Using ARPA Funds to Support an Equitable and Resilient Recovery

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ARPA State and Local Fiscal Recovery Funds

- **American Rescue Plan Act**: designed to be the first COVID recovery bill, rather than a relief bill
- Massachusetts cities and towns have received $3.4B in ARPA Local Recovery Funds
- Funds must be obligated by December 31, 2024, spent by December 31, 2026
Eligible Uses of ARPA Funds

- **Eligible uses**: responding to the public health emergency and its economic consequences; providing premium pay to essential workers; addressing local revenue loss; and investing in water, sewer, and broadband infrastructure.

- **Prohibited uses**: offsetting tax reduction, investing in a pension fund, debt service, and stabilization fund deposits.

- MAPC believe it is critical to focus ARPA funds on providing aid to disproportionately impacted communities, as described in U.S. Treasury guidance.
Principles for an Equitable and Resilient Recovery

In March 2021, MAPC published our priorities for an equitable and resilient economic recovery.

These priorities were grouped into three main categories:

- Improve and Expand Workforce Development and Small Business Support
- Align Economic Recovery with our Climate, Housing, and Transportation Goals
- Improve Connectivity and Access and Build Digital and Public Health Infrastructure
MAPC ARPA Spending Principles

1. ARPA funds should be used to address structural inequity in every corner of the Commonwealth.
2. Align ARPA investments with our existing climate, housing, transportation, and economic development goals.
3. Use funds to both strengthen existing programs and pilot innovative ideas.
4. COVID-related costs should be assumed by the state’s funds.
Addressing Structural Inequity

- ARPA funds should be used to confront and dismantle the root causes that led to the widely disparate impacts of the pandemic.
- Aligned with U.S. Treasury guidance: prioritizing aid in hardest hit communities or communities that saw an inequity exacerbated as a result of the pandemic.
- Opportunities to partner with trusted community organizations to ensure aid is reaching those who need it most.
Align ARPA Investments with Climate, Housing, Transportation, and Economic Development Goals

- At the state and local level, we have many studies, plans, and initiatives that have been established to put us on a path to reach our climate, housing, transportation, and economic development goals.
- Decisions about ARPA spending should be made with this research and existing programs in mind.
- Ideally, ARPA investments should seek to meet multiple goals at the same time (e.g. aligning housing and climate investments).
Strengthen Existing Programs & Pilot Innovative Ideas

- We should balance ARPA investments in existing programs we know will meet our other ARPA spending objectives along with investments in new, more transformative projects.

- Piloting new programs provides an opportunity to gather data on potential operational needs if long-term investments are made in a permanent effort.
State Assumes COVID-Related Costs

- Cities and towns have a multitude of needs to meet to support residents through the public health and economic crisis.
- We risk exacerbating inequities if communities hardest hit by COVID have to allocate a larger share of their ARPA dollars towards COVID mitigation, versus other recovery investments.
- The state should assume COVID mitigation costs, including: air quality measures in schools, ongoing PPE procurement, testing and vaccination sites, addressing food insecurity, and maintaining ongoing quarantine facilities.
MAPC’s ARPA Projects

- Leading an application for the Economic Development Administration Build Back Better NOFO
- Working within existing coalitions, such as the Metro Mayors Climate Task Force, to identify regional priorities, share investment ideas, and ask questions
- Supporting the City of Somerville in soliciting public feedback on how local ARPA dollars should be spent
- Working with a group of North Shore communities to support federal reporting requirements
- Ongoing advocacy to the Administration and the Legislature, including testifying at ARPA hearings
Questions

- What questions can we help answer about ARPA State and Fiscal Recovery Funds?
- Has your community made a decision about how it will spend some or all of its ARPA funds? If so, how are you planning to invest those dollars?
- Does your community need any support managing or deciding how to spend ARPA funds? If so, what kind of support or guidance would be helpful?

On September 15th, MAPC hosted a webinar with the Massachusetts Taxpayers Foundation titled, "How Municipalities Can Make Meaningful Investments with ARPA Dollars." Materials and a link to the webinar recording are here: https://www.mapc.org/resource-library/covid19-webinars/.