

# CITY COUNCIL COMMUNICATION



**MEETING DATE:** January 11, 2022

**ITEM NUMBER:** 12.A

**SECOND READING:**

{{customfields.ResoOrdNumber}}

**TYPE OF ITEM:** General Business

**PRESENTED BY:**

Harold Dominguez, City Manager, [Harold.Dominguez@longmontcolorado.gov](mailto:Harold.Dominguez@longmontcolorado.gov)

**SUBJECT/AGENDA TITLE:**

American Recovery Plan (ARPA) Update and Funding Proposal

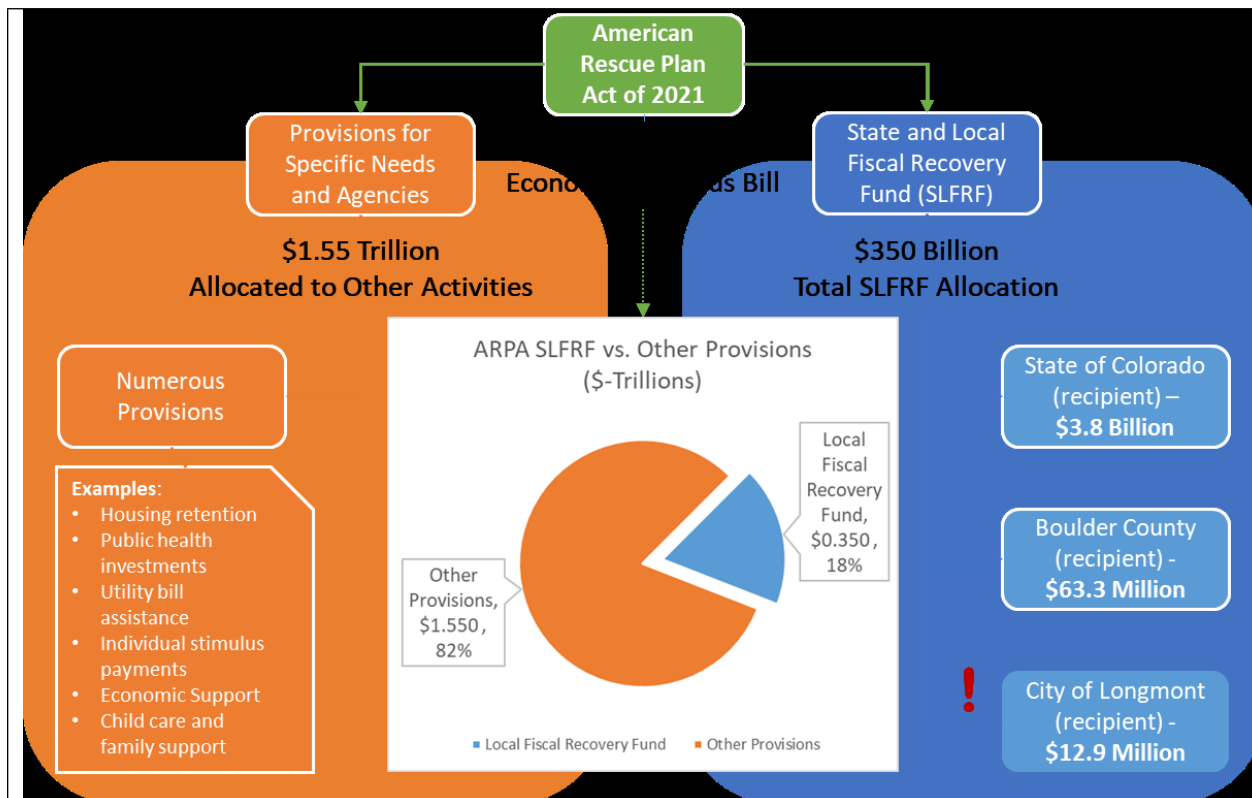
**EXECUTIVE SUMMARY:**

The American Rescue Plan Act of 2021 (ARPA) is a \$1.9 trillion coronavirus rescue package designed to facilitate the United States' recovery from the devastating economic and health effects of the COVID-19 pandemic. Funding is designated for Federal, State and local agencies to assist the public with a variety of needs from housing to infrastructure to utility assistance and many others. For more information on ARPA's individual assistance programs, refer to the white house page about the plan: <https://www.whitehouse.gov/american-rescue-plan/>

ARPA allocates \$12.9 million to the City of Longmont through the State and Local Fiscal Recovery Fund (SLFRF, or "the local recovery fund") provision of the act. We received the first half in June 2021 and will receive the second half in June 2022. It is a long-term recovery (LTR) fund that is active through the end of 2024 (with provisions through 2026 if necessary for final payments on projects).

On July 27 2021, staff presented an overview of the ARPA program. Staff provided City Council with a quick reference document that provided a summary of eligible uses of Longmont's allocation of the State and Local Recovery Fund ("SLRF" or "local fund").

One of the key points in the document was how the funds were going to be allocated across all levels of government as can be seen in the following diagram:



A key point that was discussed during this part of the presentation, was maximizing the use of other federal funding sources and not necessarily spending Longmont’s local funds on projects that had direct non-competitive funding sources at the Federal, State, or County governments. Staff are continuing to look for other sources of federal dollars to help Longmont residents and businesses. For example, the City is working with Boulder County and the OUR Center (in partnership with Energy Outreach Colorado) to assist residents with utility bills, funded through their ARPA allocations.

Specifically, the document in July outlined the following three paths to eligible spending:

- Safe-Harbor Spending Categories
- Equity-Focused Projects in Qualified Census Tracts
- Unique Project Proposals

During this conversation with City Council, staff outlined how these funds can be invested in our community in a way that creates a long-term benefit and long-term return on the investment of these funds. Council gave a general preference to fund projects that can continue to provide benefits well after the spending period ends or seed transformation change in our community.

Council directed that staff should continue to evaluate projects that fall into the following categories:

- Affordable Housing
- Healthy Childhood Environments
- Organizational Capacity and Data Management
- Whole Neighborhood Projects
- Household, Business and Individual Assistance

Staff created teams to focus on the aforementioned focus areas and create an intersection between the ARPA eligibility categories, City Council's direction, our department work plans, and the known needs in the Community. The teams were cross organization groups that brought specific experience to each of the focus areas.

The teams then made proposals to the City Manager with their funding requests. In total, the teams submitted \$65,101,153 request which significantly exceeds Longmont's \$12,900,000 allocation. The following is the total funding request by subject area:

- |   |              |
|---|--------------|
| • Affordable Housing                            | \$22,992,183 |
| • Whole Neighborhood Projects                   | \$21,008,370 |
| • Organizational Capacity and Data Management   | \$3,503,000  |
| • Healthy Childhood                             | \$13,650,600 |
| • Household, Business and Individual Assistance | \$3,947,000  |

Based on the information that staff presented, I developed the following recommendation for City Council to consider regarding the utilization of Longmont's ARPA allocation and existing funding that has been approved in the budget process. The two areas where I had to utilize funding sources outside of ARPA was from the Affordable Housing Fund and General Fund for Early Childhood Education. In order to see the full impact in these two project areas, the funds needed to be combined. The category of Household, Business and Individual Assistance was combined with Organizational Capacity and Data Management projects, as we are working to leverage other funds to assist in this category and request staffing to assist residents with connection to these funds.

| Summary Total Allocation |            |
|--------------------------|------------|
| Funding Source           | Revenue    |
| General Fund             | 750,000    |
| Housing Fund             | 3,000,000  |
| ARPA Fund                | 12,900,000 |
|                          | 16,650,000 |

| Project Category                        | Expense           |
|---|-------------------|
| Affordable Housing                      | 11,850,000        |
| Healthy Early Childhood                 | 1,225,000         |
| Whole Neighborhood Projects             | 2,250,000         |
| Organizational Capacity Data Management | 1,325,000         |
|   | <b>16,650,000</b> |

| Affordable Housing Category |                   |
|-----------------------------|-------------------|
| Fund                        | Revenue           |
| Housing Fund                | 3,000,000         |
| ARPA Fund                   | 8,850,000         |
|                             | <b>11,850,000</b> |

| Affordable Housing Projects      | Expense           |
|----------------------------------|-------------------|
| Sunset Heights--Element          | 1,300,000         |
| Crisman Development              | 800,000           |
| Affordable Assisted Living       | 1,700,000         |
| LHA Hover Property               | 1,300,000         |
| Project Mustang--Affordable      | 1,500,000         |
| NextLight Bulk Agreements        | 225,000           |
| Unhoused option                  | 1,500,000         |
| Royal Mobile Home Purchase       | 1,500,000         |
| STEAM Purchase Royal Mobile Home | 1,500,000         |
| Staff Development/Finance        | 525,000           |
|                                  | <b>11,850,000</b> |

| Healthy Early Childhood Category |                  |
|----------------------------------|------------------|
| Fund                             | Revenue          |
| General Fund                     | 750,000          |
| ARPA Fund                        | 475,000          |
|                                  | <b>1,225,000</b> |

| Early Childhood Projects | Expense          |
|--------------------------|------------------|
| Data Collection/survey   | 225,000          |
| Early Childhood Health   | 500,000          |
| Child Care assistance    | 500,000          |
|                          | <b>1,225,000</b> |

| Whole Neighborhood Category |           |
|-----------------------------|-----------|
| Fund                        | Revenue   |
| ARPA Fund                   | 2,250,000 |
|                             | 2,250,000 |

| Whole Neighborhood Projects       | Expense          |
|-----------------------------------|------------------|
| Expand Programing Support         | 750,000          |
| Community Resilience and Recovery | 750,000          |
| Neighborhood Enhancement          | 750,000          |
|                                   | <b>2,250,000</b> |

| Organizational Capacity/Data Management |           |
|---|-----------|
| Fund                                    | Revenue   |
| ARPA Fund                               | 1,325,000 |
|   | 1,325,000 |

| Organizational Capacity Projects | Expense   |
|----------------------------------|-----------|
| Neighborhood Engagement Portal   | 200,000   |
| Customer Relation Management     | 300,000   |
| LGMT Caring Community            | 250,000   |
| Program staff                    | 575,000   |
| Individual Assistance Liaison    |           |
| ½ FTE Accountant                 |           |
| Self Sufficiency County Funding  |           |
| Business Assistance - Parklets   |           |
|                                  | 1,325,000 |

## COUNCIL OPTIONS:

1. Direct staff to continue with the projects presented
2. Direct staff to adjust the allocations presented

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**RECOMMENDED OPTIONS:**

Option 1 and give staff the ability to adjust allocations within the specific categories. Staff will bring any category adjustments to Council for review.

**FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:**

This plan will utilize the American Rescue Plan Act funding of \$12.9 million.

**BACKGROUND AND ISSUE ANALYSIS:**

None

**ATTACHMENTS:**

None