

# 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



## Priorities for an Equitable and Resilient Economic Recovery

THE METROPOLITAN AREA PLANNING COUNCIL  
MARCH 2021

The COVID-19 pandemic and resulting economic crisis have highlighted the structural inequities that cut across our society. Access to stable housing, reliable transportation, and gainful employment vary sharply across the Commonwealth and especially across racial lines. The past year has put a spotlight on the breadth and depth of these inequities. We now face the question of whether recovery will be similarly unequal across race and income, or whether we can use this recovery to create a more equitable society that will better be able to withstand the next shock, while proactively dealing with existing challenges such as climate adaptation, housing and public infrastructure.

The ideas highlighted below are just some of strategies we need to pursue to ensure an economic recovery at both the state and federal level that is centered on equity. We must use this moment not to return to the old normal, but also to confront and dismantle the root causes of the disparate impacts of the pandemic and economic downturn. Creating plentiful, well-paying jobs and providing financial support to those hit hardest by the pandemic is essential. As we develop a strategy for doing so, we must also confront the challenges that existed prior to the pandemic and have persisted throughout. The Commonwealth still faces a dearth of affordable housing options, a chronically underfunded transportation system, increasingly damaging impacts of the climate crisis and additional pressures on our health and digital infrastructure. The steps we take to ensure an equitable recovery must be aligned with tackling these issues and the social, economic, and racial disparities they perpetuate.

### Questions?

Contact MAPC  
Government  
Affairs Director  
Lizzi Weyant at  
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# 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/>.