THE CITY OF ASHEVILLE

STAFF REPORT

City Council Meeting Date: September 12, 2023

Subject: America Rescue Plan Act (ARPA) Funding for Emergency Shelter Expansion

Staff Resources: Kim Marmon-Saxe, American Rescue Plan Act Project Manager
Emily Ball, Homeless Strategy Division Manager

Action Requested: Adoption of a resolution authorizing the City Manager to utilize City of Asheville American Rescue Plan Act (ARPA) funding for short term shelters; enter into an interlocal agreement with Buncombe County to administer their ARPA funding for the project; enter into service agreements with Salvation Army, Safe Shelter, and Haywood Street Congregation to preserve 45 existing and create 43 new high-access shelter beds; and approve the associated budget amendment.

Background:

- In January 2023, the National Alliance to End Homelessness (NAEH) recommended adding 95 high-access beds to the community's shelter inventory to respond to the increase in unsheltered homelessness.
- The Homeless Initiative Advisory Committee (HIAC) initiated a Shelter Work Group to develop a strategy to produce the additional recommended shelter beds. Through a competitive bidding process that included specific outreach to existing shelters, the Shelter Work Group identified three service providers who are collectively prepared to add 43 new shelter beds in alignment with NAEH recommendations: Salvation Army (20), Safe Shelter (20), and Haywood Street Congregation (3).
- The Shelter Work Group also identified a need to preserve 45 beds at risk of closure at the Salvation Army due to the end of federal CARES Act funding.
- HIAC has submitted a request to the City of Asheville and Buncombe County to a) make available a collective $1,750,000 to fund these 43 new beds and 45 continuing beds for a period of 15 months, and b) participate in a taskforce to plan a new high-access shelter.
- At their September 5, 2023 meeting, Buncombe County Commissioners authorized $875,000 in ARPA funding for the 43 new beds and 45 continuing beds and authorized an interlocal agreement to provide those funds to the City to administer through contracts with shelter providers.
- As part of the American Rescue Plan Act that was signed into law in March 2021, the City of Asheville was allocated $26,293,853 million designated as Coronavirus State and Local Fiscal Recovery Funds. Details on ARPA awards made by the City to-date can be found online here.
- The City currently has an unallocated ARPA balance of $1,376,384. In alignment with the continued commitment to implement NAEH recommendations, staff is recommending that the City Council match the County's contribution and authorize up to $875,000 of its remaining ARPA funding for the 43 new high-access shelter beds and 45 continuing beds.
- For administrative efficiency and to streamline the contracting process, staff also recommend approval of an interlocal agreement with Buncombe County for the City to serve as the primary contract administrator with shelter providers and manage reporting requirements for the City's and County's short-term shelter ARPA contributions, totaling $1,750,000 ($875,000 from each organization).

Council Goal(s):

- Quality Affordable Housing
- Connected and Engaged Community

Committee(s):

- This funding request was initiated by the Homeless Initiative Advisory Committee (HIAC) as part of their implementation of the recommendation from the National Alliance to End Homelessness to add 95 shelter beds in the Continuum of Care. HIAC's Shelter Work Group identified these three shelter providers through their competitive bidding process focused on shelter expansion within the community's existing provider network.
- On July 27, 2023, HIAC unanimously approved the Shelter Work Group's recommendations to a) approve these 3 providers and 43 new beds and 45 continuing beds, b) seek funding for this initiative from the City and County, and c) begin a planning process focused on building a new shelter site to secure additional beds long term.

Pro(s):

- Provides immediate capacity expansion to meet a critical shelter need.
- ARPA local government funding is a unique opportunity to make significant investments in addressing disparate impacts of the COVID-19 pandemic and to build future resilience of our communities in an equitable way.
- At every stage of this process, the City of Asheville has focused on ensuring successful outcomes, from initial selection of categories to ongoing performance management and partnership.
- The use of ARPA funds for short-term shelter funding is aligned with one of the primary focuses of ARPA funds.
- Allows the City to focus on partnerships in the community, along with capacity building, support and networking to build a more collaborative approach to addressing unsheltered homelessness.

Con(s):

- A funding source has not been identified to sustain operations past the initial 15-month period.

Fiscal Impact:

- The City's $875,000 contribution to this project would be funded using unprogrammed ARPA funding. If approved, $501,384 of the City's $26,293,853 million ARPA allocation would remain available for other uses.

Suggested Motion:

- Motion authorizing the City Manager to utilize City of Asheville ARPA funding for short term shelters; enter into an interlocal agreement with Buncombe County to administer their previously approved $875,000 in ARPA funding for the project; enter into service agreements with Salvation Army, Safe Shelter, and Haywood Street Congregation to preserve 45 existing and create 43 new high-access shelter beds; and approve the associated budget amendment.

Attachment(s)

- Resolution
- Budget Amendment

RESOLUTION NO. 23-_____

RESOLUTION AUTHORIZING THE CITY MANAGER TO UTILIZE CITY OF ASHEVILLE AMERICAN RESCUE PLAN ACT FUNDING FOR SHORT TERM SHELTERS; ENTER INTO AN INTERLOCAL AGREEMENT WITH BUNCOMBE COUNTY TO ADMINISTER THEIR ARPA FUNDING FOR THE PROJECT; AND ENTER INTO SERVICE AGREEMENTS WITH SALVATION ARMY, SAFE SHELTER, AND HAYWOOD STREET CONGREGATION TO PRESERVE 45 EXISTING AND CREATE 43 NEW HIGH-ACCESS SHELTER BEDS

WHEREAS, pursuant to N.C.G.S.§160A-11 the City has among its general corporate powers, the authority to enter into contracts; and

WHEREAS, pursuant to N.C.G.S. §160A-461 units of local government are authorized to enter into agreements with each other in order to jointly exercise any power or function of local government; and

WHEREAS, as part of the American Rescue Plan Act (ARPA) that was signed into law in March 2021, the City of Asheville was allocated $26.3 million designated as Coronavirus State and Local Fiscal Recovery Funds; and

WHEREAS, Buncombe County received grant funding from the Coronavirus State Local Recovery Fund established under ARPA, which may be used to provide emergency housing assistance; and

WHEREAS, the Asheville-Buncombe Homeless Initiative Advisory Committee (HIAC) is a joint committee of the City and County that acts as the governance board for the NC-501 Asheville-Buncombe Continuum of Care, a U.S. Department of Housing and Urban Development program designed to guide and assist communities in effectively responding to and ending homelessness; and

WHEREAS, multiple shelter providers operate within the City limits and, through a competitive bidding process, the HIAC Shelter Work Group has selected three shelters (“subgrantees”) to provide high-access shelter beds; and

WHEREAS, the subgrantees, specifically the Salvation Army, Safe Shelter and the Haywood Street Congregation, have offered to provide aforementioned shelter services in a total amount not to exceed $1,750,000; and

WHEREAS, the HIAC requested that Buncombe County and the City of Asheville fund expansion of high-access shelter bed capacity in a total amount not to exceed $1,750,000; and

WHEREAS, at their September 5, 2023 meeting, Buncombe County Commissioners authorized $875,000 in ARPA funding for the 43 new beds and 45 continuing beds and also authorized entering into an interlocal agreement with the City to administer the County funds ($875,000) and City funds ($875,000) through contracts with shelter providers; and

WHEREAS, the County and City both desire to enter into an interlocal agreement to fund the expansion of high-access shelter bed capacity; and

WHEREAS, this interlocal agreement (“Agreement”) will establish each party’s commitment to fulfilling the HIAC’s request to expand high-access shelter bed capacity and sets forth the responsibilities of each party in furtherance of that goal;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to utilize $875,000 in City of Asheville ARPA funding for short-term shelters; enter into an interlocal agreement with Buncombe County to administer their contribution of $875,000 in ARPA funding for the project; and enter into service agreements totaling a combined $1,750,000 with Salvation Army, Safe Shelter, and Haywood Street Congregation as outlined above to preserve 45 existing and create 43 new high-access shelter beds.

Read, approved and adopted this 12th day of September, 2023.

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City Clerk Mayor

Approved as to form:

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City Attorney

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That Section 2 of the City of Asheville FY 2023-24 Budget Ordinance be amended to provide an appropriation of $1,750,000 for short-term shelter beds recommended by the Homeless Initiative Advisory Committee as follows:

SPECIAL REVENUE FUND

Revenues:

Federal Grants (ARPA)	$ 875,000
Buncombe County Participation	$ 875,000
Total Revenues	$ 1,750,000

Expenditures:

Awarded Grants	$ 1,750,000

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 12th day of September, 2023.

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City Clerk Mayor

Approved as to form:

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City Attorney