

STAFF REPORT

Date: June 14, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Approval of Subrecipient Agreement with Volunteers of America for Award of American Rescue Plan Act State and Local Fiscal Recovery Funds to support operations at the Village on Sage Street, in the amount of \$1,000,000. (ARPA Funds) (Ward 5)

From: Jayna Litz, Management Analyst

Department: City Manager's Office – Housing & Neighborhood Development

Summary:

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021 establishing the Coronavirus State and Local Fiscal Recovery Fund (SLFRF). The City of Reno received \$51,519,997 from the SLFRF and began allocating funds to critical projects on August 25, 2021, following initial acceptance of the funds.

Since acceptance, Council adopted seven priority categories based on community input, Council direction, Treasury requirements, and the City of Reno master and strategic plans. On March 8, 2023, Council approved additional allocations to projects and new projects under the seven identified priorities, which included \$1,000,000 in funding for the operations at the Village on Sage Street. Staff is seeking approval of the Subrecipient Agreement with Volunteers of America that relates to this action.

Alignment with Strategic Plan:

Economic Opportunity, Homelessness, and Affordable Housing

Previous Council Action:

August 25, 2021 – Council accepted the SLFRF allocated through ARPA, directed staff to begin a public engagement process to identify potential uses of remaining funds to support pandemic response and relief, and allocated \$1,260,000 to urgent projects: City COVID-19 Coordinator (\$90,000); Hybrid Meeting Technology (\$200,000); Retention and Recruitment for Volunteers of America Shelter Operations (\$480,000); and Ward Specific Allocation to Councilmembers (\$490,000).

January 26, 2022 – Council allocated \$24,499,998.50 to seven priority categories and approved two pandemic response projects and one community project: Wastewater Surveillance of COVID-19 (\$504,258.66); Remote Work Equipment (\$200,000); and Oxbow Park (\$70,000) (Ward 1).

February 22, 2022 – Council approved two affordable housing projects: Sage Street 2.0 (\$2,500,000.00); and Hi-way 40 Rehabilitation (\$2,000,000).

March 8, 2023 – Council approved additional allocations to projects and new projects under the seven identified priorities, priorities, which included \$1,000,000 in funding for the operations at the Village on Sage Street.

Background:

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021 establishing the Coronavirus State and Local Fiscal Recovery Fund (SLFRF). The SLFRF allocates funding to state, county, and local governments to support efforts to recover from the impacts of the COVID-19 pandemic. The SLFRF allocated \$51,519,997 directly to the City of Reno to assist in response and recovery efforts related to the COVID-19 pandemic.

Discussion:

The Village on Sage Street opened in July 2019 and consists of 216 dorm-style affordable housing units with shared bathrooms, recreation, and kitchen facilities. The Village on Sage Street provides safe, clean, and affordable housing for people who are working, or seniors or people with disabilities on fixed incomes, but struggling to afford rent. The units rent for \$400 per month, which includes all utilities. Since opening the existing 216 units, 449 individuals have moved in and 259 have moved out. Individuals who have moved out stayed an average of nine months. Among move-outs, 41 reduced their debt and 15 increased income while living at the Village on Sage Street. City of Reno 2022 Recovery Plan Performance Report 13 In December 2021, CHLT learned of the opportunity to purchase two additional modular buildings consisting of 96 units that could be added to the existing Village in a project called the Village on Sage Street 2.0.

These one-time funds will allow the Village on Sage Street to continue to operate during the expansion with the Village on Sage Street 2.0 when 96 additional units will be added, creating a better economy of scale.

Financial Implications:

Approving the \$1,000,000 Subrecipient Agreement has no impact on the General Fund. The funds have been allocated from the City of Reno's ARPA SLFRF funds.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council approve the Subrecipient Agreement with Volunteers of America for Award of American Rescue Plan Act State and Local Fiscal Recovery Funds to support the operations at the Village on Sage Street, in the amount of \$1,000,000. (ARPA Funds) (Ward 5)

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Sage Street APRA Agreement