

RESOLUTION AMENDING OCTOBER 17, 2022; NOVEMBER 14, 2022; JANUARY 3, 2023; AUGUST 21, 2023, AND NOVEMBER 27, 2023 RESOLUTIONS RELATING TO THE CITY'S AMERICAN RESCUE PLAN ACT (ARPA)-ENABLED TRANSFORMATIONAL GRANTS PROGRAM AND FOUR ARPA-ENABLED HOUSING TRANSFORMATIONAL GRANTS

WHEREAS The City of Winston-Salem 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; and

WHEREAS, on January 3, 2023, the Mayor and City Council approved using the revenue replacement method for about \$49 million of the total funds (herein ARPA-Enabled Funds); and

WHEREAS, the Transformational Grants Program seeks to move the needle on key components of the City's Strategic Plan and trigger a profound, ripple effect of positive, multidimensional change. Further, the City sought to place equity at the forefront of the application to transform historically significant and deeply disinvested low-income communities; and

WHEREAS, the ARPA-Enabled framework, which was endorsed by the Mayor and City Council, earmarked \$10,500,000 for social and economic assistance through Transformational Grants and \$24,417,025 for Housing Assistance; and

WHEREAS, the City received 89 completed applications totaling \$50.7 million in requests for capital and operational funding through the Transformational Grants process; and

WHEREAS, on August 29, 2022, City staff provided the Mayor and City Council an ARPA update, which included a presentation on the Transformational Grants program, which included information on applications received, scoring, and scoring results; and

WHEREAS, in late September 2022, staff issued and compiled City Council Survey results, which allowed each elected official to prioritize their top ten ARPA Transformational Grant application submittals; and

WHEREAS, on October 17, 2022, the Mayor and City Council approved a total of \$6,141,351 to five organizations through round one of the Transformational Grants program, which are 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; and

WHEREAS, on November 14, 2022, the Mayor and City Council approved \$1,760,000 in Housing Transformational Grants funded by the Housing Assistance set aside of ARPA-Enabled Funds to four organizations; and

WHEREAS, on January 3, 2023, the Mayor and City Council awarded \$4,358,649 in a second round of Transformational Grants and thereby exhausted the balance of the Transformational Grant earmark in the ARPA-Enabled Framework; and

WHEREAS, the October 17, 2022; November 14, 2022; and January 3, 2023 resolutions related to the ARPA-Enabled Transformational Grants program and Housing Transformational Grants authorized the City Manager to execute individual contracts with each of the nineteen grantees based on the scope of work, listed as a part of the Resolution Attachment, received, and discussed as a part of the Transformational Grants program; and

WHEREAS, the August 21, 2023 and November 27, 2023 resolutions related to the ARPA-Enabled Transformational Grants program and Housing Transformational Grants provided the City Manager the authority to award start-up funding in an amount of 25 percent of a grantee's total award and an additional operating cash-flow allowance of 10 percent; and

WHEREAS, since that time, several of the grantees have expressed need and challenges around operating/working capital, and, based upon this, City Management sees the need to provide grantees an avenue for getting projects initiated and continuously implemented effectively through an amended strategy.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of the City of Winston-Salem authorize an amendment to the October 17, 2022; November 14, 2022; January 3, 2023; August 21, 2023, and November 27, 2023 resolutions, that the City Manager may use their discretion to offer ARPA-enabled grantees a 25 percent cash flow allowance. Procedurally, the grantee will make eligible expenditures from the operating “cash flow allowance,” request reimbursement from the City for those expenditures, and then replenish the operating capital upon receipt of the reimbursement. All funds provided to grantees, including the lump sums, must be spent in accordance with the City Council approved project scopes of work.

BE IT FURTHER RESOLVED, that the Mayor and City Council ratify any actions already taken by the City Manager to implement and approve such lump sums to grantee agencies.

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to amend Transformational Grant Agreements and Housing Transformational Grant Agreements, as necessary, to reflect such arrangements.