THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: June 8, 2021

Subject: Initial Funding of Reparations

Staff Resource(s): Tony McDowell, Finance Director
Taylor Floyd, Budget Manager

Action Requested: Adoption of a resolution and a budget amendment in the amount of $2,100,000 in the City's General Capital Projects Fund utilizing land sale proceeds to provide initial funding for reparations.

Background:

- On July 14, 2020, City Council adopted Resolution No. 20-128 in support of community reparations.
- The City Manager's Fiscal Year 2021-22 Proposed Budget that was presented to City Council on May 25, 2021 recommended $1,000,000 in initial funding for reparations and $200,000 for planning and community engagement process to support the Community Reparations Commission. An appropriation of fund balance was recommended to fund these expenditures.
- Earlier in the current fiscal year, city-owned property at 172 and 174 South Charlotte Street was sold to White Labs, Inc. at a sale price of approximately $3.7 million.
- A portion of this property includes land the City purchased in the 1970's that was part of Urban Renewal of East End/Valley Street.
- A portion of the land sale proceeds, approximately $1.6 million, was classified as Community Development Block Grants (CDBG) Program Income. Council adopted a budget amendment on March 23, 2021 incorporating that amount into the CDBG Annual Action Plan.
- In order to provide reparations funding in advance of the Juneteenth holiday (June 19, 2021), staff recommends utilizing the remaining $2.1 million in land sales proceeds from White Labs to fund community reparations.

Council Goal(s):

- A Diverse Community

Committee(s):

- None

Pro(s):

- Funds community reparations and process in advance of celebration of the Juneteenth holiday.
- Utilizes proceeds from the sale of city-owned land purchased in an Urban Renewal area to fund community reparations.
- Avoids the use of fund balance.

Con(s):

- None

Fiscal Impact:

- This funding allocation will meet the proposed budget recommendations for reparations planning and community engagement, and exceed that for initial reparations funding.
- As such, staff will remove the $1.2 million fund balance appropriation from the City Manager's Fiscal Year 2021-22 Proposed Budget.

Suggested Motion:

- Motion to adopt a resolution for initial funding of reparations; and a budget amendment in the amount of $2,100,000 in the City's General Capital Projects Fund to provide reparations funding utilizing proceeds from the sale of city-owned land at 172 and 174 South Charlotte Street.

Attachment(s)

- Resolution
- Budget Amendment

RESOLUTION NO. 21-____

RESOLUTION TO FUND COMMUNITY REPARATIONS FOR BLACK ASHEVILLE

WHEREAS, the Asheville City Council adopted Resolution No. 20-128 on July 14, 2020, in support of community reparations; and

WHEREAS, Resolution No. 20-128 directed the City Manager to establish a process within the next year to develop short, medium and long term recommendations to specifically address the creation of generational wealth and to boost economic mobility and opportunity in the black community; and

WHEREAS, the City of Asheville received revenue from the sale of city-owned property at 172 and 174 South Charlotte Street to White Labs, Inc., land which had become partially vested in the City through urban renewal;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to utilize funding available from the sale of city-owned property to provide an initial $2,100,000 in funding for community reparations and to support the process to develop community reparations recommendations.

Read, approved and adopted this the 8th day of June, 2021.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That the City of Asheville Fiscal Year 2020-21 Budget Ordinance be amended to provide an appropriation of $2,100,000 to fund community reparations as follows:

GENERAL CAPITAL FUND

Revenues:

Land Sale Proceeds	$2,100,000
Total Revenues	$2,100,000

Appropriations:

Reparation Expenses	$2,100,000
Total Expenses	$2,100,000

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 8th day of June, 2021.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney