

Repair, Not Relief

Guidance and Considerations for Municipalities
Utilizing American Rescue Plan Funds
Towards Equitable Futures

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Summary

We have a golden opportunity.

Every year, the vast majority of our country's priorities are laid plain by the decisions made by our national bodies. At times, it seems our country builds support for communities who need them; other times, they strip resources, laws, and bureaucracy to their bare bones - sometimes for the American benefit, and sometimes not. In each one of these situations, there's one thing that's clear: each inflection point is an opportunity.

Today, we see this opportunity in the American Rescue Plan, also known as the COVID-19 Stimulus Package of the American Rescue Plan Act of 2021. Because of the vast and complicated ways our country has been affected by the devastating COVID-19 Pandemic and subsequent recession, the federal government has issued 1.9 trillion dollars to speed up the recovery from its health and economic effects.

Since the bill was signed into law in March 2021, it's funded a vast collection of economic relief provisions toward low-income and middle-class Americans. Once all funds are disbursed, state, local, and tribal governments will obtain \$350 billion to fill budget shortfalls and a litany of potential projects affecting local communities. If you're here, you likely agree that there's a chance for these opportunities not just to keep communities afloat in the short term. You're likely looking for innovative, strategic, creative, and most of all, equitable ways these funds can support your infrastructure, your people, and your future. **But where do you start?**

We're here to help.

As a social innovation consultancy, Think Rubix, has built a white paper that helps answer what it means to use ARPA funds to support the repair of our communities. Our three studios - with expertise in community engagement systems, informed research, equitable branding strategy, strategic futures building, political strategy, and more - offer a full service, vertically integrated approach to find a path through the woods of complexity.

We've put our heads together to answer this simple question:

How can cities build processes that unlock equitable and sustainable American Rescue Plan-supported projects?

Below, you'll see important considerations on these essential topics, including what communities can focus on, how they can build equity into their work, who they might partner with, and how to move forward on rebuilding our more perfect union.

If you imagine a 'north star' towards a more equitable future for your city, the insights in this document help make sure the journey is worthwhile. We welcome the opportunity to support. Together, we'll create change and move our world closer to equity.

See you there.

American Rescue Plan: Interim Final Rule Constraints of Funds

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The American Rescue Plan Act (ARPA) offers a set of guidelines and parameters for how Fiscal Recovery Funds can be used to respond to the multifaceted effects of the pandemic. State, local, territorial, and Tribal governments have taken on the task of responding to the immense public health and economic needs created by this crisis for their respective communities, from creating vaccination sites to supporting small businesses, all the while contending with massive revenue shortfalls.

Faced with these challenges, state and local governments have made difficult decisions like cutting millions of jobs since the beginning of the pandemic. To manage and prevent a more severe economic downturn or slow an economic recovery, Fiscal Recovery Funds have allotted \$350 billion to state, local, territorial, and Tribal governments to address such impacts. The ARPA Interim Final Rule authorizes cities and municipalities to use these funds:

- To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- To make necessary investments in water, sewer, or broadband infrastructure.



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To many, these aims may seem broad, but to offer clarity around how Fiscal Recovery Funds can be used, the Treasury provides some appropriate examples that meet the aims laid out above:

- Assistance to unemployed workers
- State unemployment insurance trust funds
- Assistance to households
- Expenses to improve efficacy of economic relief programs
- Small businesses and non-profit organizations
- Rehiring state, local, and Tribal government staff
- Aid to impacted industries
- Building stronger communities through investments in housing and neighborhoods
- Addressing educational disparities
- Promoting healthy children environments

Although ARPA funds allow a great deal of flexibility, there are a few constraints that cities and municipalities must adhere to:

- States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue (revenue collected from income, sales tax, and property tax) due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent. If your state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than Coronavirus State Fiscal Recovery Funds—by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.
- No recipient may use this funding to make a deposit to a pension fund. Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. Although pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

What should we support?

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It's difficult to determine if your work directly supports equity. What do you focus on? Who should help you through the process? **Where do you start?**

Fortunately, we've split up your considerations into two main categories - the what, and the how.

First, **we'll discuss the what:** occurrences that come from the funding. This includes the negative economic impact, potential impact innovations, and sustaining investment.

Let's learn how equity is baked into the projects you support.



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Building Your Capacity

With American Rescue Plan funds poised to be the most significant budget boost to municipalities in decades, authorities across the country are facing a capacity gap.

Large metropolitan areas like New York City or Los Angeles have expansive bureaucracies to ideate, research, strategize, communicate, implement, and evaluate policies, but this is not the case for the vast majority of American municipalities. Fortunately, leaders can fill the gap with outside help.

Hiring consultants is a great way for small and mid-size municipalities with a lean staff to gain the expertise, manpower, and time necessary to deploy ARPA funds.

Consulting firms like Think Rubix can offer expert research such as best practices from other states and localities, tailored outreach and communications plans for your community, and policy innovation ideas. The best part?

Bringing on an external partner to do this critical work can get results faster than it would take to hire and onboard a full-time staff member to accomplish the same tasks for the municipality.

In an ongoing strategic advisory role, consultants can meet evolving research needs and hands-on implementation tasks that would otherwise be too expensive or onerous for you to handle internally. On lean municipal government teams,

outlining and vetting Requests for Proposals (RFPs) for ARPA funds can be outsourced to external partners. Consulting firms can also help make sure that the processes for reporting and compliance with government entities, a critical component of any project undertaken with ARPA funds, is as clear and easy as possible for all partners.

There are two ways to bring on consultants for ARPA work, by either using ARPA funds directly or utilizing other sources of funding to consult on ARPA-related tasks.

- **Hiring consultants using ARPA funds:** The American Rescue Plan stipulates that governments can use funds to hire consultants as long as they have an established procurement policy that closely follows federal and state guidelines. Baker Tilly provides [a useful FAQ](#) for municipalities considering this option.
- **Hiring consultants using other funding sources:** If your municipality hasn't previously received federal funding or lacks procurement policies aligned with federal and/or state guidelines, have no fear: you can still hire consultants using regular sources of funding from your municipal budget.

Need capacity to support your municipality? [Let's Chat.](#)



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Rethinking Negative Economic Impact

American Rescue Plan funds are intended to go towards alleviating the negative economic impact wrought by the COVID-19 pandemic, but the legislation provides states and localities some necessary latitude to evaluate, for themselves, what that impact truly looks like in their communities. While thousands of municipalities experienced similar economic harm through the loss of tax revenues, shuttered businesses, high unemployment, and supply chain stresses, no two local economies are exactly the same - and thus, neither were their economic impacts.

Measuring negative economic impact correctly is the most important step to making sure your municipality is optimizing ARPA funds to make the greatest, most sustainable change among the hardest hit constituencies.

But impact doesn't just mean the harm of the pandemic; rather, the ARPA [specifically encourages](#) municipalities to consider using these funds to address "pre-existing issues exacerbated by the pandemic." Such issues include but are not limited to the [growing racial wealth gap](#), [racialized disparities in healthcare](#) and [health outcomes](#), [financial](#), [physical](#), and [health insecurity](#) among low to middle income

communities, and concentrated areas of [economic deprivation](#).

These issues, shaped by persistent systemic factors at all levels of government and society, led to significantly disproportionate economic harm upon [Black](#), [Latinx](#), [poor](#), [female](#), and [LGBTQ](#) individuals, communities, and livelihoods, including [millions of small businesses](#). Thus, ARPA funds should be targeted as best as possible to these constituencies in your municipality with the intention of providing immediate relief and laying the foundation for long-term structural repair.

Additionally, an emerging but important area of economic harm also impacted by the pandemic is climate change. Over the past two years, thousands of municipalities across the country have had to reckon with the [twin crises](#) of COVID and more frequent destructive extreme weather events wrought by climate change, including hurricanes, wildfires, floods, and more. As climate change continues to go almost entirely unchecked by countries worldwide, these effects [will worsen](#) and leave already vulnerable constituencies in an [even more precarious position](#).

This is far from an exhaustive list, and the specifics of your municipality will determine the most appropriate considerations. However, there are a few important questions to ask to holistically evaluate the negative impact in your community:

- Who in my community has been impacted the most, proportionately, in the past two years, and why?
- Which constituencies have started to recover economically, and which ones are lagging behind?
- How have the negative economic impacts been distributed according to racial, gender, income, and geographic lines?
- What were the positive and negative aspects of our local economy pre-COVID, and how did COVID change them?
- Do we have, or have a way of getting, feedback from our residents about how they have been harmed and where they think aid is most needed?
- If we imagine a future 10 years from now where the municipality is thriving economically in an equitable way, what would we need to address now to make that happen?



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Economic Impact Innovations

Even within the constraints of the Interim Final Rule, the American Rescue Plan offers nearly unprecedented leeway for states and localities to utilize massive amounts of federal funds as they see fit, especially within Qualified Census Tracts. This presents a golden opportunity for municipalities to pursue economic innovations that prioritize equity, repair, and resiliency while laying the groundwork for a brighter future.

In most contexts, you might expect this: the people doing much of the active work with communities might have distanced themselves the most from government intervention. These people aren't coming to you, and you're not coming to them. However, engaging with these partners will likely get you the most turnaround results you need to ensure project sustainability and value.

Of course, the vast diversity of our nation's municipalities means there is no "one size fits all" approach to achieving this vision. Therefore, these ideas represent a rough roadmap of the many paths your city can take to reach the same destination.

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Relief

For most municipalities, offering immediate relief to the most heavily impacted small businesses and communities will be at the forefront of economic harm mitigation priorities. The immediate and ongoing needs of the most vulnerable communities naturally require that relief be prioritized with urgency; to that end, the best first step your city can take is to **look to institutions or programs that have already been established** to try and get money out the door as quickly and efficiently as possible. Regional economic partnerships, alliances with nonprofits and foundations, and increasing funding for local economic development agencies [can often be the best way](#) to cut through red tape and ease the capacity burden on your local authority.

As useful as partnerships can be, however, the local government is still the best point of access for your residents to get information on and engage with ARPA funds, so establishing some temporary relief programs directly through your municipality is a wise endeavor.

Cities of all sizes have successfully used ARPA funds to enact grants for small business owners, usually in cash amounts of \$5,000 or less, and these can be shaped in various ways towards equity. For example, Los Angeles plans to [distribute \\$5k grants to 5,000 locally-owned](#)

[businesses](#) across the city using a weighted lottery system that prioritizes the most vulnerable, while Baton Rouge, Louisiana [launched a microgrant \(\\$2.5k\) program](#) targeted low to moderate income individuals or those who own and operate a business in a low to moderate income census tract.

Loan programs can also present a flexible and budget-conscious way to distribute targeted aid to impacted businesses and areas. Savannah, Georgia has used ARPA money to partially fund a [revolving loan program](#) prioritizing businesses operating in its most economically deprived neighborhoods, and plans to sustain the funds offered through a mix of public-private partnerships and regional economic alliances.

Favorable loans can offer an attractive way for small cities and localities to distribute equity-centered aid without cutting into the local government's budget. Edmonds, Washington plans to offer [forgivable loans](#) to minority-owned small businesses, while the city of Eau Claire, Wisconsin has set up a [revolving loan program for targeted growth industries](#) while prioritizing local business retention and expansion.



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Housing

The ARPA's leniency with projects and programs in Qualified Census Tracts - census-determined areas where at least 50 percent of households earn 60 percent less of the larger area's median income or a poverty rate of 25 percent and above - can help your municipality tackle some of the biggest challenges underwriting and advancing economic harm such as housing and violence. Akron, Ohio is using ARPA funds to make [substantial investments](#) into housing rehabilitation, residential building grants, and public facilities and parks. Investing in public spaces, in particular, offers a relatively low-cost, high-impact policy intervention for deprived areas as community-centered environmental design has been [proven to help reduce violence](#) and improve resident satisfaction.

For municipalities that may face greater equity challenges in phenomena like gentrification, Nashville, Tennessee has committed to tripling investments in affordable housing with ARPA money while simultaneously [enacting tax abatement provisions](#) to try and offset market inflations currently driving up the cost of housing.



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Broadband and Technology

The ARPA also encourages municipalities to direct funds towards addressing the [digital divide](#), a pre-existing social problem that exacerbated COVID's financial harm on individuals and families who lack access to the internet and digital tools. The digital divide [disproportionately affects](#) Black and Hispanic families, locking them out of critical access points to housing, employment, and schooling, making expanding broadband access an excellent equity-focused use of these funds.

As a longstanding issue, particularly in rural areas, it may be that your municipality or neighboring areas already have plans in place for broadband expansion that ARPA funds can drastically improve. Prince Edward County, Virginia, for instance, was already working on a grant and loan-funded broadband infrastructure project before the ARPA was announced, and has committed ARPA funds to [speed up and expand](#) the project.

Some cities, however, are operating on more of a blank slate, Baltimore is currently considering [establishing its own low-cost public internet service provider](#) service to broadband-enable financially excluded households. That option may be too expensive for smaller localities, but places like Little Rock, Arkansas are bridging the gap by [creating wifi hotspots](#) in public spaces and community centers.

Of course, expanding broadband is only equitable if your residents have the technology to access it, and this is just as big a challenge for addressing the digital divide. Cities like Alexandria, Virginia have enacted [mobile hotspot lending programs](#) and expanded their mobile computer lending through public libraries in order to support remote work, education, job searching, and access to critical services.



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Local Economic Revitalization + Development

Countless municipalities across the country were already reckoning with stagnating local economies well before the pandemic, which worsened as storefronts shuttered and jobs were lost during the height of the crisis. As localities shift to recovery, ARPA funds can be successfully directed towards development and revitalization work with an equity focus.

Old industrial localities, in particular, have suffered vicious cycles of economic stagnation, brain drain, and revenue loss that these funds are well-suited to disrupt. ARPA heavily encourages municipalities to invest in water, sanitation, and broadband infrastructure projects, and the city can stipulate a variety of equity-centered workforce requirements to make sure that underserved residents are the first in line to work on them. Milwaukee, Wisconsin has long had a requirement for all contractors on city-funded projects to [source at least 40 percent of their workforce](#) from qualified underemployed city residents. The city also previously adopted a [residency requirement for all public workers](#), concentrating on combating brain drain and lost tax revenue to the suburbs.

Before the pandemic, former industrial towns with “anchor institutions” - large, local, immovable institutions with

significant procurement needs such as universities and hospital systems - were focusing economic revitalization strategies around [leveraging the procurement and financial weight](#) of these institutions to circularize the local economy. Cleveland, Ohio successfully partnered with its university and medical system to start a [laundry worker co-op that filled a procurement gap](#) for these universities which became self-sustaining and profitable within six years. ARPA funds can and should be used to further these previous initiatives, and to break new ground in QCTs in these areas. Buffalo, New York, for instance has already committed some ARPA funds to a previous [QCT-centered revitalization fund](#) for the city's East Side, a historically Black neighborhood suffering from decades of underinvestment and neglect.

On the development side, several municipalities have recognized that many sharply impacted businesses could benefit from technology assistance and economic navigator programs to prevent some root causes of financial precariousness in the first place. Thousands of small businesses, particularly those owned and operated by minority populations, [disproportionately suffer](#) from a lack of access to key financial, legal, and technological assistance. Largo, Florida has used ARPA money to implement a [citywide navigator program](#) for new or expanding

California has adopted a [more ambitious navigator program](#) providing free, in-depth technological and financial assistance and advice to small businesses, with underserved communities prioritized.

[workforce training pilot program](#) that sought to fill key industry needs throughout the city and uplift some of its most economically deprived residents and communities, with accountability mechanisms and benchmarks built in for long-term success.

With an expected plethora of evolving infrastructure projects funded at least partially through ARPA funds, municipalities can also utilize these funds to invest in [apprenticeship and workforce development programs](#) to create a sustainable employment pathway for residents and ensure a skilled workforce for your municipalities future needs. Philadelphia established an [apprenticeship and](#)



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Greening + Climate Initiatives

The ARPA encourages municipalities to confront and prepare for climate-related challenges as much as possible within the various projects authorized under the Interim Final Rule, and there are many ways for you to center equity in this vision.

Water is poised to be one of the most precious resources in the coming decades thanks to climate change, and the ARPA authorizes municipalities to use funds to support climate-resilient drinking water, stormwater, and wastewater infrastructure projects. [Such projects could include](#), but are not limited to, prioritizing safe drinking water systems for vulnerable communities, rain gardens, and projects to collect and reuse water at public water treatment facilities. These projects and more can also be sustained through pre-existing federal government funds such as the [EPA's Drinking Water State Revolving Fund](#) and [Clean Water State Revolving Fund](#).

Municipalities can adopt a variety of green infrastructure requirements for new ARPA-funded ventures and green retrofitting standards for pre-existing projects that may receive ARPA funding. [Ideas include](#) adopting and enforcing “no idle” policy for municipal vehicles, setting energy efficiency standards for all municipal properties, electrifying public transportation like buses, and setting procurement goals for public energy use from renewable and/or carbon neutral sources where available. Additionally, ARPA funds

can be used to invest in [community solar projects](#) to allow residents who cannot install their own solar panels to benefit from the energy savings and smaller carbon footprint of solar power through large, off-site panels.

Additionally, as climate-related extreme weather events begin to occur more frequently and have sharper impacts on the most vulnerable communities, municipalities can use ARPA funds to prioritize equity in emergency preparedness. Cities at higher risk for imminent climate-related disasters like Gulf Shores, Alabama have used ARPA funds to build emergency capacity by hiring a [year-round emergency coordinator](#) to liaise with community members and city institutions. Hattiesburg, Mississippi created a [city-sponsored emergency alert system](#) to immediately connect all residents to government aid in the event of an emergency. Other cities have sponsored and organized block-by-block neighborhood emergency preparedness systems, empowering residents to connect with each other and activate their own emergency measures.

Regardless of which policies suit your municipality's climate-related needs, there are several helpful guides from [Georgetown University](#) and the [NAACP](#) on how to prioritize equity in emergency preparedness and response.

Need help researching + implementing equity-centered ARPA projects? [Let's Chat.](#)

Sustaining Investment

You've got some great policy ideas, the backing of your city's political institutions, and enough ARPA money to start implementing them.

That's great, **but what happens to your great ideas once ARPA funds run out?**

Even the most innovative policy interventions can take several years to start making the positive impact your city needs, which makes coming up with a plan to sustain investment a non-negotiable priority from the very beginning. When leaders fail to create a strategy at the outset, funding for critical programs and services will likely end up being haphazard, reducing the efficacy of the policy intervention and leaving impacted communities hurt and distrustful of your political coalition.

The best way to sustain investment for your interventions is by diversifying your sources of funding as much as possible, so that if one pool of money dries up or unexpected barriers arise, the whole program isn't at imminent risk of collapse. Here are a few of the top sources of capital for your municipality to consider in combination with ARPA funds:

Municipal Bonds

Issued by state or local governments, municipal bonds can be a great way to fill critical revenue gaps for public projects. Cities and states most often use municipal bonds to fund public transit or other big infrastructure priorities for communities, but they [can be leveraged](#) for a wide number of public projects that dovetail nicely with many of the ARPA acceptable uses. Municipal bonds offer a low rate of return over time compared to other investments but are guaranteed for bondholders and [offer attractive tax treatments](#), making them somewhat less attractive to bigger investors but a potentially great option for promoting [wider community buy-in](#).

Public-Private Partnerships

When communities thrive, business thrives, and private sector leaders in your community are likely keenly aware of this reality. Leveraging the financing and expertise of the private sector through [public-private partnerships](#) can be an excellent way to sustain ARPA-funded innovations by circumventing government budget constraints, winning broad business consensus for your policy priorities, and unlocking mutually beneficial economic value. In particular for smaller municipalities, public-private partnerships can offer an attractive way to [shift risk](#) to the private sector and pay for project costs over the lifetime of the project while ensuring that the public sector [retains asset ownership](#).

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Revenue-Generating Funds

When embarking on a new public investment, municipalities should look to see if and how the project can pay for itself and [turn a profit over time](#). A revenue-generating public-private partnership utilizing ARPA funds can help attract outside investors and help meet critical community needs at the same time. New York City, for example, launched a successful PPP to [convert its payphones to public WiFi hotspots](#) - which would qualify as an acceptable project for ARPA funds - but stipulated that the city would retain 50 percent of the advertising revenue from ads at the new kiosks, resulting in a sharp income boost. Smaller cities like Macon-Bibb, Georgia have recently turned ARPA funds into a PPP project to fix up local housing with the intent of converting them into [income-producing commercial rental properties](#). The ARPAs generous flexibility around investments in QCTs can [help municipalities launch revenue-generating PPPs to invest in housing, businesses, and public infrastructure](#) in these areas that will deliver longer-term returns through added jobs and businesses; cities like Buffalo and Detroit already have programs in place to revitalize their downtown areas, which ARPA funds can enhance.

Community Wealth-Building Models

One of the newer ideas for increasing the money circulating within local economies is through [community wealth-building models](#). Though models differ from place to place according to specific community infrastructure, [general model guidelines](#) emphasize localizing supply chains, procurement, capital investment, and worker cooperatives through anchor institutions, and encourage localist capital investment and

greater municipal ownership. This model, while still in need of further research on its efficacy and long-term viability, could be a [particularly good option](#) for municipalities that have been suffering from disinvestment, stagnating local economies, brain drain, and political disempowerment such as former industrial cities or rural municipalities.

Other Federal and State Funds

While the American Rescue Plan certainly represents a once-in-a-lifetime massive investment into states and localities, it is not the only source of government funding available to your municipality. If your municipality has specific policy priorities affecting a wide number of other localities, there may be specific federal or state government funds set aside to address that issue. The current economic packages being debated in Congress, for example, would [allocate \\$5 billion in separate funds](#) to help states and localities enact gun violence prevention programs. Although this legislation has not yet passed as of the time of publication, it's important for your municipality to keep an eye on this and similar federal and state aid legislation to make sure you're not spending money unnecessarily when further help could very well be on the way.

Here's what's important to note: These funds aren't sufficient to build up a sustainable collection of existing or new projects. The years of work (all funds must be spent by December 2024) only have a small amount of available funds. They don't last long enough to ensure that the support people are engaging with can make a demonstrable impact. So, what that means is, governments should think deeply about looking for opportunities, resources, and relationships that have plans to sustain past the lifetime of the funds.

Additionally, cities have the opportunity to decide exactly how much goes to different assets, communities, and the like: to support loss of tax revenue, to supporting sustained and existing projects, and developing new projects. There's a lot of different questions you can ask to determine how these initiatives would be valuable:

- What would happen if they did not get the funds?
- What makes the project new, and unable to do this before these funds?
- How will the project sustain itself after ARPA funds are gone?
- How will they show their value to the community?
- With whom are you partnering to make sure the project is valuable?

Need help strategizing on how to sustain your projects?

[Let's Chat.](#)



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How do we do the work?

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A municipality's priorities are reflected in its budget. You've seen what you can support, and how it can be equitable. But, if you think you're finished here, you're sadly mistaken.

Next, **is process**: where you spend the most time. These are activities you'd engage in while reaching the outcomes, including marketing + communication, community engagement, evaluation, reporting, and the like.

Each part of the process needs to be considered, to make sure you're not making the same mistakes that got us here.

You can't be equitable without both. Let's learn what you can do about it.

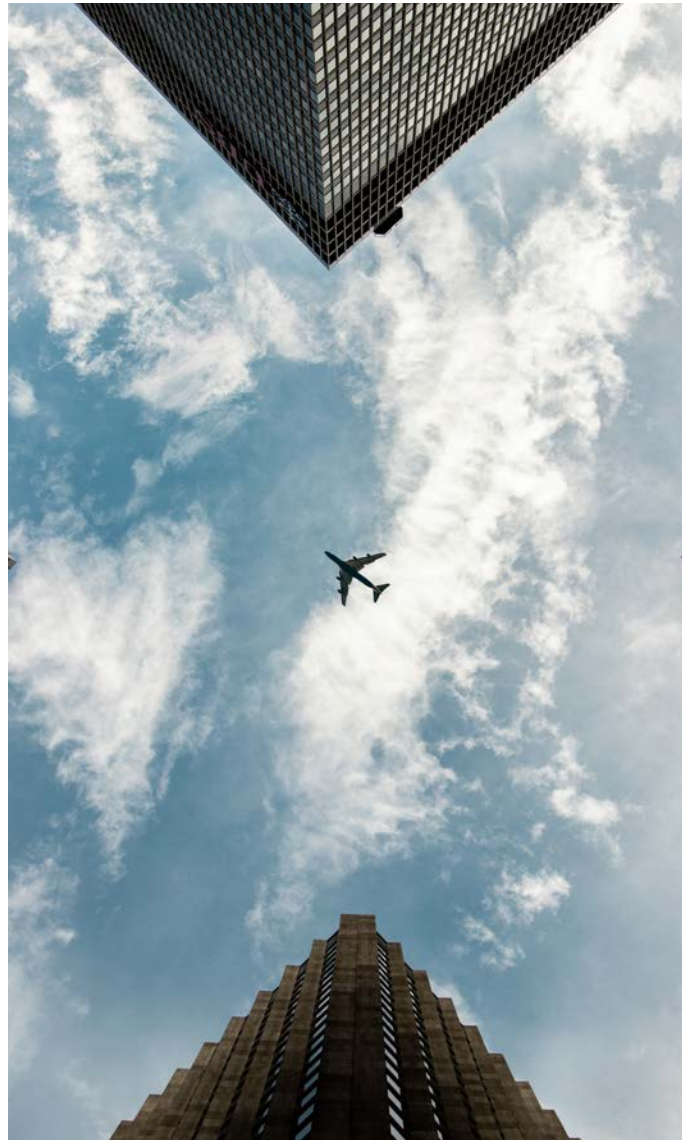


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Communicating Equity

To serve communities at the margins, you need to engage in meaningful dialogue with them. That means you have to know how to communicate equity.

What does it mean to communicate equity? It means doing more active listening than talking, and seeing yourselves as students just as much as teachers and resource providers. Your narrative strategy - your presence in communities, your branding, your marketing, your digital platforms, your processes and procedures - must be designed to ensure that those at the margins are considered from top to bottom.

Doing so is difficult, and many governments rarely care enough to make sure. However, for the unique situation the American Rescue Plan affords, these funds are meant to affect those who've been most affected by the pandemic crisis.

What this means: don't assume the funds will support equity if you don't communicate in partnership with marginalized communities.

To be a partner instead of simply a megaphone, here's what you need to consider.



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Communications 101

So, where do you start?

Marginalized communities have a history of mistrust when engaging with the government on any endeavor. To ensure equity, governments have a lot of work to do to foster trust and credibility in the margins of their municipalities. Cities need to be truly sophisticated and altruistic in the margins of the city.

First of all, you must be extremely clear **about the material benefits of the ARPA to the people you want to persuade.**

The audience demographic shapes the content of the message. If you're communicating to seniors, or millennial single moms, or construction workers, or health professionals, you need to make sure your strategies change based on your target audience. They're going to focus on different things, based on their context (lived experience, value systems, and the like.) You have to ensure your work prioritizes the people you're trying to reach.

You must not rely on a one-size-fits-all communication strategy.

There are many ways to display information to your community, and people's context influences how they

receive your message. A one-size-fits all strategy assumes that only one type of constituency - likely, the easiest to reach or the closest to traditional government services - are the only ones who the government believes needs the information. This is the wrong way to be equitable about this message.

You must include local leaders who can build + spread the message.

These leaders have the trust of the people, and can both inform the marketing strategy and be involved in its distribution. There are people who have specialized knowledge, relationships, and a city shouldn't rely on themselves to bring in the right partners to reach the right people.

You must have equity-centered storytellers who can craft the message.

Finally, it's important that you have a collection of people that specialize in storytelling strategy for the margins to make sure the strategy will support all of your constituents. Your community has to know as clearly and succinctly as possible about what the money can do for them. If they're not compelled, don't understand, and don't know how to act on the info, your process is dead in the water.

Before the Strategy

Before a communication strategy is conducted, one should:

- **Do a landscape analysis** to assess the current state of policy and public debate on the ARPA-related issues, map out what you know and don't know about the communities most in need of ARPA resources, and create a plan for answering the outstanding questions.
- **Check your organizing strategy** to ensure that it defines your short term and long term equity objectives and goals, key community organizations, credible messengers and user journeys.
- **Host listening sessions** in partnership with key community organizations and leaders in marginalized communities to hear exactly what they need in their own terms.

Additionally, make sure to define the administrative path before asking potential grantees or resource recipients to take the journey with you. Here are some things you should consider:

- **Make the path to accessing aid simple.** Make sure people know exactly what steps to take to access ARPA funds and where they need to go to access, fill out, and submit the required documents.
- **Design a straightforward user experience.** Whether aid is accessed online or offline, you must design an experience for people that is easy to understand, efficient, and free of stress. Extra consideration should be given to people who don't have internet access or prefer analog processes.
- **Make sure there aren't any [Dark Patterns](#) in your site.** These are tricks used in websites that make users do things they didn't mean, or assets on a website specifically made to manipulate people against their self-interest.



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Internal Communications

When it comes to ARPA work, there's the rare opportunity to bring government workers + institutions up to speed when thinking about how equity affects their work. Your institutions, your elected officials, and your administrators deserve to learn about why equity support matters. To ensure this, your people must engage in broader political education in how equitable policy is implemented.

Your city should have a communications point person. They should be figuring out who the subject matter experts (SMEs) are on the policy substance of ARPA, and have them work in close collaboration to translate dense, wonky policy info into tangible, conversational messages that sell the benefit and vision of your plan.

To do so, you should be able to ask yourself a collection of questions:

- **Who holds the power** over designing, implementing and the benefits from this policy?
- **What history exists in my municipality** that affects how they're dealing with COVID and its fallouts that we should understand as a government?
- What issues can funding support, and **which issues require more than simply a funding package?** And how can our government support doing more than just funding from the ARPA?
- **Who gets the largest bang for their buck** when obtaining increased funding through ARPA resources?

External Communications

How do you spread the word to folks outside your office?

They might have trouble trusting you, but your communities likely trust someone, whether they be activists, organizers, entrepreneurs, or leaders without a solid designation. These stakeholders built up the community relationships that support the needs of the people you're trying to reach. To make sure they care about the message, you might need a new messenger.

What should you do?

Build a framework for each municipality to form a comms plan that helps them delineate what these community groups are. Here are some important questions:

- What's the best way to get boots on the ground to get these messages out?
- Who has credibility among specific community groups, who could actually communicate to their communities in trustworthy ways?
- Who are the right people to be involved? Marginalized communities? Nonprofits? Activists? Entrepreneurs? Faith leaders? Who should be the key messengers?
- What from those funds are they going to be able to access? And how would they stand to benefit from accessing them?

Next, you must figure out the key distribution patterns for these communities. Where do they receive, and obtain, information? And how can you bring your message to where people are already at? You must find out the best in-person methodologies for distributing the information as well.

Need help determining your internal or external communications strategy? [Let's Chat.](#)



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Public Engagement

Why should you care about equitable engagement when processing your ARPA funds? **It's an opportunity to show who you're here for.**

Engagement strategies aren't only about the messages. It's important to note that marginalized communities — those who have experienced decades of exclusion, disempowerment, and the like — also hold a natural distrust of the governments' priorities. We don't have to tell you that local governments have the most direct state-sponsored impact on communities across the county. With this level of influence, it's essential to use this opportunity to make sure that you're a PART of the communities you'll aim to serve.

In name, the ARPA funds are supposed to support those most affected by the crisis. If you make the wrong decisions in HOW and WHO you disburse these funds to, you're revealing your priorities in your work: either making it harder for those adversely affected, or doing what both policy and office ask of you - serve the people who need it the most.

When it comes to Engagement, the important question becomes this: **How do you motivate and persuade people towards a common action?**

Let's discuss how we do it.



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At its core, here's what you need to remember when engaging with these stakeholders.

1. What is your personal relationship with the community you're influencing?

Before you can successfully build any engagement strategy, you need to be clear on who you are trying to serve. Often when we think about engagement, we only talk about the “external” mechanics, not the internal work - foundation building as critical preparation. You have to also discuss your internal relationship with the community you are wanting to mobilize whether that is an electoral base, a department, or a community.

2. How can you be as clear + transparent with the goal + process as possible?

While the process to achieve your goals can be flexible and involving, you have to be clear on your intended purpose and how you imagine achieving that purpose. We discuss this in regards to work-from home strategies.

3. How can you build trust throughout the process?

In traditional forms of engagement, especially between communities and “pop-up shop” organizations, you see the seeds of distrust - when organizations approach community spaces, gather the knowledge, and leave. Our framework requires early and intentional investments to build sustainable things not only within the teams but the communities they may serve.

4. How can you ensure everyone's context and relationship with ARPA is readily considered?

People do not show up as only one aspect of themselves. Therefore, when people interact with you and your group, you have to make sure that you all are having a conversation that considers where others are coming from - and what they have to offer.



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Coalition Building + Outreach

Why do coalitions matter to municipalities with ARPA funds?

You need to make sure you don't miss the target.

Coalitions can come from people with differences recognizing a common goal. Many people - old or young, blue collar or white collar workers, queer or straight, Black, Brown, and White, and countless other intersections - are likely to see an issue across their aisles. It can be violence and crime, it can be schools and education, or economic strife and urban planning - to build power on these issues, they can build groups.

The American Rescue Plan offers a chance to use these groups to best use these funds toward needs the community already recognizes as an issue. By building these convenings, groups have likely engaged with these issues:

Coalitions are likely thinking long-term. By reaching across the aisle to different organizations and communities, they're considering the deep structural roots of a particular issue.

They recognized, on these issues, they need more action - and more perspectives to address the problem.

Coalitions might be addressing immediate solutions.

Bringing people together gives them the opportunity to learn what issues directly affect more than others. Do those people need safety, or food, or mental health needs? Who's keeping people alive, safe, and sane, and how can you support them?

Coalitions are likely thinking systemically + laterally. When gun violence hits a community, who's on the front lines? Who's available to make the connections in a way a government office wouldn't expect? Instead of thinking long-term, they've likely built infrastructure that can make sure people live another day. Those are powerful opportunities for governmental support.

To ensure you're engaging with projects that support, sustain, and build the future, your engagement has to meet community members where they are and rebuild that trust towards things they care about. This means a critical question has to be asked: who holds the trust of the communities you aim to help? Just because you're a minority mayor doesn't mean you know exactly who can or is doing the work that ARPA can reliably support.

Here's a potential method: you can hold House Meetings. During the Civil Rights era, coalitions were formed - literally in houses - to build the next steps for a vast collection of strategies. These are meetings where the grassroots experts feel safe and comfortable (on their turf!) to find a way to support their work.

Why would you hold these meetings?

- **To build trust and relationships:** Moving from community constituents to specificity, and strengthening networks to turn out an pro-issue equity constituency;
- **To identify leaders who can help build the movement:** to identify new constituents who want to activate around your campaign, and to make progress toward building power to act for your agenda;
- **To surface issues that are important in your community:** Hearing real stories, and identifying common interests to better serve your community, AND
- **To establish a common understanding of how the group can work together:** Provide clear next steps toward public action.

On the other hand, there are some pitfalls you should look out for.

- **Don't make assumptions based on shared identities.** Not everyone from a specific identity holds the same perspective. Make sure to learn people's real perspective, supported from data, instead of assuming opinions.
- **Coalitions might come from communities you might not expect.** Many advocates are invisible, yet connected to the issue. Are you prepared to support a community you didn't expect, and how can your support better align with those advocates?
- **Recognize the history of relationships in your district.** Who's worked together? What organizations have baggage? Who's trustworthy, who's useful? And, how do you use it?

Need help determining your public engagement + coalition building outreach? [Let's Chat.](#)

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Evaluation + Reporting

With so many pressing needs that the COVID-19 pandemic has illuminated, determining where your entities' ARPA funds goes can seem like an arduous task. How do you prioritize which needs are addressed? How do you engage the people of your city in the process of allocating funds? Evaluation of fund allocation and building equity into this process - from beginning to end - is essential to ensure equitable outcomes.

There are many steps to a rigorous evaluation process including:

- Managing your evaluation process.
- Defining what is to be evaluated.
- Framing the boundaries for the evaluation.
- Describing activities, outcomes, impacts, and context.
- Understanding causes of outcomes and impacts.
- Synthesizing data from the evaluations, and
- Reporting & supporting use of the findings.

At each stage of this process - from set-up to application - determining the value of the work is shaped by equity. The core definition of any evaluation - determining value - requires understanding how the funding + process offers value to whom, in the first place.

So, where do you start?

First, let's talk about the front-end of evaluation - for this, you will need to center the stakeholders and a mechanism for proposal gathering. Here's where you start.

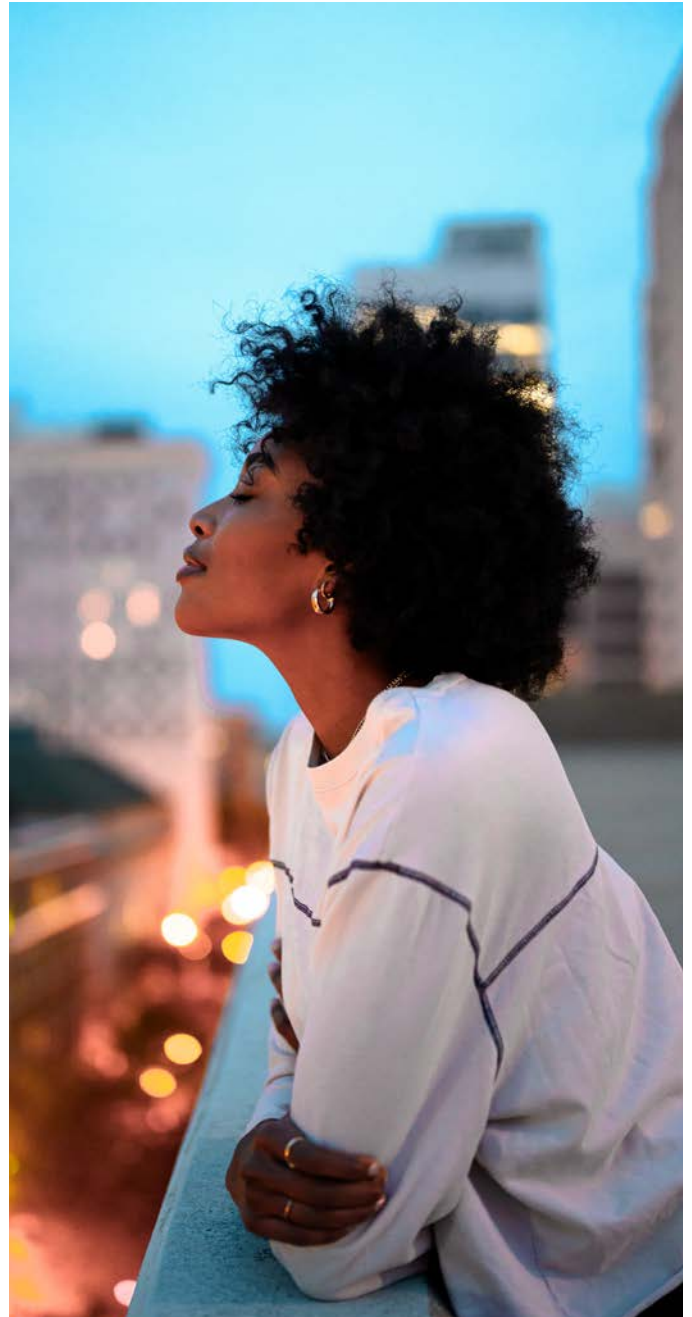


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Front-End Project Evaluation

How do you decide what to support?

After you've spread the word about your equity plans, engaged with community members, and made outreach on different communities, you should have a bevy of potential projects to support using your ARPA funds. This begs the question: how do you decide what you can do with the work?

A key step in deciding where your funding should be allocated is in identifying stakeholders. Who are the people that will benefit from this funding? Who are people that have specific community insights to inform what initiatives need to be funded? This is done by engaging the community.

Community input and engagement at the forefront of plans for spending ARPA funds is essential. Cities and municipalities have done open community forums where members are given a certain amount of uninterrupted time to voice their view for how funds should be spent and other entities have facilitated a collection/application period for proposals.

The key component here is engaging the community and gathering enough knowledge to evaluate the most urgent/significant needs. Here are a couple of examples of innovative front-end evaluation processes:

- In identifying stakeholders, an online survey could be initiated to gather feedback on high priority needs as the response and recovery continues.
- City staff can evaluate project proposals from the public utilizing a standardized evaluation tool to ensure fair and complete evaluation of all projects, including the identification of measurable outcomes for all proposed projects.
- Initiate a **listening tour** to gather information and feedback from various groups and topics directly impacted by the pandemic. This could include roundtables focused on housing, access for persons with disabilities, Black and Latino business owners, workforce impact, business impact, education, and others identified by the City and the State that will allow for deeper discovery of needs in the community.
- You can also include stakeholders and consultants in a process to find strategic relationships between the various projects and ideas. Many of these community members are likely thinking only about their projects' viability; by thinking about how they can connect with others, conversations about the best + highest use for funds is also possible.

Back-End Project Evaluation

Now, you've disbursed the funds, and the projects have been moving. How do you **actually determine the impact of the projects you've funded?**

The American Rescue Plan requires several key reports: Interim, Expenditure, and Recovery Plan Performance Reports. In each of these assets, you'll need to explain the value of your work in-depth and navigate reporting + compliance needs.

Folks at the margins that receive federal funds to support their work can see evaluation + reporting as a burden. They rarely get a chance to determine the metrics that matter to them, common evaluation methods don't easily track or make sense to funders, and the evaluation usually is the last (and administratively heavy) thing that keeps them from the funds they need.

What does that mean? It means equity-centered municipalities need to move from being bureaucratic burdens to becoming supporters and advocates. Your municipality needs to learn how to navigate administrative needs while making sure, as much as technically possible, that those needs don't keep your partners from doing the groundwork.

How can you do so?

The Right Methods.

There are a few different forms of project evaluation that could prove useful for the initiatives your city funds:

Qualitative Research, which focuses on the value of the experience as an important part of understanding the effort; **Community-based participatory research (CBPR)**, which uses dialogue among community and partners to produce

knowledge and guide the actions taken by a group or community, and **Empowerment Evaluation**, which aims to assess the effort worthwhile improving the community's desire and ability to take care of its own problems.

The Right Metrics.

Have your stakeholders involved in what success looks like - for them and for others. These and other types of research actively involve community members in designing and conducting the evaluation, which includes your proxies for success.

Whatever evaluation tools you use, it will be important to plan to utilize Performance Metrics and Financial Reporting such as:

- Aggregate number of full-time equivalent positions (FTE) paid for by program area
- Aggregate number of persons served by funded activity/program area
- Aggregate number of services provided with funding from the program area
- Aggregate number of people served by age by activities funded by program area
- Number of patient visits by program area

The Right Advocacy.

Reporting the value shouldn't keep people from doing the work. You definitely need to report how tasks are being completed, but you can't let reporting keep your local partners from doing it well.

Need help equitably evaluating your projects and office?
[Let's Chat.](#)

Framework for Reporting + Compliance

Now that you've gone through the process of equitably supporting the pressing issues of your community in need, you not only want the work you've done to be documented thoroughly, but also in compliance with the [guidelines of the U.S. Department of the Treasury](#). Although you were given agency in the initiatives your municipality chose to fund, when it comes to reporting, the U.S. Department of the Treasury has set guidelines on what information should be included and how that information should be structured and organized.

Essentially, if you don't get reporting correct, then all of the work supporting your team will be naught. But have no fear, we are here to guide you through the dos and don'ts of reporting and compliance!

Let's start with a checklist of what type of information you need on hand to begin filling in your report:

- Read through and become comfortable with the General Guidance & Reporting Requirements from the [U.S. Department of the Treasury Recipient Compliance and Reporting Responsibilities](#). This guidance document is straight from the source and lays out all of the necessary components in each type of report that your municipality and all its sectors are required to include.

- Gather your records of supporting determinants of costs, requirements, award management, and subrecipient oversight.
- Make note of your reporting timeline, there should be plans to execute the initial interim report, the quarterly report, and/or the annual project and expenditure report.
- Make sure you know the types of reports you are required to submit based on your municipality classification:
 - The Interim Report is a one-time report that gives an overview of status and uses of funding.
 - The Project and Expenditure Report gives an account of the projects funded, expenditures, contracts, and subawards over \$50,000.
 - The Recovery Plan Performance Report gives information on the projects that large recipients are pursuing with the funding and their strategy for how program outcomes are met in an equitable manner.

With all your records on hand and an accurate reporting timeline, you're ready to draft up your report.

Need help drafting your reports with assurance that they're in compliance ? [Let's Chat.](#)

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Even equipped with these guidelines, there are still a number of obstacles that you could likely encounter. Although every city and locality will look different, these are some of the most common considerations to keep in mind.

Politics and Decision-making Authority.

States and cities have different laws regarding which authorities must approve ARPA plans, and this can either be a bane or boon. Some equity-minded planners will face an uphill battle to get city councils, zoning boards, or state legislatures on board, and others may find allies and champions. Having a good understanding of the priorities and pressure points of the different decision makers that must approve funding will help ease the process and promote compromises.

Community:

Even if your local authorities are united behind an ARPA plan, convincing key constituents may still be challenging even with the best community outreach strategy. There may be community groups, nonprofits, volunteer organizations, or other constituent blocs that oppose some of your proposed ideas and policies. It is important to engage these groups early and consistently to foster trust and communication to try and reach a consensus before your municipality incurs organized resistance to its plans.

Accountability and Transparency:

Having a well-established system for accountability and transparency will help prevent significant political and community pushback, but it's also easier said than done. With ARPA poised to be the largest infusion of federal dollars into in decades, there will almost certainly be some confusion in reporting, record-keeping, and communication. Anticipating problems will help your municipality be prepared to respond to issues as quickly and openly as possible to relevant groups.

Audits:

Contemporaneous reporting, evaluation, and record-keeping isn't just good for public relations, but absolutely essential for getting through a potential government audit. Many localities will face problems getting various contractors to comply with and submit key reporting requirements even with the most accessible forms and mechanisms, so it is critical for your municipality to come up with a contingency plan to back up and retrieve all relevant records on the process in the event of an audit.

Pivoting:

Sometimes even the best-laid plans just don't work out. Equitable ARPA proposals can sound great on paper but can fail for any number of reasons, and the important, and difficult, thing for your municipality to do is pivot as soon as possible. ARPA funds do not have to be spent immediately, so your municipality should consider meting out funds in smaller installments and scheduling regular evaluations too. This way, if a project does not seem to be delivering results for the folks who need it most, you will still have time to re-orient the funds towards your intended purpose before they dry up.

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The ARPA is a rare opportunity to rebuild and repair our foundations instead of simply slapping on a new coat of paint.

The pandemic, as Arundhati Roy stated, is a portal. Sometimes, it takes unprecedented times and experiences to shake us right, and remind us of what really matters. In those situations, everyone across the globe recognizes that nothing will ever be the same, and they pledge to make sure we take care of ourselves in the process.

Now, more than ever, we need leaders to keep their promises. The ARPA is a chance to do just that. That means, however, that we have an opportunity not only to be **firefighters offering relief, but architects of our future society.**

Above, we've outlined critical skills, tools, and services for you to consider as essential while you're fixing the inequities, problems, and mistakes of administrations past.

Clearly, you're at the helm to support that work. As an organization, we recognize that some of the most powerful decisions to reshape the social fabric of a city lies with its executive branch.

There's a lot we've discussed in this document, but we've barely scratched the surface of what we can do for your municipality. There's an important difference between knowing what to do and having the capacity, the infrastructure, and the temerity to rigorously implement the American Rescue Plan that your community needs. Think Rubix and other consultants can help you reach the communities you need.

We hope these tools will help you rebuild your blessed city. We'll be here to support however we can.

Ready?

We've Got Work To Do.

[LET'S CHAT](#)



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