

City Council – Action Request Form

Date: October 10, 2022

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager
 Scott Tesh, Director, Budget and Performance Management
 Meridith J. Martin, Deputy Director, Budget and Performance Management

Council Action Requested:
 Resolution Authorizing the Use of the City’s Allocation of Coronavirus Local Fiscal Recovery Funds (CLFRF) to Partner with the Arts Council, Boston-Thurmond Community Network, Old Salem, The Salvation Army, and the YMCA as Part of the ARPA Transformational Grants Program

Strategic Focus Area: Service Excellence
Strategic Objective: No
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:
 The City of Winston-Salem has accepted \$51.7 million through the American Rescue Plan Act’s (ARPA) Coronavirus Local Fiscal Recovery Fund (CLFRF) from the U.S. Department of the Treasury. The City received the first tranche totaling \$25,866,035.50 in May 2021 and received the second tranche in June 2022. The City must obligate all funds by December 31, 2024, and the funds must be spent with work completed by December 31, 2026.

Through the transformational grant program, the City of Winston-Salem seeks to move the needle on key components of the City’s Strategic Plan, which trigger a profound, ripple effect of positive, multidimensional changes. Further, the City seeks to place equity at the forefront of the application, transforming historically significant and deeply disinvested low-income communities. This will involve ambitious planning and action for community-wide impact. The ARPA framework (Exhibit A), which was endorsed by the Mayor and City Council, earmarked \$10,500,000 for social and economic assistance. Programs and projects that address social and economic assistance include programs established in the Transformational Phase and additional projects designated by the Mayor and City Council.

Committee Action:

Committee	Finance 10/10/22	Action	Approval
For	Unanimous	Against	

Remarks:

Local non-profit organizations could apply for a Transformational Grant starting Friday, March 25. The application portal closed on Monday, May 2. The City received a total of 89 applications totaling \$50.7 million in requests for capital and operational funding.

On August 29, 2022, City staff provided the Mayor and City Council an ARPA update and presentation on the Transformational Grants program, which included information on the various applications received, how the applications were scored, and the scoring results (Exhibit B).

In late September 2022, staff compiled the City Council Survey results, allowing each elected official to prioritize their top ten ARPA Transformational Grant application submittals. The compiled list (Exhibit C) is attached illustrating weighted scoring sums and total votes.

This item provides the Mayor and City Council with the proposed first round of organizations to be approved as part of the Transformational Grants program. The organizations, listed below, generally represent a consensus approval as shown in Exhibit C. The attached resolution would grant the City Manager the authority to enter into agreements with each organization. Each contract would be established based on the scope of the project submitted in the application, which is attached to the resolution. Agreement execution timing will vary based on each application's scope and each project's individual details. The City Manager will apprise the Mayor and City Council of individual project details, as deemed necessary. The five organizations that are included in this item are listed below.

- Arts Council of Winston-Salem and Forsyth County - There's No Place Like Home
- Boston-Thurmond Community Network - United Initiative
- Old Salem Museum and Gardens - Reopening
- The Salvation Army of Greater Winston-Salem and Forsyth County - Teen Center
- YMCA of Northwest North Carolina - REACH Center

If approved, the cumulative amount of funding approved for this program will total \$6,414,351 from the earmarked social and economic assistance funds within the framework. Regular updates will be provided to the Mayor and City Council on the progress of this grant program. Future round(s) of organizations to be funded in the Transformational Grants program will be determined following discussions between staff and the Mayor and City Council.

Organizations funded through this process will be required to adhere to all City and U.S. Treasury reporting procedures (quarterly) and must comply with all associated uniform grant guidance provisions imposed by U.S. Treasury, which can be found in 2 CFR Part 200 of the federal code. These requirements include, but are not limited to, areas concerning financial systems, internal controls, accounting practices, competitive purchasing procedures, non-discrimination policies, ethics/conflict of interest policies, and general cost principles. Additionally, any organization receiving more than \$750,000 in total funding will be subject to federal single audit requirements.

In cases where an organization to be funded by the City is also being funded by the County's ARPA process (or other grantor using federal funding), staff will work with appropriate stakeholders to ensure projects are not "double dipping" and that each agreement clearly states

the nature of the funding provided by the City while also differentiating it from other known project funding.

Additionally, Budget and Performance Management staff continues to work with the City Attorney's Office and the UNC School of Government (SOG) to determine the ARPA and North Carolina statute eligibility of the applications received from organizations related to economic development initiatives and small business growth. The SOG is currently advising that ARPA eligibility and North Carolina statutes provide extremely limited eligibility for economic development type organizations.