

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: November 18, 2024
Reviewed by: NA

SUBJECT: American Rescue Plan Act (ARPA) Program Update

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SUMMARY

This staff report provides a status update on programs and services funded by the American Rescue Plan Act of 2021 (ARPA).

STAFF RECOMMENDATION

That the Council receive an update on programs and services funded with ARPA.

BACKGROUND

On March 11, 2021, the federal American Rescue Plan Act (ARPA) was signed into law. The ARPA provides aid to state, tribal, and local governments for public health and economic recovery due to COVID. As a non-entitlement unit of local government, the City of Albany was allocated \$4,711,702 in ARPA funds. The City Council approved a total of \$4,681,702 of ARPA funding to create a Temporary COVID Public Assistance Program and Small Business Assistance Program that included staff support. The Temporary COVID Public Assistance Program included funding for the expansion of services provided by Albany Project HOPE, a grocery distribution program, an afterschool subsidy program, rental assistance and financial stability and debt relief programs. The Temporary COVID Small Business Assistance Program included funding for different types of grants, the eGift card program, business related events including the Solano Stroll and Stroll-ish events, and business marketing and promotion.

DISCUSSION

The Council received an update on programs implemented with ARPA funds in October 2023. As suggested in US Department of Treasury guidance, staff is to give an update on ARPA funded programs annually.

Temporary COVID Public Assistance Program

1. Community Grocery Program (2022-2024)

The Albany Community Grocery Program began in February 2022. As of September 2023, the program has provided \$75 grocery gift cards on the first Friday of each month to income eligible Albany households. The income limit for participation is based on the United States Department of Housing and Urban Development (HUD) Income Limits for Alameda County. Participants complete a one-page application and must show proof of an Albany address. From the initial community grocery program that distributed bags of food and essential items to the current grocery card program, program participation has continued to grow steadily. Currently, 207 households are signed up to participate in the program. In the period between September 2023 to November 2024, 2622 grocery cards were distributed.

Separately, Mercy Brown Bag participants at the Albany Senior Center also receive a \$25 grocery card on the first Friday of the month to supplement their groceries. In the period between September 2023 to November 2024, 553 grocery cards were distributed to seniors through the Mercy Brown Bag program.

2. Friendship Subsidy Program (2022-2026)

The Friendship Club is the City's afterschool program for children entering 1st through 5th grades which runs 5 days per week during the school year at Ocean View Park and Memorial Park. The monthly cost for the 5-day per week program is \$465 per child. Friendship Club currently provides afterschool services to 79 children. The Friendship Club Subsidy Program was launched in May 2022 to provide financial subsidies to income eligible Friendship Club families who reside in Albany. Families participating in the Friendship Club after-school program apply for the subsidy as they complete the enrollment process. Income eligibility limits are based on the HUD Income Limits for Alameda County. Depending on their income level (categories include low, very low, or extremely low), eligible families can receive up to 75% off their monthly fees. Documentation of income and Albany residency are required.

During the 2023-2024 school year, 6 children from 5 families were approved for the Subsidy Program. Based on income level, 4 families received a 50% or 75% subsidy. For the 2024-2025 school year, 9 children from 8 families are currently participating in the Subsidy Program. Similar to the previous year, all but one of those participating families are receiving either a 50% or 75% discount off their monthly tuition.

The Subsidy Program has continued to include Friendship Summer and Seasonal Camps, as well as the Junior Counselor Program. Income-eligible families living in Albany receive a 50% discount code to be applied at the time of registration. From September 2023 through November 2024, 41 children participating in Friendship Summer and Seasonal Camps and the Junior Counselor Program (from 25 different families) benefitted from the Subsidy Program. Half of those children participated in 2 weeks of programming or more.

3. Albany Project HOPE Expansion (2021-2026)

ARPA allocations have helped to expand the services provided by Albany Project HOPE (Housing Opportunities Expanded), the City's outreach, engagement, case management and housing services program for people experiencing homelessness administered by Insight Housing, formerly the Berkeley Food & Housing Project. Expanded services include the leasing of a second house for up to four clients, additional Rapid Rehousing rental subsidies for up to 6 new clients for a duration of 12 months, emergency hotel stays for 4 clients for 7 nights, flex funding for program and outreach expenses, assistance with move-in costs, supplies and food costs. To date service levels have remained consistent. Insight Housing continues to work with Albany CARES, the Police Department and others throughout the City to respond to the needs of individuals experiencing homelessness in Albany.

4. Financial Assistance Program (2023-2025)

The Financial Assistance Program includes two components, the Rental Assistance Program and the Financial Stability and Debt Relief Program. Using ARPA funds, the financial assistance program was launched in April 2023 to assist low-income tenants impacted who are experiencing a temporary financial setback and are at risk of becoming delinquent on rent or who have fallen behind on rent. The program also assists low-income tenants who have accumulated 'shadow debt' to keep up with their rent, pay for food and other household expenses or navigate an unexpected financial setback. Income eligibility limits are based on the HUD Income Limits for Alameda County. The City has retained the services of ECHO (Eden Council for Hope and Opportunity) Housing to administer the program with planning support from Albany CARES and the Recreation and Community Services Department.

After completing a pre-screening call with Albany CARES staff, clients are referred directly to ECHO Housing to start the application process. Tenants that have received notice of eviction proceedings are prioritized. Tenants must reside in Albany, meet income eligibility requirements, and complete the application process, including providing ID and documentation of household finances. Clients are also asked about their plan for maintaining their rent after receiving assistance. ECHO Housing works closely with each client to verify their eligibility, provide initial financial counseling, assess their unique situation to determine whether a client's situation qualifies for rental assistance or debt relief and an appropriate grant award.

For the rental assistance option, the maximum grant amount per household is six months of future rent or \$21,000. The rental assistance is paid directly to the landlord on behalf of the tenant unless an exception is approved. Assistance for a security deposit and the first 2 months of rent for a more affordable living situation may also be approved. For the Financial Stability and Debt Relief option, tenants can receive up to three months of future rent not to exceed \$10,500 allowing renters to use other income to pay off their debt. Debt Relief grants are coupled with some initial financial counseling and development of a signed action plan to ensure individuals' unique situations are addressed and financial stability is cultivated.

To date Albany CARES staff has referred 109 tenants to ECHO Housing to start the application process. Of that group, 55 tenants have been approved for financial assistance. Of the 55 clients that have been approved for financial assistance by ECHO Housing, 8 have received debt relief grants designated specifically for addressing their accumulated debt. There are currently 6 cases pending and 48 applications were closed due to incomplete information and/or found to be ineligible.

Temporary COVID Small Business Assistance Program

1. Business Grants

The City has administered five grant programs to help address specific needs identified within our business community with a total of 88 grant awards to date. The grant programs have been well received. Staff continues to promote grant opportunities through direct outreach to our business community.

- Business Façade Improvement Grant (2024-2025)

This month, the City has launched its final ARPA-funded business grant program. The goal of this grant program is to incentivize façade treatment to increase customer visits and commercial vitality. Properties eligible for improvement are commercial buildings located in Albany's commercial areas of San Pablo Avenue and Solano Avenue.

- Business Attraction Grant (2024-2025)

The Business Attraction Grant is intended to attract new businesses in Albany, fill vacant spaces in commercial areas, and give business owners financial support to overcome startup and facility upgrade costs as they look to grow their business in Albany. One business that has been preapproved for the grant has opened and been awarded funds. An additional five businesses have been preapproved for the grant and are anticipated to be awarded grant funds this fiscal year.

- Parklet Grant (2023-2025)

The Parklet Grant is intended to assist businesses with parklets and the business community as a whole by offering financial support to bring the parklets up to code, both in design and safety compliance. A total of 5 businesses have been awarded funding. 3 other businesses will be awarded grant funds pending completion of the parklet.

- Window and Door Repair Grant (2023)

The Window and Door Repair Grant was established to support businesses and nonprofits impacted by an increase in crimes of vandalism and break-ins over the Winter months. 13 Albany businesses with storefront properties were able to apply for up to \$2,500 in reimbursement funds on repairs to windows and doors damaged due to vandalism and break-ins.

- COVID Small Business Assistance Grant (2022)

The COVID Small Business Assistance Grant Program was launched on April 8, 2022 to help Albany small businesses that endured long, mandated closures, as well as other businesses in the community that were hardest hit by the pandemic. Grants ranging up to \$20,000 were awarded to 67 businesses. Grant awards were based on tiered criteria that gave preference to businesses that were closed due to state mandates for long periods of time.

2. Events in Commercial Areas (2022-2025)

The City hosted and assisted in the hosting of several events in our commercial areas. This included Boheme Out of the Box, the Albany Juneteenth Celebration, the Picnic Holiday Makers Market, Solano Avenue Association seasonal sidewalk events, and the Solano Avenue Stroll.

3. Business Marketing (2022-2026)

The City has also engaged in advertising efforts to promote Albany's commercial areas with the eGift Card program (2022) during Albany Local Week, news stories and sponsored advertising, social media advertising, and street banners installed along Solano, San Pablo and Buchanan Avenues.

ANALYSIS

The temporary COVID Assistance programs have been impactful in aiding small businesses and residents most in need that have been adversely affected by the pandemic. The extended timeframe of ARPA funding through December 31, 2026 does allow for some of the programs to have an extended implementation period which will result in greater overall program impact. However, due to the temporary nature of the funding, continued planning and use of staff resources are a priority. It takes significant time and effort to implement vigorous assistance programs, and once established, programs need to be managed with specific attention to timing of phasing out programs gradually with minimal impact to residents and businesses who depend on them. Given the limited nature of ARPA funding, the programs will need to be wound down or other funding would need to be identified to sustain the programs at varying points by December 2026.

- The households that participate in the Grocery Program will continue to receive grocery cards through December of 2024. While the Community Grocery Program provides a critical service to Albany households, the cost of maintaining the program is currently not sustainable beyond ARPA. Participants have already been notified that the program will be ending so that residents will have sufficient time to identify other local resources. In addition, other local food service programs can help support this need.

- The Friendship Club Subsidy Program is projected to continue through the summer of 2025 and the 2025-2026 school year.
- The FY2025 & FY2026 contract with Insight Housing for Albany Project HOPE utilizes the ARPA allocated funds to continue services through June 2026.
- The Financial Assistance program is anticipated to continue until the remaining program funds are expended. The rate of inquiries and applications has slowed down since the inception of the program, however there is a steady rate of referrals to ECHO Housing each month. Staff anticipates that funding will be available at least through the end of the next calendar year.
- Three of the five business grant programs will be ongoing until the end of the next calendar year. It is anticipated that funding to support events in the commercial area will conclude at the end of FY2025. Funding to support business marketing has been set aside including for the creation of additional seasonal banners.

SOCIAL EQUITY AND INCLUSIVITY CONSIDERATIONS

The Temporary COVID Assistance Programs (both the Public Assistance and Small Business) help to support a range of Albany residents and small business owners who are most in need of services due to the COVID pandemic and the resulting social and economic pressures that have impacted the community at large.

FINANCIAL CONSIDERATIONS

The City has received \$4,711,702 in ARPA funds. Council has appropriated all ARPA funds received which must be expended before December 31, 2026. Program expenditures are as follows:

ARPA Program	Allocation	Expenditure	Percentage
Overall funds	\$4,711,702	\$2,932,691	62%
Public Assistance	\$3,000,000	\$1,749,582	58%
Small Business	\$1,681,701	\$1,058,551	63%
IT infrastructure	\$30,000	\$30,000	100%