



**MEETING OF APRIL 18, 2023**

**TO:** Mayor Jordan and City Council

**THRU:**

**FROM:** Kit Williams, City Attorney

**DATE:**

**SUBJECT:**

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**RECOMMENDATION:**

Council Member Sarah Moore requests City Council approval of a resolution approving the ARPA application of and authorizing Mayor Jordan to sign a subrecipient agreement with Serve NWA d/b/a New Beginnings in the amount of \$1,295,000.00 to provide low income residents with housing and other needed support.

**BACKGROUND:**

**DISCUSSION:**

**BUDGET/STAFF IMPACT:**

\$1,295,000 from the City's ARPA funds

**ATTACHMENTS:** Agenda Request Serve NWA - Sarah Moore, New Beginnings\_Resolution-City Attorney Memo, 2023-505 BA ARPA Serve NWA\_New Beginnings



# City of Fayetteville, Arkansas

113 West Mountain Street  
Fayetteville, AR 72701  
(479) 575-8323

## Legislation Text

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**File #: 2023-505**

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A RESOLUTION TO APPROVE AND AUTHORIZE MAYOR JORDAN TO SIGN AN ARPA FUNDED SUBRECIPIENT AGREEMENT WITH SERVE NWA FOR SUPPORTIVE OR AFFORDABLE HOUSING IN THE AMOUNT OF \$1,295,000.00 AND TO APPROVE A BUDGET ADJUSTMENT

**WHEREAS**, Serve NWA, d/b/a New Beginnings, has long worked to shelter unhoused persons in Fayetteville and submitted an application requesting \$1,295,000.00 in American Rescue Plan Act (ARPA) funding to help Fayetteville's lower income residents obtain housing; and

**WHEREAS**, the City Council believes that New Beginnings should receive this ARPA funding to enable low income Fayetteville residents to become better sheltered and to find affordable housing accommodations and other services.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:**

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby determines that the ARPA application from New Beginnings meets all requirements of the American Rescue Plan Act (ARPA), approves the ARPA application by Serve NWA (d/b/a New Beginnings) in the amount of \$1,295,000.00 to provide low income residents with housing and other needed support, and authorizes Mayor Jordan to sign the Subrecipient Agreement with Serve NWA (d/b/a New Beginnings).

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment in the amount of \$1,295,000.00 to pay for the needed services offered by Serve NWA (d/b/a New Beginnings).



OFFICE OF THE  
CITY ATTORNEY

## DEPARTMENTAL CORRESPONDENCE



**Kit Williams**  
*City Attorney*

**Blake Pennington**  
*Assistant City Attorney*

**Jodi Batker**  
*Paralegal*

**TO: Mayor**  
**City Council**

**CC: Susan Norton, Chief of Staff**  
**Paul Becker, Chief Financial Officer**  
**Steven Dotson, Internal Auditor**

**FROM: Kit Williams, City Attorney**

**DATE: February 27, 2023**

**RE: Resolution to Approve a \$1,295,000 Subrecipient Agreement with New Beginnings for Supportive or Affordable Housing**

Although Council Member Sarah Moore had approved my final draft of her desired Resolution, I failed to get it onto the Tentative Agenda last week. Therefore, Sarah will need to walk it onto tomorrow's Agenda Session.

Since it cannot get on the agenda until the Agenda Session now, Sarah asked that I provide everyone a copy for your review prior to tomorrow's Agenda Session. I have also attached a portion of Council Member Moore's email outlining why she believes it is a valuable and legal use of ARPA's funds. She will certainly further explain the need for this Resolution and can answer your questions at the Agenda Session.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION TO APPROVE AND AUTHORIZE MAYOR JORDAN TO SIGN AN ARPA FUNDED SUBRECIPIENT AGREEMENT WITH SERVE NWA FOR SUPPORTIVE OR AFFORDABLE HOUSING IN THE AMOUNT OF \$1,295,000.00 AND TO APPROVE A BUDGET ADJUSTMENT**

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Section 2: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment in the amount of \$1,295,000.00 to pay for the needed services offered by Serve NWA (d/b/a New Beginnings).

**PASSED and APPROVED** this 7<sup>th</sup> day of March, 2023.

**APPROVED:**

**ATTEST:**

By: \_\_\_\_\_  
**LIONELD JORDAN**, Mayor

By: \_\_\_\_\_  
**KARA PAXTON**, City Clerk Treasurer

**From:** Moore, Sarah  
**Sent:** Tuesday, February 14, 2023 12:45 AM  
**To:** Dotson, Steven; Becker, Paul  
**Cc:** Williams, Kit  
**Subject:** Re: Resolution for 02/28 agenda session: ARPA for Serve NWA housing application

Hi Steven and Paul

I wanted to touch base with you on the New Beginnings project to purchase units that will be kept as affordable units at some of the most entry level of our population that have experienced chronic homelessness.

There has been brought up earlier today the concern of meeting the ARPA guidelines. This is the first time that I understood this project had concerns that it was outside the ARPA parameters. I did understand staff did not recommend it, but in the criteria shared, I did see how it could be possible to not be recommended and still be a viable project.

I would not want to entertain doing anything that is not eligible to be done. I and others that I collaborate with have followed ARPA very closely since its launch educating the public on the program and speaking directly with community members on their expectations over the past 2 years. The ARPA program has morphed and changed over time and has mostly been updated in a way that has loosened restrictions and tried to open up the ability for communities to get creative about solving things like affordable housing.

In reading the guidance on ARPA and the updated information on affordable housing, I do find that this project can qualify. In all of the projects and reading of ARPA, it seems that a project of this type is allowable. Do you see this any differently? I am attaching some highlights from portions that seem to lend themselves to this project. The biggest factors to consider seem to be making sure that there are income requirements in line with federal housing programs, housing standards, a set time period of affordability. Looking further, it seems like the minimum time frame of affordability is 20 years which the current applicant will be agreeable to.

I welcome feedback on how we structure this opportunity so that we are in compliance while also creating the ability to house some of the highest need in our city.

### **1. Treasury continues to authorize use of ARPA funds to further affordable housing in response to COVID-19.**

Governments continue to be able to use recovery funds they receive for the “development, repair, and operation of affordable housing and services or programs to increase long-term housing security.” For an affordable housing development to qualify for ARPA funding, the project must be responsive and proportional to the negative economic impacts of the pandemic. A development may meet this requirement if it increases the supply of long-term affordable housing for households negatively impacted by the pandemic.

Under the revised FAQs, Treasury now presumes that certain projects related to affordable housing investments are eligible uses. This includes projects that are eligible for funding

under an expanded list of federal housing programs and projects for the development, repair or operation of affordable rental housing, subject to certain income and affordability requirements. To the extent a project fits into one of the two presumptions further described below, Treasury **will presume that the project is eligible**.

## **2. Two presumptively eligible uses of ARPA funds were added to the guidance.**

Under the new guidance, Treasury expanded eligible affordable housing uses to maximize the availability of ARPA funds for affordable housing projects.

First, Treasury will presume that any project eligible for funding under certain federal housing programs is an eligible use of ARPA funding. Previously, the federal programs were limited to the HOME Investment Partnerships Program and the National Housing Trust Fund. The new guidance expands that list to other programs and agencies, including the Low-Income Housing Tax Credit (LIHTC) program, the Public Housing Capital Fund, Section 202 Supportive Housing for the Elderly Program, Section 811 Supportive Housing for Persons with Disabilities Program, project-based rental assistance, and Multifamily Preservation and Revitalization program. For presumptive eligibility related to a federal housing program, a project must comply with the applicable program's requirements regarding (1) income restrictions, (2) the affordability period and related requirements for assisted units, (3) tenant protections and (4) housing quality standards. *(NBs would plan to meet this requirement and have full assurance with a contract put in place with City of Fayetteville)*

Second, Treasury will presume that an investment in the development, repair or operation of any affordable rental housing unit is an eligible use of ARPA funds if the unit provides affordability for 20 years or more, imposed through a land-use restriction (or similar) agreement, for households at or below 65% of area median income (AMI). Additionally, Treasury does not require that the income limits and 20-year affordability covenant apply to specific units. These limits can instead be used to specify a number of units in the development as long as the applicable covenants specify the bedroom size mix. *NBs would plan to meet this requirement and have full assurance with a contract put in place with City of Fayetteville*

Thank you

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Sarah Moore  
Fayetteville City Council, Ward 2  
[sarah.moore@fayetteville-ar.gov](mailto:sarah.moore@fayetteville-ar.gov)  
479.263.6629

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**From:** Moore, Sarah <[sarah.moore@fayetteville-ar.gov](mailto:sarah.moore@fayetteville-ar.gov)>

**Date:** Monday, February 13, 2023 at 3:44 PM