



CITY OF IOWA CITY MEMORANDUM

Date: August 7, 2024
 To: City Council
 From: Sam Turnbull, Grants Specialist
 Re: American Rescue Plan Act Update

The U.S. Treasury has allocated \$18.3 million to the City of Iowa City in local fiscal recovery funds through the American Rescue Plan Act (ARPA). The City has spent or encumbered approximately \$17 million to date. At the Sept. 7, 2021 Work Session, City Council signaled their support for the following expenditure priorities, categorized by emergent needs and strategic investments:

Program	2021 Est. Range	Funded	Expended	Status
Emergent Needs:				
Direct Payments to Eligible Adults	\$1 - \$1.5M	\$1,184,071.19	\$1,184,071.19	Complete
Eviction Prevention	\$1 - \$2M	\$1,137,710.00	\$406,854.73	In Progress
Housing Repair / Relocation	\$500k - \$1.5M	\$1,071,500.00	\$1,071,500.00	Complete
Emergency Non-Profit Assistance	\$500k - \$1M	\$485,000.00	\$417,952.62	In Progress
Strategic Investments:				
BIPOC Business Support Framework / Infrastructure	\$4 - \$6M	\$3,980,000	\$847,001.26	In Progress
Social Service Needs Assessment, Capital Planning & Seed Funding	\$3 - \$6M	\$3,000,000	\$23,822.17	In Progress
Affordable Housing Initiatives	\$2.5 - \$6M	\$945,700 <i>(committed)</i> \$768,209.30 <i>(pending)</i>		In Progress
Mental Health Services	\$1.5 - \$3M	\$939,082.00	\$812,723.64	In Progress
Workforce Development	\$1.5 - \$3M	\$1,250,000	\$452,159.65	In Progress
Climate Resiliency and Hazard Assessment Planning	\$500k - \$3M			No Longer Planned
Small Business, Arts, Culture, and Tourism Investments	\$1 - \$2M	Tourism Recovery: \$250,000 SSMID: \$500,000 Skate Park: \$500,000 <i>(pending)</i>	\$196,803.53	In Progress
Government Services and City Revenue Replacement	\$1 - \$3M	Utility Accounts: \$676,146.49 Lead Reduction: \$500,000	\$676,146.49 \$500,000	Completed

		Retention Incentive: \$1,137,770.95 Admin. Cost: Actual	\$1,137,770.95 *\$169,547.23	*Admin. Costs reported as incurred
Total 2021 Estimated Funding Range:		\$18 - \$38 million		
City's ARPA Allocation:		\$18,325,190.00		
ARPA Funds Encumbered (includes committed):		\$17,056,980.63		
Total Unencumbered ARPA Funds (includes pending):		\$1,268,209		

Program Status Update: Emergent Priorities

Direct Payments to Eligible Adults

Status: **Complete**

Amount Funded: \$1,184,071

The Johnson County Direct Assistance Program received 2,238 eligible applications from throughout Johnson County. Johnson County funded the first 1,428 applicants and the City of Iowa City funded 791 applicants (472 residing in Iowa City and 319 residing outside Iowa City).

Eviction Prevention

Status: **In Progress**

Amount Funded: \$1,137,710

Amount Expended: \$406,854.73

The pandemic created and exacerbated housing instability for many populations. Shelter House developed the Housing Stability Pilot program for ARPA-funded community eviction prevention that will extend and enhance previously allocated federal, state, and local dollars. Shelter House entered an agreement on January 10, 2023.

Housing Stability and Eviction Prevention services are now fully staffed. Seven households are enrolled in Risk Mitigation. To date Shelter House held three expungement clinics, one in April 2023, one in October 2023, and one in March 2024 with a total of 61 attendees and 129 records expunged. There are 137 households currently enrolled in case management.

Forest View Relocation

Status: **Complete**

Amount Funded: \$1,071,500

As of February 1, 2023, all residents vacated by the deadline and were eligible for relocation assistance. In total, 80 Forest View residents received the full relocation amount of \$15,750. The Center for Worker Justice worked directly with residents to assist them in obtaining affordable housing opportunities.

Emergency Non-Profit Assistance

Status: **In Progress**

Amount Funded: \$485,000

Amount Expended: \$417,952.62

Nonprofit Operating Assistance: Applications for operating assistance were reviewed and \$400,000 in funding recommendations were approved by City Council at the October 18, 2022

meeting. Twelve non-profit agencies were awarded funding. All agreements have been finalized. Eleven of the projects have expended all their funds. Of the \$400,000 awarded to the twelve non-profits, \$37,440.26 remains unexpended.

Wage Theft: In coordination with commitments from Johnson County, Coralville, and North Liberty, Iowa City allocated \$85,000 over five years to the Center for Worker Justice for an expanded campaign to confront wage theft, promote worker rights, and hire a full-time Wage Theft Organizer. The CWJ Wage Theft program has expended \$55,392.88 to date, assisted 66 workers and recovered \$80,376.82 in lost wages since May 2022.

Program Status Update: Strategic Investments

BIPOC Business Support Framework & Infrastructure

Status: In Progress

Amount Funded: \$3,980,000

Amount Expended: \$847,001.26

In an effort to advance the recommendations in the [Inclusive Economic Development Plan](#), the City launched an APRA-funded inclusive economic development program for underestimated businesses and entrepreneurs located in Iowa City. On March 19, 2024 City Council approved subrecipient agreements with Dream Center (\$2.9 million- \$100,000 was previously awarded for technical assistance), Multicultural Development Center of Iowa (\$600,000), and Wright House of Fashion (\$100,000). On April 16, 2024 City Council approved subrecipient agreements with Dotlizhi LLC (\$100,000), Neighborhood Centers of Johnson County (\$80,000), and Tailored Tax and Accounting LLC (\$100,000).

To date, Dream Center acquired the building located at 611 Southgate Avenue, begun demolition, and held an entrepreneurial roundtable attended by over 100 participants. Wright House of Fashion has held mentoring sessions with six entrepreneurs, marketing strategy sessions with four entrepreneurs and has nine students enrolled in the graphic design program. Multicultural Development Center has provided business coaching to 17 businesses and seven businesses have received Technical Assistance grants. Dotlizhi LLC has distributed one grant to a small business and now has a paid program coordinator. Tailored Tax and Accounting has provided no cost financial services to six small businesses. Neighborhood Centers of Johnson County inclusive economic development programming is set to begin in the new fiscal year.

Social Services Capital Funding Program

Status: In Progress

Amount Funded – Free Medical Clinic: \$1 million

Amount Expended: \$23,822.17

Amount Funded-Neighborhood Centers of Johnson County: \$2 million

With Council direction, staff developed a Non-Profit Capacity Building Capital Grant Program and released a Request for Statements of Interest in December 2022. Eight nonprofit agencies

submitted a Statement of Interest for consideration under the program. The review committee held informational interviews with a set of applicants in February 2023 and developed preliminary funding recommendations, which were approved at the March 21, 2023 City Council meeting.

Next Steps: Two nonprofits, Neighborhood Centers of Johnson County and Iowa City Free Medical Clinic, received preliminary funding recommendations. At Council's December 12, 2023 meeting, they approved an agreement with Iowa City Free Medical Clinic for \$1,000,000 to renovate their facility. The planned renovations will increase the number of exam rooms available to an increased number of volunteer practitioners, provide accessibility to the lower level, increase medical storage (including refrigerated medication), create a dental laboratory, create administrative offices, a multi-purpose room, and acquire related medical equipment to serve a growing number of uninsured and underinsured individuals seeking care. To date \$23,822.17 has been expended in architectural and equipment costs and the project is anticipated to go out to bid shortly.

At Council's May 7, 2024 meeting, they approved an agreement with Neighborhood Centers of Johnson County for \$2,000,000 to acquire two buildings in the Towncrest neighborhood for a Family Resource Center and an Early Childhood Center. Neighborhood Centers purchased the Early Childhood Center and Family Resource Center buildings on August 1st. The Family Resource Center will house offices for administrative staff and family support workers, as well as conference/training rooms. The Early Childhood Center will have five licensed classrooms, for at least 50 early childcare slots, a library, computer lab, a multi-purpose space with a kitchen, and a large after-school classroom.

Affordable Housing Initiatives

Status: **In Progress**

In order to expand permanent affordable housing opportunities, staff is investigating use of funds to expand the publicly owned housing portfolio of the Iowa City Housing Authority.

Next Steps: On June 18, 2024 City Council approved a purchase agreement for three 3-bedroom townhomes on Herbert Hoover Highway. The townhomes will be managed by the Iowa City Housing Authority and will be rented at an affordable rate. The City has solicited a realtor to assist with the purchase of additional units to be utilized as affordable housing.

Mental Health Services

Status: **In Progress**

Amount Funded: \$939,082

Amount Expended: \$812,723.64

City Council approved a subrecipient agreement with CommUnity at the February 15, 2022 meeting to expand Mobile Crisis Outreach in response to the exacerbated mental health impacts of the pandemic. Three Mobile Crisis Response counselors work full time providing emergency response. The fleet of eight Mobile Crisis Response vehicles has allowed the program to maintain an average response time of 26 minutes within Iowa City responding to a total of 1,546 calls this fiscal year.

Workforce Development

Status: **In Progress**

Amount Funded - Childcare Navigator (4Cs): \$100,000

Amount Expended: \$68,424.01

Amount Funded - Pre-Apprenticeship Program (UI Labor Center): \$400,000

Amount Expended: \$133,735.64

Amount Funded - Childcare Workforce Development: \$750,000

Amount Expended: \$250,000.00

Workforce Development: An agreement with the UI Labor Center for a pre-apprenticeship program targeting underserved populations in the building and construction trades was approved by Council on December 6th, 2022. 14 residents were enrolled in the FY23 cohort. 28 individuals graduated from the FY24 cohort. Forty four percent of the graduates were employed in construction trades and/or apprenticeship programs within one year of graduating. The FY25 cohort will be held February-March 2025 so that they will graduate as the Spring construction hiring begins.

Childcare Workforce Development: In June 2022, 4Cs and the Iowa City Area Business Partnership presented an update on regional childcare efforts and needs to City Council and recommended Council consider funding a childcare navigator position. 4Cs was awarded \$100,000 in ARPA funds for the navigator position. 4C's added a consultant focused on recruitment and navigation of the childcare workforce. The consultant serves the Starting Strong Program which has served 16 Iowa City providers, adding one new Iowa City provider. Monthly Training Sessions are held with Starting Strong Providers. 4C's has applied to become a Registered Apprenticeship through Workforce Development that would allow the establishment of a pre-apprenticeship training at area high schools.

Childcare Wage Enhancement Program: Johnson County, Better Together 2030, and other community partners presented a proposed Childcare Wage Supplement Program at the March 7, 2023 City Council Work Session. Council approved the agreement at the June 6, 2023, providing \$750,000 over three years to support the Wage Enhancement Program. To date, the County has authorized payment of \$177,248.49 in wage enhancements to six childcare centers in Iowa City. In August 2024 the agreement was amended to include \$25,000 per year (of the original allocation) to assist in funding an Employer Engagement Program Manager. The Employer Engagement Program Manager will be housed at Greater Iowa City Inc. and will be funded by Johnson County, the City, and Greater Iowa City Inc. The purpose of the Employer Engagement Program Manager is to secure ongoing funding commitments from local businesses to allow the Childcare Wage Enhancement Program to continue after the ARPA funding has been exhausted.

Climate Resilience and Hazard Assessment Planning

Status:

No Longer Planned

Staff will continue to utilize Emergency Levy fund balance and General Fund dollars to meet our Climate Action goals. Supplemental ARPA expenditures are no longer planned.

Next Steps: None.

Small Business, Arts & Culture, and Tourism Investments

Status: **In Progress**

Amount Funded: \$750,000

Amount Expended: \$196,803.53

At the June 6, 2022 City Council meeting, Council approved an agreement with Think Iowa City to replace \$125,000 in lost hotel/motel tax revenue due to COVID-19 and to develop and administer a \$125,000 tourism and visitor recovery grant program to spur tourism and economic activity in the Iowa City area. Of the \$125,000 available through the grant program, Think Iowa City has awarded seven projects to date:

- \$7,500 to the Iowa Golden Gloves to host the 2023 Iowa Golden Gloves Championships boxing tournament in Iowa City, organized by the ICOR Boxing Club.
- \$15,000 to the Refocus Film Festival hosted by FilmScene in Iowa City in 2022 and 2023.
- \$30,000 to the Iowa City Downtown District to host the Winter Night Lights light display and winter programming in downtown Iowa City for 2023.
- \$5,000 to EntreFEST to host a two-day entrepreneurship and innovation conference in downtown Iowa City in June 2023.
- \$5,000 to The Black Voice Project to host the 2023 Juneteenth celebration downtown.
- \$5,000 to the Core4 cycling event that incorporates four fundamental surface types: gravel, b-roads, singletrack, and pavement. With 850 participants, plus spectators and support staff, the event brought over 1,200 people to Iowa City the weekend of August 19, 2023.
- \$5,000 to the Los Trompos temporary art exhibit downtown.

Think Iowa City continues to accept applications on a rolling basis.

At the June 4, 2024 City Council meeting, Council approved Self-Supported Municipal District (SSMID) grants in the amount of \$250,000 each for the two SSMIDs (South of 6 and Iowa City Downtown District). These grants provide flexible support to allow the SSMIDs to meet their organizational needs.

Next Steps: Staff intends to supplement the Skate Park Renovation Project in the CIP with a \$500,000 award to ensure that project can be carried out in a manner that provides maximum value to the community. Staff's previous efforts to secure grant funding for this project have not been successful and this award will allow the project to proceed. Once complete, the facility will be a regional tourism draw and a premiere community recreational amenity along the Iowa River. Public input has been gathered on the Skate Park design. The project is currently in the final stages of design development with bids and construction anticipated for late 2025.

Government Services and Revenue Replacement

Status: **In Progress**

Amount Expended: \$2,483,464.67

Utility Assistance Program

Council approved the resolution authorizing Utility Billing Revenue Replacement at their September 6, 2022 meeting, bringing utility accounts current as of June 1, 2022 and resuming regular collection procedures. The total cost for Utility Billing Revenue Replacement was \$676,146.49.

Administrative Expenses

Administrative expenses attributed to ARPA are paid through the interest derived from the City's receipt of ARPA funds. Total administrative costs incurred to date is \$169,547.23

Lead Reduction

Council approved the resolution authorizing \$500,000 for a City administered program to assist property owners with replacement of their lead water service lines at their November 6, 2023 meeting. This program will help qualifying property owners avoid unplanned, costly repairs and can be successfully launched without placing the burden on utility customers. The City hosted an Open House to raise awareness about the program on January 24, 2024. The program has enabled eleven households to replace their lead or lead contaminated service lines to date. The related insurance program has been used by at least one household to replace their service line.

Workforce Retention Incentive

Council approved the resolution authorizing \$1,137,770.95 for worker retention incentive bonuses to employees in the American Federation of State, County and Municipal Employees and Administrative, Confidential and Executive employee groups on December 12, 2023. The incentive is in response to an increase in turnover rates and a shrinking applicant pool for many critical positions. 515 employees received the bonus in December 2023.