

Priorities for ARPA Expenditures

THE METROPOLITAN AREA PLANNING COUNCIL
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Investment Principles

As the Legislature considers how best to spend the state's portion of the Coronavirus State and Local Fiscal Recovery Funds that were passed in the American Rescue Plan Act, we urge you to use the following principles to guide your investment decisions:

ARPA funds should be used to address structural inequity in every corner of the Commonwealth.

We must use this moment to confront and dismantle the root causes that led to widely disparate impacts of the pandemic. The Treasury guidance urges investment in “disproportionately impacted communities,” defining these communities as those that were hardest hit by COVID, or where COVID exacerbated existing inequities. We must use these critical funds to redress those inequities and lift up people and places that have not yet gained access to available resources. We encourage state and local officials to partner with local governments and trusted community organizations to ensure that residents are aware of programs and able to readily access assistance.

Align ARPA investments with our existing climate, housing, transportation, and economic development goals.

Massachusetts agencies and communities already have plans and initiatives in place that intertwine the various interests and needs of these sectors. The money should be put to work to meet multiple goals wherever possible. These recovery dollars should be used to advance goals that our Commonwealth has already adopted, specifically around climate and housing production. We believe that it is particularly critical to center climate mitigation and resiliency across all ARPA investments, taking a cross-sector approach that mirrors that of the Commonwealth.

What follows are some specific examples of ways that we could invest ARPA dollars, using the framework set out in the Treasury guidance, [MAPC's priorities for an equitable and resilient recovery](#), and addressing the proposals included in H.3922, An Act relative to immediate COVID recovery needs, filed by Governor Baker.

Use funds to both strengthen existing programs and pilot innovative ideas.

State dollars should be used to strengthen our existing programs and reach more people, faster. We have many excellent grant programs already underway in the Commonwealth, many of which are chronically underfunded, and these funds should be used to help expand and support those programs. At the same time, the funds give us an opportunity to pilot new creative ideas. Funds to bolster existing, proven programs should be appropriated as soon as possible because it often takes months or years to generate new projects and put the money to work. Creative new pilot programs can be developed over the next several months.

COVID-related costs should be assumed by the state's funds.

Cities and towns across the Commonwealth are working hard to put ARPA funding to good use. We must be careful not to entrench existing inequities by forcing communities hardest hit by COVID to invest their local ARPA dollars in COVID-related mitigation measures. Instead, these costs, which could include air quality measures in schools, ongoing PPE procurement, testing and vaccination sites, addressing food insecurity, and maintaining ongoing quarantine facilities, should be borne by the state.

Recovery spending should be thoughtful and expeditious.

We encourage the Legislature to spend the dollars in a timely fashion that reflects the urgency of the public health and economic crisis in our midst. Even after funds are appropriated, it typically takes months to years to design programs and projects, to raise private capital, and to implement projects. Appropriations must begin soon – by Thanksgiving for existing programs and by March 2022 for new pilots.

Public Health

The pandemic highlighted the tremendous role that cities and towns play in our public health, and how under-resourced our public health infrastructure has been. Existing health disparities rooted in the built environment influenced comorbidities seen in individuals at higher risk of contracting COVID-19. As the climate crisis worsens, so too will disparities in public health outcomes.

Local public health officials were a critical trusted resource for communities during the height of the pandemic, providing essential work to communicate the latest information about the virus and expand access to testing and vaccination services. Even as we return to a new normal, a strong, well-resourced network of local public health officials will ensure the Commonwealth is prepared to take on future public health emergencies as they emerge. We stand with our partners at the Massachusetts Public Health Association in calling for investments that will strengthen our local public health infrastructure, enable more comprehensive public health data reporting, and address disparities in public health outcomes evidenced during this time.

Investments in local boards of health and technical assistance.

Such investments include direct funding to local boards of health, as well as technical assistance to address public health disparities.

Build capacity of regional Health and Medical Coordinating Coalitions.

These coalitions, funded by DPH's Office of Preparedness and Emergency Management, could play an enhanced role in supporting cross-disciplinary emergency preparedness between health care institutions and local public health departments, supporting continued efforts to respond to the COVID pandemic as well as prepare for future health emergencies.

Incentivize regional and shared public health projects.

For smaller communities, the opportunities to work with neighboring cities and towns helps make most efficient use of limited resources while providing access to needed public health services.

Funding for public health workforce development and training.

This includes providing training support for members of local boards of health, as well as resources for credentialing programs so that local staff can meet the appropriate training standards.

Expand access to mental health programs.

A portion of ARPA funds should be used to make investments in behavioral and mental health programs, particularly those that serve communities that have been disproportionately impacted by the pandemic. This includes additional resources to organizations that provide support to individuals with substance use disorder, a crisis which has worsened over the course of the pandemic. It should also include a focused effort to enhance mental health services to young people, who have been severely impacted by the pandemic and the year of remote learning.

Address the upstream causes of substance use disorder.

Cities and towns have created systems and built cross-sectoral networks to provide support to residents suffering from substance use disorder. These community-based responses have filled gaps to help those in need gain access to treatment, health care, and wrap-around services such as housing and employment, and they are vital to harm reduction and recovery. The Legislature should invest more funding in these municipally-led efforts in order to address the higher rates of opioid and substance abuse seen during the pandemic.

Climate Smart Housing

Housing remains a tremendous challenge in the Commonwealth. The Administration has established a goal of producing 135,000 new units of housing by 2025, but production has been slow to keep up with demand. While efforts like Housing Choices and new provisions to enable more multifamily housing near transit will help, the Commonwealth should pursue additional measures with federal funds to accelerate these efforts, especially around affordable housing. Our approach to accelerating housing production should also serve our climate and public health goals, and funding should be directed to build these units to high energy efficiency and air quality standards. These practices are important for existing units as well, with investments needed in deep energy retrofits and weatherization, particularly for low-income housing. Increasing investments in these programs will have the added benefit of creating new jobs as part of a broader decarbonization workforce needed.

ARPA funding should also be used to confront the housing affordability crisis, which was exacerbated by the pandemic. While more people have returned to work as the economy reopened and the immediacy of the public health crises has lessened, the termination of federal unemployment benefits means many residents remain in a financially precarious situation. Amidst this uncertainty and as federal eviction protections remain in legal limbo, addressing housing stability is critical. Addressing housing insecurity can also help confront the mental burden that comes with housing instability, improving public health outcomes and reduce health care costs for residents.

Governor Baker is proposing a \$1 billion investment in housing, to support housing production, increased homeownership opportunities, rental housing production, and supportive housing for seniors and veterans. MAPC supports this overall funding amount, and encourages the Legislature to think about additional investments:

Homeownership.

Funds should be invested in homebuyer education, assistance for first-generation homebuyers, and foreclosure prevention; with a particular focus on communities of color. The Commonwealth Builder program is an important initiative, but funds should not be limited to Gateway Cities and the City of Boston. If we expand this program with ARPA dollars, we should also be able to create new homes in some of the “higher opportunity” communities of the Commonwealth, many of which have been largely closed to lower-income residents and people of color for multiple generations.

Affordable rental housing production and preservation.

ARPA funds should be used to create additional subsidies to produce more quality affordable housing, especially near transit and in climate resilient locations. Existing state programs are over-subscribed, and many projects are forced to cobble together resources from as many as a dozen sources just to put shovels in the ground. Focusing additional ARPA resources on rental production could increase housing stability for thousands of households. Additionally, while the Commonwealth has received significant resources to support rental assistance, dollars are going unspent while residents remain in need. The Legislature should consider whether there is opportunity to use ARPA dollars to address barriers to accessing these programs, including expanding translation of program materials, investing in relationships with additional social service organizations to raise awareness of available funds, or hiring more staff.

Public housing.

We have a \$3 billion backlog of deferred work in public housing and these funds create an opportunity to make a down payment on that work. Furthermore, major projects to upgrade public housing developments and create new mixed-income housing units will help expand housing opportunities for some of the Commonwealth's residents most in need of affordable housing and create more stable communities. The Governor's recommendations did not include additional resources for public housing, and we feel this is an area that deserves serious attention from the Legislature.

Utility bill assistance.

There is an ongoing need to help low-income residents with utility bills. A portion of ARPA funds should be allocated to disproportionately impacted renters and homeowners over the next five years.

Weatherization.

ARPA funding should be invested in the existing LEAN and MassSave programs to improve weatherization for low- and moderate-income renters. Funds should be invested into MassCEC's EmPower program to weatherize all homes in low- and moderate-income environmental justice communities.

Deep energy retrofits.

ARPA funds can expand resources available to retrofit public housing and multifamily properties, creating opportunities to undertake retrofitting during sale and refinancing transactions.

Update building code and energy efficiency standards and provide financial support to low-income renters and homeowners to build to these standards.

Additional ARPA funds should be used to help residents of color and low- and moderate-income communities build to better standards, utilizing clean energy heating and cooling systems and addressing upfront operational costs.

Economic & Workforce Development

The impact of the pandemic was not uniform across the business community. Small businesses were hit particularly hard by the pandemic, confronting slowing foot traffic and the challenges of building an online and sometimes outdoor storefront. The Commonwealth should prioritize investments in small businesses that create good well-paying jobs with benefits, revitalize Main Streets, and make our local economies more resilient, particularly in communities hit hardest by the pandemic and among businesses owned by and/or serving people of color.

The COVID-19 pandemic has also demonstrated the critical need to invest in and expand our workforce development infrastructure. We should some of our foundational workforce development infrastructure, including community colleges and the MassHire workforce boards, and we should prioritize investments that will help build a clean energy and decarbonization workforce. Demand in these sectors is poised to grow over time, and there is an urgent need for more trained professionals to make the technological and infrastructure improvements needed for a net zero future.

MAPC feels strongly that our economic development and workforce investments must help to support wealth creation for residents, and especially for residents of color. We urge the Legislature to follow the recommendations of leading childcare and early education advocates and take this opportunity to expand early childhood education opportunities across the Commonwealth. We encourage the Legislature to prioritize investments in the following areas:

Small business support for businesses with <50 employees.

Funding should be used to provide additional grants and low-interest loans through the Mass Growth Capital Corporation (MGCC) and through Community Development Financial Institutions (CDFIs), which are well poised to make investments in low-income communities and disproportionately impacted communities. The MGCC should also be given funds to provide additional technical assistance support.

Downtown revitalization efforts:

- **Provide implementation funding for the Local Rapid Recovery plans.** We should build on the progress made in the creation of Rapid Recovery Plans across the Commonwealth, and provide funding to implement those plans.
- **Update the Municipal Vacant Storefront program** to accelerate the development of newly vacant spaces and incentivize applications from minority-and women-owned business developers.
- **Provide grant opportunities to local business associations and Main Streets organizations.** Continue supporting the Mass Downtown Initiative and expand their technical assistance program.
- **Continue to support the Shared Streets initiative.**

Stipends for individuals attending credentialing and community college programs.

Use stipends to incentivize return to the labor force for individuals who have experienced extended unemployment, with priority given to individuals receiving training for priority industries and occupations identified in the workforce blueprint plans. Stipends can be used for time to participate in programs, transportation, or childcare needs.

Increase support for community colleges.

Community colleges provide an increasingly important role in building the workforce of the Commonwealth. We should use some of these funds to invest in our community and state colleges in order to provide increased staff capacity and programming, especially around credentialing programs for key industries.

Invest in MassCEC and Mass Save

Invest in MassCEC and Mass Save workforce development efforts in order to expand our green workforce opportunities. Our success at addressing environmental and climate challenges depends on a workforce ready to take on new technologies.

Staff capacity at MassHire Workforce Boards and Career Centers.

In order to advance our work readiness and skills programs, staff capacity is a critical need.

Infrastructure Investments

It is no secret that we have infrastructure needs in every corner of the Commonwealth. The MBTA's state of good repair backlog is estimated to be around \$10 billion, and this does not include the investments needed to ensure the system will be resilient to the threats of climate change in the future. Integrating climate resiliency improvements into transportation projects could serve as a down payment for additional investments made with federal infrastructure dollars or other relief money.

Addressing emissions from our transportation system also means growing the share of people who regularly walk and bike. The Shared Streets and Spaces program was a tremendous success, with cities and towns across the Commonwealth repurposing space traditionally dedicated for cars into vibrant walkable and bikeable districts. The surge in walking and biking during the pandemic must be met with complementary investments in on and off-street infrastructure to continue growth of these modes. For these reasons, we would strongly urge the legislature to invest additional funding in the Complete Streets and Shared Streets initiatives.

The pandemic has also highlighted stark disparities in access to broadband and digital literacy. Between work, school, and accessing needed services, access to the internet is going to remain a key feature of our lives for the foreseeable future. ARPA investments should address these disparities, so the hardest hit communities are not left behind.

These are some of the ways we hope that the Legislature will prioritize ARPA funds for infrastructure improvements:

Green infrastructure and nature-based solutions.

The Commonwealth should make it easier for cities and towns to invest in tree-planting and conservation, rain gardens, bioswales, climate-smart parks, green and blue roofs, pervious pavements, wetland restoration and living shorelines, especially in disproportionately impacted communities. This includes integrating climate resiliency measures into transportation projects.

Invest in Complete Streets and expand the Shared Streets and Spaces program.

Cities and towns across the Commonwealth quickly repurposed streets for more active, vibrant uses, and they were by and large met with great enthusiasm from residents and business owners alike. Allocating recovery funds to invest in our existing Complete Streets program and expand the Shared Streets program will enable more communities to build out safe walking and biking infrastructure and capitalize on the momentum to grow active transportation mode share.

Establish a low-income MBTA fare program.

Alleviating the transportation cost burden for low-income transit riders is an important step toward addressing some of the deeply ingrained inequities in our transportation system. Low-income individuals are less likely to own a personal vehicle and more likely to spend a larger portion of their income on transit. Enabling better access to transit through a low-income fare program would make investments in transit-oriented affordable housing, workforce development, and other areas under consideration for ARPA expenditure even more impactful.

Create a Climate Resiliency Infrastructure Bank.

Using recovery funds as an initial capitalization, the bank could provide funding for projects designed to help the Commonwealth withstand and reduce the impacts of climate change. These investments are particularly important in communities that were hardest hit by COVID, as they are often the same communities that are likely to be most impacted by the effects of climate change.

Water and Sewer infrastructure upgrades.

Water infrastructure is at the center of economic opportunity and recovery. It is essential for the siting of homes and businesses, impacts our climate resilience, and is a critical contributor to public health. Recovery funds should be used to help municipalities and the state to address critical water and wastewater needs. These needs were estimated at \$40 billion by a bipartisan report in 2012 even before the understanding of the need to mitigate contaminants such as PFAS and lead. A meaningful down payment on decades-delayed efforts to address Combined Sewer Overflows (CSOs) would be a powerful use for ARPA dollars.

Advance municipal preparedness.

Over 90 percent of the Commonwealth's municipalities are enrolled in the Municipal Vulnerability Preparedness (MVP) Program. The state continues to receive applications in excess of total funds available indicating a list of shovel worthy and ready projects where ARPA investments would help meet extensive identified needs.

Strengthen digital infrastructure.

Funds should be used to expand market competition among providers of high-speed broadband service to enable access to at least 100/100 speeds. Priority should be given to projects that open fiber conduit and access. We should prioritize investments that bring fiber to public housing properties, schools, community centers, and other areas that are not currently adequately served.

- **Data standardization.** Improved and enhanced digital infrastructure should also bring with it a level of data standardization, which would facilitate data sharing, reporting and collaboration among municipalities, government agencies and other entities. For example, such infrastructure would allow for public health and emergency management personnel to more readily share data and facilitate a more targeted response to the opioid epidemic.

Growing digital literacy.

Investments that help to foster public/private partnerships to support digital literacy and digital access, especially for students, unemployed youth, and underserved individuals.

Increasing digital access.

Funds should be used help cities and towns create digital access and equity plans or capital improvement plans for broadband infrastructure.