

City Council – Action Request Form

Date: November 14, 2023

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Patrice Toney, Interim City Manager
Tiffany Oliva, Director of Intergovernmental Affairs & Strategic Initiatives

Council Action Requested:
Amendment to October 17, 2022 (Agenda Item C-3); November 14, 2022 (Agenda Item C-2); January 3, 2023 (Agenda Item C-3); and August 21, 2023 (Agenda Item C-9) Resolutions Relating to the City’s American Rescue Plan Act (ARPA)-Enabled Transformational Grants Program and Four ARPA-Enabled Housing Transformational Grants.

Strategic Focus Area: Service Excellence
Strategic Objective: No
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:

On August 21, 2023, City Management brought forward a resolution to provide ARPA-Enabled Transformational Grantees with start-up capital in an amount not exceeding 25 percent of the grantee’s total award to assist with getting projects off the ground. Since that time, the Management has been made aware the grantees to not have sufficient, flexible working capital to move projects forward month to month. The August resolution did not address this issue because the grantee was required to fully expend the initial lump sum down to \$0, have expenditures reviewed and approved before they could move to a reimbursement basis.

Due to the ongoing expressed needs and challenges, this resolution amends all Transformational Grant associated resolutions to ratify actions by the City Manager to use their discretion to offer City Council approved grantees that have ongoing capital needs the following:

Committee Action:

Committee	FC (11/14/23)	Action	Approval
For	3 Aye	Against	

Remarks:
MPT Adams absent

1. An amount not exceeding 25 percent of the grantee's total award in an initial startup lump sum of funding. If no additional funds are requested/needed, then the grantee will revert to the reimbursement basis outlined in the original agreement.
2. If needed, a second lump sum of 10 percent of the grantee's total award to serve as true operating/working capital. To receive this second lump sum, the grantee must have spent down the initial lump sum by at least 75 percent (does not have to deplete to \$0). Procedurally, the City will cut a check for 10 percent of the award to the Transformational grantee. The grantee will make eligible expenditures from the operating capital, request reimbursement from the City for those expenditures, and then replenish the operating capital upon receipt of the reimbursement. *It will be incumbent upon the grantee to ensure they maintain an appropriate level of cash flow month to month.* Once the grantee has expended the remaining 65 percent of its total award (the award total less the 35 percent already provided), the grantee will be required to spend down the 10 percent lump sum in operating capital. Once the award has been spent to \$0, the full Transformational Grantee award will have been exhausted and no additional funds will be awarded.

Note that all expenditures are reviewed and approved by a member of the Intergovernmental Affairs & Strategic Initiatives team, in addition to the City's normal financial procedures. Contracts with each of the Transformational Grantees also contains appropriate claw back provisions to ensure no funds are spent out of alignment with the budget and City Council approved project scopes.