



## **CITY OF ALBANY CITY COUNCIL AGENDA STAFF REPORT**

Agenda Date: October 20, 2025

Reviewed by: NA

**SUBJECT:** American Rescue Plan Act (ARPA) Program Update

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### **SUMMARY**

This staff report provides a status update on programs and services funded with American Rescue Plan Act (ARPA) of 2021 and a request to allocate funds for the Rental Assistance Program.

### **STAFF RECOMMENDATION**

That the Council:

1. Receive an update on programs and services funded with ARPA; and
2. Adopt Resolution No. 2025-66, allocating \$50,000 of ARPA funding from the Temporary COVID Business Assistance Program to the Temporary COVID Public Assistance Program to cover costs of the Rental Assistance Program until the end of 2026; and
3. Provide initial feedback to staff on programs and services of priority interest to work to retain post-pandemic without ARPA funding.

### **BACKGROUND**

On March 11, 2021, the federal American Rescue Plan Act (ARPA) was signed into law. The ARPA provides aid to state, tribal, and local governments for public health and economic recovery due to COVID. As a non-entitlement unit of local government, the City of Albany was allocated \$4,711,702 in ARPA funds. The City Council approved a total of \$4,681,702 of ARPA funding to create a Temporary COVID Public Assistance Program and Small Business Assistance Program that included staff support. The Temporary COVID Public Assistance Program included funding for the expansion of services provided by Albany Project HOPE, a grocery distribution program, an afterschool subsidy program, rental assistance and financial stability and debt relief programs. The Temporary COVID Small Business Assistance Program

included funding for different types of grants, the eGift card program, business related events including the Solano Stroll and Stroll-ish events, and business marketing and promotion.

Consistent with the City Council's direction, these programs have been implemented at various intervals since 2022. All ARPA funds must be expended by December of 2026.

## **DISCUSSION**

As suggested in US Department of Treasury guidance, staff is to give an update on ARPA funded programs annually. The previous update was provided in November 2024.

### **Temporary COVID Public Assistance Program**

#### **1. Friendship Subsidy Program (2022-2026)**

The Friendship Club is the City's afterschool program for children entering 1<sup>st</sup> through 5<sup>th</sup> grades which runs 5 days per week during the school year at Ocean View Park and Memorial Park. The monthly cost for the 5-day per week program is \$495 per child. Friendship Club currently provides afterschool services to 82 children. The Friendship Club Subsidy Program was launched in May 2022 to provide financial subsidies to income eligible Friendship Club families who reside in Albany. Families participating in the Friendship Club after-school program apply for the subsidy as they complete the enrollment process. Income eligibility limits are based on the US Department of Housing and Urban Development (HUD) Income Limits for Alameda County. Documentation of income and Albany residency are required.

For the 2025-2026 school year the Friendship Subsidy Program offered 25% and 50% subsidies for monthly tuition based on household size and income. Currently 10 households with children in the Friendship Club after-school program are receiving a monthly subsidy. 7 out of 10 households qualified for the 50% subsidy. Since the inception of the program, a total of 34 subsidies for Friendship Club after-school program participants have been granted.

Starting in the summer of 2023, the Subsidy Program was expanded to include Friendship Summer and Seasonal Camps, as well as the Junior Counselor Program. Income-eligible families living in Albany receive a 50% discount code to be applied at the time of registration. From September 2023 to October 2025, 103 subsidies were provided to children participating in Friendship Summer and Seasonal Camps and the Junior Counselor Program. Approximately half of those children participated in two weeks of programming or more.

#### **2. Albany Project HOPE Expansion (2021-2026)**

ARPA allocations have helped to expand the services provided by Albany Project HOPE (Housing Opportunities Expanded), the City's outreach, engagement, case management and housing services program for people experiencing homelessness administered by Insight Housing. Expanded services include the leasing of a second house for up to four clients, additional Rapid Rehousing rental subsidies for up to 6 new clients for a duration of 12 months, emergency hotel stays for 4 clients for 7 nights, flex funding for program and outreach

expenses, assistance with move-in costs, supplies and food costs. To date service levels have remained consistent. Insight Housing continues to work with Albany CARES, the Police Department and others throughout the City to respond to the needs of individuals experiencing homelessness in Albany.

### 3. Financial Assistance Program (2023-2026)

The Financial Assistance Program is available for low-income tenants who are experiencing a temporary financial setback and are at risk of becoming delinquent on rent or who have fallen behind on rent. The program also assists low-income tenants who have accumulated ‘shadow debt’ to keep up with their rent, pay for food and other household expenses or navigate an unexpected financial setback. Income eligibility limits are based on current HUD Income Limits for Alameda County. The City utilizes ECHO (Eden Council for Hope and Opportunity) Housing to administer the program with support from Albany CARES and the Recreation and Community Services Department.

From the start of the program in April 2023 to October 2025, the program has provided one-time assistance to 77 households. The average grant is \$8,200 and covers 3-4 months’ rent. Payments are made directly to landlords on behalf of the tenant except for extenuating circumstances. While the Financial Assistance Program includes two components, the Rental Assistance Program and the Debt Relief Program, the majority of applicants have been approved under the rental assistance option. All program participants receive some initial financial counseling, are offered information about relevant resources as needed and have the option to develop action plans to guide them toward saving, paying off debt and meeting future goals. Demand for the program was highest in the first year of implementation. Program demand decreased slightly in the second year. Currently, approximately 2 new households are approved each month for one-time funding assistance.

### 4. Community Grocery Program (2022-2024)

The Albany Community Grocery Program ran from February 2022 through December 2024. This program first distributed bags of groceries and essential items, then shifted to the distribution of \$75 grocery cards on the first Friday of each month to income eligible Albany households. The income limit for participation was based on the HUD Income Limits for Alameda County. Program participation grew steadily to nearly 200 participants monthly. As the program ended, participants received information about local non-profit organizations that distribute groceries, including the Berkeley Food Network that runs a mobile food pantry at Albany High School twice a month and is open for all Albany and Berkeley residents.

## **Temporary COVID Small Business Assistance Program**

### 1. Business Grants

The City has administered five grant programs to help address specific needs identified within our business community with a total of 98 grant awards to date. The grant programs have been well received. Staff continues to promote grant opportunities through direct outreach to our business community.

- Business Façade Improvement Grant (2024-2026)

The City launched this ARPA-funded business grant program last year. The goal of this grant program is to incentivize façade treatment to increase customer visits and commercial vitality. Properties eligible for improvement are commercial buildings located in Albany's commercial areas of San Pablo Avenue and Solano Avenue.

Two commercial locations have been awarded funds. An additional 12 commercial locations have been preapproved for the grant and are anticipated to be awarded grant funds this fiscal year. Many of the applicants have taken advantage of the complimentary design assistance facilitated by the City. The benefits of the City retaining a façade design consultant to offer this service include a consistency in design quality and an expedited approval process.

- Business Attraction Grant (2024-2026)

The Business Attraction Grant is intended to attract new businesses in Albany, fill vacant spaces in commercial areas, and give business owners financial support to overcome startup and facility upgrade costs as they look to grow their business in Albany. So far, 7 businesses have been awarded funding for this grant after opening.

- Window and Door Repair Grant (2023 & 2025)

The Window and Door Repair Grant was established to support businesses and nonprofits impacted by an increase in crimes of vandalism and break-ins in 2023. This grant was reopened in 2025. To date, 14 Albany businesses with storefront properties have been able to apply for up to \$2,500 in reimbursement funds on repairs to windows and doors damaged due to vandalism and break-ins.

- Parklet Grant (2023-2024)

The Parklet Grant was intended to assist businesses with parklets and the business community by offering financial support to bring the parklets up to code, both in design and safety compliance. A total of 5 businesses have been awarded funding.

- COVID Small Business Assistance Grant (2022)

The COVID Small Business Assistance Grant Program was launched on April 8, 2022 to help Albany small businesses that endured long, mandated closures, as well as other businesses in the community that were hardest hit by the pandemic. Grants ranging up to \$20,000 were awarded to 67 businesses. Grant awards were based on tiered criteria that gave preference to businesses that were closed due to state mandates for long periods of time.

## 2. Events in Commercial Areas (2022-2025)

The City hosted and assisted in the hosting of several events in our commercial areas. This included Boheme Out of the Box, the Albany Juneteenth Celebration, the Picnic Holiday Makers Market, Solano Avenue Association seasonal sidewalk events, and the Solano Avenue Stroll.

## 3. Business Marketing (2022-2025)

The City has also engaged in advertising efforts to promote Albany's commercial areas with the eGift Card program (2022 & 2025) during Albany Local Week, news stories and sponsored advertising, social media advertising, and street banners installed along Solano, San Pablo and Buchanan Avenues.

## **ANALYSIS**

The temporary COVID Assistance programs have been impactful in aiding small businesses and residents most in need that have been adversely affected by the pandemic. The extended timeframe of ARPA funding through December 31, 2026 did allow for some of the programs to have an extended implementation period which has resulted in greater overall program impact. However, due to the temporary nature of the funding, continued planning and use of staff resources are a priority. It took significant time and effort to implement vigorous assistance programs, and once established, programs have needed to be managed with specific attention to timing of phasing out programs gradually with minimal impact to residents and businesses. In addition, it should be noted that this funding source was established in response to a historical and unprecedented pandemic, which has now generally subsided. Given the limited nature of ARPA funding, the programs will need to be wound down at varying points before December 2026.

- The Friendship Subsidy Program is projected to continue through the summer of 2026. Staff will work directly with subsidy recipients to identify any other available after-school program resources.
- The FY2025 & FY2026 contract with Insight Housing for Albany Project HOPE utilizes the ARPA allocated funds to continue services through June 2026. Discussions with Insight Housing will start soon to identify the scope of future services within a budget consistent with pre-pandemic support levels.
- The Financial Assistance Program will continue until the remaining program funds are expended. With the current rate of inquiries and applications, staff anticipates that funding will be available through the end of the fiscal year and is recommending a reallocation of \$50,000 from the COVID Business Assistance Program to extend the rental assistance program until December 2026. To align with community needs, the debt relief program will be phased out by the end of 2025 and the remaining funding will be allocated to rental assistance, which is the most requested and utilized resource.

- Three of the five business grant programs will be ongoing until the end of the next calendar year (Business Façade Improvement Grant, Business Attraction Grant and Window and Door Repair Grant). It is anticipated that funding to support events in the commercial area will conclude at the end of FY2025. Funding to support business marketing has been set aside, including for the creation of additional seasonal banners.

### **Local Resources post ARPA**

In preparing for the full utilization of ARPA funds, staff are working to identify other local resources available to support Albany residents, including the following:

#### **Albany CARES**

Albany CARES, the City's navigation and referral program that helps residents access available community resources, assisted 668 unduplicated clients in 2024. The primary issues that clients requested help with included: Parcel tax exemptions and renter rebates (26%), Financial assistance for utility bills and rent (15%), Homelessness (8.2%), Landlord and tenant issues (8.1%), Finding affordable housing (7.6%).

Albany CARES provides individualized information about resources on a range of issues. Staff is able to refer residents directly to ECHO Housing for landlord and tenant counseling and the City's Rent Review Program. Albany CARES conducts active outreach to income-eligible homeowners and renters to encourage their annual participation in the Homeowner Parcel Tax Exemption and Renter Rebate program which provides a moderate discount on their property tax bill or a rebate to renters. For unhoused residents, staff provide information on local resources, including the Albany Thrives Together showers and laundry program, and connect interested individuals to Insight Housing for further assistance. Albany CARES staff also provide basic guidance on how to navigate the affordable housing system and apply for waiting lists so that community members can feel more confident in their search for housing.

Albany CARES will also continue to explore potential partnerships to help further support residents in meeting their critical needs. Examples include:

- The Mercy Brown Bag program could potentially be expanded to a mobile truck distribution to streamline operations and add more capacity so more eligible seniors could receive groceries twice a month.
- The Albany Police Activities League (APAL) currently funds \$100 scholarships for low-income Albany households for youth classes and camps. The scope of this program could be potentially extended to include Friendship Club.
- Continue to explore the emerging county level opportunities such as Measure W, the voter-approved, ten-year general purpose half-cent sales tax. In July 2025 the Alameda County Board of Supervisors approved a framework and plan that included designating \$1.4 billion toward the Home Together Fund to support housing, shelter, rental assistance, and services to reduce homelessness, and \$258 million toward the Essential

Services Fund to support food security, mitigate state/federal cuts, senior and immigrant services, and other safety-net programs.

### Albany Senior Center

The Albany Senior Center currently supports 62 extremely low-income seniors with groceries twice a month through the Mercy Brown Bag program. Lunch is also served daily and is free for those seniors who cannot afford it. Using Measure BB funds, the City's Paratransit program provides a subsidy on Taxi or Transportation Network Companies rides for eligible seniors age 70 and over or those 18 and older with a disability. Door-to-door grocery shopping trips are also provided to Albany residents 60 years or older with the Senior Community Shuttle.

### University of California Berkeley

Residents of the University Village have access to assistance programs through UC Berkeley. The BEAR Pantry distributes groceries and household items weekly to University Village residents and staff. The Basic Needs Center provides individualized support to students and their households, including application assistance for resources like CalFresh and access to emergency financial assistance. The Basic Needs Emergency Fund can provide one month's rent to eligible students as well as funding for food and other emergency and safety needs.

### Alameda County

The Alameda County Social Services Agency assists eligible county residents with access to state funded support services such as CalFresh, CalWORKS, General Assistance, Medi-Cal and In-Home Support Services. With assistance from community partner agencies, the County administers the Season of Sharing rental assistance program. Residents can receive funding once every five years to assist with rent, utility bills or move-in costs, however the program is greatly impacted and unable to address current need across the county.

### **Social Services Programs in Neighboring Cities**

An initial review of neighboring cities of similar size and comparable demographics demonstrate that Albany's programming is comparable or likely more progressive.

- Orinda (population 19,500) and Piedmont (population 10,816) provide some recreation and senior programming, but the provision of social services may be less pressing given homeownership rates are around 90% and median household incomes are \$250,000.
- Pinole (population 18,835) and Hercules (population 26,245) also have high levels of homeownership however their median household incomes and poverty rates are closer to that of Albany. Pinole has an active senior center and generally relies on Contra Costa County Department of Health, Housing and Homeless Services for broader social service needs. Pinole and Hercules recently partnered with San Pablo and El Cerrito to co-fund a full-time homeless outreach team provided by the County's Coordinated Outreach Referral, Engagement (C.O.R.E.) program. This year El Cerrito

added \$15,000 in additional funds to the pilot to establish a Housing Security Fund which can be utilized to prevent residents from losing their housing and for application fees, security deposits and move-in costs to support unhoused residents to secure housing.

- Emeryville (population 12,756) has nearly 70% renters and similar rates of low-income residents as well as seniors. It maintains an active senior center and refers residents regularly to the Emeryville Citizens Assistance Program, a local non-profit that provides groceries, household items and furnishings to residents six days a week.

### **Recommendation on Services and Programs of Priority to Retain**

As noted within this staff report, the transition post-pandemic and the full utilization of ARPA funds will naturally conclude some of the one-time services and programs that were focused on those most impacted during the pandemic. In terms of considering what services and programs may be of priority to try to retain, a few important points should be included in the decision making process:

- **Scale of Service/Program:** is the City of Albany the appropriate facilitator of the service/program area, particularly given the limited size of the City's budget and essential core services. Is there another level of government or responsible agency that provides a similar service/program?
- **Administration:** is the service/program something that is straightforward to implement without significant administrative overhead? This is important to consider given limited staffing and the significant amount of administration required for some services and programs.
- **Funding:** is there the potential that the City's operating budget can be adjusted in certain ways to accommodate a scaled version of the service/program? If a program requires significant financial resources it is likely not sustainable at the local level.

Based on monitoring and staff analysis, along with the above decision-making criteria, staff recommends that the Albany CARES program remain at its current service level to ensure the program continues to be responsive to community needs. Albany CARES serves a large number and variety of residents and is highly effective at assessing the needs of Albany's most vulnerable populations and connecting them with available services.

Albany CARES also coordinates with other social service providers to increase access to services for Albany residents. As mentioned earlier in this staff report, Albany CARES will also continue to pursue new opportunities to support residents, including but not limited to collaborating with the Mercy Brown Bag program to expand capacity for the distribution of additional groceries twice a month at the Albany Senior Center, expanding scholarship opportunities to Friendship Club families in collaboration with the Albany Police Activity League, and exploring county-level funding opportunities such as Measure W.



Albany CARES will continue to collaborate with ECHO Housing for the rental assistance program until ARPA funds are expended. Staff will assess the demand for the program and return to Council as part of the FY2026-2027 budget process with a recommendation for additional funding and any necessary adjustments to program guidelines.

Albany Project HOPE, the City's homeless outreach, engagement and housing navigation programs has been in place since 2013. While the scope of future services will decrease without the ARPA funds, the program should continue to be funded within a budget consistent with pre-pandemic support levels.

The programs and services provided via Albany CARES inherently require agility as human services needs can change over time. As such, it is also recommended that continued flexibility in programming is needed to ensure adaptability over time to meet the dynamic needs of the community.

It is estimated that the anticipated additional general fund funding needed to maintain Albany CARES programs and services as described above is \$350,000 which includes the salary costs of the Recreation Supervisor Position assigned to ARPA/Albany CARES and rental assistance subsidies. Staff will work to identify opportunities for funding within the upcoming budget cycle utilizing projected budget revenues. There is no anticipated increase to the general fund for Project HOPE, as the program will resume at pre-pandemic service levels that are already budgeted. Additionally, staff will pursue the implementation of Friendship Club scholarships to be funded by another entity.

All business grant programs will end when funds are expended. Business support will continue through the City's Economic Development Division. There is no anticipated increase to the division's budget. Staff will continue to engage with the business community to remain responsive to potential areas of need.

### **SOCIAL EQUITY AND INCLUSIVITY CONSIDERATIONS**

The Temporary COVID Assistance Programs (both the Public Assistance and Small Business) help to support Albany residents and small business owners who were most in need of services during the COVID pandemic.

### **CITY COUNCIL STRATEGIC PLAN INITIATIVES**

GOAL 4: Encourage Community Connectivity through Diversity, Equity and Inclusion.

OBJECTIVE: Consider if and how to continue the city programs currently funded by the one-time American Rescue Plan Act (ARPA) funds.

## **FINANCIAL CONSIDERATIONS**

The City has received \$4,711,702 in ARPA funds. Council has appropriated all ARPA funds received which must be expended before December 31, 2026. Program expenditures are as follows:

<b>ARPA Program</b>	<b>Allocation</b>	<b>Expenditure</b>	<b>Balance</b>	<b>Percentage</b>
Overall funds	\$4,711,702	\$3,746,590	\$965,112	79.5%
Public Assistance	\$3,000,000	\$2,320,098	\$679,902	77%
Small Business	\$1,681,701	\$1,396,492	\$285,209	83%
IT infrastructure	\$30,000	\$30,000	0	100%

The current balance of ARPA funds is \$965,112 of this amount, \$735,000 is currently encumbered through the end of the fiscal year for the following purposes:

- Contract with Insight Housing for Project HOPE
- Approved Façade Improvement Grants and a few other ongoing grants
- Friendship Club subsidies
- Salary costs

Council has expressed interest in continuing to support rental assistance as long as feasible. Based on Council's direction, staff is requesting the reallocation of \$50,000 from the COVID Business Assistance Program to the COVID Public Assistance Program. This would bring the funding balance for rental assistance to \$230,000. Based on current demand, staff anticipates that this funding level will sustain the Temporary COVID Rental Assistance Program through December 2026.

It is anticipated that all ARPA funds the city received will be expended by the end of 2026 in accordance with the US Department of Treasury guidance. Most programs will end when their allocated funding is fully expended, and this is generally in line with a transition post-pandemic. Pending Council direction, staff will plan to include the anticipated costs of maintaining current service levels for Albany CARES including rental assistance, in the FY2026-2027 general fund budget.

### **Attachments**

1. Resolution No. 2025-66

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**WHEREAS**, staff will continue to implement ARPA funded programs and provide a final update to the Council that includes metrics such as number of residents served, the type of assistance provided, and other items deemed relevant to determine programs success.

**NOW, THEREFORE, BE IT RESOLVED**, that the Albany City Council hereby allocates \$50,000 of ARPA funding from the Temporary COVID Business Assistance Program to the Temporary COVID Public Assistance Program to cover costs of the Rental Assistance Program until the end of 2026.

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ROBIN D. LÓPEZ, MAYOR