

City of Raleigh Recovery Plan



State and Local Fiscal Recovery Funds 2022 Report

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GENERAL OVERVIEW

Executive Summary

The U.S. Treasury’s State and Local Fiscal Recovery Fund (SLFRF) provided a phenomenal opportunity for the City to address the disparate and disproportionate effects of coronavirus on our communities to ensure an equitable, strategic, and lasting recovery. The enclosed report details Raleigh’s plan and progress in programming these dollars to meet the immediate and ongoing needs of today while thoughtfully addressing the long-term opportunities of tomorrow. This includes supporting public health initiatives to stop the spread of COVID-19 and improve the outcomes for those infected; providing critical resources to families, children, and businesses struggling to make ends meet due to the economic impacts of the pandemic; and making investments into the City’s operations and infrastructure to ensure Raleigh remains a high-quality community of choice in North Carolina, now and in the future. The city has been focused on helping constituents survive this pandemic from the very beginning of this pandemic.

The City of Raleigh was awarded **\$73.2 million that must be spent by December 2026** through the American Rescue Plan Act 2021. It was signed into law by President Joe Biden on March 11, 2021.

This once-in-a-generation investment was:

- Awarded in **three phases** based on City Council priorities, community input, recommendations from studies, strategic plan initiatives, and inter-departmental brainstorming.
- Internal City collaborations resulted in an extensive list of ideas for possible uses of the funds including some unique operational possibilities.
- The City provided an opportunity for the public to share their suggestions on how to prioritize ARPA funding using our [interactive simulator tool](#).
- A high-level look at those phases is included in the graphic below:

PHASE	DESCRIPTION
Phase 1 (Aug. 2021)	The initial phase sought to provide immediate relief to address the negative impacts caused by the COVID-19 pandemic. The City is seeking to:

PHASE	DESCRIPTION
	<ul style="list-style-type: none"> • 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 2 (6-9 months)	This phase sought to align funding with identified City Council and community goals. This phase lines up conversations with the council and community and funds projects that are important to the recovery efforts in the community.
Phase 3 (12 months plus)	This phase reassessed community needs as part of the FY23 budget process to ensure funding is fully appropriated by December 2024.

Uses of Funds

The City’s SLFRF investment framework is designed to drive dollars to the highest priority needs of the community for a mix of current and long-term benefits. SLFRF funds must fill the clear and present gaps created by the pandemic while also recognizing the opportunity for meaningful investment in our future. Notwithstanding, the City of Raleigh continues to pursue state and federal funding sources outside of SLFRF to supplement programming and maximize the value and reach of the SLFRF allocation. Five areas have been identified in the City of Raleigh for ARPA Funding. They include Economic Recovery, Housing/Homelessness, Community Health, Transit, and Infrastructure.

Economic Recovery: Projects under this target area are designed to support entrepreneurs and bolster the local economy by addressing existing inequities in capital access and providing business support opportunities for underrepresented groups.

PROJECT NAME	DESCRIPTION	FUNDING	PHASE	DATE APPROVED
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Downtown Activation/Hospitality Support	The Raleigh Downtown Activation grant will provide funding to Raleigh-based organizations to put on special events and activations that enhance the overall cultural environment and supports the City's economy. The grant process will be run through a partnership between the Downtown Raleigh Alliance (DRA) and the Office of Emergency Management and Special Events.	\$200,000	Phase I	July 6, 2021
Downtown Economic Development Study	The Downtown Economic Development Study will focus on key areas of Fayetteville St. to determine optimal retail strategy and office market positioning, and catalytic opportunities	\$250,000	Phase I	July 6, 2021

	to support diversity and equity initiatives.			
Small Business Support	In partnership with the Carolina Small Business Development, Oak City Biz Labs is established as a response to help small businesses within the City of Raleigh that has been adversely impacted by the COVID-19 pandemic.	\$5,000,000	Phase II	Sept. 21, 2021

Outdoor Seating Initiative	Raleigh is constructing “streeteries” in City rights-of-way, where patrons can enjoy their meals outdoors as a precaution against COVID-19. This will convert public spaces into vibrant community spaces.	\$500,000	Phase II	Sept. 21, 2021
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Housing Homelessness: Projects under this impact area are designed to address social determinants of health and health disparities, by making investments in housing and making progress in addressing homelessness and keeping people housed.

PROJECT NAME	DESCRIPTION	FUNDING	PHASE	DATE APPROVED
Purchase of Hotel at Brentwood and Capital	Raleigh is purchasing a hotel to provide services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals	\$10 million	Phase II	Sept. 21, 2021

Community Health: Projects under this target area are designed to enhance and support a healthy and vibrant community by centering our attention on clinical and nonclinical approaches for improving health, preventing disease, and reducing health disparities by addressing social, behavioral, environmental, economic, and medical social determinants of health in the city of Raleigh.

PROJECT NAME	DESCRIPTION	FUNDING	PHASE	DATE APPROVED
Human Service Non-Profit Agency Support	These funds will be used to provide direct services to low-income Raleigh residents who identify with one of the targeted groups: elderly, youth, individuals with a disability (physical or mental), individuals who use substances and are homeless.	\$1 million	Phase I	July 6, 2021
DRA Social Services Ambassador	In partnership with the Downtown Raleigh Alliance (DRA), the Social Service Outreach Specialist is responsible for circulating throughout the Downtown District identifying and building positive relationships with persons on the street in need of services. The position helps people cope with challenges they are facing in their lives and refers them to resources structured to deal with their situation.	\$59,945	Phase I	Aug. 17, 2021

PROJECT NAME	DESCRIPTION	FUNDING	PHASE	DATE APPROVED
Community Health Initiatives	Partnerships to expand community health initiatives around mental health, food security, and assistance for those disproportionately impacted by the pandemic.	\$10 million	Phase II	Sept. 21, 2021
Non-Profit Support	Raleigh will support nonprofits through ARPA Funding. The funding will support capacity building for non-profit organizations.	\$1 million	Phase II	Nov. 2, 2021

Transit: At the time of this submission there have been no planned transit projects.

Infrastructure: Projects under focus area invest in necessary improvements to the City’s water and sewer infrastructures, including projects that address the impacts of climate change. This area also focuses on improvements to our entertainment and tourism infrastructure.

PROJECT NAME	DESCRIPTION	FUNDING	PHASE	DATE APPROVED
Raleigh Convention Center Improvements	Funding will be used for improvements at the Raleigh Convention Center.	\$250,000	Phase I	July 6, 2021
City Plaza Improvements	Raleigh is funding improvements to City Plaza, including Lighting and Sound upgrades, which will	\$400,000	Phase I	July 6, 2021

PROJECT NAME	DESCRIPTION	FUNDING	PHASE	DATE APPROVED
	improve programmatic uses in that space.			

Promoting equitable outcomes

The City of Raleigh is dedicated to establishing and advancing an equitable community for all. We know that race is the primary predictor of a person's outcomes across all social indicators and societal systems, the City of Raleigh will prioritize racial equity to dismantle the policies and systems that have created and sustained these inequities. Decision-making in all aspects of municipal management is made through an equity lens. Our vibrant and diverse communities are filled with historically underserved populations. According to US Census Bureau estimates, 10.9% of residents are Hispanic or Latino, 28% are Black or African American, and 4.2 % are a mix of two or more races. 11.8% of our families live at or below the federal poverty line and Raleigh is also home to nearly 20,085 veterans. The city has always worked tirelessly to level the playing field for these populations by providing services, support, and access in an intentional way.

Inequities in our systems and policies are costly and limit positive outcomes and quality of life for all of us. When we achieve racial equity, all people in Raleigh will benefit from a more just, equitable system. Raleigh aspires to be a model for equity in local government. The disproportionate effects of COVID-19 on disadvantaged subpopulations strengthened this focus for Raleigh City leadership.

[View our equity action plan](#)

More importantly, the city is also committed to embedding equity within our organization, our programs, and the communities we serve. The City has created an Equity and Inclusion department whose team oversees issues related to persons with disabilities, gender identity, race, ethnicity, community health, and social justice.

Within our first annual Recovery Plan, due 2021, the city outlined our initial efforts and intent to promote equity, throughout those initial allocations. Moving forward all City of Raleigh's RFPs and associated contracts include language designed to target underserved populations and historically underserved communities. Each funded project uses an equity lens to determine the best and most appropriate focus for spending and impact. Program measures will capture demographic information for each project every quarter to further

determine if Raleigh is meeting our equity action plan and addresses the desired populations. Those initial projects are represented here:

Human Service Agency Funding - This funding provides support to non-profit agencies assisting disproportionately impacted communities. A Request for Proposal (RFP) process was conducted to ensure equity. The funds are used to address equitable outcomes and provide direct services to low-income Raleigh residents who identify with one of the targeted groups: elderly, youth, individuals with a disability (physical or mental), individuals who have substance abuse concerns, and/or are homeless.

Target group definitions as defined by the City of Raleigh are:

- Youth: Any person 19 years old or younger
- Elderly: Any person 55 years old or older
- Homeless: Any person who does not have a permanent residence; including a battered spouse who is facing the loss of his/her residence due to threat of bodily harm and any person who is facing eviction (e.g., having received notice to vacate property)
- Disability: Any person who has a physical or mental impairment that a substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment. This definition is consistent with the definitions found in federal law regarding a disabled person. The definition excludes active alcoholism or drug addiction and conditions that are temporary
- Substance Users: Any person who uses alcohol and/or drugs to the point that it affects their ability to cope with themselves and creates problems for their family, neighbors, and community.

Downtown Raleigh Activation (Special Event) Funding – These funds will be used to foster high-quality, equitable events that are open to the public and will enhance downtown Raleigh’s overall cultural environment and strengthen the City’s economy. A NOFA process will be conducted to ensure equity.

Applicants must include the following information surrounding equity in their proposal:

- How will your proposed event promote equity and inclusivity for this event?
- Can you share strategies that you have considered that will allow all individuals of the community to have equitable access to the event?
- Will there be ADA-accessible activities for the event? • Ensure the event is open to the public

New projects

Community Health Initiatives I- Through an RFP process, the City selected 13 non-profit organizations to make capital investments or adaptations to facilities to increase/expand capacity (to prevent and mitigate COVID-19) and/or address community health needs. This grant funding will improve community health outcomes.

Target group (Individuals and families experiencing):

- Homelessness
- Behavioral health, mental health, and other health issues exacerbated by the pandemic
- Substance Use

Small Business Support (enhanced support to micro businesses)- The City, in conjunction with the Carolina Small Business Development Fund, developed Oak City Biz Labs, a program to financially assist small businesses within the City of Raleigh adversely impacted by the COVID-19 pandemic. The goal of the program is to provide a holistic array of services to a small business that includes financial capital as well as knowledge capital. The financial capital component of the program consists of grant awards to small businesses.

Target group:

- Small business
- Minority Owned
- Women Owned

Hotel Brentwood (Affordable Housing)- The City purchased an extended-stay 113-room hotel occupied by long-term guests. The hotel will become a mixed occupancy affordable housing offering, combining the existing extended-stay model with opportunities for permanent supportive housing and other types of affordable housing.

Target group:

- Low income
- Underserved populations

Community Engagement

Significant community input has been an important component of the development of the City's initial SLFRF recovery plan and will continue to inform and influence our decision-making throughout the life of the award.

The city believes in the values of community input and has championed an Office of Community Engagement. This office works to advance the City's goal of improving and reimagining community engagement efforts. The office helps encourage active participation in decision-making dialogue and public policy. The Office of Community Engagement leads people-focused processes that increase the collective capacity of the

community to improve the quality of life for the individuals who live, work, and play here. This work includes incremental and measurable projects, programs, and activities that lead to positive, long-term, systematic change.

Raleigh’s ARPA strategy recognizes that SLFRF funding is fueled by taxpayer dollars for taxpayer benefit. All decisions, from designing the strategic framework to allocation of funds for specific projects, are made through this lens and with our community’s interests in mind. To ensure a diverse range of community input was received, an outreach plan was developed. Elements of the plan included: ARPA Community Survey, the city released an online survey to capture input and feedback from the community at large on the prioritization of SLFRF funding. The survey was provided and was promoted through various channels, including as a pop-up on the City’s homepage, a dedicated press release, and social media posts through official City accounts.

City Council Meetings and work sessions included discussions of SLFRF funding and updated the public on the development of the funding plan at the regular City Council meeting agenda. This provided an opportunity for public comment in an open forum, as well as an open discussion on the progress of the Recovery Plan.

Labor Practices

The City of Raleigh has not appropriated any SLFRF for infrastructure projects as of the time of this performance report.

Use of Evidence

The city is not currently using SLFRF for evidence-based interventions.

Performance Report

The information listed in the column “Cumulative expenditures to date (\$)” shows allocated spending through June 30, 2022.

<u>Expenditure Category</u>		<u>Cumulative Expenditures to Date (\$)</u>	<u>Amount Spent Since Last Quarterly Report</u>
1	Expenditure Category: Public Health		
1.1	COVID-19 Vaccination		
1.2	COVID-19 Testing		
1.3	COVID-19 Contact Tracing		
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)		
1.5	Personal Protective Equipment		
1.6	Medical Expenses (including Alternative Care Facilities)		
1.7	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)		

<u>Expenditure Category</u>		<u>Cumulative Expenditures to Date (\$)</u>	<u>Amount Spent Since Last Quarterly Report</u>
1.8	COVID-19 Assistance to Small Businesses		
1.9	COVID 19 Assistance to Non-Profits		
1.10	COVID-19 Aid to Impacted Industries		
Community Violence Interventions			
1.11	Community Violence Interventions		
Behavioral Health			
1.12	Mental Health Services		
1.13	Substance Use Services		
Other			
1.14	Other Public Health Services	246,564.50	246,564.50
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency		
2	Expenditure Category: Negative Economic Impacts		
2.1	Household Assistance: Food Programs		
2.2	Household Assistance: Rent, Mortgage, and Utility Aid		
2.3	Household Assistance: Cash Transfers		
2.4	Household Assistance: Internet Access Programs		
2.5	Household Assistance: Paid Sick and Medical Leave		
2.6	Household Assistance: Health Insurance		
2.7	Household Assistance: Services for Un/Unbanked		
2.8	Household Assistance: Survivor's Benefits		
2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers		
2.10	Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)		
2.11	Healthy Childhood Environments: Child Care		
2.12	Healthy Childhood Environments: Home Visiting		
2.13	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System		
2.14	Healthy Childhood Environments: Early Learning		
2.15	Long-term Housing Security: Affordable Housing	7,915,357.79	0.00
2.16	Long-term Housing Security: Services for Unhoused Persons		
2.17	Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities		
2.18	Housing Support: Other Housing Assistance		
2.19	Social Determinants of Health: Community Health Workers or Benefits Navigators	18,491.16	12,168.95
2.20	Social Determinants of Health: Lead Remediation		
2.21	Medical Facilities for Disproportionately Impacted Communities		
2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety		

<u>Expenditure Category</u>		<u>Cumulative Expenditures to Date (\$)</u>	<u>Amount Spent Since Last Quarterly Report</u>
2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties		
2.24	Addressing Educational Disparities: Aid to High-Poverty Districts		
2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services		
2.26	Addressing Educational Disparities: Mental Health Services		
2.27	Addressing Impacts of Lost Instructional Time		
2.28	Contributions to UI Trust Funds		
Assistance to Small Businesses			
2.29	Loans or Grants to Mitigate Financial Hardship		
2.30	Technical Assistance, Counseling, or Business Planning		
2.31	Rehabilitation of Commercial Properties or Other Improvements		
2.32	Business Incubators and Start-Up or Expansion Assistance		
2.33	Enhanced Support to Microbusinesses		
Assistance to Non-Profits			
2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)		
Aid to Impacted Industries			
2.35	Aid to Tourism, Travel, or Hospitality	77,538.15	37,538.15
2.36	Aid to Other Impacted Industries		
Other			
2.37	Economic Impact Assistance: Other	252,934.45	194,475.82
2.5	Household Assistance: Eviction Prevention		
3	Expenditure Category: Services to Disproportionately Impacted Communities		
3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers		
3.2	Public Sector Workforce: Rehiring Public Sector Staff		
3.3	Public Sector Workforce: Other		
3.4	Public Sector Capacity: Effective Service Delivery		
3.5	Public Sector Capacity: Administrative Needs Other		
7.1	Admin	59,733.54	28,995.00

PROJECT INVENTORY

Performance Report

Project [Identification Number]: Human Service Non-Profit Agency Support

Funding amount: \$- (City has appropriated \$1,000,000)

Project Expenditure Category: 2.37

Project Overview

- These funds will be used to address equitable outcomes and provide direct services to low-income Raleigh residents who identify with one of the targeted groups: elderly, youth, individuals with a disability (physical or mental), individuals who use substances, and/or are homeless. These funds will be awarded through a NOFA (Notice of Funding Availability) process to ensure equity.

Performance Report

- Number of targeted participants served through financial assistance to a non-profit agency.

Project [Identification Number]: Hospitality Support

Funding amount: \$- (City has appropriated \$400,000)

Project Expenditure Category: 2.35

Project Overview

- To support the hospitality industry and mitigate experienced negative economic impacts, funding was approved for built environment improvements at Downtown Raleigh City Plaza to include lighting and sound system upgrades and shade structures. These investments will promote safe and physical distancing by allowing more events in an outdoor public space.

Performance Report

- Number of events held at City Plaza

Project [Identification Number]: Downtown Raleigh Activation Grant

Funding amount: \$- (City has appropriated \$200,000)

Project Expenditure Category: 2.35

Project Overview

- The City will establish a downtown Raleigh activation grant process in partnership between the Downtown Raleigh Alliance (DRA) and the City's Office of Emergency Management and Special Events. This program will provide grant funding to Raleigh-based organizations to host special events and activations that enhance the overall cultural environment and supports the City's economic prosperity. These funds will be awarded through a NOFA process to ensure equity.

Performance Report

- Number of downtown activation events held through provided financial assistance

Project [Identification Number]: Downtown Economic Development Study

Funding amount: \$- (City has appropriated \$250,000)

Project Expenditure Category: 2.35

- In partnership with the Downtown Raleigh Alliance (DRA), the City is funding an Economic Development Study to develop a retail strategy and explore ways

to increase diversity and equity initiatives, and identify downtown catalytic economic opportunities.

Performance Report

- Number of implemented strategies identified in the report that advance diversity and equity initiatives

Project [Identification Number]: Brentwood Hotel Purchase

Funding amount: \$- (City has appropriated \$10,000,000)

Project Expenditure Category: 2.15

- The City purchased an extended-stay 113-room hotel occupied by long-term guests who will not be affected by the change in ownership. The future vision for the hotel is mixed occupancy, combining the existing extended-stay model with opportunities for permanent supportive housing and other types of affordable housing. Maintenance of the hotel is in the project scope.

Performance Report

- Purchase of Hotel- Complete

Project [Identification Number]: Community Health Initiative I

Funding amount: \$- (City has appropriated \$10,000,000)

Project Expenditure Category: 1.14

- Through an RFP process, the City selected 13 non-profit organizations to make capital investments or adaptations to facilities to increase/expand capacity (to prevent and mitigate COVID-19) and/or address community health needs. This grant funding will improve community health outcomes, including but not limited to, behavioral health, mental health, and other health issues exacerbated by the pandemic, as well as related public health needs. Funding was awarded to the non-profits for capital projects ranging from \$400K to \$1.8M.

Performance Report

Performance Report

- Number of Families and individuals serviced through the completed purchase, rehab, expansions, or upgrades

Project [Identification Number]: SLFRF Grant Staff Support

Funding amount: \$- (City has appropriated \$230,000)

Project Expenditure Category: 7.1

- Two grants management positions (one in Budget and Management Services and one in Finance) were approved to oversee federal grant compliance, fiscal monitoring, and oversight reporting requirements and to assist in conducting community outreach and equitably allocating SLFRF funding.

Performance Report
Not applicable