



Legislation Text

File #: 21-284, Version: 1

TITLE:

Status Report on American Rescue Plan Act Funding

PURPOSE: To amend the ARPA Grant Project Ordinance to reflect the final award amount; update the Council on grants to small businesses and provide information on interviews with nonprofit/human services organizations and the first steps for obtaining public input on possible ARPA priorities.

DEPARTMENT: Town Manager, Economic Development, Finance, Communication and Engagement, and Housing & Community Services

CONTACT INFORMATION: Richard White, 919-918-7315; Jon Hartman-Brown, 919-391-7846; Arche McAdoo, 919-918-7439; Catherine Lazorko, 919-918-7314; Rebecca Buzzard, 919-918-7438.

INFORMATION: On May 4, 2021 the Carrboro Town Council adopted a Grant Project Ordinance to recognize Local Fiscal Recovery funding under the American Rescue Plan Act in the amount of \$6.2 million; and, directed that a Special Revenue Fund be established to account for these funds. This Grant Ordinance also established that the Town Council would review and approve specific programs and/or activities to be carried out with these funds and authorized the Town Manager to enter into necessary agreements to secure ARPA funds.

On June 22, 2021, the Town Council amended the ARPA Grant Project Ordinance (Ordinance No. 18/2020-21) and appropriated \$2,359,525 of ARPA funds for the following purposes:

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|----------------------------|--------------------|
| Grants to Small Businesses | \$ 300,000 |
| Essential Employee Pay | \$ 224,795 |
| Town Revenue Replacement | <u>\$1,834,730</u> |
| Restricted Unallocated | <u>\$3,840,475</u> |
| Total ARPA Grant | \$6,200,000 |

Since the Town is a non-entitlement entity and will receive funds from the State of North Carolina, the Town Manager has entered into an agreement with the State of North Carolina for an estimated grant amount of \$6,753,198.84 (\$553,198 more than the initial estimate). The Town has received the first disbursement of \$3,376,599.42 and will receive the balance of the award within one year. Attachment A is an amendment to the Grant Project Ordinance to increase the revenue by \$553,198 and increase the restricted unallocated funds by the same amount.

Grants to Small Businesses Update: The Town Council authorized staff on June 22, 2021 to develop a grant program to distribute up to \$300,000 of the ARPA funds to mitigate the negative economic impact on small businesses. The areas of eligible grant fund uses included marketing and advertising, training new under- or unskilled employees, back rent and utilities, COVID-19 loan repayment (non-federal), and capital expenditures to adapt a business to a post-COVID-19 environment. A policy has been developed with the previously approved

criteria, and public input was sought to gather feedback for improvements and business needs to be included in the policy. Due to some of the changes and language used in the grant policy, the Town Attorney advises that this policy be formally approved by the Town Council before proceeding with the program. After Council approval, staff will begin administering the grant program and open the application period. Council's consideration of the policy is scheduled for September 21st.

Nonprofits/Human Services Organizations: On June 22, 2021, the Town Council supported the approach that Housing and Community Services staff engage with nonprofits over the summer to learn about community needs and emerging issues in order to assess the organizational impact of COVID-19 on nonprofits. This decision was made with acknowledgment that the Human Services funding would be released in early FY21-22 and could potentially cover any urgent needs.

Housing and Community Services staff member Anne-Marie Vanaman contacted 47 nonprofits who have received Human Services funding and conducted 32 interviews with nonprofits who expressed interest in ARPA funding. The nonprofits expressed gratitude for past Town support, for the individual outreach, and for the desire to allocate some ARPA funding to their organizations and the community.

Emerging trends reported in these meetings include needs specific to mental health services, domestic violence services, childcare and early education, housing assistance/eviction prevention, and the negative financial impact of the pandemic on the nonprofit agencies.

Staff will be meeting in the next few weeks to create a framework to assist Council with discussion and key decisions in the development of a ARPA funding plan including assistance to nonprofits/human services organizations.

Revenue Replacement: We have calculated revenue replacement using the calculator and instructions provided by U. S. Treasury; however, Treasury has not issued final regulations. Because there is a possibility that these instructions and calculations may change, we have not actually transferred these funds.

Community Engagement: The Interim Final Rule published by the U.S. Treasury emphasizes the importance of public input, transparency, and accountability. These Rules urge ARPA funds recipients to engage constituents and communities in developing plans to use ARPA payments.

As the Town prepares for the allocation of ARPA funds, community input will help assess the needs of Carrboro residents and explore how funding can align with local priorities. Communication staff will initially prepare a webpage to provide information about the ARPA Funds. Additional communication and engagement activities will support the established framework to consider how best to use the funds.

FISCAL & STAFF IMPACT: The amended Grant Project Ordinance will increase funding from \$6,200,000 to \$6,753,198.84. Staff impact will include time allocation for administration, disbursement, and monitoring of grant funds, and community engagement and outreach.

RECOMMENDATION: The Town Council adopt Attachment A, amendment to the ARPA Grant Project Ordinance; and receive the status report on the ARPA program.