



LEGISLATIVE MEMORANDUM

TO:	Honorable Mayor and Members of the City Council
FROM:	Suzanne Sherman, City Manager
THRU:	Ibis Berardi, Community & Economic Development Director (Acting)
DATE:	March 21, 2024
RE:	Consideration of an amendment to the American Rescue Plan Act (ARPA) Subrecipients Agreements.

SUMMARY:

At the September 22, 2022 Special Council Meeting, City Council awarded State & Local Disposal Recovery Funds (SLFRF) under the American Rescue Plan Act (ARPA) to five (5) agencies. Agreements were executed with an effective date of October 1, 2022 for the following agencies:

- Catholic Charities - \$368,560 - Public Services.
- Community of Hope - \$1,231,320 - Acquire 1400 & 1430 Baytree Apartments to provide 14 units for affordable rental housing
- Habitat for Humanity - \$961,120 - Construct five (5) single-family homes for affordable home ownership
- Volunteers of America of Florida - \$975,000 - Construction of Space Coast Commons providing 30 units for affordable rental housing in Palm Bay

After administering ARPA funds to eligible income families/individuals, **Catholic Charities** requested to modify budget line items to better serve Palm Bay residents based on the local rental market. The agency did an evaluation of the services provided after the first year. Recognizing residents have a higher need for rental assistance, more than any other budgetary line items, Catholic Charities is requesting to reduce all line items, to include Fringe Benefits, to increase funding for Rental Assistance. There is no increase to the original approved budget.

On December 15, 2022, City Council approved additional funding to **Community of Hope (COH)** in the amount \$518,601. The new allocation total of \$1,749,921 became effective on Amendment #1. Based on the U.S. Department of the Treasury in partnership with the U.S. Department of Housing and Urban Development (HUD), the Affordable Housing How-To Guide provides further guidance allowing for "expanded presumptive eligibility", which allows ARPA funds to be used for affordable housing projects if the project meets certain core requirements of other federal housing programs,

to include the HOME Investment Partnerships Program. Community of Hope has agreed to utilize HOME rent limits across all the tenant occupied units to ensure rents remain affordable for the remainder of the Agreement. There is no increase to the amended approved budget following Council's approval of Amendment #1 on December 15, 2022.

Staff is requesting an amendment to the agreement with **Habitat for Humanity**, Exhibit 2 (page 31) and **Volunteers of America of Florida**, Exhibit 2 (page 32) to remove the following language: "In accordance with the Final Rule, Loan Flexibilities, SLFRF can be used to fund the full principal amount of certain loans that finance long-term affordable housing investments." The intent of both ARPA funding agreements between the City of Palm Bay and the (2) two subrecipients were on a reimbursement basis directly for affordable housing projects. It is not the City's desire to authorize the use of SLFRF/ARPA funds towards loan programs.

In addition, Habitat for Humanity of Brevard County, Inc. officially changed their agency name to Space Coast Habitat for Humanity, Inc. The amendment will reflect the name change.

Finally, staff is requesting that City Council authorize the City Manager to amend or extend ARPA Agreements for the above Subrecipients in instances that do not increase the award allocations.

REQUESTING DEPARTMENTS:

Community & Economic Development

FISCAL IMPACT:

There is no fiscal impact in the current fiscal year.

STAFF RECOMMENDATION:

Motion to approve amendments to the ARPA subrecipients agreements.

ATTACHMENTS:

1. COPB-ARPA Catholic Charities (CC) Agreement
2. 2022-25 ARPA Budget Revision Request
3. Amendment 1 to CC
4. Community Of Hope (COH) Agreement
5. Amendment 1 to COH
6. Amendment 2 to COH
7. Habitat For Humanity (HFH) Agreement
8. Amendment 1 to HFH
9. Volunteers of America (VOA) Agreement
10. Amendment 1 to VOA