



City of Barre, Vermont

“Granite Center of the World”

ACTION ITEM BRIEFING MEMO CITY COUNCIL AGENDA ITEM CITY COUNCIL AGENDA: 2/21/23

Agenda Item No. 8-A

AGENDA ITEM DESCRIPTION: Discussion of funding guidelines for ARPA innovation projects

SUBJECT: ARPA funding

SUBMITTING DEPARTMENT/PERSON: Manager Storrellicastro

STAFF RECOMMENDATION: Approve funding guidelines and proposed next steps/timeline

PRIOR ACTION/STRATEGIC OUTCOME:

Prior Action:

The American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) which provides \$350 billion to state and local governments across the nation for the response to and recovery from the COVID-19 pandemic. Of Vermont’s \$1.25 billion share, over \$200 million (about \$300 per Vermonter) was allocated to municipalities. Barre City received \$2.5 million.

The City conducted a comprehensive engagement process that included:

- **September 2022:** Solicitation of letters of interest for innovative projects to be funded with ARPA funding;
- **September 2022 – January 2023:** Engage an outside facilitator to assist with public engagement
- **November 2022 – December 2022:** Public online and paper-based survey to seek input on uses of funding, and rating of letter of interest projects that had been submitted by that time;
- **November 15, 2022:** Public and Zoom forum at Alumni Hall; and
- **January 10, 2023:** Issuance of a public report summarizing all engagement activities and findings based on responses received.

Our outreach efforts were productive, and included the following engagements:

- 21 letters of interest submitted;
- Over 40 individuals participated in the public forum; and
- 309 survey responses.

In January 2023, the following uses of ARPA funding were proposed to the Council:

- **Allocation of \$250,000 to Downstreet for the Granite City Apartments project at the Ward 5 School.** This project requested funding through the letters of interest process. Funding was recommended because “Housing” was the highest ranked priority in the survey, and this project specifically received the greatest support among those who returned surveys. *[N.B. Council approved this funding allocation on 1/31/23]*
- **Allocation of \$2M to fund the Capital Improvement Plan.** The feedback at the public forum was unequivocal – community members requested that ARPA funding support improvements to the City’s infrastructure. In order to be responsive to this public feedback, it was proposed allocating the vast majority of the ARPA funding towards the recently created Capital Improvement Plan.

- **Set aside \$200,000 to support a Community Innovation Fund.** There were many compelling projects submitted through the letters of interest process, totaling over \$1.8 million in requested funds. While it's not possible to fully fund all the submitted projects, there was support on Council for the development of a "micro-grant" process whereby letter of interest applicants would refine their projects and the Council could determine which projects should be prioritized for funding.

This agenda item pertains to guidelines for awarding funding under the \$200,000 Community Innovation Fund.

Strategic Outcome:

Proposed Guidelines for Community Innovation Fund Projects

In order to better ensure that all applicants have a fair shot at ARPA funding, and in order to provide Councilors with consistent information with regard to all submitted projects, the following guidelines will be applied when evaluating Innovation Fund requests.

1. **Mixed funding sources required:** ARPA funding needs to be leveraged to multiply its impact across the City. With the exception of projects requesting under \$5,000, the City would not fully fund any single project, and applicants must demonstrate their ability to secure diverse funding sources.
2. **Progressive funding tiers:** In order to provide some balance for applicants of large and small requests, funding tiers are proposed based on the amount of the request as follows:

Amount Requested	Percent Funded Based on Total Project Cost
Under \$5,000*	100%
\$5,001 - \$20,000	75%
\$20,001 - \$50,000	67%
Over \$50,000	50%

**Note, while there are no current letter of interest projects under \$5,000, setting this funding tier now will allow for clarity should any such projects emerge in the future. For example, a current applicant could scale down a project to below this threshold.*

This table would be applied as follows:

- If an applicant requested \$6,500 for a project where the total cost of the project was \$6,500, that applicant would be eligible for \$4,875 (\$6,500 total project cost * 75%).
 - If an applicant requested \$6,500 for a project where the total cost of the project was \$25,000, that applicant would be eligible for \$6,500 (\$25,000 total project cost * 67% = \$16,750 max award).
 - Even if the tiers result in a maximum award greater than what the applicant applied for, the City will only fund up to the original amount requested.
 - In the second example above, even though the applicant could have received up to \$16,750 based on the funding tiers, they are eligible only for the \$6,500 they originally requested.
3. **No operational or recurring expenses:** ARPA is one-time funding. In the same manner as the City has directed ARPA funding towards non-recurring expenses, the same rule applies to outside organizations that are supported because subsidizing operational and/or recurring expenses simply creates future fiscal cliffs. Funded projects should be financially sustainable for the foreseeable future or require only one-time funding.

4. **Demonstration of broad community impact:** Proposals should show demonstrable civic improvements that foster recreation, community pride, housing or support to underserved or high-need populations. In addition, projects will be prioritized based on benefits to community members with a broad range of demographics. Applicants would be encouraged to demonstrate support based on the results of ARPA outreach that was conducted.
5. **Projects must be underway by September 30, 2024 and completed by September 30, 2026.** According to federal ARPA guidelines, all funds must be committed by December 31, 2024 and fully reimbursed by December 31, 2026. Projects must demonstrate an ability to secure funding, contracts, and all other completion requirements necessary to meet these timeframes.
6. **Approved funding will be provided on a reimbursement basis.** Applicants will provide proof of expenses and payment before funds will be released.
7. **Applicants must provide completion reports to Council within 3 months of completion of the funded project.** The City will not make final reimbursements until the completion report is submitted.

Proposed Next Steps

If there is agreement on these (or revised) standards, the following next steps/timeline is proposed:

- March 15: Creation and distribution of a 2nd round application form responsive to the approved guidelines.
- May 1: Completed 2nd round application form due to the City Manager for compilation and review.
- As early as May 9th: Completed applications presented to Council for consideration/action

EXPENDITURE AND FUNDING SOURCE: \$200,000 in ARPA funding

ATTACHMENT(S): Letter of Interest Funding Request Summary

LEGAL AUTHORITY/REQUIREMENTS: City Charter

INTERESTED/AFFECTED PARTIES: Residents of Barre, ARPA Letter of Interest applicants

RECOMMENDED ACTION/MOTION:

Move to approve the proposed guidelines for the ARPA Community Innovation Fund, and direct the Manager to create a 2nd round application form for letter of interest applicants.

Letter of Interest Funding Request Summary

Title	Applicant	\$ Requested	Project Total	Tier	Max ARPA Award	Tier Total
20. CTVV Programming Operational Support	CTVV	\$ 300,000	\$ 300,000	50%	\$ 150,000	\$380,557
18. Purchase Electric Vehicles for Meals on Wheels	Meals on Wheels	\$ 200,000	\$ 221,625		\$ 100,000	
17. Intall lighting on Bond Field	Barre Community Baseball and Softball	\$ 150,000	\$ 150,000		\$ 75,000	
15. Barre Opera House External Lights Project	Barre Opera House	\$ 111,114	\$ 111,114		\$ 55,557	
1. Turning Point Recovery Center Restoration	Turning Point	\$ 50,000	\$ 3,295,200	67%	\$ 50,000	\$118,474
10. Athletic Field upgrades study for Spaulding High School	SHS Foundation	\$ 40,000	\$ 40,000		\$ 26,800	
13. Walk Through to Main St Art Project	Studio Place Arts	\$ 37,200	\$ 37,200		\$ 24,924	
19. Services for Youth in Transition	Rainbow Bridge Center	\$ 25,000	\$ 25,000		\$ 16,750	
2. Additional services at Central VT Adult Basic Ed Operational Support	CV Adult Basic Education	\$ 20,000	\$ 310,450	75%	\$ 20,000	\$ 96,952
21. Sage Mountain Afterschool in Nature Program Operational Support	Sage Mountain	\$ 20,000	\$ 279,022		\$ 20,000	
4. Old Labor Hall Media/Facility Upgrades	Barre Historical Society	\$ 19,936	\$ 19,936		\$ 14,952	
16. Circle Women's Shelter Technology Upgrades	Circle	\$ 18,000	\$ 29,150		\$ 18,000	
3. Old Labor Hall Lift Upgrade	Barre Historical Society	\$ 15,000	\$ 67,329		\$ 15,000	
11. Barre Area Senior Center Visual Media Center Upgrades	Barre Area Senior Center	\$ 12,000	\$ 12,000		\$ 9,000	

Totals \$ 1,018,250 \$ 4,898,026 \$ 595,983

Average Request \$ 72,732

Max Request \$ 300,000

Min Request \$ 12,000

Already Funded -- No longer under consideration for ARPA Community Innovation Funds

Title	Applicant	\$ Requested	Source
12. Civic Center Facility Upgrades	Civic Center Committee	\$ 316,250	Sanders CDS
14. Granite City Apartments - create 9 new apartments at the Ward 5 School	Downstreet	\$ 250,000	ARPA
8. Make City Hall bathroom ADA accessible	ADA Committee	\$ 26,000	CIP
9. Warming Shelter at Aldrich Library	Homelessness Task Force	\$ 12,000	FY24 Budget
7. Install ADA wheelchair swing in a playground	ADA Committee	\$ 3,050	In progress
6. Make the city website ADA accessible	ADA Committee	\$ 1,300	In progress
5. Install ADA signage in City Hall	ADA Committee	\$ 450	In progress

Total \$ 609,050



ARPA Community Innovation Fund Guidelines

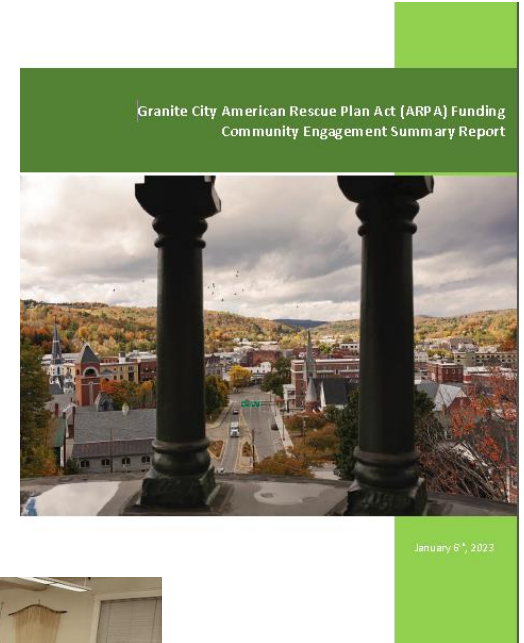
Nicolas Storellicastro

City Manager

February 21, 2023

ARPA Engagement Timeline

- ✓ • **September 2022:** Post a [Letter of Interest for applicants](#) to begin developing proposals
- ✓ • **September 2022 – January 2023:** Engage an outside facilitator to assist with public outreach
 - Ear to the Ground
 - CVRPC staff support
- ✓ • **November 2022 – December 2022:** Create a survey tool linked to the City website
- ✓ • **November 2022:** Host a public forum (11/15/22 at Alumni Hall)
- ✓ • **January 2023:** Issue a [report to Council](#) to be incorporated into our FY24 Budget Process



Proposed uses of ARPA funding

- \$250,000 to fund Downstreet's Granite Street Apartments proposal
 - Council approved 1/31/23
- ~\$2M to support Capital Improvement Plan implementation
- \$200,000 of ARPA funding set aside in a Community Innovation Fund to support innovation and beautification projects from among Letter of Interest applicants
 - Set guidelines (i.e. project must have other funding sources)
 - Create a grant-like next step in the process to determine which projects are shovel-ready and prepared to move forward.

Proposed Guidelines for ARPA Community Innovation Fund

Guideline	Rationale
1. Mixed funding sources required	ARPA needs to be leveraged to multiply and maximize impact across the City; applicants must demonstrate ability to secure diverse funding.
2. Progressive funding tiers	Provide balance and equity between large and small requests. See next slide for details on the proposed tiers.
3. No operational or recurring expenses	ARPA is one-time funding so it should be used for one-time expenses.
4. Demonstration of broad community impact	Projects should have wide impact, foster recreation, community pride, housing or support to under-served/high-need populations.
5. Projects must be underway by 9/30/24, complete by 9/30/26	Comply with federal requirements regarding commitment and use of funds.
6. Approved funding will be provided on a reimbursement basis	Applicants must provide proof of expenses prior to release of funds.
7. Applicants must provide completion reports within 3 months of completion of funded projects	Final reimbursements will be made only after completion reports are submitted.

Progressive funding tiers

Amount Requested	Percent Funded Based on Total Project Cost
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- If an applicant requested \$6,500 for a project with a total cost of \$25,000, that applicant would be eligible for \$6,500
 - $\$25,000 \text{ total project cost} * 67\% = \$16,750 \text{ max award, so full } \$6,500 \text{ is eligible}$
- Even if the tiers result in a maximum award greater than what the applicant applied for, the City will only fund up to the original amount requested.

**Note: While there are no current projects under \$5,000, setting this funding tier will allow for clarity should any such projects emerge in the future. For example, a current applicant could scale down a project to below this threshold.*

Next Steps

- Discussion of/questions on the proposed guidelines.
- If there is agreement on these (or revised) standards, the City will create and distribute a 2nd round application form
 - Form available by March 15th
- Applicants will be given time to complete the applications
 - Forms due to City Manager May 1st
- Completed applications will be presented to Council for approval
 - As early as May 9th



Thank you.

Discussion/Questions?