

American Rescue Plan Act: Durham’s down payment toward transformative change

ARP Funding Process Guidance



The American Rescue Plan Act of 2021, through the [Coronavirus State and Local Fiscal Recovery Fund](#), has provided nearly \$52 million to the City of Durham to “help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.” The City of Durham is using a community-driven, data-informed process to ensure the effective, efficient, and equitable distribution of this federal funding. This guidance provides clarity and transparency on Durham’s strategy and process for proposal development, allocation, administration, and evaluation of fiscal recovery funds.

City of Durham’s ARP Process

The American Rescue Plan (ARP) is an unprecedented opportunity for Durham to leverage one-time, non-recurring federal funds to respond to the health and economic impacts of COVID-19. With this funding, Durham aims to advance community-driven solutions to recovery that deliver equitable outcomes and transformative change. Aid and investments will be targeted toward communities with the greatest needs and aligned with the priorities of people most impacted by the pandemic and resulting economic crises.

Durham is prioritizing projects and distributing funds across four core categories:

Core Categories

			
Health & Wellness	Safe, Stable Housing	Economic Equity	Community Resiliency
Improve access to health and wellness for people most impacted by COVID-19.	Prevent displacement and support community development goals.	Connect workers with good, quality jobs. Support local business owners.	Restore and expand City services and infrastructure.

For more information, visit bit.ly/ARPDurham.

Project Funding Lifecycle

Durham’s American Rescue Plan implementation will occur on a project basis. To receive funding, projects should propose big, bold investments that deliver equitable outcomes and transformative impacts. Each project starts as a proposal and moves through the following process:

- 1. Proposal Development**
 - a. Proposal Submission
 - b. Eligibility
 - c. Final Application for Funding
 - d. Review Committee
- 2. Funding Allocation**
 - a. Agreement
 - b. Disbursement
- 3. Administration**
 - a. Reporting
 - b. Compliance
- 4. Evaluation**
 - a. Reconciliation
 - b. Final data collection

Proposal Development

Proposal Submission

On an annual basis, until all the City of Durham’s ARP fiscal recovery funds have been allocated, residents, small businesses, and community based organizations may submit proposals for funding to arp@durhamnc.gov using the template in [Appendix A](#) below. Community based organizations with a track record of delivering vital services to residents are encouraged to submit proposals for funding.

Eligibility

Once a proposal is submitted, it goes through a first round of review to determine eligibility. Eligible proposals must align with one of the expenditure categories defined by the United States Department of Treasury. A full list of expenditure categories can be found in [Appendix B](#).

Authors of eligible proposals will be invited to complete a final application. Authors of ineligible proposals will be notified with the opportunity to resubmit for a future round of funding. Eligibility is not a commitment for funding. It is a basic requirement to proceed with the application process.

Final Application for Funding

When proposals are deemed eligible, the author of the proposal will be invited to complete a final application for funding. The application for funding is an opportunity for proposal authors to provide more details about the project, implementation, reporting, and evaluation plan. A full list of application questions can be found in [Appendix A](#).

Once a final application is submitted, a review committee comprised of City and County staff as well as Durham residents will read and rate applications according to the following rubric:

ARP Scorecard

Scoring	Eligibility	Equity Impact	Strategic Goals	Community-Driven	Collaboration	Administration	Qualified Census Tract
0	Not an allowable use	Does not satisfy criteria	Not aligned with existing strategic goals	Residents were not consulted	No stakeholders identified	Very difficult to measure impact and report on equitable outcomes	Does not target funding into a QCT
2	Unclear if allowable use	Satisfies more than half of the criteria	Somewhat aligned with strategic goals	Insufficient input from most impacted residents	Some stakeholders identified, but lack of cross-sector collaboration	Somewhat difficult to measure impact and report on equitable outcomes	Targets some funding into a QCT
4	Clearly allowable use	Satisfies all criteria	Aligned with existing strategic goals	Residents most impacted are driving this proposal	Stakeholders engaged from multiple sectors	Easy to track metrics, evaluate impact, and report on equitable outcomes	Targets all funding into a QCT

More detailed information about this rubric can be found in [Appendix B](#).

Review Committee

A review committee comprised of City employees, Durham County employees, and Durham residents will read and rate proposals according to the scorecard above. Incomplete applications for funding will not be reviewed. A completed application for funding is not a commitment to fund a project. After rating each application, review committee members provide one of the following recommendations:

- Fund
- Fund with revisions
- Do not fund at this time

Funding Allocation

Projects that are rated by a review committee will be presented to City Council. Projects will be recommended based on the combined score of the review committee. City Council will make the final decision about which projects receive ARP funding.

Agreement

Once City Council has decided to fund a project, the applicant must work with City staff to develop an agreement. For internal applicants, this will typically take the form of a Letter of Agreement or Memorandum of Understanding. For external applicants, this will take the form of a Grant Agreement or contract. The agreement will describe the terms and conditions of the funding, including, but not limited to, purpose, term, eligible uses, scope, reporting requirements, process to modify or terminate the agreement, audit requirements, and any other City requirements.

Disbursement

The agreement will include the terms of disbursement of funds. Actual disbursement of funds is subject to existing City policies and procedures.

Administration

Reporting and compliance requirements will be defined in the funding agreement. The administration phase will serve to monitor the implementation of each project and track progress on key indicators. Each project is responsible for complying with the terms and conditions within the funding agreement.

The City of Durham holds compliance with federal guidelines as well as state and local laws with the utmost importance. Failure to execute a project as planned or comply with the funding agreement may result in corrective action, recovery of funds, termination of the agreement, and/or other civil or criminal proceeding as required by Law.

Evaluation

Projects will be closed once they have fulfilled the terms of their agreement. All funds will be reconciled and unused funding returned. Final reports will include an evaluation of the project that includes data collection and reporting as outlined in the agreement.

Appendix A: Proposal Template and Final Application for Funding Questions

Proposal Template for American Rescue Plan Funding	
Proposal Title:	
Name of Author(s):	
Affiliated Organizations & Leaders:	
Proposed Funding:	
Proposed Timeline:	
Description of Idea:	
Proposed Impact Measures:	

Final Application for Funding Questions:

1. Project Title (5 words or less, may include acronyms)
2. Which Expenditure Category best describes your project?
3. Which Core Category does your project fall under?
4. Which Strategic Goals does your project support?
5. Project Description
6. What is the target population you aim to serve?
7. In one sentence, explain what your project aims to achieve.
8. What research, data, and other forms of evidence serve to explain the problem your project aims to address and the actions you plan to take to address the problem?
9. How were residents involved in the development of this proposal? How will residents be involved in driving project implementation?
10. What organization/entity would administer and report on key indicators for this project? Which partner organizations will be involved in project implementation?
11. List 3-6 metrics you plan to track to monitor progress and demonstrate impact. How frequently will you report on these key indicators? (Monthly, Quarterly, etc.)
12. What is the total amount of funding that you are applying for? On what schedule and timeline do you propose funds to be distributed?

Indicators			
Metrics: Specific, measurable characteristics, actions, or conditions used to track progress.			
Inputs	Outputs	Outcomes	Impact
Resources: The financial, human, and material resources used.	Actions: The programs, products, and services performed.	Achievements: The short -and medium-term effects that you aim to achieve.	Long-term Effects: Positive and negative long-term effects – either intended or unintended, direct or indirect.

Appendix B: ARP Scorecard Criteria

“Eligibility” refers to the expenditure categories listed in the table provided by the U.S. Treasury below.

Expenditure Category	
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	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19
1.10	Mental Health Services
1.11	Substance Use Services
1.12	Other Public Health Services
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: Eviction Prevention
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)
2.8	Contributions to UI Trust Funds*
2.9	Small Business Economic Assistance (General)
2.10	Aid to nonprofit organizations
2.11	Aid to Tourism, Travel, or Hospitality
2.12	Aid to Other Impacted Industries
2.13	Other Economic Support
2.14	Rehiring Public Sector Staff
3	Expenditure Category: Services to Disproportionately Impacted Communities
3.1	Education Assistance: Early Learning
3.2	Education Assistance: Aid to High-Poverty Districts

Expenditure Category	
3.3	Education Assistance: Academic Services
3.4	Education Assistance: Social, Emotional, and Mental Health Services
3.5	Education Assistance: Other
3.6	Healthy Childhood Environments: Child Care
3.7	Healthy Childhood Environments: Home Visiting
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System
3.9.	Healthy Childhood Environments: Other
3.10	Housing Support: Affordable Housing
3.11	Housing Support: Services for Unhoused persons
3.12	Housing Support: Other Housing Assistance
3.13	Social Determinants of Health: Other
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators
3.15	Social Determinants of Health: Lead Remediation
3.16	Social Determinants of Health: Community Violence Interventions
4	Expenditure Category: Premium Pay
4.1	Public Sector Employees
4.2	Private Sector: Grants to other employers
5	Expenditure Category: Infrastructure
5.1	Clean Water: Centralized wastewater treatment
5.2	Clean Water: Centralized wastewater collection and conveyance
5.3	Clean Water: Decentralized wastewater
5.4	Clean Water: Combined sewer overflows
5.5	Clean Water: Other sewer infrastructure
5.6	Clean Water: Storm water
5.7	Clean Water: Energy conservation
5.8	Clean Water: Water conservation
5.9	Clean Water: Nonpoint source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & distribution
5.12	Drinking water: Transmission & distribution: lead remediation
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure
5.16	Broadband: "Last Mile" projects
5.17	Broadband: Other projects
6	Expenditure Category: Revenue Replacement
6.1	Provision of Government Services
7	Administrative and Other
7.3	Transfers to Other Units of Government

Appendix B: ARP Scorecard Criteria Continued...

“Equity Impact” refers to the equity impact assessment tool below.

Equity Impact Assessment Tool



- 1) **Proposal** - What is being recommended/proposed/considered? What specific results are expected if implemented?
- 2) **Stakeholders**: Which stakeholders are currently affected (ex: departments, employee groups, neighborhoods, geographic areas etc).
- 3) **Data**: Which qualitative and quantitative data evidences historical inequities and is the rationale for this recommendation/proposal? Neighborhoods & communities that would benefit most are explicitly identified.
- 4) **Causes**: What is producing and perpetuating inequities? Are inequities expanding or narrowing? What is the root cause?
- 5) **Positive Impact**: What positive impact on equality and inclusion could result? Will this solution reduce disparities/discrimination; if so how?
- 6) **Adverse Impact**: What unintended impacts could result? Who would be affected and how? Could adverse impact be prevented or minimized?
- 7) **Alternatives**: What could be done instead? Are there any other options?
- 8) **Metrics/Evaluation**: How will impact be documented and evaluated? Metrics Clearly defined - including how they will be monitored and reported. Aligned with strategic plan.

“Strategic Goals” refers to the [City’s existing strategic goals](#), which are to advance:

- Shared Economic Prosperity
- Connected, Engaged, and Diverse Communities
- Sustainable, Natural, and Built Environment
- Creating Safer Community Together
- Innovative & High Performing Organization

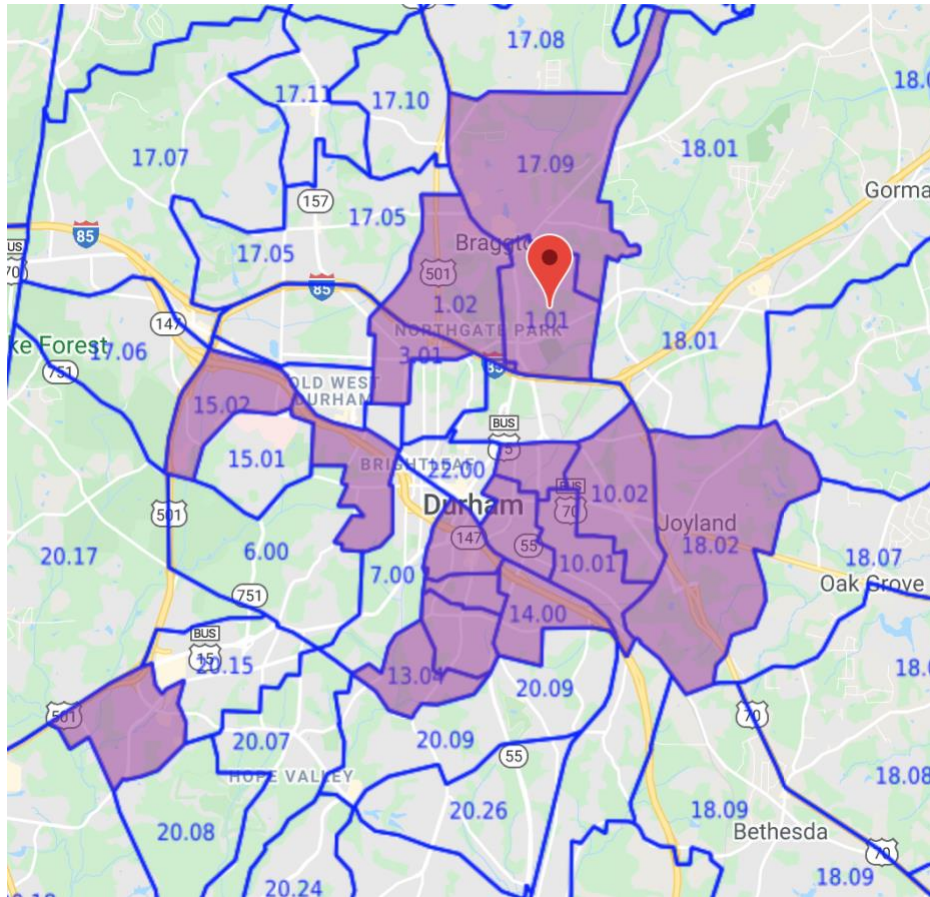
“Community-Driven” refers to the extent to which a project is derived, developed, and implemented by Durham residents who have been most impacted by the health and economic impacts of COVID-19.

“Collaboration” refers to the extent to which a project leveraged community stakeholders and partners from public, private, and nonprofit organizations in Durham.

“Administration” refers to the City’s ability to administer federal funds for a given project and comply with [federal reporting guidelines](#).

Appendix B: ARP Scorecard Criteria Continued...

“Qualified Census Tract” aims to ensure that funds are targeted to areas with the greatest need, like the regions highlighted below where the U.S. Department of Housing and Urban Development has determined that there are the highest concentrations of households living with low incomes and/or high poverty.



For additional community-level data, visit the [Durham Neighborhood Compass](#).

Appendix C: Frequently Asked Questions (FAQs)

How did city staff engage with the residents of Durham?

City staff partnered with Durham County, North Carolina Central University, and the City's Offices of Equity & Inclusion and Neighborhood Improvement Services to engage Durham residents, identify community needs, define funding goals, and ensure equity outcomes. This engagement included, but was not limited to, multiple community events, a survey to collect ideas for funding, and invitations to submit substantive proposals for funding.

For more information about ARP engagement, visit bit.ly/ARPDurham.

Who will review proposals submitted to the City of Durham?

City staff will conduct the first round of review to determine if proposals are eligible for ARP funding. Once a final application is completed, a review committee comprised of City and County staff as well as Durham residents will read and rate each project proposal.

How will City Council and staff assess the proposals?

Review committee members will read and rate applications according to the ARP scorecard above. All projects that are reviewed by a review committee will be presented to City Council. Projects will be recommended in the order of priority that is determined by the composite ratings of the review committee. City Council makes final decisions about which projects receive ARP funding.

What if my project is not related to the pandemic?

The primary purpose of ARP fiscal recovery funds is to address the public health and economic impacts of COVID-19. Projects completely unrelated or not linked to the pandemic in any way do not meet eligibility requirements and may not be funded with ARP funds. Recognizing that many of the most serious impacts of the pandemic are rooted in systemic racism, projects may be eligible for funding if they address needs and inequities that were exacerbated by the pandemic.

How can I view or gain access to proposals for funding?

A full list of projects will be presented to City Council after final applications are submitted and review committee members have read and rated proposals.

What is the date by which recommendations will be made to the City Council?

We aim to present the first round of proposed projects to Council at a work session on November 18, 2021. The City has until December 2024 to allocate federal recovery funds.

When will City Council make final determinations on proposals?

We expect City Council to vote on the first round of project funding before the end of 2021. The City has until December 2024 to allocate fiscal recovery funds.

Is there a limit on how much can be requested for a project?

No.

Will a requesting funding amount over a certain amount affect my score?

No.