

## City Council – Action Request Form

**Date:** November 9, 2021

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

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**From:** Ben Rowe, Assistant City Manager  
 Scott Tesh, Budget & Performance Management Director  
 Tiffany Oliva, American Rescue Plan Act Coordinator

**Council Action Requested:**  
 Consideration of Items Related to the City of Winston-Salem’s Allocation of Coronavirus Local Fiscal Recovery Funds:

- 1) Resolution Approving a Recovery Grants Program for Small Businesses and Non-Profits
- 2) Resolution Authorizing the City Manager to Enter into an Agreement with The United Way of Forsyth County to Administer the City’s Recovery Grants Program for Small Businesses and Non-Profits
- 3) Budget Amendments Appropriating Funds for ARPA-Funded Positions

**Strategic Focus Area:** Economic Vitality and Diversity  
**Strategic Objective:** No  
**Strategic Plan Action Item:** Yes  
**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 will receive the second tranche in 2022. The City must obligate all funds by December 31, 2024, and the funds must be spent with work completed by December 31, 2026. This Council Action establishes the Recovery Grants Program for Small Businesses and Non-Profits and its guidelines, appropriates \$3 million for the program, authorizes the City Manager to enter into an agreement with the United Way of Forsyth County to administer the program with an amount not to exceed \$50,950 for its administration, and multi-year funding for two ARPA-funded positions.

**Committee Action:**

<b>Committee</b>	Finance 11/8/2021	<b>Action</b>	Approval
<b>For</b>	Unanimous	<b>Against</b>	
<b>Remarks:</b>			

All CLFRF expenditures will be spent in manner consistent with all applicable federal and state laws, regulations, and guidance, including purposes outlined in the U.S. Department of the Treasury guidance 31 CFR Part 35.

<b>Items for Approval</b>	<b>Costs</b>
Recovery Grants for Small Business and Non-Profits	\$3,000,000
Recovery Grants Program Administration Cost (to United Way of Forsyth County)	\$50,950
Two ARPA-funded positions	\$977,220 (\$169,770 annually)

Recovery Grant Programs Eligibility and Pooled, Lottery Approach

The attached resolution provides for approval of a micro-grants program for small businesses, small social service non-profits and small, travel, tourism, hospitality, and arts (TTHA) non-profits. The purpose of these programs is to provide economic support to small businesses and non-profits that are in danger of ceasing operations. The funds are not intended to replace revenues and are limited in scope based on State law authority. The total for each area is \$1 million dollars. Program guidelines include the following, which are also displayed in Exhibit 1:

- All entities must be located within the city corporate limits.
- All entities must have been conducting business prior to the onset of the pandemic (January 1, 2020)
- All payments will be for entities in arrears for rent, mortgage, and/or utility payments.
- Total payments will not exceed \$25,000 per entity.
- Payments will only be made for obligations incurred before City Council approval.
- Small businesses:
  - Must have fewer than 25 FTEs
  - Must be independently owned (no chains)
- Non-Profits:
  - Must have an organizational budget under \$1,000,000
  - Must show proof of service in QCTs or to similar populations
  - Must have board approval to apply

Entities will be selected using a pooled, lottery approach. In round one, up to 25 grants in each category will be made to small businesses in Qualified Census Tracts (QCTs) or non-profits (social services and TTHA) in/serving QCTs. In the event that more than 25 applications are received in any category, grant awardees in that category will be chosen by lottery. Those not selected through the lottery will be placed into round two for a second chance to be selected. In round two, small businesses and non-profits (social services and TTHA) in areas beyond QCTs that are in census tracts with median household incomes below \$50,000 will be eligible. If more applications are received than funding available, a lottery method will be used to distribute funds to those eligible entities. After all eligible applications are satisfied, any remaining funds will be de-obligated from the program and recommended for other eligible uses, beginning with transformational economic assistance programs.

### Recovery Grants Program Administration

The City conducted a request for qualifications process and received responses from two organizations: Greater Winston-Salem, Inc. and The United Way of Forsyth County. Staff reviewed the responses and is recommending the United Way as a sub-recipient to administer the funds based on experience with federal grant processes and application-based grant administration. The United Way's proposal was approximately \$8,500 per month, and the attached resolution and budget amendment provide for up to six months of administrative costs. It is expected that the program would not last longer than six months from inception. For this amount, the United Way would provide application intake, eligibility determination, and check writing services based on the guidelines adopted.

### ARPA-Funded Positions

The City has immediate needs for administration and compliance purposes related to ARPA. The attached budget amendment provides appropriations for two positions through the end of the grant term in 2026, which are fully funded by the grant:

- *ARPA Coordinator* – This position is responsible for day-to-day program management, internal and external communications, chairs the ARPA Task Force, and will supervise other grants-related positions (\$87,756 salary and benefits).
- *Financial Analyst* – This position will be responsible for compliance review and reporting functions. The position will provide assurance that processes are documented and adhered to and that appropriate back-up documentation is maintained for auditing purposes (\$76,650 salary and benefits).

With City Council approval, the City will open a process internally and externally to recruit for and hire the Financial Analyst position as soon as possible.

The attached AATLO presents the general fund annual costs for the ARPA-Funded Positions. The attached PBO presents the multi-year total for budgeting positions through project completion, as well as funds for the Recovery Grant Program and third-party administration of said program.