



Eric D. Batista
Acting City Manager

CITY OF WORCESTER

cm2022nov23115116

Attachment for Item #

11.4 A

November 29, 2022

TO THE WORCESTER CITY COUNCIL

COUNCILORS:

The following American Rescue Plan Act program update, as received from Peter Dunn, Chief Development Officer, is transmitted for the information of your Honorable Body.

Since our last update, we continue to roll out and administer the community-focused program applications, with more to come this fall and winter. The application deadlines have passed for the Community Projects & Programs and Small Business Safety Net Program. A summary of those applications received is enclosed and described by the Executive Office of Economic Development. Also, since our last update, we have launched the Affordable Housing Trust Fund application and the Community / Cultural Festival Program application. The Job Training as well as Mental Health Programs are expected be launched soon. So far, the ad hoc committees have helped to review and provide feedback on the program application forms, and the committees are now working with staff on the review and evaluation of applications where deadlines have closed. We greatly appreciate the volunteer time and effort of the community members serving on these committees.

In addition to the updates on the community-focused programs, I am also enclosing the latest update on the overall ARPA budget. We look forward to continuing to put these dollars to work for an equitable recovery from the pandemic.

Respectfully submitted,

Eric D. Batista
Acting City Manager

OFFICE OF THE CITY MANAGER, CITY HALL, WORCESTER, MA 01608

TELEPHONE (508) 799-1175 | FAX (508) 799-1208

EMAIL: citymanager@worcesterma.gov



TO: Eric D. Batista, Acting City Manager

FROM: Peter Dunn, Chief Development Officer

DATE: November 29, 2022

RE: Transmitting Informational Update on American Rescue Plan Act Funds (ARPA)

I write to provide an update on the launch and administration of American Rescue Plan Act (ARPA) programs. The Executive Office of Economic Development (EOED) continues to play a lead role in managing Worcester's ARPA Community Initiatives, designed to allocate funding directly to the community.

Program Launch & Current Status

The below summary is a current status of the community-focused programs outlined in the ARPA budget. As anticipated, after review with the respective Ad Hoc Program Committees, the following programs have been launched this summer:

Community Projects & Programs

This program is designed to assist nonprofit organizations with grant funding to support projects and programs that respond to the negative effects of the pandemic. Proposals for programmatic assistance can request up to \$250,000, and proposals for capital improvement projects can request up to \$1,000,000. The total budgeted amount for this program was \$10,000,000.

In the Request for Proposals, each application was asked to describe how their project or program responds to the negative effects of the pandemic, and specifically if and how their project or program assists **disproportionately impacted populations**. The review and evaluation of proposals by staff and the ad hoc committee will take this into account as they make recommendations for award.

In total, there were **140 proposals received totaling approximately \$40.2 million**. Of the 140 proposals, there were 92 programmatic proposals and 48 capital project proposals. A detailed summary of the proposals is enclosed for reference. Staff and the ad hoc committee will also be considering the priorities identified in the Community Input report as they evaluate proposals and make recommendations for awards.

The review status and remaining schedule for making recommendations is as follows:

- After the September 30th deadline, staff compiled all of the proposals and reviewed initially for completeness. As we committed, if a proposal was received by the deadline, but missing information, staff followed up to request the missing information in order to best support equitable access to funds.

- The committee met to discuss the process for reviewing and evaluating proposals, and also to understand as well as confirm acknowledgement of potential conflicts of interest. Committee members with a real or potential conflict of interest will be recused from discussing the respective proposal.
- The committee met twice in November to begin review of the proposals. They will meet three (3) times in December, three (3) times in January, and potentially (3) times in February to finalize the evaluations and submit recommendations for award to the City Manager. We will also inform the City Council of the final award recommendations.
- In terms of the evaluation process, the proposals have been assigned in batches to members of the committee for detailed review and evaluation along with EOED staff. Then the committee will have a collective discussion on the evaluation.

The number of proposals received, and the total funding requested, illustrates the acute impact of the pandemic on the community. It also demonstrates the initiative and commitment of our community-based partners in responding to the impact and working tirelessly to address the needs of our community. We sincerely appreciate everyone who has worked hard to prepare these proposals. We know that the community, and particularly the disproportionately impacted populations, will benefit greatly from these programs and projects that receive funding.

Small Business Safety Net

This program will provide grants to for-profit small businesses that were impacted by the pandemic. Grants will range from \$5,000 - \$11,500 based on the program guidelines. The initial deadline for applications has passed. The total amount budgeted for this program was \$2,500,000.

The program was designed to target and prioritize business owners from **disproportionately impacted communities**. This includes minority-owned businesses, low- to moderate-income owners, and businesses located in Qualified Census Tracts.

In total, **297 applications were received**. Based on the program guidelines for grant amounts, we anticipate that all applications confirmed eligible will be awarded.

Demographic information is a voluntary disclosure and as such, was not a required field in the application form. The summary data below is the demographic information received so far, and we will also be including the voluntary disclosure form as we proceed with awarding grant agreements:

21% Black / African American Owned	32% Women Owned
14% White Owned	34% Men Owned
17% Hispanic Owned	1% Other
7% Asian Owned	32% No response
5% Black/Hispanic Owned	
5% Other	
31% No Response	

Additionally, 62% of applicant businesses are located within a Qualified Census Tract and 55% are from low- to moderate-income households.

The applications are being reviewed and confirmed for eligibility by EOED staff and then presented to the ad hoc committee for award recommendations. Due to the volume of

applications, this is being done in batches and has commenced. Once all of the awards are finalized, the committee will then discuss recommendations related to the balance of funding from the \$2,500,000 budget. The recommendation will be shared with the City Manager's Office and then with City Council.

Small Business Technical Assistance

This program will provide grants to community-based organizations, nonprofits or community collaborations to provide targeted assistance to small business COVID-19 recovery. Assistance to businesses from disproportionately impacted communities are the priority of the program. Applicants can request up to \$100,000 based on the program guidelines. The total amount budgeted for this program was \$1,000,000.

In total, **8 applications were received**. Applications are being reviewed for eligibility by EOED staff and will be shared with the ad hoc committee for scoring of the responses in coming weeks.

Affordable Housing Trust Fund (AHTF)

Since the last ARPA update, the Affordable Housing Trust Fund, through the efforts of the Board of Trustees and our Program Manager, released the Request for Proposals (RFP) for funding. Eligible projects must be housing development proposals resulting in the creation of new affordable housing units for rent or ownership. The amount of funding is up to \$150,000 per unit, totaling no more than 25% of the total development cost. Projects receiving funds must also adhere to a minimum requirement of 10% accessible units. Due to the critical needs of the community relative to accessible housing, as well as affordability for households at or below 30% of Area Median Income (AMI), bonus funding of \$25,000 per unit will be provided for any accessible units above the minimum 10% requirement as well as any units restricted to 30% AMI.

Proposals are being accepted on a rolling basis. One (1) project has been presented to the AHTF Board for consideration – WinnDevelopment's proposed development at the Lincoln Square Boys' Club. The requested funding is \$1,750,000 of a total development cost totaling \$67.4 million. The project consists of 80 units of affordable senior apartments with 69 units at 60% AMI and 11 units at 30% AMI, with potentially 14% ADA units, which is being confirmed through the design process now. At the November meeting of the AHTF, WinnDevelopment presented their proposal, and the AHTF Board is expected to make a decision at its December meeting.

Owner-Occupied Housing Rehabilitation

This program will provide grants to owner-occupied properties to assist in **addressing building or sanitary code violations**. EOED staff and Inspectional Services have developed a referral system and communication strategy to best inform eligible owner-occupants of the assistance available to them. Grant amounts are up to \$30,000 per eligible unit. Applications are accepted on a rolling basis. The total amount budgeted for this program was \$2,500,000.

To date, six (6) applications have been approved and are underway totaling \$300,000 in funding. In terms of disproportionately impacted communities, all six (6) properties are located in Qualified Census Tracts and 50% (3) applicants are Black/African American owners.

First-Time Homeownership Development

This program will provide grant funding to enable eligible developers to build first-time homeownership opportunities in the 16 census tracts with less than a 30% homeownership rate. Grant amounts up to \$100,000 are available to eligible 1-4 unit homeownership

projects. Applications are accepted on a rolling basis. The total amount budgeted for this program was \$2,500,000.

To date, one (1) project has been approved totaling \$100,000, which is in a Qualified Census Tract.

Lead Abatement

This program will provide grants to property owners to abate lead paint hazards in residential properties built prior to 1978. Grant amounts are up to \$15,000 per eligible unit. Applications are accepted on a rolling basis. The total amount budgeted for this program was \$1,500,000.

To date, four (4) applications have been approved, all of which are in a Qualified Census Tract. In terms of demographics, two (2) applicants are Black / African American, and one (1) applicant is Asian. The total funding amounts are in process as the scopes of work are being finalized and quoted.

Flood Insurance Assistance

This program is designed to assist owner-occupied properties that are located in a flood zone. Grants are provided in amount of 50% of the annual flood insurance premium cost. Applications are accepted on a rolling basis. The total amount budgeted for this program was \$250,000.

To date, sixteen (16) applications have been approved totaling approximately \$14,600. All of the approved applications (100%) are either applicants from a Qualified Census Tract, disproportionately impacted communities, or low- to moderate-income status.

The Housing Development Division has also done a second round of outreach letters to property owners in the flood plain because we expect somewhere between 100 and 200 owners to be eligible for the assistance.

Community / Cultural Festivals and Events

This program has been launched since our last ARPA update to the City Council. The program has a budget of \$250,000 to assist organizations that sponsor and coordinate community and/or cultural festivals, parades and events in the city of Worcester that are outdoor, free and open to the public. Over the past two years, a number of these events were canceled due to the state of emergency and/or out of an abundance of caution. These events not only benefit city of Worcester residents, but also contribute to the travel, tourism, and hospitality industry which has been specifically cited by the federal government as an eligible ARPA activity.

Organizations funded through this program will receive grant assistance for covering costs related to implementing the event, which can be a barrier or a burden for these community-centered activities. Grants of up to \$10,000 for eligible costs will be awarded, and events involving primarily disproportionately impacted populations will be eligible for up to \$12,500. Applications are being accepted on a rolling basis. To date nine (9) applications have been received, but no awards have been made. The applications received to date are currently under review.

Worcester Arts Council

The Worcester Arts Council (WAC), a municipal body appointed by the City Manager charged with allocating funds for cultural projects and programs, was one of two organizations in the Commonwealth of Massachusetts to receive a \$250,000 award by the National Endowment for the Arts (NEA) to support local creatives who were negatively

impacted by the COVID-19 pandemic. In response to the RFP, WAC received a total of 106 grant applications, representing \$875,000 in requested funds. To bolster the number of applications that the Council could award, the City of Worcester has committed the \$300,000 previously allocated to WAC in the ARPA budget to this grant cycle allowing them to fully fund nearly 60% of those who applied. Awardees represent a wide range of creative disciplines serving a diverse population. Once all grant agreements are finalized, a full list of grantees will be provided.

Upcoming Applications

Our office continues to work on the development of the remaining applications, while simultaneously administering and reviewing applications received for the programs already launched. The Job Training and Mental Health program applications are expected to be launched before the end of the calendar year. We are also starting to work on the remaining Creative Economy / Arts & Culture programs and will be engaging with that committee more regularly in the upcoming weeks.

ARPA Budget

Enclosed for reference is a copy of the current overall ARPA budget and expenditures by category to date. As programs are now underway, we anticipate more frequent expenditures in the coming months.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter Dunn", written in a cursive style.

Peter Dunn
Chief Development Officer

Summary of Community Projects & Programs RFP Responses (“Applications”)

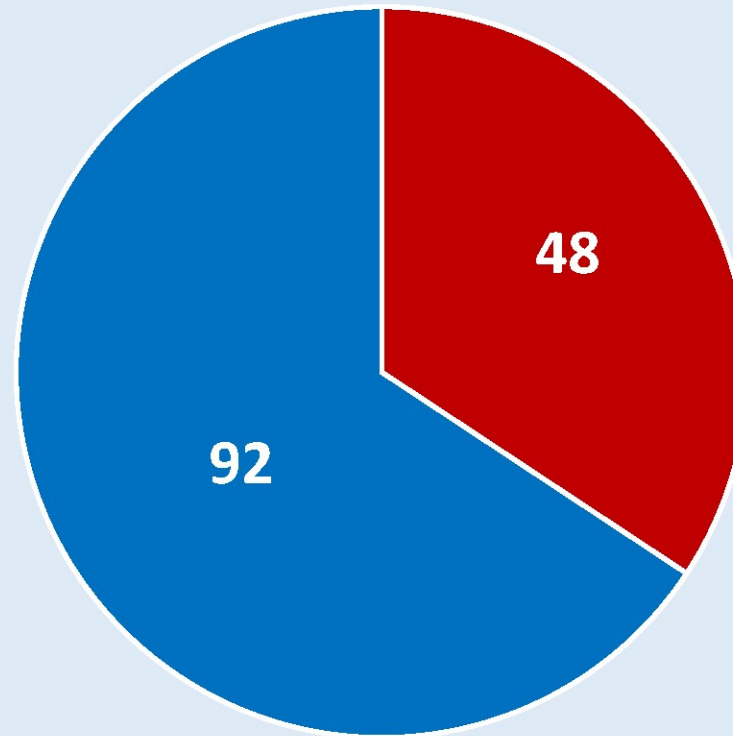
Executive Office of Economic Development

Neighborhood Development Division

October, 2022

There were a total of **140** completed applications.
There were almost twice as many applications for Social Programs.

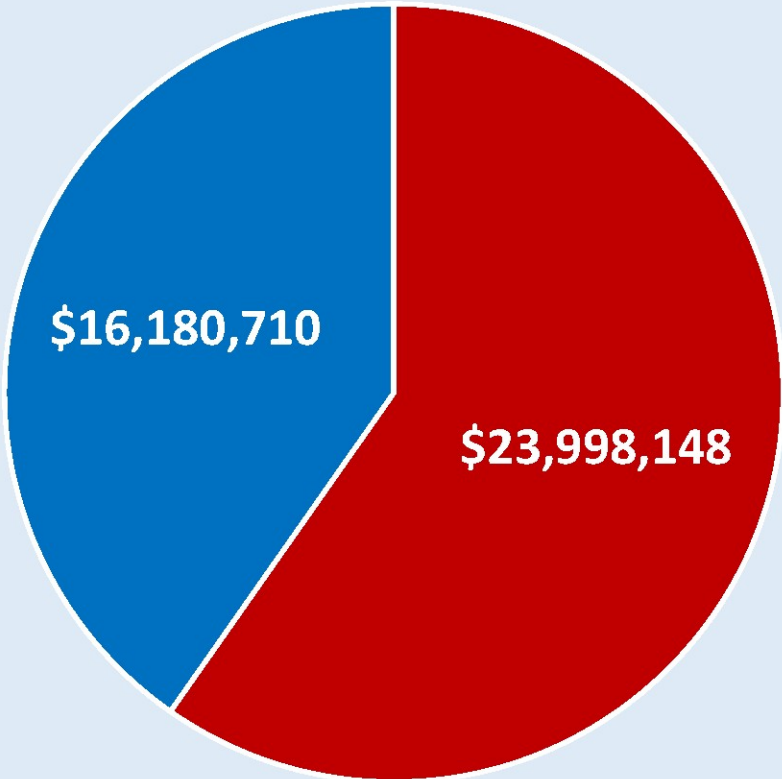
Total Number of Applications



■ Capital Projects ■ Social Programs

Over **\$40 million** requested.
About 2/3rds of funds requested are for Capital Projects.

Total Number of Requested Funds

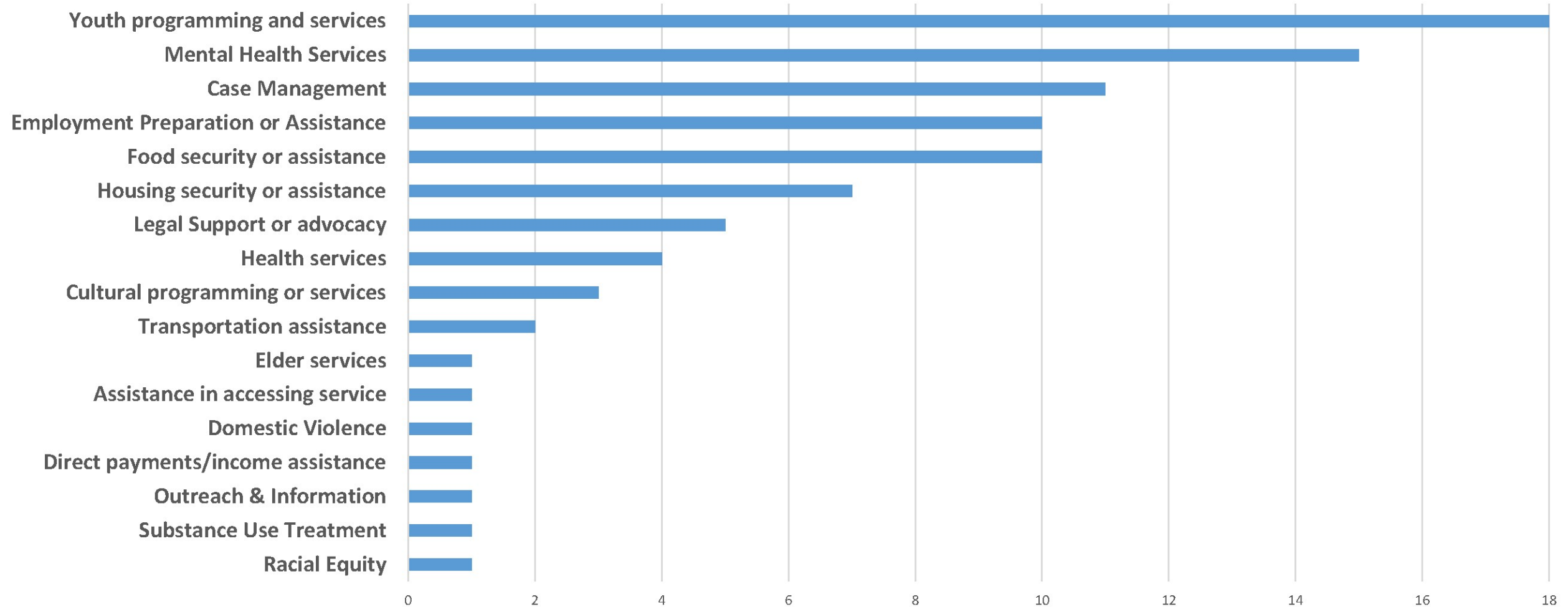


Total:
\$40,178,858

■ Capital Projects ■ Social Programs

Applications reported 17 different focus areas.
Youth Programs and Mental Health Services were among the most represented.

Social Program Applications by Type of Service

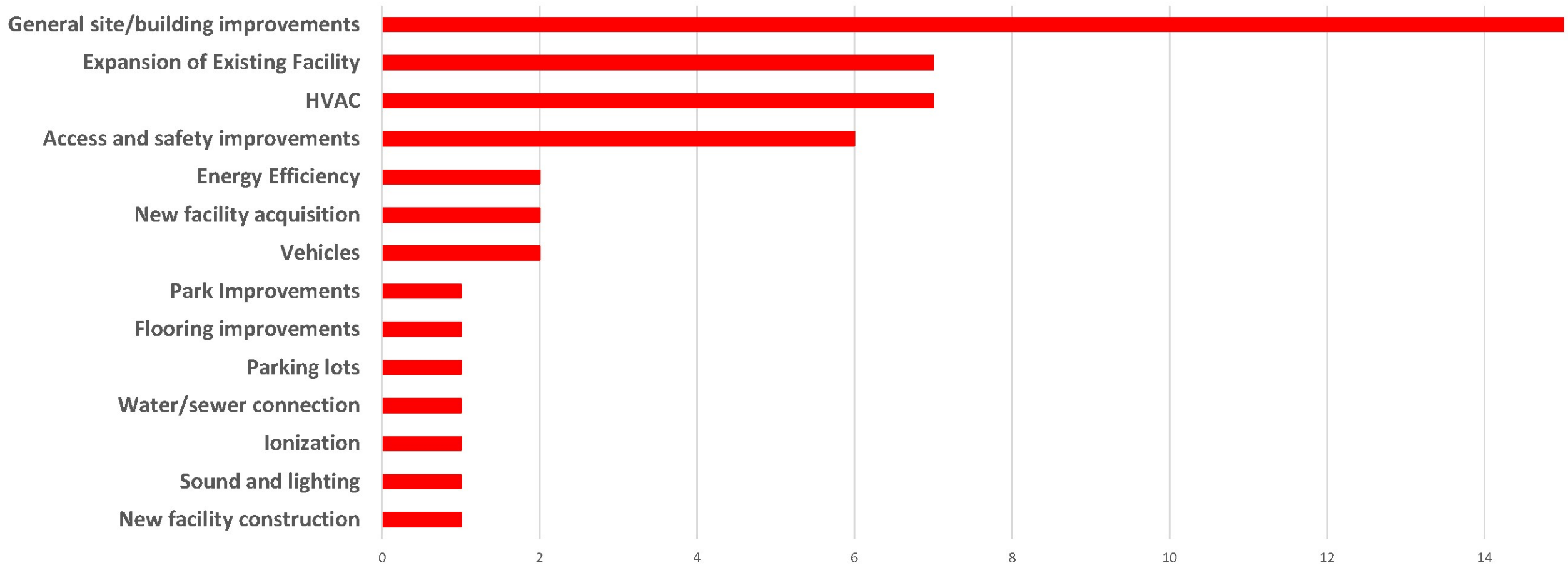


Amount of Social & Human Services Funding Requested by Category

Social Programs	Amount Requested
Youth Programming and Services	\$ 3,282,982
Mental Health Services	\$ 2,914,457
Case Management	\$ 2,044,682
Employment Preparation or Assistance	\$ 2,027,677
Food Security or Assistance	\$ 1,855,585
Housing Security or Assistance	\$ 1,088,261
Legal Support or Advocacy	\$ 736,185
Health Services	\$ 573,379
Cultural Programming or Services	\$ 328,500
Racial Equity	\$ 250,000
Substance Use Treatment	\$ 250,000
Direct Payments/Income Assistance	\$ 250,000
Outreach & Information	\$ 217,969
Transportation Assistance	\$ 161,000
Assistance in Accessing Service	\$ 120,034
Elder Services	\$ 50,000
Domestic Violence	\$ 30,000
Total	\$ 16,180,710

Capital project requests generally fit into 14 project type categories, including general improvements.

Capital Project Applications



Amount of Non-Profit Facilities Requested by Type of Project

Capital Project	Amount Requested
General Site/Building Improvements	\$ 6,563,804
Expansion of Existing Facility	\$ 5,020,019
HVAC	\$ 1,177,056
Access and Safety Improvements	\$ 3,368,903
Energy Efficiency	\$ 2,000,000
New Facility Acquisition	\$ 1,998,000
Vehicles	\$ 728,000
Park Improvements	\$ 999,975
New Facility Construction	\$ 900,000
Ionization	\$ 521,709
Water/Sewer Connection	\$ 347,231
Sound and Lighting	\$ 250,000
Flooring Improvements	\$ 85,800
Parking Lots	\$ 37,650
Total	\$ 23,998,147

City of Worcester
American Rescue Plan Act of 2021 (ARPA)
Project Expenditure Tracker
as of 10/31/2022

Description	Budget	Expenses	Balance
Community Based Initiatives:			
Housing:			
Housing - Affordable Housing Trust Fund (AHTF)	\$ 15,000,000.00	-	\$ 15,000,000.00
Housing - Owner-Occupied Housing Rehab	2,500,000.00	-	2,500,000.00
Housing - First-Time Homeownership Development	2,500,000.00	-	2,500,000.00
Housing - Sustaining Housing First Solutions	4,000,000.00	-	4,000,000.00
Housing - Lead Program	1,500,000.00	-	1,500,000.00
Housing - Down Payment Assistance	1,500,000.00	-	1,500,000.00
Housing - Worcester Housing Authority	750,000.00	-	750,000.00
Housing - Home Flood Insurance Assistance	250,000.00	(7,045.78)	242,954.22
Total Housing	\$ 28,000,000.00	(7,045.78)	\$ 27,992,954.22
Local Business Assistance & Marketing:			
Business Safety Net & COVID Improvements	\$ 2,500,000.00	-	\$ 2,500,000.00
Technical Assistance for Underserved Business	1,000,000.00	-	1,000,000.00
Minority / Woman Business Enterprise Fund	550,000.00	-	550,000.00
Marketing (Massport & Discover Central MA)	1,950,000.00	-	1,950,000.00
Total Local Business Assistance & Marketing	\$ 6,000,000.00	-	\$ 6,000,000.00
Creative Economy:			
Worcester Arts Council Grants	\$ 300,000.00	-	\$ 300,000.00
Cultural Plan Implementation	1,000,000.00	-	1,000,000.00
Creative/Cultural Organizations and Facilities Grants	2,950,000.00	-	2,950,000.00
Community/Cultural Festival Support/Other	250,000.00	-	250,000.00
Total Creative Economy	\$ 4,500,000.00	-	\$ 4,500,000.00
Job/Skills Training (Worcester Jobs Fund)	\$ 1,200,000.00	-	\$ 1,200,000.00
Worcester Regional Food Hub	\$ 1,000,000.00	-	\$ 1,000,000.00
Mental Health Services	\$ 2,000,000.00	-	\$ 2,000,000.00
WPS ADA Compliance Integration	\$ 10,000,000.00	-	\$ 10,000,000.00
Additional Community - Based Projects: e.g. Food Security, Childcare, etc.	\$ 10,000,000.00	-	\$ 10,000,000.00
Total Community-Based Initiatives	\$ 62,700,000.00	\$ (7,045.78)	\$ 62,692,954.22

Public Health:

HUB Navigator	\$ 273,000.00	(31,684.48)	\$ 241,315.52
COVID -19 Vaccine Freezer Generator	\$ 58,500.00	-	\$ 58,500.00
Senior Center Virtual Programming	\$ 300,000.00	-	\$ 300,000.00
Library Lockers and Book Vending Machines	\$ 1,002,000.00	-	\$ 1,002,000.00
ESOL Programs	\$ 1,050,000.00	(9,384.25)	\$ 1,040,615.75

Other

DPH-Software	\$	54,495.00	(595.00)	\$	53,900.00
DPH/HHS Technology		24,500.00	-		24,500.00
DPH - Coalition for a Healthy Greater Worcester		75,000.00	-		75,000.00
COVID Testing Contract		300,000.00	(161,500.00)		138,500.00
Emergency Public Health Initiatives		2,000,000.00	(160,860.11)		1,839,139.89
Total Other	\$	2,453,995.00	\$ (322,955.11)	\$	2,131,039.89
Total Public Health Initiatives	\$	5,137,495.00	\$ (364,023.84)	\$	4,773,471.16
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Public Asset & Infrastructure Improvements:					
DCU Center Improvements (Electrical Vault)	\$	2,000,000.00	\$ (1,585,468.60)	\$	414,531.40
Green Worcester Plan Implementation	\$	2,500,000.00	\$ (129,204.28)	\$	2,370,795.72
Public Facility Improvements					
City Hall Touchless Facilities	\$	180,000.00	\$ -	\$	180,000.00
RECC HVAC Upgrades		250,000.00	(53,327.57)		196,672.43
Total Public Facilities Improvements	\$	430,000.00	\$ (53,327.57)	\$	376,672.43
Park Improvements					
Park Capital Improvements (QST)	\$	10,525,000.00	\$ (277,113.80)	\$	10,247,886.20
Total Parks Improvements	\$	10,525,000.00	\$ (277,113.80)	\$	10,247,886.20
Water/Sewer Related Infrastructure Improvements					
Water/Sewer Infrastructure	\$	22,500,000.00	\$ -	\$	22,500,000.00
Total Water/Sewer Related Infrastructure Improvements	\$	22,500,000.00	\$ -	\$	22,500,000.00
Total Public Asset & Infrastructure Improvements	\$	37,955,000.00	\$ (2,045,114.25)	\$	35,909,885.75
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Technology Improvements:					
Enterprise Resource Planning System (ERP)	\$	12,966,624.00	\$ (5,007,879.83)	\$	7,958,744.17
Technology Improvements		5,960,000.00	-		5,960,000.00
Total Technology Improvements	\$	18,926,624.00	\$ (5,007,879.83)	\$	13,918,744.17
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Administrative Overhead:					
Staffing, Indirect Rate, Other	\$	3,625,963.00	\$ (105,025.43)	\$	3,520,937.57
Total Administrative Overhead	\$	3,625,963.00	\$ (105,025.43)	\$	3,520,937.57
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Revenue Recovery:					
General Fund	\$	4,349,498.00	\$ (7,096,458.98)	\$	(2,746,960.98)
DCU Center		9,086,807.00	(2,339,846.00)		6,746,961.00
Parking		2,353,218.00	(1,853,218.13)		499,999.87
Total Revenue Recovery	\$	15,789,523.00	\$ (11,289,523.11)	\$	4,499,999.89
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Premium Pay:					
General Fund	\$	2,500,000.00	\$ (2,497,500.00)	\$	2,500.00
Total Premium Pay	\$	2,500,000.00	\$ (2,497,500.00)	\$	2,500.00
Total	\$	146,634,605.00	\$ (21,316,112.24)	\$	125,318,492.76