# American Rescue Plan Act Funding Process

July 27, 2021

**Patricia Rosenberg**
Internal Auditor

**Eric Jackson**
Office of Data and Performance

THE CITY OF ASHEVILLE



# Council Direction

- Do you agree with the most highly scored categories?

- How should funding be allocated?
  - A few categories fully and/or significantly funded
  - More categories funded on smaller scale

- Confirm that next steps will be to develop a process to solicit specific funding requests from partner groups and agencies.

THE CITY OF ASHEVILLE

# Presentation Overview

- ARPA Available Grants
- Local Fiscal Recovery Fund Allowable Uses
- Planning Process
- Evaluation Process
- Tentative Results

THE CITY OF ASHEVILLE

# ARPA Grants - City Awards

- Direct allocations to the City:
  - State and Local Fiscal Aid: $26.2 million
  - HOME Funds: $4.7 million (for 4 county region)
  - Public Transportation: $1.8 million
  - Shuttered Venue Operators grant: $1.6 million

THE CITY OF ASHEVILLE

# ARPA Grants - Other Initiatives

- Water Utility Bill Assistance
- Local substance abuse disorder services
- Block grants for prevention and treatment of substance abuse
- Programs for survivors of sexual assault and domestic violence; grants to rape crisis centers
  - Allocated to the State, $3.7m
- Mental and behavioral health training for public safety officers
- Community-based mental health services
- Emergency rental assistance
  - Allocated to the County, $7.9m
- Mortgage and utility assistance
  - Allocated to the State, $273m
- Emergency housing vouchers
  - Allocated to Housing Authority, 47 vouchers
- Increase availability of mental health treatment
- K-12 schools grants
  - Allocated to the State, $3.6b
- Higher ed: emergency financial aid grants to students
- Child Care Stabilization grants
- Grants for arts and cultural organizations
- Housing counseling to help homeowners and renters remain in their homes
- Funeral assistance program
- Community Navigator Program
- Grant program for restaurant industry
- Targeted EIDL grants
- Expanded PPP eligibility

THE CITY OF ASHEVILLE

# Allowable Uses

- Public Health Uses
  - COVID-19 Mitigation and Prevention
  - Medical expenses
  - Behavioral health care
  - Public Health and Safety staff
  - Improve the design and execution of health and public health programs
  - Address disparities in public health outcomes

THE CITY OF ASHEVILLE

# Allowable Uses

- Negative Economic Impacts
  **Presumption of eligibility inside Qualified Census Tracts**
  - Assistance to unemployed workers
  - Assistance to households
  - Improve efficacy of economic relief programs
  - Small businesses and non-profits
  - Aid to impacted industries
  - Investments in housing and neighborhoods
  - Addressing educational disparities
  - Promoting healthy childhood environments

THE CITY OF ASHEVILLE

# Allowable Uses

- Premium Pay
  - Essential workers in critical infrastructure sectors who regularly perform in-person work, interact with others at work, or physically handle items handled by others
  - Should prioritize compensation to lower income eligible workers who provide essential work
  - Can be an amount up to $13 per hour in addition to wages, not to exceed $25,000 per worker

- Revenue Losses
  - One calculation for entire City
  - City staff is only considering claiming losses for parking funds at this time

# Allowable Uses

- Investments in Infrastructure
  - Water and Sewer Infrastructure
    - Uses align with EPA's Clean Water Revolving Fund and Drinking Water State Revolving Fund
  - Cybersecurity needs to protect water and sewer infrastructure
  - Support efforts to address climate change
    - Resilience around severe weather events
  - Broadband infrastructure

THE CITY OF ASHEVILLE

# Allowable Uses

- Crime response and prevention
  - Hire police officers to pre-pandemic levels
  - Community Violence Intervention Programs
    - Capacity building efforts
    - Training additional workers
  - Enforcement efforts to reduce gun violence
  - Investing in technology and equipment to respond to the rise in gun violence

THE CITY OF ASHEVILLE

# Key Dates

- April - June 2021: U.S Treasury Department issued guidance, City received $13.1 million, identified potential internal and external funding needs, developed an evaluation process
- July - August 2021: Evaluate potential funding needs, post newly created job for recruitment
- July 27, 2021: Hold a work session with Council about progress and initial funding recommendations
- August 24, 2021: Council to approve category allocation and RFP process plans
- August 31, 2021: Submit spending through July 31, 2021 to U.S. Treasury Department
- May 2022: Will receive second half of funding, $13.1 million

THE CITY OF ASHEVILLE

# Questions?

# Main Considerations

- Be able to justify and explain what we do
- Ensure equitable outcomes
- Maximize impact

THE CITY OF ASHEVILLE

# Planning Process

- GOAL: Create a summary spending plan
  - Identify buckets that will be funded (e.g., homelessness, mental health, revenue losses, etc.)
  - Specific projects to be identified later
    - To allow time for equitable, inclusive outreach
  - Retain flexibility to identify the best implementation approach for the categories that are funded
    - City of Asheville or community partners

THE CITY OF ASHEVILLE

# How Categories Were Identified

- Community engagement data compilation
  - Identified 15 categories
- Internal process for proposals
  - Identified an additional 8 categories
- Council survey
  - Identified one more category

THE CITY OF ASHEVILLE

# Community Engagement

- Have had several public engagement initiatives recently

- Initiatives that were analyzed:
  - Budget engagement
  - Reimagining public safety
  - National Community Survey
  - Comprehensive Plan
  - Climate Justice initiative

THE CITY OF ASHEVILLE

# Community Engagement

## Categories identified

- Affordable housing
- Arts and cultural expression
- Care for aging residents
- Childcare
- Community-led capacity building
- Emergency planning
- Environmental protection/ sustainability
- Food security
- Homelessness services
- Public health, mental health, and substance abuse
- Small business recovery
- Transit
- Transportation connectivity infrastructure
- Workforce development
- Youth programming

## County ARPA Survey Results

- Affordable housing
- Early childhood education
- Environmental preservation
- Food system
- Homelessness
- Mental health
- Business relief
- Infrastructure and broadband
- Workforce development
- K-12 education support

THE CITY OF ASHEVILLE

# Internal Requests

- Rolled up proposals into potential funding categories

- Identified additional categories for consideration
  - City infrastructure
  - Community communication
  - Employee recruitment and training
  - Premium pay for employees
  - Public infrastructure for adaptability
  - Stormwater infrastructure
  - Utility billing
  - Water infrastructure

THE CITY OF ASHEVILLE

# Council Survey Results

Council survey included three questions:

1. Additional categories to consider for funding
    - Several suggestions for projects that rolled into categories
    - Domestic violence prevention and assistance
    - Rental and homeownership assistance
    - Educational initiatives

2. Agreement with evaluation approach
    - 6/7 agreed with the evaluation scoring
    - One comment about public engagement

3. How funding should be allocated
    - 4 responses in favor of having a few categories fully and/or significantly funded
    - 3 responses in favor of funding more categories on smaller scale

THE CITY OF ASHEVILLE

# Questions?

# Evaluation Process

- Evaluation Team of 16 Staff Members
  - Every department represented
  - Diversity of position levels, gender, race
    - Goal was diversity of perspectives, not representation
  - Ranked categories, not specific projects

THE CITY OF ASHEVILLE

# Guiding Principles

1. Invest in resilience (25%)
    - Balance addressing current damage and investing in future resilience
2. Use an equity lens (25%)
    - Prioritize communities and businesses that faced disproportionate harm
3. Align with priorities (15%)
    - Including homelessness, public safety, advancing racial equity, sustainability
4. Focus on measurable impact (15%)
    - Make sure we can identify and measure intended impact
5. Leverage partnerships (10%)
    - Leverage inter-agency collaboration and other sources of funds
6. Consider the long term (10%)
    - Be cognizant of ongoing operational expenses

THE CITY OF ASHEVILLE

# Tentative Results - Top Scoring

- Affordable housing
- Community communication
- Homelessness services
- Public health, mental health, and substance abuse
- Small business recovery
- Workforce development

# Tentative Results - Middle Scoring

- Community led capacity building
- Emergency planning
- Stormwater infrastructure
- Transit
- Transportation connectivity infrastructure
- Water infrastructure

THE CITY OF ASHEVILLE

# Tentative Results - Low Scoring

- Arts and cultural expression
- Care for aging residents
- Childcare
- City infrastructure
- Domestic violence prevention and assistance
- Employee recruitment and training
- Environmental protection/sustainability
- Food security
- Premium pay for employees
- Public infrastructure for adaptability
- Utility billing
- Youth programming

THE CITY OF ASHEVILLE

# Council Direction

- Do you agree with the most highly scored categories?

Council ARPA Categories Discussion

| Evaluation Committee Tentative Results | | |
|---|---|---|
| **Top** | **Middle** | **Low** |
| • Affordable housing<br>• Community communication<br>• Homelessness services<br>• Public health/mental health/substance abuse<br>• Small business recovery<br>• Workforce development | • Community led capacity building<br>• Emergency planning<br>• Water infrastructure<br>• Stormwater infrastructure<br>• Transit<br>• Transportation connectivity infrastructure | • Arts and cultural expression<br>• Care for aging residents<br>• Childcare<br>• City infrastructure<br>• Domestic violence prevention and assistance<br>• Employee recruitment and training<br>• Environmental protection/sustainability<br>• Food security<br>• Premium pay for employees<br>• Public infrastructure for adaptability<br>• Utility billing<br>• Youth programming |
| **Council Discussion - Additional Top Categories** | | |
| • <br>• <br>• | | |

THE CITY OF ASHEVILLE

# Approved and Planned Usage to Date

| ***Previously Approved by Council:*** | ***Amount*** | ***Council Dates*** |
|---|---|---|
| Emergency Non-Congregate Homeless Shelter | $906,407 | Apr 27 & May 25 |
| Public Portable Restrooms | $90,000 | Jun 8 |
| | | |
| ***Upcoming Council Budget Amendments:*** | | |
| Emergency Non-Congregate Homeless Shelter | $855,230 | Jul 27 |
| Homeward Bound Acquisition of the Days Inn | $2.000,000 | Jul 27 |
| Hotel Purchase Emergency Shelter | $9,193,828 | Aug 24 |
| | | |
| ***Total ARPA Usage to Date*** | ***$13,045,465*** | |

THE CITY OF ASHEVILLE

# Other Tentatively Planned Usage

- $2 million: revenue losses
  - Parking Fund
    - $1.5 million estimated deficit in FY21, plus an additional $500k in losses in FY20

- $750,000: estimated costs to hire 1-2 staff to manage funds for three years

- ***Total approved and planned: $15,795,465***
- ***Total remaining: $10,498,388***

THE CITY OF ASHEVILLE

# Next Steps - Council Direction

- How should funding be allocated?
  - A few categories fully and/or significantly funded
  - More categories funded on smaller scale

- Do you want City staff to develop an RFP process to solicit specific projects for the selected priority categories?

THE CITY OF ASHEVILLE

# Next Steps - Key Dates

- August 24, 2021: Council to approve category allocation and RFP process plans
- September 2021: Kick off community RFP process
- October 2021: RFP proposals evaluation and approval of project awards

THE CITY OF ASHEVILLE

# Questions?