

City Council – Action Request Form

Date: December 12, 2022

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

From: Tiffany Oliva, Director of Intergovernmental Affairs & Strategic Initiatives

Council Action Requested:

Resolution Authorizing the Use of the City’s Allocation of Coronavirus Local Fiscal Recovery Funds (CLFRF) to Partner with Imprints Cares, Acción Hispana dba Qué Pasa, Goler Community Development Corporation and Winston-Salem Black Chamber of Commerce, IFB Solutions, Piedmont Environmental Alliance, Senior Services, Smart Start of Forsyth County, Union Community Development Corporation, Crosby Scholars, and United Health Centers as Part of the ARPA Transformational Grants Program; Allocating the Remaining Balance in the ARPA Framework to Housing Assistance; and Approving The Use of The Revenue Replacement Method Up To The Full \$51.7 Million Federal Award.

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 and received \$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 ARPA framework, which was endorsed by the Mayor and City Council, earmarked \$10,500,000 for social and economic assistance through the Transformational Grants program (TG). Through TG, the City of Winston-Salem seeks to move the needle on key components of the 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.

Committee Action:

Committee		Action	
For		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 on TG, which included information on applications received, scoring, and scoring results (Exhibit A).

In late September 2022, staff issued and compiled City Council Survey results, allowing each elected official to prioritize their top ten ARPA TG submittals. The compiled list (Exhibit B) is attached illustrating weighted scoring sums and total votes. With this information, staff proposed and City Council approved funding five community-based organizations, which received a consensus approval in Exhibit B, on October 17, 2022. The approved total of \$6,141,351 supports support projects intended to prepare young people to meet the workforce challenges of tomorrow; break the cycle of inter-generational poverty; re-open tourism; and foster holistic recovery, well-being, and social cohesion through the arts.

This item provides the Mayor and City Council with the proposed second round of organizations to be approved as part of TG. The organizations, listed below, generally represent those that ranked in scoring tiers one and two, as well as those that received broader support on the Survey. The ten organizations that are included in this item are listed below:

- Imprints Cares – Program Support for Family Resource Center for Children with Exceptional Needs
- Acción Hispana dba Qué Pasa – Proyecto Mariposa (Project Butterfly)
- Goler Community Development Corporation/Winston-Salem Black Chamber of Commerce – TechCareers
- IFB Solutions – Job Training and Employment for People Who Are Blind
- Piedmont Environmental Alliance – Green Communities, Green Jobs
- Senior Services – Intergenerational Programs for Arts and Wellness
- Smart Start of Forsyth County – W-S Childcare COVID-19 Relief Fund
- Union Community Development Corporation – Community Life Enhancement Programs
- Crosby Scholars – Community Partnership
- United Health Centers – Providing Access to Healthcare

If approved, funding for these programs will total \$4,358,649 with a cumulative total in TG appropriations of \$10,500,000, exhausting the social and economic assistance TG earmark. Agreement execution will vary based on each application's scope and details.

ARPA Framework Update

The ARPA Framework has a remaining \$945,470 in Additional Administrative Earmark and \$2,820,950 in Other Funding (To be Re-Programmed). The latter was leftover funding from the Recovery Grants program, which has been fully completed. City staff recommends that these remaining funds in the ARPA Framework—totaling \$3,766,420—be added to the current Housing Assistance Set Aside of \$20,000,000; bringing the new total of the earmark to

\$23,766,420. With funds already obligated as a part of the set-aside, this would bring the remaining balance of the earmark to \$16,711,070.

Revenue Replacement Method

The United States Treasury released the Final Rule guiding use of CLFRF in January 2022. The Final Rule included a formula to all recipients to calculate revenue replacement amount. On March 21, 2022, calculated, presented, and recommended to the City Council that \$31,272,893.64 be claimed as revenue replacement (or revenue loss) and reported as covering public safety salaries as an eligible “government service.” Since then, City staff have run additional calculations determining that the City may use the revenue replacement method for the full federal award received of \$51,732,070. Using the revenue replacement, streamlines reporting and compliance to the U.S. Department of the Treasury. Using the revenue replacement method to the fullest extent possible has been recommended as a best practice by the University of North Carolina at Chapel Hill School of Government. As such, City staff recommend using the revenue replacement method up to the full award received (a potential additional replacement amount from the previously approved of \$20,459,176.36).