

Item Title: Appropriation of Federal Relief Funds from the American Rescue Plan Act

Specific Action Requested:

That the Board of Commissioners amends the fiscal year 2022 budget to appropriate \$62,600,000 of American Rescue Plan Act funds for the costs associated with Wake County's COVID-19 response and recovery, County operations, and community funding.

Item Summary:

Purpose: The Board of Commissioners appropriates all revenues and approves all budget amendments.

Background: Since March 2020, the County has provided several response and recovery services to residents, community groups, and businesses as a result of the COVID-19 public health emergency. Throughout 2020 and the first half of 2021, most of these programs and services were funded through the CARES Act, subsequent federal appropriations, and state allocations of dollars.

While the country continues to respond to COVID-19, the federal government passed the American Rescue Plan Act (ARPA) in Spring 2021. This legislation, described in more detail below, included state and local government allocations to further support the COVID-19 response and address health, social, and economic factors that may have been exacerbated by the pandemic.

Board Goal: This request supports multiple Board goals, as outlined below.

Fiscal Impact: This item appropriates \$62,600,000 of the County's \$216 million in American Rescue Plan (ARP) funds, of which approximately \$107.9 million was received in mid-May. This would bring the total appropriation to date to \$115,275,000.

Additional Information:

In March, Congress and the President approved a \$1.9 trillion stimulus package, known as the American Rescue Plan Act. This federal aid package included aid local governments in funding response efforts. In mid-May, the County received approximately \$107.9 million, one-half of the total amount of approximately \$216 million, from the US Treasury, called the Coronavirus Relief Funds (CRF). Generally, these funds can be used toward the following:

- Direct response efforts, such as public health activities (vaccinations, testing, contact tracing);

- Mitigation of second order effects of COVID-19 on individuals, families, and businesses (housing, food security, and other financial assistance programs);
- Investments in water, sewer, and broadband infrastructure;
- Provide or restore government services affected by revenue reductions from the pandemic; and

Phase Now

In April, staff presented a phased funding plan for the total \$216 million relief package. In May and June, staff brought forward a recommendation to implement “Phase Now” of the funding plan. That appropriation request totaled \$52,675,000 and covered the following areas:

Category	Appropriation
Public Health	\$42,121,000
Food Security	1,100,000
Small Business Loans	4,900,000
Broadband Availability	500,000
Hospitality Industry Resurgence	4,054,000

Phase I

The next phase of the funding allocation process included an assessment of County needs coming out of the pandemic. Department were asked to submit projects for consideration of an ARPA funding investment. This phase included the following considerations:

- Addressing systemic community issues exacerbated by the pandemic (social determinants of health, job training, education, and employment);
- Addressing how COVID-19 has changed the way the County will provide services in the future;
- Planning and preparing for future events that cause disruptions in normal service; and
- Seeking opportunities to improve community engagement, outreach and diversity in the County’s workforce.

Departments submitted 110 projects through an online submission portal, of which 55 projects were deemed eligible under current US Treasury guidance of explicit programs, initiatives, and services.

Staff from the County Manager’s Office and Budget reviewed these 55 projects on several criteria, including but not limited to:

- Alignment with one or more Board goals;
- Location of project or service in HUD-designated Qualified Census Tract;
- Enhancement or improvement of an existing service;
- Understanding whether the project had funding obligations beyond ARPA; and
- Had data available to measure the problem and the outcome;

As a result of this review, staff is recommending an appropriation of \$42.6 million to following County projects to support County Board goals:

Project/Service/Function	Board Goals Areas	Amount
Social Determinant of Health Network	All five Board Goal Areas impacted by this project	\$12,000,000
HACR - Increasing Homeless Server Provider Capacity	Community Health & Vitality, Economic Strength	\$10,500,000
Cooperative Extension Services	Community Health & Vitality, Economic Strength, Education	\$3,900,000
Human Services - Mobile Unit	Community Health & Vitality, Economic Strength	\$1,090,000
Behavioral Health - Coming Home & Supportive Housing for Mom/Babies	Public Safety, Community Health & Vitality, Economic Strength	\$910,000
EMS - Nurse Navigation Support Line	Public Safety, Great Government	\$1,500,000
Fire & Emergency Management - COOP Update	Public Safety	\$300,000
CAWD - Job Training and Career Assistance	Economic Strength	\$1,000,000
CAWD - Re-entry Program Expansion	Economic Strength, Public Safety	\$2,750,000
Wake Tech - Student Assistance, Support, and Job Training	Education, Economic Strength	\$4,200,000
Fire Services - Employee Recruitment & Retention	Great Government, Public Safety	\$2,300,000
County Management - Outreach & Engagement	All five Board Goal Areas impacted by this project	\$1,000,000
Community Services - Database Enhancements and Assessments	Growth & Sustainability, Community Health & Vitality	\$650,000
GSA - Ponderosa Wastewater System Upgrades	Growth & Sustainability	\$500,000
	Total	\$42,600,000

Additional information about the above projects can be found in the October 11, 2021 work session presentation (attached) as well as spreadsheet of all eligible projects reviewed (attached).

Phase II

The next phase of the ARPA funding process will be to engage the community to understand needs not yet addressed or that continue to remain a challenge to overcome. This will be done through multiple tasks.

1. Community Engagement – The County will launch an online survey this month to gauge public sentiment around community needs that align with Board goal areas. In addition to this online survey, the County will work with Wake County Economic Development and existing faith-based networks to reach out to underserved communities. These efforts also will be promoted on social media. Staff continues regular engagement with our municipal partners as they reach out to their city/town-specific stakeholders to identify needs and priorities.
2. Community Funding Opportunities – Later in October, the County will launch an application period to gather requests for ARPA funding from our community agencies and partners. The application will gather information on project requests that:
 - a. Align with Board goals;
 - b. Mitigate the social, economic, cultural, or educational impacts of COVID-19; and/or

- c. Align with the purposes of ARPA funding.

The application period will be open through the end of November. During the month of December, staff will compile and compare the results of the community engagement along with evaluating the projects submitted through the community funding process.

For the community funding process, staff recommends making up to \$20 million available to fund these requests, with \$4 million designated as an “equity fund” targeted to support projects in HUD-designated qualified census tracts (or census tracts that have similar metrics).

Staff plans to return to the Board in January to provide the results of the community engagement and recommendations as it relates to community funding.

Staff will keep the Board informed of any changes in legislation and how that impacts the use of the County’s CRF.

Attachments:

1. Presentation – October 18, 2021
2. Presentation – October 11, 2021 Work Session
3. County Department ARPA Projects Spreadsheet
4. Budget Memo