

RESOLUTION NO. 2021-64

RESOLUTION APPROVING THE USE OF FISCAL YEAR 2021-22 AMERICAN RESCUE PLAN ACT FUNDS AS RECOMMENDED BY A SUBCOMMITTEE OF THE CITY OF FOREST GROVE BUDGET COMMITTEE

WHEREAS, the Budget Committee appointed a subcommittee to make recommendations of the twenty percent of Fiscal Year 2020-21 American Rescue Plan Act (ARPA) funds for: 1) support public health expenditures; 2) address negative impacts caused by the public health emergency; and 3) provide premium pay for essential workers; and

WHEREAS, the subcommittee has reviewed various options and is recommending three programs to the City Council for the expenditure of these ARPA funds; and

WHEREAS, these ARPA funds are available for immediate expenditure.

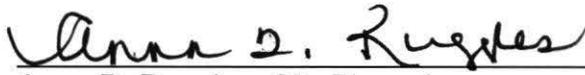
NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1: The following funding is approved:

- A. \$300,000 for a Small Business Assistance Grant program. Staff is authorized the final details of the program and contract for the administration of the program.
- B. Up to \$5,000 per month (total of up to \$120,000) for the Forest Grove Foundation to a lease a facility for an essential services hub. If they find a building to purchase during those two years, the Foundation can use the balance of the lease funds not spent to help purchase the building (i.e. down payment) if it permitted to do this with ARPA funding.
- C. \$147,000 to Habitat for Humanity for critical home repairs and home repair services for low-income, elderly, disabled and veteran families in Forest Grove affected by COVID.

Section 2: This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 13th day of December, 2021.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 13th day of December, 2021.



Peter B. Truax, Mayor

CITY RECORDER USE ONLY:

AGENDA ITEM #: _____

MEETING DATE: 12/13/2021

FINAL ACTION: RESO 2021-64

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *December 13, 2021*

PROJECT TEAM: *Paul Downey, Administrative Services Director*

SUBJECT TITLE: *Budget Subcommittee ARPA Funding Recommendations*

ACTION REQUESTED: Ordinance Order Resolution Motion Informational

X all that apply

ISSUE STATEMENT: The Budget Subcommittee assigned with the task of making recommendations on how to spend the 20% of the City’s American Rescue Plan Act’s (ARPA) funds allocated to: 1) support public health expenditures; 2) address negative impacts caused by the public health emergency; and 3) provide premium pay for essential workers. \$567,000 in FY 2021-22 ARPA funds was allocated for these funding areas. The subcommittee has recommended funding three specific programs that address the negative impacts caused by the public health emergency. Most of the ARPA funds for this purpose have been budgeted. The City will need to budget additional ARPA funds that were received after the original FY 2021-22 Budget had been adopted. Staff has prepared a resolution for Council consideration approving the programs recommended by the Budget Subcommittee. If approved, staff will work on negotiating contracts so the funds can start being used in the community.

BACKGROUND: Originally, the City was to receive \$2,604,284 in ARPA funds in FY 2021-22 but that amount was increased to \$2,836,256 after the FY 2021-22 Budget was adopted. The City will receive another \$2,836,256 in FY 2022-23. Tonight’s decision only considers ARPA funding received in FY 2021-22.

The subcommittee met several times over last six months. After reviewing what other programs were going to be funded by other government agencies using ARPA funds, the subcommittee is recommending that the City funds be used to address negative impacts caused by the public health emergency. Premium pay for essential workers was discussed but in the end the subcommittee decided that funds to be recommended for small business assistance could be used to help businesses retain workers which is currently a key issue. As potential funding was being considered, staff recommended to the subcommittee that any program recommended for funding would not take a lot of staff time to administer. The subcommittee recommended the following funding by a 4-0 consensus with one member being absent:

- \$300,000 for a Small Business Assistance Grant program similar to the Cornelius program. The subcommittee would like to help businesses with employee retention with the grant program and recommended that the City have an organization such as Micro Enterprise Services of Oregon (MESO) manage the program.
- Up to \$5,000 per month (total of up to \$120,000) for the Forest Grove Foundation to lease a facility for an Essential Services Hub for up to two years. If they find a building to purchase during those two years, the Foundation can use the balance of the lease funds not spent to help purchase the building (i.e. down payment) if it permitted to do this with ARPA funding.
- \$147,000 to Habitat for Humanity for critical home repairs and home repair services for low-income, elderly, disabled and veteran families in Forest Grove affected by COVID.

Staff has spoken with each of these agencies.

Staff met with Carmen Madrid of Micro Enterprise Services of Oregon (MESO) about potentially assisting the City with the Small Business Assistance Grant program. MESO is administering Cornelius' program which is attached to this staff report and is similar to the program that Forest Grove is considering implementing. MESO is interested in administering a program for Forest Grove. MESO asked about using some of the funds for technical assistance training for small businesses. Staff told MESO at this time the funds were allocated for direct business assistance. MESO would charge an administrative fee to administer the program. MESO is charging Cornelius 7.5% of the total funding available as a comparison. One question to discuss with MESO is who will do the advertising for the program. For the Cornelius program, Cornelius did the advertising and MESO administered the program.

I met with Shawn Cardwell, Executive Director for the Forest Grove Foundation which has been looking for a site in or close to Forest Grove for the essential services hub and is getting assistance from a commercial broker. Have looked at a few sites and the rental assistance will certainly help with the process. One question Shawn asked if the lease is less than the up to \$5,000 per month allocated for the 24 months, can the difference be used to help with utility bills or possibly purchase furnishings or equipment. I told him I would ask that the question of the Council.

Staff met with Virginia Ohler, Executive Director for Habitat for Humanity (HFH), and Val Valfre, Board Member for HFH, about the \$147,000 awarded to HFH. They indicated they have \$94,000 of repair requests currently in their queue. Use a sliding scale for repairs for low income, elderly, and disabled at or below 80% of the County's Area Median Income (AMI). Currently 80% of repairs done by HFH are for people who at or below 30% AMI and housing expense is about 50% of their income. A major repair for HFH is \$5,000 or more and may be items like wheelchair ramps. HFH does not do repairs on rental properties.

HFH has brought on skilled repair staff as contractors are getting difficult to find. They asked if using hired HFH staff to do repairs would be acceptable and I indicated that it would be acceptable. They have an in-house Program Manager certified by Aging in Place and have developed a comprehensive intake process. Other questions HFH asked were: 1) would the City require repayment for housing repairs if the house is sold within a certain period of time; and 2)

what would the City require for determination of if a household was affected by COVID. Staff's initial response of repayment for repairs is that since the repairs are intended to emergency repairs or smaller regular repairs, the City would not probably not require repayment. As for being affected by COVID, the City would accept self-certification of being affected by COVID particularly if somebody is already at 30% AMI.

FISCAL IMPACT: There is no impact to the City's regular operating budget as these funds will come from ARPA funds received in the current fiscal year.

STAFF RECOMMENDATION: Staff recommends that the Council approve the attached resolution.

ATTACHMENT(s):
Resolution