

American Rescue Plan - Initial Phase

July 6, 2021



Raleigh





American Rescue Plan Act of 2021

- \$350 billion in direct financial relief for all state and local governments (Fiscal Recovery Funds)
- Raleigh allocated \$73.2M in direct Treasury funding
 - Funding must be obligated by December 2024 and spent by December 2026
 - Initial guidance issued May 10
 - Presented a phased approach to City Council on June 1, 2021
- Recommend City Council approve a resolution accepting the funds



Rescue Plan Phased Approach

Funding will be phased to address most pressing concerns:

Initial Phase (By August 2021)

- Provide support to agencies assisting disproportionately impacted communities
- Support small businesses and hospitality, including downtown revitalization
- Begin identifying revenue loss and eligible uses of funding

Phase Two (six-nine months)

- Identify, review, and prioritize operational and capital needs
- Identify, review, and prioritize funding gaps for community needs

Phase Three (12 months plus)

- Reassess revenue loss calculation and eligible uses of funding
- Reassess operational and capital needs
- Reassess community needs



Initial Phase – Immediate Projects

Small Business Support

Assistance to small businesses.

Hospitality Support

Assistance to hard-hit industries (tourism and hospitality), additional focus on downtown revitalization.

Non-Profit Agency Support

Assistance to community agency groups assisting disproportionately impacted communities, including housing and homelessness.

Revenue Replacement

Maintain critical governmental services impacted by revenue loss by following methodology to determine loss and eligible uses.



Raleigh

Non-Profit Agency Support

- Human Service agencies are assisting vulnerable populations address the health and economic impacts in the following areas:
 - Housing
 - Homelessness
 - Mental Health
 - Food Security
 - Public Health
- Targeted Groups: elderly, youth, persons with disabilities, substance users, and persons experiencing homelessness



Raleigh

Non-Profit Agency Support

- Recommend opening a grant process with initial \$1.0m in funding
 - Human Relations Commission (HRC) will review and make funding recommendations at a future City Council meeting
 - Priority will be given to agencies who were not funded or fully funded in FY22 Human Service Agency Grant process
 - Staff continue to evaluate key opportunities to advance citywide goals



Raleigh

Hospitality Support

- Guidance allows support to assist the travel, tourism, and hospitality industry in order to:
 - Respond to the negative economic impacts of the pandemic
 - Support the safe reopening of businesses in the tourism, travel and hospitality industries
 - Aid a planned expansion or upgrade of tourism, travel and hospitality facilities



Raleigh

Hospitality Support

- Fund a downtown activation grant in collaboration with the Downtown Raleigh Alliance (DRA) (\$200,000)
- Fund improvements to City Plaza including Lighting and Sound upgrades and shade enhancements (\$400,000)
- Fund a downtown Ice Rink (\$250,000)





Raleigh

Small Business Support

- Guidance allows support to small business in order to:
 - Address negative economic impacts
 - Loans or grants to mitigate financial hardship
 - Physical changes to enable social distancing, enhanced cleaning efforts, barriers or partitions
 - Technical assistance, counseling, or other services to assist with business planning needs



Raleigh

Small Business Support

- Recommend funding a downtown economic development study in partnership with the Downtown Raleigh Alliance (DRA) (\$250,000)
 - Focuses on retail strategy
 - Office market positioning
 - Increase diversity and equity initiatives
 - Catalytic opportunities



Raleigh

Revenue Loss

Staff continue to evaluate guidance to calculate revenue loss

- Prescribed calculation and methodology
 - Actual revenue results not based on projections
 - Based on entire organization and not specific areas
 - Points in time -> 12/31/2020, 12/31/2021 & 12/31/2022
 - Awaiting further guidance on revenue calculation
- Staff will calculate revenue loss for 12/31/2020
- Capital infrastructure maintenance or pay-go projects in future phase



Raleigh

Current Activities

- Meet with key department staff on Economic Development, Infrastructure, and Community Support
- Developing a list of generated ideas and eligibility
- Developing a webpage and engagement tool to solicit community input
- Future City Council work session
- Additional funding recommendations at a Fall council meeting
- Continue to review the guidelines and Interim Final Rule
- Requesting approval of two (2) new positions to assist with federal grant compliance reporting



Raleigh

Council Action

- ✓ Approve a resolution accepting CSLFRF funds
- ✓ Approve the associated budget amendments
- ✓ Approve opening a process for Human Service Agency Grants
- ✓ Authorize staff to negotiate an agreement with the Downtown Raleigh Alliance to implement a Downtown Activation Grant and a downtown economic development study
- ✓ Approve the addition of two (2) new positions to manage federal grant compliance reporting

Questions?

