

Council Workshop - ARPA

Monday August 28, 2023

1. Update on Items from Prior Meetings

- Housing
 - Together Place Housing – **Delayed**
- Substance Use Disorder
 - Fresh Start Inc - **Updated**
- Childcare
 - Penquis CAP
- Workforce Development
 - Literacy Volunteers of Bangor
- Homelessness/Substance Use Disorder – expect information to be available prior to meeting*
 - Penobscot Community Health Center - **Updated**
 - Health Equity Alliance - **Updated**

*Questions and responses expected to be updated when available prior to meeting.

Upcoming Agenda Items:

- a. Wabanaki Public Health & Wellness (Other)
- b. Bangor Children's Home (Childcare)
- c. St. Andre Home (Mental Health)
- d. United Way (Workforce Development)
- e. Food and Medicine (Workforce Development)

Together Place Housing (Delayed – awaiting final Board action 8/28/2023)

Funding Request: \$375,000 for the acquisition and renovation of a multi-unit (6 unit) building to provide housing to up to 10 low income individuals diagnosed with a mental health disorder (including substance use disorder)

As initially submitted, the entity of ownership was Together Place Housing Inc, a taxable entity. The new Executive Director requested an opportunity to have the Boards consider a different entity of ownership.

Update Expected

Is the organization committed to ensuring the residence is in Bangor?

Update Expected

Fresh Start Sober Living – Additional Info To Date

Funding Request: Original Request \$1,200,000, updated request \$500,000 to fund the acquisition of 100 Center Street. This location will serve multiple purposes; it will provide 5 one-bedroom apartments that will operate in a similar manner as other Fresh Start Sober Living residences, which is the entire second story; it will accommodate the medically assisted treatment services on-site through a lease with SaVida Health (20% of first floor space), it will provide office and meeting spaces in support of Fresh Start Sober Living (30% of first floor space) and it will provide 2 2-bedroom units that can accommodate social detox, with on-site staffing by Fresh Start Sober Living.

As the property would become an asset of a for profit entity, would the applicant and the financing institution be willing to allow either a deed restriction or a subordinate financing provision that would ensure if the facility were liquidated (not transferred to a non-profit entity providing substantially similar services) any ARPA funds were returned to the City?

The financial institution confirmed, that the City could take a mortgage in second position that would not require any repayments unless the property was liquidated while under ownership by a for profit. This mortgage can allow for forgiveness over time or being removed entirely if the property transfers to a non-profit related status operating in a similar capacity as the current for profit entity.

Do you have an anticipated timeline for when a restructuring may occur?

Fresh Start Sober Living anticipates the restructuring will be finalized in the current calendar year.

Do you have operating pro-formas based on a partial ARPA award?

Information available at meeting **(Updated 8/28/2023)**

Penquis CAP

Funding Request: \$1,500,000 for the acquisition and construction of a child development center, which would consolidate four current locations.

Would this project create additional childcare slots?

This project would increase the number of preschool/Head Start slots from 128 to 144.

Would the project move forward without or with partial ARPA funding?

Without ARPA funding, the private debt that would need to be added would make the project cost prohibitive. The City ARPA dollars are essential in that they will assist in leveraging federal funds, and fill the gap between the cost of the center and the pending allocation of Federal allocation of federal Head Start funds, which requires a 20% local share.

The federal funds that are in place when does that award expire?

Penquis CAP's current five year award will expire in May 2024. The amount of funding federal within the proposed budget is the excess funding within this grant period. Excess grant funds is a one-time occurrence caused by reductions in service during the pandemic and staff savings. Penquis CAP will need to submit a formal request to carry the funds over for this purpose, but they anticipate the request will be granted by the grantor agency.

By consolidating existing locations into a more efficient site, there will be operating cost savings. Will the savings be sufficient to cover the increase costs associated with the private debt? Are there operating pro-formas for the new facility, that demonstrate the impact of ARPA full and partial funding?

Operating pro-formas will be distributed at the meeting. The anticipated debt service assumes a 10 year repayment period with an interest rate of 7%.

Literacy Volunteers of Bangor

Funding Request: \$50,000 to support their initiative to create greater adult self-sufficiency and a ready workforce.

The intent of the funding request was not entirely clear. It appears that the request is to contribute to the annual budget, can you clarify?

Literacy Volunteers of Bangor (LVB) has a modest operating budget of \$191,000 which relies significantly on community volunteer tutors to deliver its mission. Still, the recruitment, training, matching students to volunteers, and supporting them does require staff coordination. With only 2.25 full-time equivalent employees (3 people), our funding request is related to staffing, which makes up 71% of our annual budget. Without staff, the orchestrated activities of 400+ volunteers and students are not possible.

Our Strategic Plan, which will be reviewed by our board later this year, outlines a plan for growth which includes more volunteers to serve more adult students. It also includes the

option to hire an additional staff person to better serve the needs of our adult students who are coming to us with more significant barriers to meeting their educational and employment goals.

It appears the Penobscot County Commissioners provided funding to support the strategic planning, volunteer recruitment, mobile learning apps for students and digital inclusion solutions for all. Are those costs included in the budget submitted to the City? If so, can you provide the costs for these efforts?

Yes. The above costs are included in the budget for the City. Most of the expenses related to volunteer recruitment, mobile learning options for students, and digital inclusion solutions for students and tutors are ongoing. As it relates to Strategic Planning expenses, they straddle two fiscal years.

- Budget Costs information:
 - Current staffing (\$133,000 for 2.25 FTE)
 - New potential hire (\$30,000 for .75 FTE including benefits)
 - Strategic Planning: \$4500 for consultant and meetings
 - Volunteer & Student Recruitment: \$3,000 (advertising); \$4500 (training, support [including mobile learning apps], recognition)

Note: The budget to the Penobscot County Commissioners' grant included funding for two-years through December 2024.

PCHC (Updated 8/28/2023)

Funding Request: \$2,774,880 in capital support to expand and renovate the shelter section of the Hope House Health & Living Center.

Is PCHC able to identify other funding opportunities if partial funding were awarded?

The only other funding source we have been able to identify (that would cover construction) is the MSHA forgivable loan repair program. The new max amount for that program is \$200k. We could apply for that. Although, as outlined in one of our other responses to questions, we are already operating this program by cobbling together multiple funding sources which is very inefficient administratively due to the varying terms, conditions, regulations, and reporting each different funder requires. Applying for additional funding would only add to our list of funding streams to manage and cost us more in administrative costs. On that same vein, I believe a question was raised if we could run a fundraising campaign to match \$1.5M. We are not able to invest that kind of time or staff in a fundraising endeavor of that magnitude. We are already putting all available resources (and more) into keeping the program open. Fundraising half the amount would require a substantial investment of money and time. Given that we are understaffed currently, do not have dedicated fundraising staff, and cannot apply more resources toward shelter operations, we are not in a position to do this for Hope House. Nor does it feel fair under the circumstances to require that of us, given our pivotal role in supporting this population and the work we did throughout the pandemic. These ARPA funds are specifically given to communities to help with recovery from the pandemic, and no organization is more deserving of pandemic relief funds than PCHC. PCHC has been contributing annually to the operation, our contribution is operations. We have been

underwriting the operations and lack of funding since inception, and using time and resources to manage (as I said above) the requirements of multiple funding streams and grants. PCHC has had millions of dollars' worth of "skin in the game" since we began operating the shelter. This is a community service, and it deserves robust community support, especially given our central role in the pandemic response and our role as the only organization supporting this population in the region. These are, after all, "relief funds" – meaning intended to help with recovery from the pandemic. Getting us back to pre-pandemic # of beds and creating a much safer, more efficient physical environment will help significantly in that recovery.

If only partial funded were awarded is there a portion of the project that would be beneficial?

We could do the HVAC work with partial funding, but it will be more costly and difficult as we will need to tear into the existing building to complete this work. We planned on this work going concurrently with the renovations. If we received partial funding, we may be able to move forward with the kitchen/dining expansion, but that would not increase our bed capacity. Partial funding would not meet our current needs – partial funding will only continue to allow us to put band aids on the facility, as we've been doing all along. Full funding would allow us to address the needs all at once. And it may be worth mentioning: We began our planning seeking a new shelter (cost over \$10M), but due to understanding the many needs in the community and the limited amount of funding likely to be available, we reduced our funding request in a manner that we believe will achieve comparable practical results for the community.

*The project budgeted included a request to replace/acquire 2 vans, was that amount \$90,000? With the pull back from encampment outreach efforts does the request remain unchanged?**

Yes, we still need 2 vans (even with the pull back from encampment-specific outreach). The amount is correct, new mini vans are approx. \$45,000 each. The vans are utilized by various roles, for a number of purposes:

- Used by: Shelter Navigators, Wellness Navigator, Housing Navigators, HOME (Case Managers), kitchen staff
- Used for: Medical appointments, housing appointments, pick up food donations, wellness appointments (Social Security, IDs, etc.), Welcome to Housing pickups (picking up furniture, etc.), going to look at apartments, Adult Learning Center, going to ER (trying to minimize ambulance calls where possible, for repeat calls, etc.), pick up guests/tenants from hospital, dosing clinics, picking up treatments.

*Potential alternate funding – Community Development Block Grant funds

Can you provide information on current programming available as well as the expanded opportunities that would be available in the proposal?

- Current programming includes:
 - Housing navigators on staff who work with guests to secure transitional and permanent housing.
 - The provision of approximately 1700 meals per week.

- Access to bathroom, shower, and sleeping facilities; clothes.
 - Assistance with obtaining employment, IDs, social security.
 - Day program activities related to wellness, how to obtain and keep housing.
 - Treatment groups for mental health and substance use recovery.
 - Full needs assessment upon intake, and referral to appropriate services such as medical and dental care, case management, and more.
 - If our van is working, we provide guests with transportation to appointments such as medical visits and apartment viewings.
- If this proposal is funded, we will be able to expand programming and services in the following ways:
- Increasing the size and improving the layout of dorms will allow us to return to our pre-pandemic # of beds, increasing basic capacity by 12 beds.
 - Creating flex beds will add another 4-5 beds.
 - Enlarged dining area can be a space for life safety mats in the case that we are over capacity. This new space would more than double that capacity, from 12 to 24, and could be used as both a warming and cooling center. The larger dining area will also allow us to hold more groups and activities.
 - Adding 2 intake rooms will enable staff to meet safely with guests one on one and assist them in their needs, including helping them move from emergency shelter to permanent housing.
 - Going from 3 bathrooms to 10 bathrooms and going from 3 showers to 8 showers will improve operations flow and efficiency, and significantly improve guest safety and dignity.
 - Expanding our kitchen, which provides approx. 1700 meals/week, will improve staff safety and workflow efficiency. Our current kitchen area is so small that we cannot have a person doing dishes and open the door at same time.
 - An updated facility will improve safety and reduce the number of police and ambulance calls to the facility.
 - These shelter improvements will enhance the changes being made to our Transitional Housing program, funded by Penobscot County ARPA funds, and vice versa. By making improvements to both programs on the campus, we can improve our efficiency, sustainability, and support to the people we serve. We will be able to move them more efficiently through the system – from emergency shelter to transitional housing to permanent independent living.

Please provide additional details on financial information.

- Federal grants/contracts – state contract for shelter services
- State grants/contracts – ESHAP Funding (MSHA shelter funding allocation)
- Foundation grants/contracts – United Way, STK Foundation, Good Shepherd Food Bank
- Application states there are 52 staff members. When compared to expenses it is hard to equate that number of staff to that level of wages. True not all staff are reflected in the operating budget. Case managers and social works are allocated to a different department. In addition, many staff are not full-time, it would be more accurate to say that there are 31.24 FTEs within the budget.

Additional information

We understand how on the surface this project may not be viewed as an expansion, only a return to pre-pandemic numbers. Yes, it does get us back to pre-pandemic numbers but it allows us to do so responsibly, humanely, and safely. We cannot just add more beds in the current condition of the facility. The design also allows us to double the amount of life-safety mats we could accommodate. Our current shelter accommodates 44 sleeping pod beds and 12 life safety mats = 56. The new design will accommodate 66 sleeping beds and approx. 24 life safety mats = 88, which is a 57% increase.

Health Equity Alliance (updated 8/28/2023)

Funding Request: \$697,710 in start-up operating funds to establish of a resource center. The start-up costs include 9.6 full-time equivalents, supplies and rent for one-year. The future funding would be derived from revenues generated through testing initiatives, 340 B program and MaineCare. The center would provide service to individuals who are unhoused or struggled with unstable housing, individuals who use substances, individuals who struggle with mental health diagnoses, individuals who need resources or referrals to resources. The center would fund to support their initiative to create greater adult self-sufficiency and a ready workforce.

- Personnel (\$577,371) includes a manager, certified alcohol & drug counselor, licensed alcohol & drug counselor, harm reduction specialist, recovery coaches (3), outreach specialists (2) and health & well being manager (.6). Supplies to establish space (\$26,837), employee mileage (\$8,702), clinical supervision for staff (\$7,800), development of SharpSmart App (\$14,500), 1 year rent @ 45 Columbia Street (\$62,500).

Please provide additional information related to staffing, operations and services.

This location would be operational 7 days a week (8:30am – 5:00 pm), with 5-7 staff members on site at all times. HEAL has been aggressively changing its work culture and have multiple qualified applications for open positions. The Bangor area recovery community is very strong, the mental health community and homeless service programs are in place, but there are no programs for people in active use. The center provides a safe place to be during the day, earns trust, and builds relationships with people to foster healthy choices. Once the trust is established individuals will be introduced to our resources (i.e. recovery, preventative care, stability etc.). This project is to bridge the current gap in services for people in active substance use.

How does the PILOT program for syringe waste impact the submitted proposal?

In discussions with businesses and stakeholders and we see SharpSmart! working hand-in-hand with the PILOT. They hit different audiences and there's plenty of need in the community. While there's some crossover between the two, the PILOT largely addresses the municipality's syringe waste management needs and SharpSmart! addresses the community's training, education, and relationships around syringe litter and substance use. Having both sets of data will enable us to quickly see what approach is most effective and course correct. In the

end, it will better inform the PILOT. There is plenty of work for both programs to co-exist and if it turns out the PILOT is managing the brunt of the volume, we can easily beef up the outreach energy to focus on the community work.

Please provide updated financial statements.

2023 YTD through June show a positive net income position and will be available to the meeting.

Provide additional information regarding the anticipated revenues that would result in ensuring this project is fiscally sustainable?

HEAL is a covered entity who is able to acquire prescription drugs for "at-risk" populations at manufacturer cost under a federal program 340b. HEAL already does this work with their HIV patients and over the last year have obtained all the licensure, certification and registration necessary to serve the at-risk of STI (STD) population. The majority of the funding to sustain the program is predicated on the generation of 340b program income (80%). The budget presumes 3 new clients per month, which would end up serving 9-12 clients per month (as treatment is 3-4 months in duration). Projections assume net revenue through 340b program will result in net revenue to the project of approximately 50% of retail. The balance is anticipated from MaineCare Home Health. While most participants in the program will be ineligible due to services with other agencies, those who have been suspended from services at other agencies will be eligible for billable encounters at the resource center (anticipate a high of 25 people annually).

*340b program is unstable in general, however HEAL feels the program is not at risk as it relates to infectious diseases, live HIV or HEP C.

As this initiative is proposed within the Downtown, have you discussed this with DBP, businesses and property owners?

Yes we have and the work continues. HEAL talked with community partners and stakeholders in advance of the Bangor ARPA application including canvassing local businesses. Delivering flyers provided an opportunity for discussion and to answer questions directly. In addition, recently we've been reaching out to business and property owners who are neighbors to the proposed site, many are supportive, some have reservations. We committed to putting together a quality improvement panel together every couple of months to provide an opportunity to assess the progress as well as ideas for improvement.