



Legislation Text

File #: 24-067, **Version:** 1

American Recovery Plan Act (ARPA) Fund Reallocation

PURPOSE: This agenda item seeks Town Council approval to reallocate funds within the ARPA fund for two proposals from affordable housing nonprofit providers, maintenance and repair of recreation facilities and bolster the program providing financial assistance to qualified Carrboro residents.

DEPARTMENT: Finance

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COUNCIL DIRECTION:

☒ Race/Equity ☐ Climate ☒ Comprehensive Plan ☐ Other

The Town Council approved ARPA funding for race and equity initiatives, housing and community services, and recreation projects on October 11, 2022 - Grant Ordinance #4 Fiscal Year 2022-2023.

INFORMATION:

Housing and Community Service

Affordable Housing Units

The Town issued a Request for Proposals (RFP) on July 2, 2023, for impactful affordable housing projects that would increase the number of affordable housing units in Carrboro. Staff received two submissions from nonprofit affordable housing providers:

EmPOWERment - \$600,000 to preserve 10 existing rental units that are considered naturally occurring affordable housing (NOAH).

Habitat for Humanity - \$1M to support pre-development costs for a community of approximately 75 units for ownership.

Proposals were reviewed by staff and the Affordable Housing Advisory Commission. See Agenda Item 24-087 for a comparison of the projects and copies of the funding proposals. The combined total of the requests is \$1.6M.

A proposed funding scenario to support both projects is provided in Attachment D. Staff are requesting to reallocate the remaining HCS funds in the Emergency Housing Assistance and OWASA Water Bill Debt to the Affordable Housing Unit line item. The \$150,000 allocated to the Economic Development project for Small Business Grants - Part II, \$150,887 from the Information Technology Broadband Consultant for Internet Access to Affordable Housing, and \$10,000 from the Orange County Veteran's Memorial (paid out of General Fund in

FY22-23) will make the \$1.6M needed to support both projects.

After consulting with the Housing and Community Services Director, Anne-Marie Vanaman, it was confirmed that the Orange County Housing Department did not have the capacity to administer the Emergency Housing Assistance funds and that the OWASA Water Bill Debt project was complete and further funds would not be needed.

Economic Development Director, Jon Hartman-Brown, expressed that limited staffing prevents him from implementing another round of small grant funding before the end of the year, the deadline for allocating all ARPA funds. Mr. Hartman-Brown agreed to reallocating these funds to the Affordable Housing Units project.

The Broadband project has dispersed all its funds due to the inability to complete the work in the specified time. IT Director, Andy Vogel, expressed that Carrboro is well served in terms of internet access from multiple vendors thanks to the past and ongoing efforts of Town Council. Over the past decade, due to vendor competition within Carrboro, the cost of internet access has decreased while access speeds have increased. Carrboro's residents have access to the internet at many price points, up to multi-gigabit speeds through multiple vendors and wired and wireless formats. According to the NC Broadband Infrastructure Office, the Town of Carrboro has 93% coverage for internet access - this is likely a conservative number. Accessibility and affordability are two distinct concepts. Town staff from multiple departments have been thoughtfully considering the best approach to this project. Building a physical network for designated persons or areas (whose locations may change over time) in Carrboro may be a less efficient way to address affordable internet access. Equally as important is determining how such a service would be equitably delivered in Carrboro. To assess the need of internet affordability and equity would take time to study. If a physical network buildout were pursued to support this effort, the design, construction, and support for a project of this nature would be easily over a million dollars in terms of one time and ongoing costs. The \$250K designated would fall short for a project of this magnitude and would be unlikely to be contractually obligated by the end of the year.

Recreation, Parks and Cultural Resources

Recreation Facilities Maintenance and Repair

Recently staff has noticed some safety concerns at our parks and would like to reallocate ARPA funds to the Recreation Facilities Maintenance and Repair project line item to repair the basketball courts at Anderson Park (\$165,000) and the Pump Track at MLK Jr. Park (\$80,000). See Attachment B for Memo. A proposed funding scenario is provided in Attachment D. RP&CR staff are requesting to reallocate \$145,000 funds from the Music Festival Performers Honoraria (\$31,250) (paid by TDA) and the Horseshoe Pits (\$114,400) to Recreation Facilities Maintenance and Repair and \$650 to Artist Support for two murals. This would result in \$245,000 in Recreation Facilities Maintenance and Repair and \$24,650 in the Artist Support project line item. There is still \$227,000 for the Baldwin Park Renovations.

Town Manager's Office - Race and Equity

Carrboro Family Financial Assistance Program (CFFAP)

Staff presented this program initiative to the Town Council on November 29, 2023. The Council approved the concept, staff developed a process, and distributed \$121,681 by the end of March 2024. The final push for

approved families and vendors to confirm bill payments and submit documentation is underway. Numerous families continue to face challenges resulting from the ongoing pandemic. These challenges primarily pertain to securing necessities such as food, housing, utilities, transportation, and childcare. The lack of these necessities reflects a persistent struggle within our community. The issue of internet connectivity is also one of affordability in Carrboro and the CFFAP will incorporate the need for internet connectivity into the criteria of this project so families can request help paying for their internet connections. Staff would like to reallocate \$99,113 from the IT Broadband Consultant Project, \$40,000 from the Pave Fitch Parking lot and \$10,000 from Pave Butler Lot (paid out of GF) to the Carrboro Family Financial Assistance Program to make \$149,113 to distribute a second round of funding this summer. A proposed funding scenario is provided in Attachment D. This assistance can help lessen the burden. Orange County Department of Social Services, Race and Equity and Housing and Community Services will partner on this program.

FISCAL IMPACT: ARPA Funds were allocated through Grant Ordinance #4 Fiscal Year 2022-2023. Reallocated ARPA funds will support funding the Affordable Housing Units project, RP&CR facilities repairs, and bolster the CFFAP for another round of funding to residents.

RECOMMENDATION: Staff recommends approval of the grand ordinance (Attachment A) to reallocate the ARPA funds the Affordable Housing Units project, RP&CR facilities repairs, and the CFFAP.