalities evidenced by Census data drive disparate outcomes, and also become social determinants of health that need to be addressed to improve public health.

Figure 1: Image of Qualified Census Tracts around Takoma Park.



There is not much easily-accessible data specific to Takoma Park showing the pandemic’s impacts on residents because of the size of the City and frequency with which the Census collects and releases data. However, using what data is available; the City’s [data explorer](#), [social vulnerability index maps](#), and [interactive demographic map](#), which show inequities before the pandemic that the pandemic exacerbated; and national-level data on the pandemic’s impacts, staff were able to target projects that responded to the negative economic effects of the pandemic towards those disproportionately impacted by the pandemic. Data on the health of Takoma Park

businesses is more challenging to access, but staff still tried to develop proposals for small businesses and other businesses negatively impacted by the pandemic. Specifically, staff proposed programs targeting housing needs, gaps in internet access, gaps in employment opportunity, income-supports, and small businesses likely to have suffered economic harm during the pandemic.

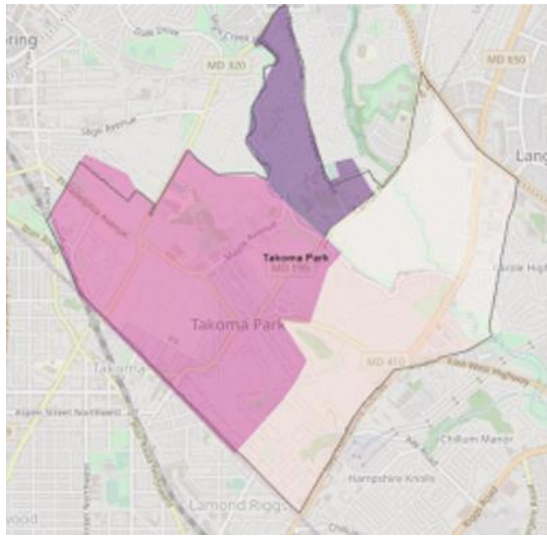
For example, using 5-year American Community Survey Data from 2015 to 2019, the data explorer shows that there are substantial racial and economic disparities between homeowners and renters. The median income of homeowners is \$154,375, compared to \$42,092 for renters. About half of renters experience housing cost-burden (meaning they spend at least 30% of their income on housing costs), compared to 22% of homeowners. Seventy-five percent of homeowners are white, and 77% of renters are people of color (62% of renters are Black and 10% Hispanic).

There are also gaps in poverty, unemployment, educational attainment, and access to broadband internet in the city by age, race, sex, and family type.

- The City's overall unemployment rate is 5.6%, but rates for residents between 20 and 29 exceed 10%. Unemployment rates for Black residents are 9.5%, and 8% for Hispanic residents.
- The City's poverty rate is 9%, but single-women households without children have a poverty rate of 19%, and single-women with children have a poverty rate of 14%. Poverty-estimates for all racial/ethnic groups other than white and multiracial residents exceed 10%.
- While 36.5% of the City's population have at least a bachelor's degree, 11.5% did not complete high school, and an additional 15% finished high school but did not attend college.
- Ten percent of residents don't have access to broadband internet, and 24% of people 65 and older don't have access to broadband internet.

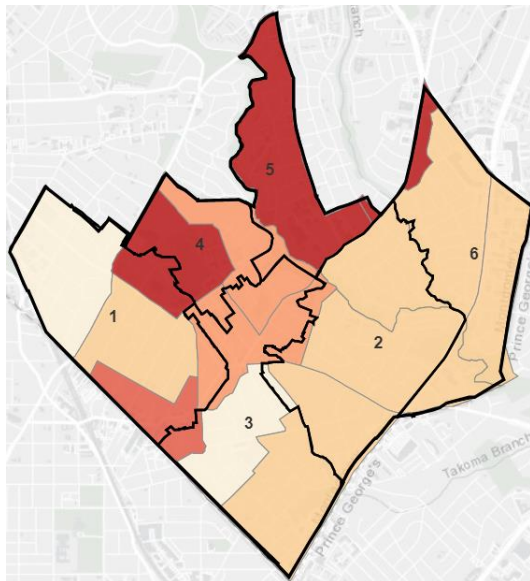
Finally, the City's [maps of Social Vulnerability Index data](#) and the [interactive demographic map](#) will allow staff to understand what needs residents in different parts of the city have. The Social Vulnerability Index maps visualize the CDC's index, as well as the components of the index. The Index is constructed based on other Census variables (such as poverty levels, access to transport, housing over-crowding) that contribute to social vulnerability.

Figure 2: Map of CDC Social Vulnerability Index data for census tracts in Takoma Park. More darkly shaded tracts rank higher in the index



The interactive demographic map shows select Census variables from the 2014-2018 American Community Survey at the block-group level, which is a smaller geography than Census tracts. This complements the index by allowing more precision in identifying needs in the City.

Figure 3: The City's Interactive Demographic map, showing levels of poverty in the City's block groups. More darkly shaded block groups have higher poverty levels



Status of Takoma Park's ARPA Spending Through December 2021

To date, \$3,904,900 in ARPA funds have already been budgeted by the City Council for administrative staffing, administrative oversight, emergency rental assistance, food security, community engagement, and revenue loss reimbursement, leaving a total of \$13,495,100 for other projects. See Table 1 below.

In April 2021, shortly after the announcement of the American Rescue Plan Act, former City Manager Suzanne Ludlow proposed and the City Council approved using \$1,299,000 of ARPA funds on a limited basis in the City's Adopted Fiscal Year 2022 Proposed Budget.⁴ Subsequent to the release of the Interim Final Rule in May 2021, City staff and City Councilmembers identified urgent expenditure categories related to ARPA. These six items were included in the first budget amendment of Fiscal Year 2022 that was approved by the City Council in July 2021.

Since City Manager Jamal Fox joined the City in August 2021, there have been no further ARPA budget items introduced pending the development and January 2022 release of the Staff-Recommended Spending Plan for the remaining ARPA balance of \$13,495,100. City staff are not proposing changes to the past ARPA items at this time except cost adjustments based on new information; the Staff-Recommended Spending Plan outlined later in this report totals \$13,495,100.

City staff provided periodic updates to City Council on the status of ARPA spending on the projects list above over the course of four work sessions starting in June through November 2021. A full list of projects approved by the City Council between March and December of 2021 is included below.⁵

Table 1 - Previously Approved ARPA Projects

ARPA FUNDS ALLOCATED THROUGH DECEMBER 2021					
ARPA Funding Use	Council Action	2021	2022	2023-2026	TOTAL
Revenue Loss Reimbursement	FY22 Adopted Budget	\$ 1,191,900	\$ -	\$ -	\$ 1,191,900
Façade Improvement Grant	FY22 Adopted Budget	\$ 8,000	\$ -	\$ -	\$ 8,000
Document Management Platform	FY22 Adopted Budget	\$ -	\$ 100,000	\$ -	\$ 100,000
IT Software Analyst	FY22 July Budget Amendment	\$ -	\$ 120,000	\$ 460,000	\$ 580,000
ARPA Manager	FY22 July Budget Amendment	\$ -	\$ 175,000	\$ 700,000	\$ 875,000
Payroll and Accounting Specialist	FY22 July Budget Amendment	\$ -	\$ 110,000	\$ 440,000	\$ 550,000
Emergency Rental Assistance	FY22 July Budget Amendment	\$ 250,000	\$ -	\$ -	\$ 250,000
Food Insecurity RFP	FY22 July Budget Amendment	\$ 250,000	\$ -	\$ -	\$ 250,000
Community Engagement	FY22 July Budget Amendment	\$ 18,000	\$ 82,000	\$ -	\$ 100,000
TOTAL ALLOCATED					\$ 3,904,900
TOTAL REMAINING OUT OF \$17.4 MILLION		\$ 13,495,100			

Table 1 - Please note that the FY22 July Budget Amendment omitted one year of salary costs and benefits costs for the ARPA personnel; a \$745,000 increase will be added to the final ARPA spending plan in February 2022 to reflect those costs.

⁴ City leadership was hesitant to include additional items in April 2021 because the final guidance from Treasury confirming eligible uses was not released until May 2021.

⁵ Council work sessions regarding ARPA took place on [June 9](#), [July 14](#), [September 8](#), and [November 17](#) of 2021. For more information visit the [Takoma Park City Council Meetings and Documents](#) page.

Previously Approved Project List

The following projects were previously approved by Council to be funded using ARPA funds.

Revenue Loss Reimbursement - \$1,191,900

Project Description: Revenue loss reimbursement was budgeted in the Fiscal Year 2022 Adopted Budget to replenish revenue shortfalls in the General Fund resulting from the COVID-19 pandemic.

Project Status: The \$1,191,000 was transferred from the City's Special Revenue Fund to the General Fund to compensate for an operating deficit in revenues compared to expenditures. It is in effect already fully spent to subsidize Fiscal Year 2022 operating expenses and cannot be re-allocated.

Business Façade Improvement Grant - \$8,000

Project Description: The Façade Improvement Grant is targeted for the upgrade and beautification of small businesses along the New Hampshire Avenue Corridor. The Grant is funded in part by Maryland DHCD and contains a match from the City. All additional fees originally envisioned to be paid for by the businesses as a match have been waived and will be covered by the City ARPA funds in an amount not to exceed \$8,000. Improvements could include signage, lighting, doors, windows and outdoor amenities.

Project Status: HCD staff are discussing with potential businesses and this amount is projected to be fully spent by the end of the fiscal year.

Document Management System - \$100,000

Project Description: This amount is a placeholder for a future document management system that will likely require annual payments to be determined by the system that is selected and purchased. The system will be used by most departments with a heavy emphasis on Housing and Community Development and the Police Department.

Project Status: The IT Department is currently researching product options and preparing a Request for Proposals.

ARPA Manager - \$875,000

Project Description: The ARPA Manager will manage the ARPA funds and serve as the portfolio manager. This role has been designed to ensure cross-departmental communication and collaboration with local and regional partners around ARPA-funded initiatives. Key functions of this position include expenditure tracking, compliance monitoring, federally required reporting, and periodic updates on progress towards spending goals and community development outcomes for full transparency into ARPA spending. The ARPA Manager will assist the City Council and the City Administration in mapping out funding priorities based on assessments of need on an annual basis and implementing all ARPA projects.

Project Status: The ARPA Manager has been hired at a salary level of \$125,000 plus benefits. The ARPA Manager was expected to participate in work sessions with senior leadership,

Council, and other stakeholders to review and approve eligible projects for this spending plan; however, due to delays in hiring, the ARPA Manager did not start with the City until January 3rd. The ARPA Manager will be highly involved in generating the final spending plan over the coming weeks and spending plan implementation, monitoring, and reporting moving forward.

ARPA Payroll and Accounting Specialist - \$550,000

Project Description: ARPA administration will create a higher volume of financial transactions and financial reporting that will stretch Finance Department capacity. Prior to COVID-19, Finance had a part-time position budgeted to assist with payroll and accounts payable and answer the phones and in-person payment window. The \$75,000 in ARPA funding will be used to restore that part-time position to fulfill those duties, but also make it full time to assist the ARPA coordinator in ARPA documentation and reporting.

Project Status: The Finance Department is in the process of interviewing candidates for this limited term position that will expire in 2026.

ARPA Community Engagement - \$100,000

Project Description: \$100,000 was also included in the July budget amendment to support the ARPA Manager in providing community engagement opportunities around eligible uses of ARPA funds and ARPA programs.

Project Status: So far, \$18,000 was spent to contract with Resource X on creating an ARPA project database to enhance transparency around the ARPA project selection process described later in this report as well as for facilitation services. The ARPA Manager will be planning additional community engagement efforts including an ARPA tracking webpage with the remaining \$82,000.

ARPA Information Technology Software Analyst - \$580,000

Project Description: This role will design software programs and manage City platforms and applications so that they integrate with current City services. This position will help implement the \$100K document management platform already budgeted under General Fund to facilitate ARPA tracking and reporting as well as assist with the City's website upgrade. The software analyst will meet with Department heads to determine their software needs, evaluate software products, and work with City management to identify business requirements and specifications for major projects. A key area of need is developing better customer relationship management (CRM) software to phase out GovQA/My TkPk and manage constituent requests in a central database. The Housing and Community Development Department, Police Department, and Public Works Department in particular will benefit from software development assistance.

Project Status: The IT Department is in the process of writing the job description for this position. The position will be posted soon on the City job portal.

ARPA Emergency Rental Assistance - \$250,000

Project Description: With the lapse of the state's moratorium on evictions in August 2021, the City's Housing and Community Development Department (HCD) estimated an amount that

would be needed for back rent, utilities, and moving expenses assistance through December 2021.⁶

Project Status: As of November 2021, the Housing Division had disbursed \$151,180.45 out of the \$250,000 available to households. To identify which residents receive the funds, HCD works with community partners and partner agencies in the region that assist those in need to identify low- to moderate-income households in need of rental assistance as well as spread the word about funding availability. HCD processes payments as quickly as requests come in; residents also have other avenues of funding support from Montgomery County that they may utilize before approaching the City for funding. The disbursed amounts are intended to bring those households in need current on their rent. The landlords and management companies provide HCD with the amount of rent and/or utilities owed, and HCD disburses based on that amount after all other funding opportunities have been exhausted. HCD is tracking data such as household size, veteran status, years of residence in the City, and income data through MUSST the organization that provides the majority of referrals for assistance, but will work with the ARPA manager to develop metrics and data tracking processes for the rental assistance program.

Food Security Grants - \$250,000

Project Description: The Housing Division proposed the use of the existing Community Partners (CP2) grant program for addressing the food insecurity issues in the City. CP2 is a multi-year grant program established to fill any gaps in services that the City lacks the capacity to provide. HCD released a Request for Proposals (RFP) process to identify vendors who can provide 1) food assistance to residents of Takoma Park that will include defined metrics for tracking residents served and 2) education, outreach, and enrollment in the SNAP (formerly Food Stamp) for Takoma Park residents.

Project Status: The RFP was released and HCD received 2 applications for the SNAP outreach track and 9 applications for the food provision track. The RFP responses are under evaluation by a committee of City staff and County Food Council partners. The RFP incorporated state reporting requirements for ARPA tracking purposes and HCD will work with the Montgomery Food Council to establish metrics to determine the success of the two RFP service tracks.

Remaining Funds Pending Council Approval - \$13,495,100

The remaining ARPA balance of \$13,495,100 out of the full \$17,400,000 allocation is held in reserve in the City's Special Revenue Fund. The Staff-Recommended Spending Plan outlined in this report concerns this remaining balance that has not been allocated yet. The projects pre-approved by the City Council were not scored as part of the project prioritization process for the Staff-Recommended Spending Plan outlined in the next section.

⁶ For more information on the lift of the statewide pause on evictions, visit: <https://mdcourts.gov/legalhelp/housingtenants>

STAFF-RECOMMENDED ARPA SPENDING PLAN: INVESTING IN RECOVERY AND RESILIENCY

This section provides the ARPA Project Inventory of the 19 projects selected by City management and staff. Subsequent to the May 2021 publication of the Interim Final Rule for SLFR funds by the U.S. Department of the Treasury, additional guidance has been issued.⁷ The Treasury identified seven categories for cities to use to report ARPA expenditures, as well as more-specific subcategories of expenditures. Each project is assigned a Treasury Expenditure category and subcategory (see Appendix 4 for all Treasury Expenditure subcategories).

Treasury Expenditure Categories

1. *Public Health*
2. *Negative Economic Impacts*
3. *Services to Disproportionately Impacted Communities*
4. *Premium Pay*
5. *Infrastructure*
6. *Revenue Replacement*
7. *Administrative*

To help residents understand the purpose of each project, staff classified projects by which Recovery and Resiliency goals they help achieve, and what type of projects fit within those goals. This resulted in the following spending allocation and number of projects:

1. **Assisting Takoma Park's Most Vulnerable Residents – \$6,632,243**
 - a. Emergency Assistance to Households and Businesses – 5 projects
 - b. Closing the Digital Divide – 2 projects
 - c. Housing Rehabilitation and Utility Assistance – 2 projects
 - d. Economic Development – 2 projects
2. **Investing in City Facilities and Public Infrastructure as Community Anchors - \$4,800,000**
 - a. City Facilities – 3 projects
 - b. Public Infrastructure – 2 projects
3. **Supporting City Operations, Workforce, and Fiscal Stability- \$2,062,857**
 - a. Workforce Support – 1 project
 - b. Fiscal Stability – 3 projects

More details on each of these goals and projects are presented below. Treasury's expenditure sub-category is listed immediately below the project title. The sub-categories affect reporting requirements for the City.

⁷ This report does not reflect Final Rule guidance, as the Final Rule for ARPA State and Local Fiscal Recovery Funds was issued the day before this report was published.

Recovery & Resiliency Goal One: Assisting Takoma Park's Most Vulnerable Residents -\$6,632,243

The projects in this section are focused on emergency assistance to Takoma Park's most vulnerable households and businesses, connecting vulnerable residents to social services, closing the digital divide, investing in housing quality and affordable housing, and creating economic development opportunities for households and businesses.

A. Emergency Assistance to Households and Businesses

Mental Health Crisis Counselors - \$600,000

1.10 Mental Health Services

This two-year pilot program would employ two mental health counselors full-time on a contractual basis to respond to calls involving residents in crisis and suffering mental health issues. The counselors would work with the Police Department and other departments, as well as Montgomery County Health and Human Services crisis teams to respond to active cases of residents in crisis as well as provide follow up and continual care for residents identified. There is a desperate need for mental health outreach in the community and an alternative response for mental health calls.

Eviction Prevention - \$500,000

2.5 Household Assistance: Eviction Prevention

Evictions have a profound and lasting negative impact on the quality of life of those evicted and their families. The pandemic has negatively impacted renters in unprecedented ways, and the lifting of the nationwide eviction moratorium puts all renters at risk for eviction for failure to pay rent. This funding will be utilized to prevent Takoma Park residents from undergoing the trauma of eviction by providing continued assistance to residents facing eviction from rental housing and homeownership. This is a continuation of efforts already underway for two more years through 2023, with assistance from Montgomery County as well as local non-profits.

Grants for Small Businesses - \$150,000

2.9 Small Business Economic Assistance (General)

While the City's businesses are slowly making it out of the pandemic, the future remains uncertain. It was grant money that helped bridge the difficult times in 2020-2021. Grants in the short term could still be used for rent and payroll. Additionally, grants will also help our businesses remain competitive with DC businesses nearby (DC businesses have access to a \$50K per year grant fund through the Great Streets Grant). Grants made to small businesses within Takoma Park could be used for business expansion, business improvements, the introduction of new products or services, and to meet other needs. The Old Takoma Business Association has an online grant application, scoring system and mechanism for distributing money to run such a program for the City of Takoma Park.

Scholarships for Recreation Programs - \$500,000

3.6 Healthy Childhood Environments: Child Care

The funds will be used to fund resident scholarships for recreation programs, increasing the cost coverage and number of scholarships. This will allow residents to participate that are unable to pay for services and programs. This is a continuation of an existing program.

Social Services Partnerships - \$1,200,000

3.14 Social Determinants of Health: Community Health Workers or Benefits Navigators

Several projects that scored highly related to connecting socioeconomically vulnerable residents with social services and resources from the city, county, state, and/or federal government. Instead of building social services capacity in-house, which would have recurring General Fund impact beyond 2026, staff recommend that the ARPA Manager administer funds to partner with consulting firms, non-profits, grassroots organizations, and/or other jurisdictions to target hard-to-reach residents and fund direct social services outreach and provision as well as needs assessment. Social services navigation, connections with communities that do not typically engage or may not be aware of government services, and engagement with marginalized communities are all identified needs in Takoma Park. These funds will be used for regional partnerships with regional stakeholders to evaluate and fill any gaps in social services provision, build community awareness of resources available to them, and/or initiate community outreach with the goal of increasing social services utilization and distributing information to underrepresented communities, as well as encouraging more residents to get involved in the democratic process.

B. Closing the Digital Divide

Wi-Fi Hotspot & Laptop Lending Program – \$14,000

2.4 Household Assistance – Internet Access Programs

For Wi-Fi lending, the library would purchase 30 Wi-Fi hotspot units at approximately \$99/each. The cost of administering their use has already been built into the Library's budget, making the cost solely for the physical hotspot units themselves, at a total of approximately \$3,000. For laptop lending, the library would purchase 30 convertible laptops to provide for computing needs of residents who require access beyond the library's open hours, 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 length of the ARPA program), the total cost comes to \$9,600. The remaining \$1,400 would be spent on a secure cart that also keeps the computers charged and ready for checkout.

Municipal Broadband - \$568,243

5.17 Broadband: Other Projects

This project will help bridge the digital divide, encourage workforce development, and support remote work and education. 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.

C. Housing Rehabilitation and Utility Assistance

Multi-Family Housing Rehabilitation Fund - \$1,500,000

2.2 Household Assistance: Rent, Mortgage, and Utility Aid

There is concern Citywide that multifamily property owners are not addressing housing quality issues. Loans or grants to homeowners or multi-family property owners could incentivize rehabilitation for owners of affordable or mostly-affordable units, and potentially include conditions to maintain affordability. Loans or grants could also incorporate energy conservation or other sustainability requirements. Rehabilitation grants have been shown to improve housing conditions, health outcomes, and mental health. The HCD Department plans to implement this fund in conjunction with the Public Works Utility Assistance Fund described below through a universal application process.

Utility Assistance: Weatherization, Electrification, Energy Efficiency, and Water Conservation - \$1,000,000

2.2 Household Assistance: Rent, Mortgage, and Utility Aid

The primary activity will be to help homeowners and small businesses install new high-efficiency, all-electric heating, cooling, water heating, major appliances, insulation, air sealing measures, and renewable energy systems in their buildings. The measures will reduce overall utility costs over time while reducing greenhouse gas emissions. Associated repairs will also be covered, these may include necessary health and safety measures such as ventilation, moisture control, and structural improvements. Highly efficient, electric buildings are directly linked to improved health outcomes, particularly for those suffering from asthma, allergies, and other respiratory issues. Burning natural gas inside of buildings does not just contribute to respiratory disease, but also leukemia and heat disease. The indoor air quality aspect of this project should be front and center, equal to or more than the climate change aspect. While low-income residents can access grants for weatherization, the grants are extremely narrow in scope. In fact, for a number of years City Council has approved budget for low income energy efficiency projects that supplement the narrowly-focused available state grants. The income qualification for these grants excluded a large number of households that are moderate income yet still struggle financially. The grants further do not include electrification, which will be required if the City is to meet the goal of net zero emissions. The ARPA funding is needed to fund an expanded program that addresses these needs. This program will be implemented by the Public Works Sustainability Manager in coordination with the Housing and Community Development Housing Rehabilitation Fund.

D. Economic Development

Workforce Development for Underemployed Residents - \$100,000

2.7 Job Training Assistance

The pandemic exacerbated inequality in the community and the changing landscape of work requires that more residents receive training and skill enhancement. Workforce development is critical to increasing economic opportunity. This program will expand on the existing workforce development partners serving City residents. Many City residents are underemployed or

unemployed. This requires a focus on re-training or credentialing residents who are seeking additional training and support. Staff will build on the workforce development grants through the Community Grants program and the relationship with the Department of Labor's WorkSource Montgomery program, the City will develop a pipeline of providers to assist residents.

Takoma-Langley Crossroads Business Incubator Funding - \$500,000

2.9 Small Business Economic Assistance (General)

This funding will support achieving a permanent home for the Crossroads Farmers' Market and Community Kitchen. A permanent, brick and mortar home would be transformational to the Crossroads area and would 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 Ann Street Farmers' Market and its vendors. In addition, the Crossroads is undergoing a transition as many first- and second-generation immigrants are becoming young adults and beginning their entrepreneurial journeys much like their parents and grandparents before them. This funding will also be of use for these young entrepreneurs as they pursue new opportunities to serve the members of their generation, which may be different than the businesses of their forebears.

Recovery and Resiliency Goal Two: Investing in City Facilities and Public Infrastructure as Community Anchors - \$4,800,000

The projects under this goal reflect investments in City facilities and public infrastructure that will provide benefits for the City of Takoma Park for many years to come. The Government Finance Officers' Association Recommended Principles on American Rescue Plan Spending also encourages cities to invest ARPA dollars in critical infrastructure because infrastructure projects are "particularly well-suited use of ARPA funds because it is a non-recurring expenditure that can be targeted to strategically important long-term assets."⁸

A. City Facilities

Library Expansion - \$2,000,000

3.5 Education Assistance: Other

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. In order to avoid further delays which will further increase the funding gap, the Library proposes to use ARPA funds to ensure that the Library's services are improved and remain accessible to disproportionately impacted communities.

⁸ GFOA American Rescue Plan Act Guiding Principles <https://www.gfoa.org/american-rescue-plan-spending-guiding-principles>

Recreation Department Redevelopment - \$350,000

1.7 Capital Investments to Public Facilities That Respond to the COVID-19 Public Health Emergency

The recreation center building is old and parts of it are inaccessible, despite hosting programming for residents and City offices. Redevelopment could allow more space for social distancing and improve ventilation, and allow the City to offer more programs to residents at a central location.

Community Center Atrium Fill-In and Dispatch Renovation - \$1,200,000

1.7 Capital Investments to Public Facilities That Respond to the COVID-19 Public Health Emergency

The 911 Emergency Dispatch space is currently very small and the staff cannot maintain social distancing. The Dispatch space can be enlarged by moving the space further into the large lobby. This will facilitate a clearer lobby entrance for visitors and provide needed space for Emergency Dispatch operations. This project will create extra office space and meeting rooms for multiple City functions, including mental health counseling.

B. Public Infrastructure

Maple Avenue Complete Street - \$1,000,000

3.13 Social Determinants of Health: Other

Many residents on and around Maple Avenue are low to moderate income renters. Complete design and construction of Maple Avenue Complete Street will increase equity to the residents of the Maple Avenue corridor. This project will provide a new and safe route to the soon to be developed hospital campus, which will invite more cyclists and pedestrians. This will reduce congestion, increase safety, and bring down CO2 emissions.

Takoma Branch Stream Restoration - \$250,000

5.6 Clean Water: Stormwater

This stream channel is a tributary to the Anacostia River and has experienced significant erosion and degradation due to stormwater flows and past dumping which altered the stream channel flow. The project includes rebuilding the outfall and restoring the stream bank through a series of plunge pools and channel stabilization over a distance of several hundred feet.

Recovery and Resiliency Goal Three: Supporting City Operations, Workforce, and Fiscal Stability- \$2,062,857

A. Workforce Support

Premium Pay for Frontline Workers - \$272,000

4.1 Public Sector Employees

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 up to \$13 per hour of hazard pay for employees who worked during the designated COVID-19 emergency, many of whom were hardest-hit by the pandemic. Critical infrastructure staff worked through the entire pandemic. Several staff members from the Police Department and Public Works Department contracted COVID-19 during this period. Many of their family members were exposed as a result. Providing this hazard pay recognizes this hard work and sacrifice. This is consistent with what jurisdictions across the country are doing. The proposed pay will be structured as a \$3,400 one-time lump sum payment to essential employees.

B. Fiscal Stability

Contingency Amount – \$1,501,857

7.1 Administrative Expenses

Staff recommend holding 8.6% or \$1,501,857 of the City's ARPA funding as a contingency amount. New City priorities could emerge between 2021 and 2024 or the budgeted costs for individual ARPA projects in this spending plan could exceed their budget projections. The contingency amount will be set aside until 2024 when it will need to be obligated to a specific project to avoid returning remaining funds to the State in 2026. If urgencies come up, funding will be available without requiring the City to draw from its unassigned reserves to cover ARPA projects. Furthermore, if new project ideas come up that were not considered at the time of spending plan development, there will be remaining balance to add new projects in out years. It is also possible that the federal government could change ARPA guidance to allow the funds to be used in new areas of concern.

Financial Software Upgrade and Interactive Online Budget Platform Purchase - \$289,000

7.1 Administrative Expenses

Staff recommend upgrading the City's financial software (est. \$165,000) to help City staff administer City services more efficiently, in that budget monitoring, expense tracking, procurement, and other administrative functions will be easier and facilitate greater transparency and public reporting. Subsequently, the purchase of a user-friendly interactive web-based tool or budget explorer (est. \$124,000) will help staff, Council and residents navigate the City's operating and capital budget. This would help users understand how the City spends its money and make it easier for the City to make budgetary decisions and preserve fiscal resources. The costs occur in the first year and there will be annual maintenance fees that will need to be supported by the General Fund after 2026.

Revenue Replacement –Selected Projects (est. \$3,200,000)

6.1 Provision of Government Services

The Finance Department has estimated using the GFOA ARPA Revenue Loss Calculator that the City may be eligible for up to \$4.4 million in revenue loss reimbursement for Fiscal Year 2021. Staff recommend that the City submit for the maximum amount of the revenue loss reimbursement (including the \$1,191,900 already budgeted in the FY22 Adopted Budget). The reimbursed revenue funds returned to the City will have fewer restrictions on eligible spending. This provides more funding flexibility and reduced reporting requirements. Select projects will be earmarked for allocations from the revenue reimbursement amount; currently, staff

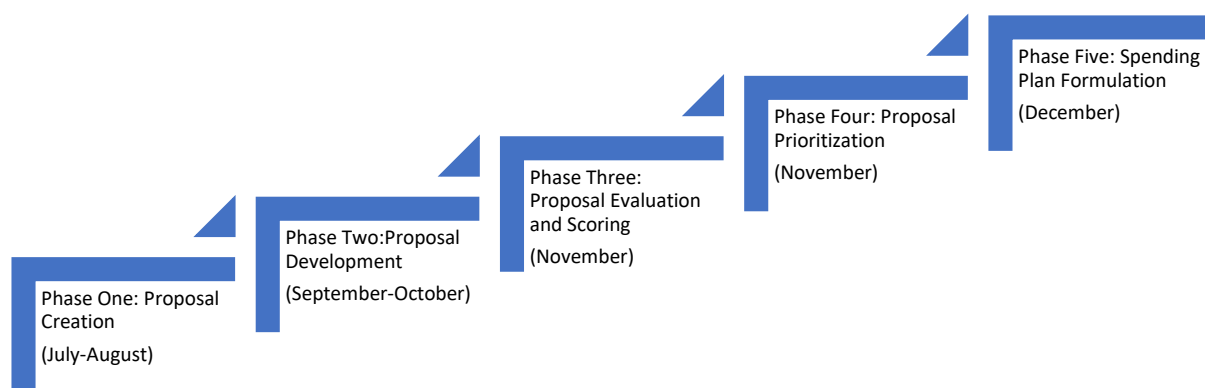
recommend earmarking the Atrium fill-in and Library expansion projects but this may be adjusted depending on the final reimbursement amount confirmed by Treasury through the reporting process in Spring 2022. Revenue loss amounts and project allocations from revenue loss are reported to Treasury simultaneously.

ARPA Spending Plan Development Process

The City Manager's Office drafted a multi-year, comprehensive spending plan that matches the American Rescue Plan Act's focus on assisting residents who have been disproportionately affected by COVID-19. City management worked closely with the senior leadership team from all Departments to identify and develop the ARPA Project Inventory. The City's transition in leadership with the retirement of the former City Manager and the on-boarding of the new City Manager extended the project selection process somewhat in that the new City Manager needed a few months to familiarize himself with Takoma Park's services, community needs, and policy challenges in order to effectively review Departmental ARPA proposals. The City also decided in October to partner with Resource Exploration, LLC (Resource X) in order to apply a priority-based budgeting framework to ARPA funding decisions.

There were several phases to the Staff-Recommended Spending Plan development (see Figure 4). First, before submitting proposals for funding, staff needed to analyze and understand the eligibility and reporting requirements provided by Treasury and visualize Census data to assist in eligibility justification. Finance staff attended webinars hosted by the NLC, GFOA, and the State of Maryland over the summer to gain a better understanding of eligible uses and reporting requirements and provided training to the City's senior management on ARPA uses. The City's Public Administration Specialist created the [Takoma Park Data Explorer](#) to allow senior staff to use Census data to justify eligibility and for use in project design (this tool is now live and available to the public). This tool allows City staff to explore 2015-2019 American Community Survey data that can be cited to fulfill ARPA reporting requirements.

Figure 4: Phases of spending plan development



Department heads submitted their first round of project proposals via Smartsheet form in August. Proposals at this point were high level and did not contain annual costs or implementation details. In September, the City Manager hosted a Senior Leadership Prioritization workshop to identify the most pressing organizational needs for internal operations, and proposals were added to the Smartsheet based on the prioritization workshop. The City Manager's office evaluated

whether the ideas proposed would be eligible under the Interim Final Rule's eligibility categories: Public Health and Economic Impacts, Premium Pay, Revenue Loss, and Investments in Infrastructure. The City Communications Division also posted the ARPA@takomaparkmd.gov email to collect resident input on potential projects.

In mid-October, City senior staff met for a half-day retreat to present draft versions of their proposals and answer basic questions from their colleagues. The City Manager's office worked on Resource X to create an ARPA database customized to Takoma Park and ARPA Manager recruitment was ongoing.

In November, Smartsheet proposals were transferred into the ARPA database and Department heads received training on how to use the database. Department heads began to fill in more details on annual costs and project implementation. Staff received 17 submissions from Council and 16 submissions from residents or community groups to the ARPA@takomaparkmd.gov email, and those were entered into the ARPA database if they were eligible and distinct concepts not already covered by Departmental proposals. The project proposals from Council and the public were then assigned to Departments and Department heads filled in the proposal details in the ARPA database in addition to their own proposals.

In completing ARPA database proposal form, Department heads first filled in budget information for each year from 2022 through 2026 and also answered this question related to potential costs beyond 2026: *Will this project incur on going expenses past 2025? If yes, what is your estimate? Will this project generate any revenue? If yes what is your estimate for revenue generated, on-going or one-time?*

The proposal form also required Department heads to answer the questions below for each proposal.

- 1. Please further explain WHY you are recommending this ARPA proposal. How does this project align with Council Priorities, Senior Leadership team priorities, community feedback from past community outreach efforts, and/or Strategic Plan goals and objectives?*
- 2. Please specify WHAT needs to happen to ensure success. What is your implementation plan if this project is funded?*
- 3. Please specify WHO this change will impact. Who are the stakeholders? How will your Department, other Departments, and City residents be impacted by this project?*
- 4. What resources are required, over what years? Will this project require additional staff capacity?*
- 5. Please include anything else we may need to know in order to score your project.*

After all proposals were entered into the ARPA database, the Takoma Park ARPA Scoring Matrix was created with input from the senior staff (in particular the HCD Planning Division based on their recent community engagement experience) and Resource X to assist senior staff in ranking proposals (see Figure 5 and Appendix 1). The purpose of the scoring matrix was to introduce a priority-based budgeting framework into the ARPA project review process. The scoring matrix allowed senior staff to use objective criteria to identify projects that are multi-

dimensional, will have a lasting impact on residents, advance equity, and build on prior initiatives and planning efforts.

The seven criteria included in the Takoma Park ARPA Scoring Matrix challenged the project proposer and project evaluators to take a step back, think outside their own Departments, and look at how each project fits in with the big picture. To obtain a high score, project proposals needed to align with the strategic direction that the City is headed and meet critical needs identified either through community feedback, prior planning efforts, or data analysis and best practices research. In other words, the matrix was designed to reward multi-dimensional projects that will have the most bang for the buck.

For each proposal, the scores entered in the ARPA database for the matrix criteria show that evaluators asked themselves the following questions during project review:

- *Does this project align with Council Priorities and does it align with the City's strategic planning documents?*
- *Which project will have the highest impact on the highest number of residents?*
- *Will this project impact City residents equitably? Will it benefit our most vulnerable residents?*
- *How will this project impact the City's operations, service delivery, and staff capacity?*
- *How complex is this project, and is it cost effective?*
- *Is this project data-driven and based on evidence? How will outcomes be measured?*
- *Are there other ways that this project could be accomplished, through other funding sources or by leveraging partnerships?*

Figure 5: ARPA Scoring Matrix

Takoma Park ARPA Scoring Matrix

	 Alignment with Council Priorities*	 Resident Impact	 Equity Impact**	 Internal Impact	 Cost & Complexity	 Outcome Measurement	 Alternatives
0	Does not align	Impacts less than 25% of our population	No urgency or impact benefiting vulnerable populations	Project has negative impacts on the City's ability to deliver services to residents	\$2M+ May be complex	Project lacks data and evidence to support outcomes	Clear Evidence of Alternative Funding Sources & Partnerships
2	Aligns with 1 or more Council Priority Goal	Impacts between 25% and 75% of our population, and to a high degree	Some urgency and impact benefiting vulnerable populations	Project doesn't impact normal service delivery positively or negatively	\$500,000 to \$2M Some complexity anticipated	Project is evidence-based but lacks data identifying City need	Some Evidence of Alternative Funding Sources & Partnerships
4	Aligns with 1 or more Council Priority Goal, and Prior Strategic Planning Efforts	Impacts more than 75% of our population, and to a high degree	High urgency and impact benefiting vulnerable populations	Project has a transformational impact on City operations, including positive secondary effects	\$0 to \$500,000 Minimal in complexity	Project is evidenced based & data driven	No Evidence of Alternative Funding Sources & Partnerships

*The City's Sustainability and Climate Action Plan, Housing & Community Development Strategic Plan, and Reimagining Public Safety Recommendations should be referenced during scoring.
**Refer to the [Takoma Park Data Explorer](#). Vulnerable groups in the City include renters, women, and people of color. Also keep in mind the City's [Racial Equity Initiative](#).

Figure 5 For enlarged version see [Appendix 1](#)

After finalizing the scoring matrix, Department heads self-scored their own proposals in the ARPA database using the scoring matrix. Several projects were consolidated with other similar projects to avoid duplicity or deleted from the database because they were found to be ARPA ineligible. On November 23rd, during a daylong Scoring Retreat, four committees of five City staff each met in the Community Center to give preliminary scores to 1-2 assigned matrix criteria for 41 proposals.

The committees were made up of Department Directors, Deputy Directors, and Division Directors. Committee members were selected based on their Departmental leadership roles and for equal representation from all Departments, not for their expertise in a particular matrix criteria. Committee members were randomly assigned with no more than one representative from a Department on the same committee. Committee chairs were then selected on a volunteer basis. Chairs attended an advance training session on the ARPA Scoring Matrix and the ARPA Scoring Criteria Guide (see Appendices 1 and 2) and were responsible for facilitating discussion during the Scoring Retreat. Committee chairs also received the self-scores entered in the database by each Department Director for reference during the retreat. Committee criteria assignments are described below.

- *Alignment with Council Priorities and Prior Planning Efforts Committee:* This committee scored proposals according to the Council Priorities and Strategic Planning Alignment criteria. Committee members referenced the specific goals under each Fiscal Year 2022 Council Priority, as well as the goals contained in the Housing and Community Development Strategic Plan, Sustainability and Climate Action Strategic Plan, and the Reimagining Public Safety Task Force Recommendations. Projects that met multiple goals under multiple priority frameworks scored highest.
- *Resident Impact and Internal Impact Committee:* This committee scored proposals according to the Resident Impact criteria and Internal Impact criteria. For Resident Impact, committee members checked the 2018 Resident Survey findings and estimated the percentage of the population that would be directly impacted (not indirectly impacted). Projects that received the lowest resident-impact scores (score of 0) did not directly affect at least 25% of residents (4,500 people). For Internal Impact, the committee focused on assessing whether projects would have transformational impacts and what the demand on staff resources (capacity, time, hiring) would be. Projects that received the highest internal impact scores achieved transformational internal changes to the City or improved the City's capacity to deliver services without creating excessive burdens on staff time or requiring hiring many new staff to operate a program.
- *Equity Impact and Outcome Measurement Committee:* This committee scored proposals according to the Equity Impact criteria and Outcome Measurement criteria. For Equity Impact, committee members were asked to consider the City's Racial Equity Initiative Framework as well as the Takoma Park Data Explorer and CDC Social Vulnerability Index Map. Projects that received the highest equity scores had a clear evidence of need

across the City and were directly targeted towards those needs. For instance, there are [large racial and economic disparities between renters and homeowners](#) and an absence of affordable housing in the City, so projects targeted towards housing issues received high scores. Efforts targeted towards improving engagement with vulnerable groups or vulnerable groups' ability to access services also received high scores. For Outcome Measurement, committee members looked for any data cited or background research provided in each proposal, and also consulted the Takoma Park Data Explorer.

- *Cost and Complexity and Alternatives Committee:* This committee scored proposals according to the Cost & Complexity criteria and Alternatives criteria. For Cost, they looked at the five-year cost breakdown and any potential for revenue generation, cost savings, or potential for costs incurred beyond 2026. For Complexity, they considered staff capacity requirements and the implementation plan. For Alternatives, scoring was based on the committee's general knowledge of other funding sources or possible partners in the area. The highest scoring projects for these criteria were low in complexity, low in cost, and had no evidence of alternative funding sources or implementing partners.

Following the Scoring Retreat, Committee leads sent follow up questions to Department heads and met one final time with their committees before entering final scores in the ARPA database. To prioritize projects benefitting vulnerable residents, the Equity Impact final score was double-weighted for all proposals in the database. The final scores for each criterion for each proposal are tracked in the ARPA proposal database. The final scores reflect the total score with Equity Impact double-weighted, normalized to a score out of 100 (so if a project received a score of 24 out of a maximum score of 32, it would normalize to a score of 75), and are ranked from highest to lowest score (see Appendix 3).

The senior leadership team then evaluated the project rankings and negotiated final budget amounts with City management. Several project budgets were reduced to be able to fund a greater diversity of projects. Top-ranked projects approved for feasibility and cost by Department heads were included in the staff-recommended spending plan outlined in this report. To the extent possible, City management relied on the project scores to select projects for this spending plan. During final negotiations, senior staff pointed out overlaps between similar projects and certain projects were consolidated to avoid duplicative outcomes, and some other projects were removed due to eligibility concerns. Therefore, some top-ranked projects included in the proposal database are not included in this spending plan, and/or the budget amount in the spending plan may not be the same as the budget amount in the proposal database.

The proposal review process occurred under a compressed timeline and was constructive for future City efforts to do priority-based budgeting. Throughout the development of an ARPA spending plan for public review, City staff emphasized the need to dedicate a significant portion of ARPA funds to helping the City's most vulnerable residents.

Resource X Partnership

Resource X is a Colorado-based technology company. The City contracted with Resource X to obtain a customized software tool where City staff could create proposals, identify key specifications of their proposal (costs, impact, ARPA compliance, etc.), evaluate proposals, prioritize proposals, and share proposals in a clear reporting format (see the project database export included with this report).

In addition, the Resource X team is providing facilitation and consulting services to City staff for the full ARPA planning process. Resource X assisted City staff primarily with the development of scoring categories, data uploads, database navigation, and proposal evaluation workshop design. Resource X also provided advice on how to communicate the spending plan to Council and the public and will assist with upcoming community outreach around the ARPA spending plan. Resource X is working with several other municipalities on ARPA plan development and implementation including Pueblo, CA and Pittsburgh, PA. City staff have benefitted from the Resource X team's insights into how other cities are approaching ARPA allocations.

Next Steps

Council will receive a presentation on the Staff-Recommended Spending Plan at the Council Work Session on January 12, 2022, followed by several work sessions, a community meeting, and a public hearing with multiple opportunities for public comment. The spending plan will be adjusted based on Council and community feedback in the coming weeks. Once any necessary adjustments have been made to the spending plan, it will be converted to a final spending plan for Council vote via budget ordinance on February 2nd and February 9th. Once the budget ordinance is passed by Council, the Final ARPA Spending Plan will be implemented with annual reviews.

The Finance Department is tracking ARPA expenditures in the City's Tyler financial system. The first report on ARPA expenditures is due to Treasury by April 30, 2021 and then annually thereafter. We emphasize that all projects will be completed by the end of calendar year 2026 and will not continue past 2026; all ARPA-funded staff are hired on a limited term basis. The continuation of any project beyond 2026 will have to be evaluated based on the fiscal health of the City and the availability of General Funds, but cannot be assumed to continue.

The City will develop a webpage and potentially dashboard to share information on funded ARPA projects and their progress. Per Treasury requirements starting in April, 2022, the City will submit quarterly Project and Expenditures Reports to Treasury on project outcomes and expenditures. The City will continue to await final and updated guidance from Treasury, and adjust plans as needed in response to this guidance.

Role of ARPA Manager

The American Rescue Plan Act (ARPA) has brought an unprecedented level of funding to the City of Takoma Park for aid in recovery from the COVID pandemic. As such, Takoma Park has created an ARPA Manager position to aid in the administration, oversight, tracking, and reporting of these federal funds. This position has been filled (as of January 3, 2022) with new

hire, Vernae Martin. The ARPA Manager position is at a department-head equivalent level. As a professional leader, the ARPA Manager will provide strategic guidance, lead community outreach, and project management in the allocation of \$17.4 million of ARPA funding for COVID-19 related programming within the City of Takoma Park. In the role of ARPA Manager, Ms. Martin will guide, oversee, and report on the full use of ARPA funds. The ARPA Manager will report directly to the City Manager and work closely with the Deputy City Manager and Finance Director to design, develop, and implement performance and financial data reporting infrastructure.

In terms of the specific functions of this position, the ARPA Manager will develop and manage the ARPA Implementation Plan according to federal program guidelines. The ARPA Manager will become an expert on the federal guidance to be able to provide technical consultation and policy interpretation to City Council, City leadership, and staff.

Key tasks will include preparing ARPA budget reports and presenting updates to City leadership and/or City Council; maintaining fluency with ARPA policies and legislation to appropriately guide stakeholders and disperse funds; partnering with various stakeholders and external agencies to implement and monitor projects and programs; conducting community outreach and lead cross-departmental conversations; completing research and analysis to guide the decision-making process; providing strategic guidance on implementation of ARPA projects and use of funds; ensuring appropriate spending; analyzing and compiling complex information into key themes and projects for understanding by various stakeholder groups; summarizing complex data reports, policies, projects, and statutory requirements; ensuring compliance with federal and City legislation and policy; and coordinating with regional partners on potential areas of collaboration.

Importantly, the ARPA Manager will be the liaison to the City Council and the public in presenting opportunities, findings, and recommendations to City leadership and City Council, monitoring and evaluating fund-usage to ensure it is having the intended impact, preparing reports, findings, conclusions, and recommendations for multiple stakeholder groups, and attending City Council meetings as requested. This is a limited term position, expected to complete project management and federal reporting in 2026.

Annual Review of City's ARPA Spending Plan

This initial spending plan covers the full 5-year spending period for the American Rescue Plan Act (January 2022 - December 2026). However, the City Manager recommends that the City's senior leadership and the City Council review the ARPA Spending Plan on an annual basis as part of the regular budget process. This will allow City staff, Councilmembers, and City residents to closely monitor the progress of individual projects and adjust spending as needed. If circumstances in the City change or challenges arise during implementation, the plan can be revised during the annual review. Congress continues to debate unprecedented federal spending through the Build Back Better bill and the recently passed infrastructure bill. As these programs are rolled out, we may be able to supplant ARPA dollars with alternative federal funding sources in future years.

APPENDICES

Appendix 1: ARPA Scoring Matrix

City staff used the following matrix to score projects, with scores of 0, 2, or 4 for each of the following 7 criteria: Alignment with Council Priorities; Resident Impact; Equity Impact; Internal Impact; Cost & Complexity; Outcome Measurement; and Alternatives. Staff were also given documents relevant to their criteria (e.g., the Sustainability and Climate Action Plan), as well as a scoring-guide with more information about the types of questions to consider for each criteria.

Figure 6: ARPA Scoring Matrix

							
	Alignment with Council Priorities*	Resident Impact	Equity Impact**	Internal Impact	Cost & Complexity	Outcome Measurement	Alternatives
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**Refer to the [Takoma Park Data Explorer](#). Vulnerable groups in the City include renters, women, and people of color. Also keep in mind the City's [Racial Equity Initiative](#).

Appendix 2: ARPA Scoring Aid

Committees were provided the following scoring aid to give more guidance about what to consider when scoring projects.

ARPA Proposal Scoring Guide

The following criteria will assist your committee in ranking projects under ARPA.

1) *Cost & Complexity*

- **Cost:** How much does the project cost? Could the cost of this project rise over time?
 - **Cost-savings:** Will this proposal generate any additional revenue for the city? Will it create efficiencies that reduce other costs?
- **Complexity:** How much staff capacity and time will the project take to implement, and over what timespan? Will the project require substantial planning or oversight? How much of the cost of the program is directed at administration vs. service provision?
 - To what extent does implementation complement or trade-off with other city projects? Do other projects need to be completed before this project can be completed? What complications could arise to prevent this project from achieving its intended goal?

2) *Alignment with City Council Priorities and prior planning efforts:*

- City council priorities each have specific goals; please check for goals under each priority for alignment on [page 13 of the FY22 Adopted Budget](#).
 - Mitigate the Impact of COVID-19 on the Community and City Operations
 - Livable Community for All
 - Fiscally Sustainable Government
 - Environmentally Sustainable Community
 - Engaged, Responsive, Service-Oriented Government
 - Community Development for an Improved & Equitable Quality of Life
- Prior planning efforts include:
 - [HCD Strategic Plan](#): The plan sets goals of 1) ensuring a range of quality/safe/affordable housing options are equitably available, and 2) that all benefit from economic well-being, a high quality of life, and stable tax base. Objectives are preserving existing businesses and affordable housing; producing more housing and opportunities for businesses to start/grow across the income spectrum and city; and protecting renters/homeowners/local businesses from discrimination and displacement, and the environment.

- [Sustainability and Climate Action Plan](#). Strategies are centered around energy efficiencies in buildings, de-carbonizing transportation, renewable and solar expansion, and eliminating fossil-fuel intensive practices.
 - [Reimagining Public Safety recommendations](#). The 50 recommendations center around community-led engagement/oversight, new departments and functions, communication, policing/enforcement, and education & training.
- 3) **Equity impact:** To what extent does the project serve vulnerable populations? In the short and long term? What level of urgency is there for this project from an equity perspective? May be useful to refer to the city's data explorer: <https://r.takomaparkmd.gov/hcd/takomaparkexplorer.html>. Vulnerable groups in the City include renters, women, Black residents, and Hispanic residents. Keep in mind the city's [Racial Equity Resolution](#).
- 4) **Resident impact:** How many residents does the project affect, and how deeply does it affect them (e.g., a program that affects a lot of people, vs. a program that affects a small number of residents but deeply)? What would the effects of delaying this project be?
- [2018 resident survey](#). Problems highlighted in the survey include traffic/speeding, crime, parking, access to quality/affordable housing, and access to quality/affordable childcare. Residents were mixed on whether resources/services were fairly and equitably allocated, the city's job preparing for an emergency, and the city's job monitoring contractors. Residents were most likely to rate grocery stores as lacking, followed by restaurants/bars. The city's performance managing stormwater also declined 10% from the 2014 survey, although it was similar to benchmark cities.
- 5) **Internal impact:** How important is the project to the city's ability to deliver services to residents? To the operations of the requesting department? To the city overall or other departments? Will the effects of this project just last for the duration of ARPA expenditures, or go beyond ARPA? Could this project have a transformational impact on City operations? Does the completion of this project allow other projects to be completed, or have other secondary effects?
- Keep in mind the SLT Internal Priorities from the Workshop exercise.
- 6) **Outcome Measurement:** What evidence do we have of the importance of this use of funds (e.g., resident survey highlights this as a problem; staff hours spent working around an IT problem; evidence of low retention over time; data explorer findings)? Is this use of funding backed by research or data? How can the success of this use of funding be measured? How much of the cost of the program is directed at administration vs. service provision? What complications could arise to prevent this project from achieving its intended goal? What side-effects could the completion of this project have, good or bad? Keep in mind the city's [Data Explorer](#) webpage.

- 7) ***Alternatives:*** Would partnerships better achieve the goal? Could the project be broken up or financed to a lesser degree from ARPA? Are there other sources of funding that could support this project (e.g., infrastructure bill funding)?

Appendix 3: ARPA Project Composite Scores High to Low

The table below shows overall final composite scores for each project from the Scoring Committees (as well as self-scores from individual Department Directors). Composite scores are the total scores normalized to 100 rather than 32 (the maximum weighted-points a project could score). So if a project received 24 total points out of 32, it would get a composite score of 75 in the table below.

Table 2 – ARPA Project Composite Scores

<i>Program Name</i>	<i>Committee Final Score</i>	<i>Department Self-Score</i>
Municipal broadband	81.25	87.50
Mental Health Crisis Counselors	75.00	68.75
Community connectors	75.00	75.00
Social Services Coordinator	75.00	68.75
Permanent Crossroads CDA Indoor Market Funding and Entrepreneurial Incubation	68.75	56.25
Assessment of City Wide Crisis Intervention System & Pilot Community Safety Team	68.75	68.75
Library expansion	68.75	68.75
Scholarships for Recreation Programs	68.75	68.75
Hazard Pay for essential workers	68.75	50.00
Housing rehabilitation loans and grants	68.75	62.50
Utility assistance: Weatherization, Electrification, Energy Efficiency, and Water Conservation	62.50	68.75
Eviction Prevention	62.50	68.75
Workforce Development	62.50	81.25
Housing Acquisition Fund	62.50	62.50
Interactive Online Budget Tool	62.50	81.25
Recreation Center Redevelopment	62.50	56.25
Renovation to Dispatch and Atrium Fill In	56.25	68.75
Wi-Fi Hotspot Lending Program	56.25	56.25
Grants for small businesses	56.25	43.75
Takoma Branch Stream Restoration	56.25	31.25
Baseline study of severe stormwater drainage issues	56.25	50.00
Financial software upgrade + implementation and maintenance	56.25	93.75
Maple Avenue Complete Street	56.25	56.25
Basic Income Pilot	50.00	50.00
Laptop Lending Program	50.00	50.00
Bookmobile for Flexible Library Services	50.00	62.50
Mental Health - Teens and Seniors	50.00	62.50
Financial Counseling	43.75	56.25
Financial Assistance to Takoma Park Renters	43.75	68.75
TKPK Business Retention Fund/Purple Line Impact Fund	43.75	56.25

Bang the Table	43.75	100.00
Enterprise Resource Planning (ERP) Migration	43.75	100.00
Book Bike for Expanding Library Services and Outreach	37.50	50.00
Participatory Budgeting	37.50	93.75
Childcare subsidy or facility	37.50	56.25
Conservation employment for at risk/unemployed youth	31.25	50.00
Commercial District Gardening Improvements/Dedicated Commercial District Green Team	25.00	25.00
Facade improvement grant for small businesses	25.00	50.00
Laurel Avenue Redesign	25.00	43.75
Free WiFi Zone	18.75	87.50
BY Morrison Park Redesign	12.50	31.25

Appendix 4: US Treasury ARPA Spending Categories

In the SLFRF Compliance and Reporting Guidance, Treasury identifies 7 categories under which COVID expenditures are to be reported, and a number of sub-categories under each category. The seven categories are: Public Health; Negative Economic Impacts; Services to Disproportionately Impacted Communities; Premium Pay; Water, Sewer, and Broadband Infrastructure; Revenue Replacement; and Administrative. The categories and their subcategories are below. For subcategories with a “^” next to them, the City must report on “whether projects are primarily serving disadvantaged communities.”

Figure 7: Treasury ARPA Expenditure Categories and Subcategories

1: Public Health	
1.1	COVID-19 Vaccination ^
1.2	COVID-19 Testing ^
1.3	COVID-19 Contact Tracing
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*
1.5	Personal Protective Equipment
1.6	Medical Expenses (including Alternative Care Facilities)
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19
1.10	Mental Health Services*
1.11	Substance Use Services*
1.12	Other Public Health Services
2: Negative Economic Impacts	
2.1	Household Assistance: Food Programs* ^
2.2	Household Assistance: Rent, Mortgage, and Utility Aid* ^
2.3	Household Assistance: Cash Transfers* ^
2.4	Household Assistance: Internet Access Programs* ^
2.5	Household Assistance: Eviction Prevention* ^
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers*
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)* ^
2.8	Contributions to UI Trust Funds
2.9	Small Business Economic Assistance (General)* ^
2.10	Aid to Nonprofit Organizations*
2.11	Aid to Tourism, Travel, or Hospitality
2.12	Aid to Other Impacted Industries
2.13	Other Economic Support* ^
2.14	Rehiring Public Sector Staff
3: Services to Disproportionately Impacted Communities	
3.1	Education Assistance: Early Learning* ^
3.2	Education Assistance: Aid to High-Poverty Districts ^
3.3	Education Assistance: Academic Services* ^
3.4	Education Assistance: Social, Emotional, and Mental Health Services* ^
3.5	Education Assistance: Other* ^
3.6	Healthy Childhood Environments: Child Care* ^
3.7	Healthy Childhood Environments: Home Visiting* ^
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System* ^

3.9	Healthy Childhood Environments: Other* ^
3.10	Housing Support: Affordable Housing* ^
3.11	Housing Support: Services for Unhoused Persons* ^
3.12	Housing Support: Other Housing Assistance* ^
3.13	Social Determinants of Health: Other* ^
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators* ^
3.15	Social Determinants of Health: Lead Remediation ^
3.16	Social Determinants of Health: Community Violence Interventions* ^
4: Premium Pay	
4.1	Public Sector Employees
4.2	Private Sector: Grants to Other Employers
5: Infrastructure²⁴	
5.1	Clean Water: Centralized Wastewater Treatment
5.2	Clean Water: Centralized Wastewater Collection and Conveyance
5.3	Clean Water: Decentralized Wastewater
5.4	Clean Water: Combined Sewer Overflows
5.5	Clean Water: Other Sewer Infrastructure
5.6	Clean Water: Stormwater
5.7	Clean Water: Energy Conservation
5.8	Clean Water: Water Conservation
5.9	Clean Water: Nonpoint Source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & Distribution
5.12	Drinking water: Transmission & Distribution: Lead Remediation
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure
5.16	Broadband: "Last Mile" projects
5.17	Broadband: Other projects
6: Revenue Replacement	
6.1	Provision of Government Services
7: Administrative	
7.1	Administrative Expenses
7.2	Evaluation and Data Analysis
7.3	Transfers to Other Units of Government
7.4	Transfers to Non-entitlement Units (States and territories only)

Appendix 5: Full 5-Year ARPA Spending Plan Budget Table

The table below shows when money for each ARPA project would be allocated. The Community Center Atrium fill in and Takoma Park Library expansion are excluded from the total amount at the bottom because those will be funded out of revenue loss reimbursement. Yearly breakdowns are estimated and may shift.

Table 3: ARPA Spending Plan Budget Table

ARPA Funding Use	2021	2022	2023	2024	2025	2026	TOTAL
ARPA Contingency Amount	-	\$501,857	\$500,000	\$500,000	-	-	\$1,501,857
ARPA Manager	-	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$875,000
Community Engagement	\$18,000	\$82,000	-	-	-	-	\$100,000
Document Management Platform	-	\$100,000	-	-	-	-	\$100,000
Emergency Rental Assistance	\$250,000	\$250,000	\$250,000	-	-	-	\$750,000
Façade Improvement Grant	\$8,000	-	-	-	-	-	\$8,000
Financial Software Upgrade	-	-	\$165,000	-	-	-	\$165,000
Food Insecurity RFP	\$250,000	-	-	-	-	-	\$250,000
FY23 Revenue Loss Reimbursement - Selected Projects (see italics)	-	\$3,200,000	-	-	-	-	\$3,200,000
Grants for small businesses	-	\$150,000	-	-	-	-	\$150,000
Interactive Online Budget Tool	-	-	-	\$124,000	-	-	\$124,000
IT Software Analyst	-	\$100,000	\$120,000	\$120,000	\$120,000	\$120,000	\$580,000
Laptop Lending Program	-	\$11,000	-	-	-	-	\$11,000
<i>Library expansion</i>	-	<i>\$1,000,000</i>	<i>\$1,000,000</i>	-	-	-	<i>\$2,000,000</i>
Maple Avenue Complete Street	-	\$200,000	\$800,000	-	-	-	\$1,000,000
Mental Health Crisis Counselors	-	\$300,000	\$300,000	-	-	-	\$600,000
Multi-Family Housing Rehabilitation Fund	-	\$500,000	\$500,000	\$500,000	-	-	\$1,500,000
Municipal Broadband	-	\$167,131	\$200,556	\$200,556	-	-	\$568,243
Payroll & Accounting Specialist	-	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$550,000
Crossroads CDA Farmers' Market – Business Incubator	-	\$500,000	-	-	-	-	\$500,000
Premium Pay for Essential Workers	-	\$272,000	-	-	-	-	\$272,000
Recreation Center Redevelopment	-	-	\$350,000	-	-	-	\$350,000
<i>Renovation to Dispatch and Atrium Fill In</i>	-	<i>\$1,200,000</i>	-	-	-	-	<i>\$1,200,000</i>
Revenue Loss Reimbursement - FY22 Operating Expenses	\$1,191,900	-	-	-	-	-	\$1,191,900
Scholarships for Recreation Programs	-	\$250,000	\$250,000	-	-	-	\$500,000

Social Services Regional Partnerships	-	\$400,000	\$400,000	\$400,000	-	-	\$1,200,000
Takoma Branch Stream Restoration	-	\$250,000	-	-	-	-	\$250,000
Utility assistance: Weatherization, Electrification	-	\$500,000	\$500,000	-	-	-	\$1,000,000
Wi-Fi Hotspot Lending Program	-	\$3,000	-	-	-	-	\$3,000
Workforce Development	-	\$100,000	-	-	-	-	\$100,000
TOTAL	\$1,717,900	\$8,121,988	\$4,620,556	\$2,129,556	\$405,000	\$405,000	\$17,400,000