



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 09/13/2022

REQUESTER:

PRESENTER: Kathryn Walker, City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF CONTRACT K-2223-51: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND UNITED WAY OF NORMAN IN THE AMOUNT OF \$114,000 FOR THE FACILITATION OF APPLICATION DEVELOPMENT AND REVIEW FOR AMERICAN RESCUE PLAN ACT (ARPA) FUNDS EARMARKED FOR NON-PROFITS AND BUDGET APPROPRIATION.

BACKGROUND:

At its retreat in July 2021, Council discussed earmarking American Rescue Plan Act ("ARPA") funds for economic development and non-profits. Council had additional discussion during its Study Session on August 17, 2021. At that time, the U.S. Treasury Department had issued the Interim Final Rule governing expenditure of ARPA funds, and Council informally allocated \$1,000,000 *each* for entrepreneur grants and non-profit support and an additional \$1,000,000 for capital improvement projects planned at two non-profit agencies. The Final Rule for expenditure of ARPA funds was issued on January 6, 2022. As a Community Development Block Grant entitlement city, the City of Norman has received \$22,245,542 in ARPA funding in two payments, \$11,122,771 on May 19, 2021 and \$11,122,771 on June 6, 2022. It is important to note that any ARPA funded expenditures that do not meet the requirements of the Final Rule must be paid back by the City.

In accordance with the Final Rule, the City may spend ARPA funds on programs or projects that respond to the public health and economic impacts of COVID-19. In various actions, the Council has appropriated \$20,500,000 of the City's ARPA entitlement funds (leaving \$1,745,542 to be appropriated).

Council discussed contracting with United Way of Norman to help facilitate application development, review and recommendation for funding to non-profits because of its established history and work with non-profits in Norman.

DISCUSSION:

Contract K-2223-51 provides that the United Way will develop an application process for the City's earmarked non-profit assistance funding from ARPA funds. Agencies will receive notice of the funding opportunity and given a deadline for funding applications. United Way is charged with reviewing applications, evaluating whether such applications are eligible for ARPA funds, and providing the City with recommendations on which applications should be funded and the level of funding award. In exchange for these services, the City will pay the United Way \$114,000. Administration of this program is an eligible ARPA expense and will be funded from existing ARPA funds. It is envisioned that final recommendations from United Way will result in sub-recipient funding agreements between the City and the receiving non-profit, which will be voted on by Council.

The contract amount of \$114,000 is proposed to be appropriated from the Special Grants Fund Balance Account (22-29000) to ARPA Social Services Other Business Services (Account 22110187-44199).

RECOMMENDATION:

Staff recommends approval of Contract K-2223-51 and budget appropriation, as discussed above.