THE CITY OF ASHEVILLE

Staff Report

Council Meeting Date: February 22, 2022

Subject: Budget amendment to fully fund a previously approved agreement with Step Up on Second Street, Inc. for the provision of three years of supportive services for future residents of permanent supportive housing at 148-150 River Ford Parkway.

Staff Resource(s): Tony McDowell, Finance and Management Services Director

Action Requested: Adoption of budget amendment in the amount of $1,000,000 in the City's Special Revenue Fund to transfer available Affordable Housing Capital Improvement Program (CIP) budget to the Special Revenue Fund to fully fund the previously approved agreement with Step Up on Second Street, Inc.

Background:

- At the December 14, 2021, meeting, City Council approved a resolution authorizing the City Manager to enter into an agreement with Step Up on Second Street, Inc. in the amount of $1.5M for the provision of three years of supportive services for future residents of permanent supportive housing at 148-150 River Ford Parkway.
- Staff had proposed that American Rescue Plan (ARPA) funding be used to fully fund the three-year agreement with Step Up on Second Street, Inc.
- City Council, however, asked that only $500,000 in ARPA funding be utilized toward the agreement, and that staff identify another funding source for the additional $1.0M needed for the agreement.
- After reviewing funding options, staff is recommending that Council utilize $1.0M available in the Affordable Housing Capital Improvement Program (CIP) budget to fully fund the agreement.
- A budget amendment is required to move the $1.0M in funding from the General Capital Projects Fund to the Special Revenue Fund where the $500,000 in ARPA funds is budgeted.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- None

Pro(s):

- Ensures full funding for the three years of the agreement with Step Up on Second Street, Inc.;
- Consolidates the budget for the agreement in the City's Special Revenue Fund in order to ensure statutory budgetary compliance.

Con(s):

- Reduces funding available for other affordable housing needs.

Fiscal Impact:

- There is no net fiscal impact from this budget amendment since the previously approved budget is simply being moved from one fund to another in order to ensure compliance with state statutes.
- The Affordable Housing Capital Improvement Program (CIP) project currently has an available budget of approximately $1.7M.
- This CIP project is funded with pay-go cash from the General Fund, so the balance can be utilized for non-capital expenses such as the agreement with Step Up on Second Street, Inc
- After funding this agreement, approximately $700,000 will remain available in the CIP project.

Suggested Motion:

- Motion to adopt a budget amendment in the amount of $1,000,000 in the City's Special Revenue Fund to transfer available Affordable Housing Capital Improvement Program (CIP) budget to the

Special Revenue Fund to fully fund the previously approved agreement with Step Up on Second Street, Inc.

Attachment(s)

- Budget Amendment

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 Fiscal Year 2022 Budget Ordinance be amended to provide an appropriation of $1,000,000 to transfer available Affordable Housing Capital Improvement Program (CIP) budget to the Special Revenue Fund to fully fund the previously approved agreement with Step Up on Second Street, Increfund interim financing with long-term debt.

SPECIAL REVENUE FUND

Revenues:

Transfer from Other Funds	$1,000,000
Total Revenues	$1,000,000

Appropriations:

Contracted Services	$1,000,000
Total Appropriations	$1,000,000

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

Read, approved and adopted this 22nd day of February, 2022.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney