City Council Agenda Item Request
Submit to Clerk's Office
No later than 30 days before proposed Council meeting

1. **Date submitted to Clerk's Office:** 8/20/2025

2. **Primary contact person and Department requesting agenda item:** Tony McDowell Finance

3. **Requested Council meeting date:** 9/9/2025

4. **Subject:** NC Helene CashFlow Loan Round 3 Acceptance.

5. **Action Requested:** Adoption of 1) a resolution to enter into a Round 3 cashflow loan agreement with the State of North Carolina and to authorize the City Manager to execute the associated documents, and 2) a budget amendment in the amount of $12,065,038.40 to budget the loan in the Helene Cashflow Loan Fund, as required by the loan agreement.

6. **Note if time sensitive, and why:** Approval of this resolution will allow staff to move ahead with executing the loan with the State and receive the cash funding.

7. **Potential fiscal impact(s) - if known by staff at time of request:** This loan will allow for cash reimbursement for Helene-related expenses prior to receiving funding from FEMA. The loan, which carries a 0% interest rate, will be paid back on a five-year schedule as FEMA reimbursements are received.

8. **Identify all vendor outreach for Minority & Women Owned Business Enterprises (MWBE).** N/A

9. **Identify all Boards, Commissions and Council Committees with tentative dates - add in the vote and recommendation from each Board:** None.

10. **Identify key issues:**
    - This Round 3 loan of $12.1M from the State Treasurer will assist with the Helene-related expenses.
    - This loan is in addition to the $4.6M in loans that the City received from the State in Rounds 1 and 2.
    - The loan is not forgivable as currently structured due to duplication of benefit concerns with FEMA funding but it does come with 0% interest and a five-year payback schedule.
    - It is designed to be a cash flow bridge until FEMA reimbursements are received and then used to pay back the loan.
    - Unlike the Community Disaster Loan (CDL) program, which allowed funding to be used to maintain essential government services after a natural disaster, the funding from this State loan can only be used for Helene-related response expenses that will ultimately be reimbursed as part of the FEMA Public Assistance Program.
    - Even though it can't be utilized for revenue replacement or fund non-Helene expenses, it will help with overall City cash flow and strengthen the balance sheet.
    - Demonstrates to the State and other potential funders that there is a need which helps bolster the case for additional funding support.