

**CITY OF CORVALLIS  
BUDGET COMMISSION ARPA MEETING AGENDA**

**6:00 PM, Wednesday, November 17<sup>th</sup>, 2021**

*In response to the COVID-19 pandemic, this meeting will be conducted online only.  
The City of Corvallis thanks you for your support in slowing the spread of COVID-19  
by attending this public meeting digitally.*

*The public may also register to watch the meeting live on the internet via this link:  
<https://attendee.gotowebinar.com/register/142910541035382029>*



- I. Roll Call
- II. Finance Director's overview of ARPA memo
- III. Discussion on use of ARPA funds
- IV. Recommendation on use of ARPA funds
- V. Adjourn

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If you need special assistance to participate in this meeting, please call 541-766-6900, dial 0 (for TTY services, dial 7-1-1). Notification at least two business days prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting. (In compliance with the Americans with Disabilities Act, 28 CFR 35.102-35.104 ADA Title I and ORS 192.630(5)).

TO: Budget Commission for November 17, 2021 Meeting  
FROM: Ryan Seidl, Finance Director *RS*  
DATE: 11/12/2021  
THROUGH: Mark W. Shepard, P.E., City Manager *MWS*  
SUBJECT: Budget Commission ARPA Meeting  
STRATEGIC OPERATIONAL PLAN PRIORITY: N/A



Action Requested:

Staff recommends the Budget Commission consider current information regarding American Rescue Plan Act (ARPA) funds and provide a recommendation to the City Council with respect to the use of City ARPA funds.

Discussion:

***Summary of the May 12, 2021 Budget Commission Meeting***

During the May 12, 2021, Budget Commission meeting, two motions were passed regarding the use of City ARPA funds:

1. The first motion was to amend the proposed FY 2022 budget by adding a recommendation from the Budget Commission that the American Rescue Plan Act (ARPA) funds be committed to pay for City facility needs to the greatest extent allowable under ARPA funding regulations.
2. The second motion was to request the Council reconvene the Budget Commission to review and provide feedback to the Council on the intended use of ARPA funds prior to the Council committing the funds.

The amendment puts the Commission on record of recognizing the importance of prioritizing City facilities. At the same time, making it known the Commission understands the concerns of Department Directors and City Staff regarding the quality and shortage of office space. In addition, the amendment sends the message to voters that using ARPA funds in this manner is an effort to reduce, or avoid, the need for increased taxes.

***ARPA Details***

On March 11, 2021, the President signed the ARPA into law. This provides resources through the new Coronavirus Local Fiscal Recovery Fund (CLFRF) to local governments in response to the emergencies caused by the Coronavirus Disease (COVID-19).

ARPA is a historic \$1.9 trillion economic stimulus bill. Within the ARPA, the CLFRF provides \$350 billion to states, municipalities, counties, tribes and territories. The ARPA/CLFRF is the only pandemic relief funding provided directly to local governments to offset the negative economic impacts and revenue loss due to the pandemic.

State and Local allocations, per the U.S. Treasury, were made in the amounts of: \$2,648,024,988 to the State of Oregon, \$18,074,454 to Benton County and \$13,085,521 to the City of Corvallis.

Eligible uses include the replacement of public sector revenue loss, mitigation of negative economic impacts, support of the public health response and replacement/repair of water, sewer, and broadband infrastructure.

Per the U.S. Treasury’s Allocation for Metropolitan Cities, the City’s received its first payment of \$6,542,761 on June 01, 2021. The second payment of \$6,542,760 is scheduled to be received on June 1, 2022.

Recovery funds must be obligated by December 31, 2024 and spent (all work must be completed) by December 31, 2026.

***Other Pandemic Funding***

Federal and State relief funding has been provided across the community in various forms since the onset of the pandemic. Funding has been primarily targeted to support businesses and the most vulnerable individuals in our community. The City has been integral in passing these funds on to various organizations in our community. To date, the City has distributed over \$2.5 million to community recipients such as the Boys and Girls Club, Corvallis Housing First, South Corvallis Food Bank and Unity Shelter.

The City used General Fund and Local Option Levy monies, City Construction Excise Tax funds for relief purposes and also directed CARES and CDBG funds to support community service organizations. Attachment BC-A provides a detailed summary of the funding the City has passed through to community partners and businesses.

During the prior CARES Act stimulus program, the City was awarded multiple grants from a range of Federal Agencies. These awards were specific and could only be used for dedicated purposes. The table below contains the details of the awards.

CARES Act Project Description	Amount Awarded	Dedicated Area of Funding	Federal Agency Source	Funds rec'd to date	Reimbursable costs to date
CARES Act-Transit (Stimulus)	7,354,971	Transit	FTA	4,672,646	5,013,346
Corvallis COVID-19 Emergency Response	32,709	Police	DOJ	-	31,958
Assistance to Firefighters Grant (AFG) COVID-19 Supplement	40,835	Fire	FEMA	39,907	39,907
CARES Act-Corvallis Municipal Airport (Stimulus)*	69,000	Airport	FAA	69,000	69,000
Coronavirus Relief Funds (CRF) - Majestic Theatre	92,482	Majestic	Treasury via State	92,482	92,482
CARES Act-Provider Relief Fund	51,716	Fire	HHS	51,716	51,716
PPE Depot Administrative Costs	4,000	NA	Treasury via State (OBDD)	4,000	4,000
<b>Total - Grants awards</b>	<b>\$ 7,645,714</b>			<b>\$ 4,929,751</b>	<b>\$ 5,302,409</b>

***Acknowledgement of Community Asks***

As expected, the uses of ARPA funds have generated general comments and ideas on how the City should use the funds. The only specific request staff is aware of at the writing of this report is for the City to allocate twenty percent (20%) of ARPA funds towards the City’s Social Services budget (Attachment BC-B).

***Recent Developments and Remaining Uncertainty***

Per the guidelines provided by the U.S. Treasury Department, the City has lost \$21 million of general revenue during the pandemic. General revenue includes revenue from taxes, current charges, miscellaneous

general revenue and intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the Federal government. Due to the fact the total revenue loss exceeds the amount of ARPA funds, 100% of the \$13 million is eligible for use by the City to improve City infrastructure that would have previously been funded through local revenue generation.

At this time, the State of Oregon has not disclosed its plan on how it will use and distribute State ARPA funds. Waiting for the details might be frustrating, but there is significant value in making sure the City has complete information in regards to the full funding picture before committing any funds. The financial due diligence safeguards the City's ARPA funds by ensuring the funds remain as flexible as possible. This flexibility will ensure the most efficient use of one-time funds for the City, Community and Service Providers. Available funds should prioritize the use of ARPA dollars to areas that will not receive funding through other targeted and restrictive funding mechanisms.

Friday, November 5, 2021, the House of Representatives passed the \$1.2 trillion Bipartisan Infrastructure bill by a 228-to-206 vote. The bill had already passed the Senate on August 10, of 2021. The passage of this legislation has provided some much needed answers to the questions surrounding other fiscal recovery programs still being voted on. However, State and Local governments are still awaiting guidance on how the funds will trickle down and what large-scale projects will be undertaken.

The future of the "Build Back Better" bill remains unknown until the House of Representatives returns from recess on November 13, 2021. While the bipartisan agreement focused on physical infrastructure such as roads, bridges, water and broadband, the "Build Back Better" bill is focused on what is being referred to as 'Human Infrastructure'. The bill currently contains roughly \$2 trillion for education, healthcare, and climate reform.

### *City Needs*

The City has long neglected the functional needs for City facilities in favor of outward-focused efforts. This has created a major need to invest in the maintenance and replacement of facilities. City services touch many vulnerable community members and the City needs functional facilities to be able to continue to effectively deliver services. Investing in City facility needs will support the City in its mission to serve the community. The ARPA funding provides an opportunity to address some of these needs without having to seek additional funding from the community.

While the City has deficiencies that total in the hundreds of millions of dollars across all facilities and infrastructure, the ARPA funds will be most effectively targeted toward three areas;

1. Address needs identified in the current Facility Needs Assessment work the City is engaged in.

Use of ARPA funds to address the needs identified in the facility assessment will move the City forward on our climate goals, improve efficiency in delivery of services, and address equity issues in City facilities.

The City has two 'shovel ready' projects in Fire Stations #2, and #3 that are estimated to cost \$7 million. These projects can be completed in the ARPA timeframe if they are funded.

2. Address much needed maintenance projects that have been identified in a recent Facility Maintenance Assessment.

Maintaining the functionality of existing facilities is a key component of maximizing the value derived from public facilities over their lifespan. The Facilities Maintenance Assessment identified

needed projects totaling roughly \$4.5M over the course of the next 10 years. Many of these projects can be completed with the funding available, and by doing so, address long-delayed maintenance projects that will move the City forward on climate goals with projects such as upgrading HVAC systems.

3. Replace failing fiber optic lines that are a critical component of reliably supporting City services, including 911 dispatch and all other daily functions at the City.

The City's aging and degrading fiber network is the nerve system that supports all City operations. The fiber network is essential to the community as it not only connects the City's buildings, employees, and services so that the City can function as an effective unit, but it is also the backbone for the public Wi-Fi and library computer labs, which provide a critical service to those who otherwise might not have means of doing so. The cost to replace the failing components of the network is estimated at \$1.6 million.

Public facilities represent a significant investment for the City.

Recommendation:

Staff recommends the Budget Commission consider the information provided regarding American Rescue Plan Act (ARPA) funds and provide direction on whether it re-affirms its previous motion to use City ARPA funds for City facility needs.

If the Budget Commission re-affirms their recommendation to use City ARPA funds for City facility needs, staff will develop a specific plan for use of those funds on City facilities and work with the City Council on implementing a path forward.

Budget Impact:

The new Stimulus Fund has been established and is included in the FY 2022. Any future stimulus dollar awards, from the Bipartisan Infrastructure bill or the "Build Back Better" bill would increase the fund balance and need additional appropriations.

Attachments:

BC-A Pass-through Funding For City Council FY 2021

BC-B ARPA Funds Request from Sam Mercer

PASS THROUGH FUNDING FOR CITY COUNCIL FY 2021			
COMMUNITY RECIPIENT	DESCRIPTION	FUNDING SOURCE	AMOUNT
ABC House	Social Service Fund	General Fund-Levy	\$19,446
Boys & Girls Club	Low income Covid Emergency Childcare program Jul-Dec.	FY 20-21 CDBG	\$150,000
Boys & Girls Club	Safety and security upgrades	Other CDBG	\$53,600
Boys & Girls Club	Social Service Fund	General Fund-Levy	\$21,037
Business Support - General	Small Business Grants	CARES	\$130,000
Business Support - General	Business Covid mailer	CARES	\$1,637
Business Support - General	Shop Local Support	CARES	\$15,000
Business Support - General	Outdoor Tents for Businesses	CARES	\$40,000
Business Support - General	Small Business Law Clinic	CARES	\$2,080
CARDV	Covid-related costs for laptops and increased case manager mileage	Other CDBG	\$25,000
CARDV	Shelter Rehabs	Other CDBG	\$27,500
CARDV	Social Service Fund	General Fund-Levy	\$5,364
CASA - Voices for Children	Social Service Fund	General Fund-Levy	\$10,572
Casa Latinos Unidos	Social Service Fund	General Fund-Levy	\$8,846
City of Corvallis	Loan programs (first time buyer and home repair)	FY 20-21 CDBG	\$72,708
Community LendingWorks	Small/Micro Business Grants	Other CDBG	\$148,500
Community Outreach, Inc.	Human Services Fund	FY 20-21 CDBG	\$14,000
Community Outreach, Inc.	Social Service Fund	General Fund-Levy	\$124,763
Corvallis Daytime Drop-in Center	Human Services Fund	FY 20-21 CDBG	\$10,000
Corvallis Daytime Drop-in Center	Social Service Fund	General Fund-Levy	\$18,815
Corvallis Environmental Center	Social Service Fund	General Fund-Levy	\$5,690
Corvallis Housing First	Van Buren House Re-roof	Other CDBG	\$65,000
Corvallis Housing First	Social Service Fund	General Fund-Levy	\$5,850
CSC	Emergency rent assistance	Other CDBG	\$150,000
CSC	Tenant Based Rental Assistance	HOME	\$44,600
DevNW	Construction funding for 11-unit New Holland	Construction Excise Tax	\$520,000
Downtown Corvallis Association	Clean up funds	General Fund	\$10,000
Downtown Corvallis Association	Donation of unspent neighborhood empowerment funds	General Fund	\$4,031
Furniture Share	Social Service Fund	General Fund-Levy	\$5,201
Benton Habitat for Humanity	Social Service Fund	General Fund-Levy	\$9,281
HOPE	HOPE funding	General Fund	\$51,343
Jackson Street Youth Services	Human Services Fund	FY 20-21 CDBG	\$12,500
Jackson Street Youth Services	Social Service Fund	General Fund-Levy	\$19,370
Old Mill Center for Children and Families	Human Services Fund	FY 20-21 CDBG	\$10,000
Old Mill Center for Children and Families	Social Service Fund	General Fund-Levy	\$11,986
Oregon Cascades West Council of Governments	Social Service Fund	General Fund-Levy	\$3,077
Oregon Cascades West Senior Services Foundation	Social Service Fund	General Fund-Levy	\$12,812
Philomath Community Services	Social Service Fund	General Fund-Levy	\$1,111
Philomath Youth Activities Center	Social Service Fund	General Fund-Levy	\$2,279
South Corvallis Food Bank	Human Services Fund	FY 20-21 CDBG	\$15,000
South Corvallis Food Bank	Social Service Fund	General Fund-Levy	\$7,535
Stone Soup Corvallis, Inc.	Social Service Fund	General Fund-Levy	\$6,048
Stone Soup Corvallis, Inc.	Covid related service increases	Other CDBG	\$43,973
United Way	Social Service Fund Administration	General Fund-Levy	\$12,000
Unity Shelter	Microshelter Construction	CARES Act	\$239,021
Unity Shelter	Operate managed camp at BMX park	CARES Act	\$77,193
Unity Shelter	Human Services Fund (Room at the Inn)	FY 20-21 CDBG	\$11,500
Unity Shelter	Men's Cold Weather Shelter	General Fund	\$38,400
Unity Shelter	Women's shelter Jul.-Oct.	Other CDBG	\$112,000
Unity Shelter	Hygiene Center Jul.-Oct.	Other CDBG	\$80,000
Unity Shelter	Social Service Fund	General Fund-Levy	\$38,611
Vina Moses	Social Service Fund	General Fund-Levy	\$2,495
We Care	Social Service Fund	General Fund-Levy	\$7,811
Work Unlimited	Human Services Fund	FY 20-21 CDBG	\$10,000
<b>TOTAL</b>			<b>\$2,544,586</b>

<b>PASS THROUGH FUNDING FOR CITY COUNCIL FY 2022</b>			
<b>COMMUNITY RECIPIENT</b>	<b>DESCRIPTION</b>	<b>FUNDING SOURCE</b>	<b>AMOUNT</b>
ABC House	Social Service Fund	General Fund-Levy	\$19,446
Boys & Girls Club	Low income Covid Emergency Childcare program Jul-Dec.	FY 20-21 CDBG	\$150,000
Boys & Girls Club	Safety and security upgrades	Other CDBG	\$53,600
Boys & Girls Club	Social Service Fund	General Fund-Levy	\$21,037
Business Support - General	Small Business Grants	CARES	\$130,000
Business Support - General	Business Covid mailer	CARES	\$1,637
Business Support - General	Shop Local Support	CARES	\$15,000
Business Support - General	Outdoor Tents for Businesses	CARES	\$40,000
Center Against Rape and Domestic Violence	Shelter Rehabilitation	FY 21-22 CDBG	\$7,500
City of Corvallis	Loan programs (first time buyer and home repair)	FY 21-22 CDBG	\$212,949
Community Outreach, Inc.	Human Services Fund	FY 21-22 CDBG	\$20,000
Community Outreach, Inc	Social Service Fund	General Fund-Levy	\$120,613
Corvallis Community Children's Centers	Lancaster Childcare Facility Rehabilitation	FY 21-22 CDBG	\$130,000
Corvallis Daytime Drop-in Center	Human Services Fund	FY 21-22 CDBG	\$10,000
Corvallis Daytime Drop-in Center	Covid-related basic need support	Other CDBG	\$45,000
Corvallis Daytime Drop-in Center	Social Service Fund	General Fund-Levy	\$10,152
Corvallis Environmental Center	Social Service Fund	General Fund-Levy	\$5,902
Corvallis Housing First	Budget Inn case management	Other CDBG	\$28,000
Corvallis Multicultural Literacy Center	Social Service Fund	General Fund-Levy	\$1,481
Furniture Share	Social Service Fund	General Fund-Levy	\$6,118
Jackson Street Youth Services	Social Service Fund	General Fund-Levy	\$19,322
Jackson Street Youth Services	Covid-related housing support	Other CDBG	\$50,727
Jackson Street Youth Services	Human Services Fund	FY 21-22 CDBG	\$10,000
Lumina Hospice & Palliative Care	Social Service Fund	General Fund-Levy	\$2,409
Old Mill Center for Children and Families	Covid-related outreach support	Other CDBG	\$8,000
Old Mill Center for Children and Families	Human Services Fund	FY 21-22 CDBG	\$12,000
Old Mill Center for Children and Families	Social Service Fund	General Fund-Levy	\$15,115
Oregon Cascades West Senior Services Foundation	Social Service Fund	General Fund-Levy	\$5,804
Philomath Community Services	Social Service Fund	General Fund-Levy	\$1,121
Philomath Youth Activities Club	Social Service Fund	General Fund-Levy	\$1,239
South Corvallis Food Bank	Human Services Fund	FY 21-22 CDBG	\$20,000
Stone Soup Corvallis, Inc	Social Service Fund	General Fund-Levy	\$5,666
Trillium Family Services	Social Service Fund	General Fund-Levy	\$1,000
United Way	Social Service Fund Administration	General Fund-Levy	\$12,000
Unity Shelter, Inc	Social Service Fund	General Fund-Levy	\$37,618
Unity Shelter, Inc	Covid-related operational support & 3 microshelters	Other CDBG	\$172,500
Vina Moses	Social Service Fund	General Fund-Levy	\$3,000
We Care	Social Service Fund	General Fund-Levy	\$6,000
Work Unlimited	Human Services Fund	FY 21-22 CDBG	\$10,000
<b>TOTAL</b>			<b>\$1,421,956</b>

**RECEIVED:** 10/27/2021 3:11:01 PM

**NAME/ADDRESS:** Sam Mercer, 1982 SW Waverly St, Corvallis, OR, 97333

**CONTACT (if any):**

**TOPIC:** ARPA funds

**MEETING DATE:** 11/1/2021

Dear Council,

I am writing to ask you to consider allocating 20% of the ARPA funds towards the City's Social Service budget to be spent over the next biennium. These funds have been prioritized by the US Treasury to direct towards the people most impacted by the impact of COVID for things such as mental health, catching up academically, addressing health and wellness and mitigating the long-term impact to disproportionately impacted populations.

Our local social service agencies play a vital role in our community, actively providing many of the necessary safety net services, especially for children, teens and families who are working to get back on track after the extended impact of COVID to mental, physical and financial health.

The needs we are seeing at our local social service agencies grow every day.

There are many needs and ways our local government could spend these funds; I am asking that you provide 20% of these funds to invest in shoring up our human infrastructure here at home. Our social service agencies will be able to respond more effectively and avert the long-term impact if they can hire and retain the qualified staff needed to run the programs that will help our community members get healthy and back on track.

Thank You