

# **City of Durham Recovery Plan**

**State and Local Fiscal Recovery Funds  
July 31, 2022 Report**



## Notes Regarding this Report

All States and territories, and metropolitan cities and counties with a population that exceeds 250,000 residents that are recipients of State and Local Fiscal Recovery Funds (SLFRF) awards are required to produce a Recovery Plan Performance Report (the "Recovery Plan"). The Recovery Plan provides information on the recipient's projects and how they plan to ensure program outcomes are achieved in an effective and equitable manner. Each annual Recovery Plan must be posted on the public-facing website of the recipient by or on the same date that the recipient submits the report to Treasury.

The initial Recovery Plan will cover the period from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, the Recovery Plan will cover a 12-month period and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period (by July 31).

Annual Report	Period Covered	Due Date
1	Award Date – July 31, 2021	August 31, 2021
2	July 1, 2021 – June 30, 2022	July 31, 2022
3	July 1, 2022 – June 30, 2023	July 31, 2023
4	July 1, 2023 – June 30, 2024	July 31, 2024
5	July 1, 2024 – June 30, 2025	July 31, 2025
6	July 1, 2025 – June 30, 2026	July 31, 2026
7	July 1, 2026 – December 31, 2026	March 31, 2027

### **For More Information**

More information about the State and Local Fiscal Recovery Fund program and associated reporting requirements are located at [www.treasury.gov/SLFRP](http://www.treasury.gov/SLFRP).

Questions on reporting, eligible uses, or other general topics should be directed to [SLFRP@treasury.gov](mailto:SLFRP@treasury.gov).

**City of Durham 2022  
Recovery Plan**

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## **Executive Summary**

As required by the American Rescue Plan Act ("ARPA"), the City of Durham (the "City") presents its Recovery Plan Performance Report ("Recovery Plan") for the period ending June 30, 2022

The City was awarded \$51,881,733 in ARPA funds for administering projects that address the immediate needs of the adverse health and economic impacts experienced by residents, community organizations, and business owners resulting from COVID-19. Additionally, the City will fund projects that meet the communities' long-term needs and are transformative. The City's goals are to create projects that are interconnected with the primary objective of ARPA funding which is to address the economic fallout and lay the foundation for a solid, and equitable recovery.

The City of Durham continue working to promote the effective, efficient, and equitable distribution of federal fiscal recovery funds. We are continue partnering with the City's Office of Equity & Inclusion and our local HBCU, North Carolina Central University to engage the broader community, identify key outcome goals, and ensure equity outcomes. This initial report outlines the intended uses of these funds, how we aim to promote equitable outcomes, engage the community, use evidence and evaluation, and identify key performance indicators.

## **Uses of Funds**

The City has earmarked these identified funds to support a robust and equitable recovery from the COVID-19 pandemic and economic downturn by focusing on the following strategies:

- Programs that improve the economic impacts of its residents, and the community.
- Programs that support public health.
- Programs that support residents with housing challenges by assisting residents facing eviction and other civil matters related to financial hardship caused by the pandemic.
- Programs that support and facilitate Small Businesses' recovery from the economic downturn.
- Providing wrap-around services to those seeking employment, training, and educational opportunities as they recover from the economic impact of COVID-19.

## **Community Engagement**

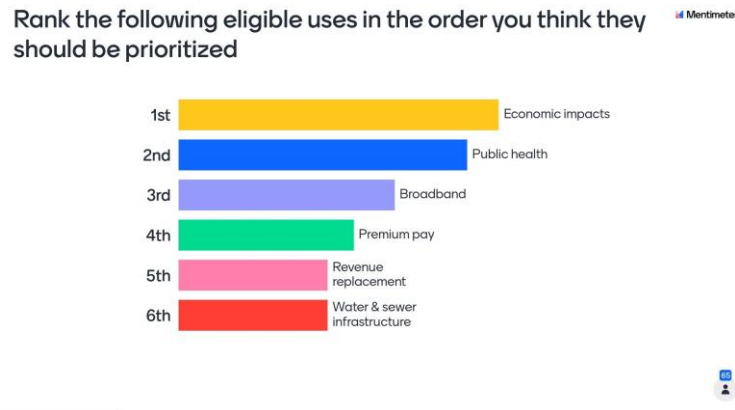
The City is committed to engaging the community to develop projects that are pivotal in shaping the strength, sustainability, and equity of the City's recovery from the COVID-19 pandemic and future economic growth.

In partnership with the Office of Equity and Inclusion, we have used the equity impact assessment tool to identify gaps in information and work internal departments to gather additional details on root causes and clear impact measures for their funding proposals.

To engage the broader Durham community, City and County staff partnered with North Carolina Central University (NCCU) to host two virtual events; one focused on identifying needs and ideas and one focused on prioritizing the input that was received from the community. Each event was attended by more than 100 residents. Staff also leveraged participatory budgeting partnerships to generate over 300 survey responses and 80 proposals for funding from Durham residents and community based organizations. Through this engagement, community members ranked in the following eligible uses in the following order of priority: economic impacts, public health, broadband, premium pay, revenue replacement, and water & sewer infrastructure.

The City of Durham aims to maximize programmatic impact by prioritizing robust community engagement, soliciting community-driven proposals for funding, and designing a vetting and contract process that will facilitate effective, efficient, and equitable outcomes. Initially, the city set up six internal committees on revenue loss, economic development, resident/community support, employee hazard pay, transit, and housing/homelessness/rental assistance. The only funds that have been allocated thus far are for public sector employee pay (see table of Expenditure Category for more information).

At one of our community events, we asked participants to rank the eligible uses for these federal funds (see community engagement section for more information). Here are the results:



As we solicited ideas and proposals for funding from internal departments and external stakeholders, we identified four core categories to focus the use of federal recovery funds and drive our overall approach for pandemic recovery.

Proposals for federal fiscal funds are currently being sorted into four core categories:

**HEALTH**

- Benefits public health and wellness by improving access to public benefits for disenfranchised people most impacted by COVID-19.

**HOUSING**

- Prevent displacement of people in legacy neighborhoods and support community development goals.

**EDUCATION**

- Restore and expand educational and/or caregiving infrastructure.

**EMPLOYMENT**

- Connect workers with good jobs and careers.
- Support current and future BIPOC business owners.

Many proposals for funding cut across these categories while others fall into a miscellaneous category. Going forward, we will continue to engage internal city departments, regional partners, and community stakeholders to gather ideas, vet proposals, and advance funding in alignment with recommended guidance and community priorities.

## Promoting Equitable Outcomes

The City of Durham has worked closely with its Office of Equity and Inclusion to ensure that the city's outreach and allocation process promotes equitable outcomes. Together, we have identified shared goals, built public awareness, investigated existing disparities, and started to outline desired outcomes.

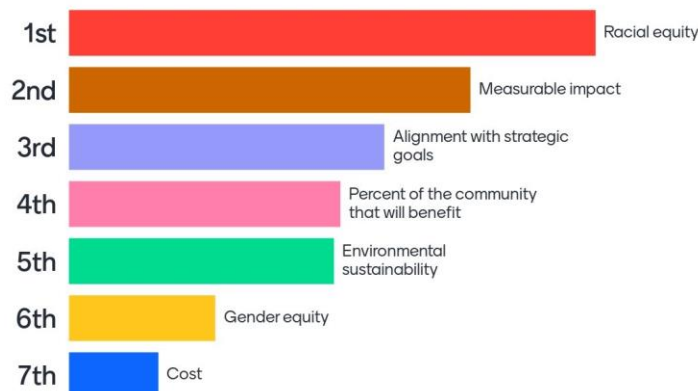
Funding Goals:

- 1. Target historically disenfranchised communities of color.**
  - Does the proposal explicitly state how it will prioritize the needs of historically disenfranchised communities of color?
  - What percentage of funding proposed will reach communities of color?
- 2. Respond to the needs of frontline workers and COVID-impacted people.**
  - What neighborhoods & communities are poised to benefit from this proposal?
  - Is the proposal directly responsive to the needs of workers on the frontline of the pandemic?
  - Does the proposal prioritize COVID-impacted people?
- 3. Provide a “down payment” toward advancing racial equity.**
  - Will this funding work to advance Durham's long-term racial equity goals?

At one of our community events, we asked participants to rank a list of criteria that could be used to prioritize proposals for funding. Here are the results:

## Rank the criteria you think is most important when evaluating proposals

Mentimeter



## **Labor Practices**

No infrastructure projects have been implemented to date. The City has experience administering labor requirements as required by state and federal grants and supports strong labor practices in infrastructure and capital expenditure projects, regardless of size. Projects using federal funds will comply with all applicable federal labor requirements.

## **Use of Evidence**

The City is committed to developing programs that either use or create a body of evidence. The City is continuing in the process of developing data collection and evaluation methods to ensure that project and interventions are being evaluated through rigorous program evaluations designed to support strategic goals and inform long-term funding decisions. Moving forward, staff will be focused on ways to track and measure the impact of federal funding decisions.

The staff collaborated to develop this internal policy that can be used to prioritize proposals for funding with an equity lens:

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and storm water and infrastructure.

The City Senior Grants Manager and the Deputy City Manager of Operations, will conduct an evaluation, which will include consideration of the following factors:

(1) The sub recipient's prior experience with the same or similar subawards; (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with 2 CFR 200 Subpart F and the extent to which the same or similar subaward has been audited as a major program; (3) Whether the subrecipient has new personnel or new or substantially changed systems; and (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency). 2 CFR 200.332(b).



The results of this evaluation must be documented in the Subrecipient Assessment of Risk form and will be used to dictate the types and degree of subrecipient monitoring. The CITY will assign an overall risk level to the subrecipient indicating the following:

<b>Low Risk</b>	<b>Moderate Risk</b>	<b>High Risk</b>
There is a low risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.	There is moderate risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.	There is high risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.

To support the efficient, effective, and equitable implementation of this, we have: one Senior Grants Manager in the City’s Manager Office, one Senior Grants Accountant in the Finance Department, and one Grant Writer in the City’s Manager Office. This additional capacity and staff support the effective, efficient, and equitable allocation and evaluation of funds.

**Table of Expenses by Expenditure Category**

<b>Category</b>		<b>Cumulative expenditures to date (\$)</b>	<b>Amount spent since last Recovery Plan</b>
4	Expenditure Category: Premium Pay		
4.1	Public Sector Employees	\$7,317,295	\$7,317,295

Eligible public employees received premium pay in the amount of 5% of salary (retroactive from 6/20/20-6/18/2021) and an additional lump sum premium bonus ranging from \$1,500 to \$1,000 depending on your salary.

- \$1,500 if your salary was equal to or less \$50K
- \$1,250 if salary was between \$50K and \$90K
- \$1,000 if salary was equal to \$90K or above.

About 63% of city staff received premium pay. Our HR department used the premium pay eligibility criteria below:

The options for "Premium Pay Eligible" are Yes, Partially, or No:

**Yes** - Select "Yes" if the employee is full-time, part-time, or temporary with benefits (exempt or non-exempt) and met one of the following criteria for the period 7/1/2020 - current. 1. Employee is a first responder including Fire, Police, and Emergency Communications. Not all employees within Police, Fire, and 911 perform first responder functions, and therefore they are not all automatically entitled to premium pay. 2. Employee's work involves solid waste collection, inspections, plant operations, infrastructure maintenance and repairs, fleet maintenance, traffic signal operations, or laboratory testing and analysis. 3. Employee is not telecommuting but performing essential City work 100% of their scheduled working time, and such work places them in the field or at a work site that involves exposure to the public or working in groups where social distancing is not always possible. 4. Employees who are telecommuting on some days but at least 3 or more days per work week have to work in the community or at a work site that involves exposure to the public or working in groups where social distancing is not always possible. This does not include employees who are choosing to work onsite.

**Partially** - If the employee met the criteria for "Yes" listed above for more than 4 weeks between 7/1/2020 and today, but does not currently OR did not meet the criteria for the entire time, please choose this option. Then enter the date range during which the employee would have been eligible in the "Dates if Partial" column. Please round up to include only full work weeks.

**No** - If the employee is in the Executive group, is not currently working, is teleworking and does not qualify per item 4 above, or does not otherwise qualify per the guidelines above.

Please note, if an employee took approved vacation, sick, management leave, floating holiday, banked holiday, COVID leave, etc. during this fiscal year, this does not impact their premium pay eligibility. However, if they are on extended leave such as long-term FMLA (FFRCA, Paid Temporary Disability, other FMLA leaves), military leave, parental leave or worker's comp, they should not receive premium pay for this time.

As additional allocations are made, subsequent reports will include more detailed project inventories and performance reports.

## Project Inventory

Allocate up to 1/2 of remaining ARPA funds (approximately \$21M) via one of Options C.			Fund all projects that staff recommend to fund or invite to reapply at 70% of request up to a max of \$1M
<u>Project Title</u>	<u>Total Funding Request</u>	<u>Core Category</u>	<u>Option C</u>
Eviction Debt Assistance Fund	\$791,489.00	Safe, Stable Housing	\$554,042.30
Reentry Housing Support	\$920,000.00	Safe, Stable Housing	\$644,000.00
Rainy-Day Fund for Greater Equity	\$2,653,500.00	Economic Equity	\$1,000,000.00
The Pearson Project: Kitchen Renovation	\$1,200,000.00	Economic Equity	\$840,000.00
Merrick-Moore Community Preservation Project	\$750,000.00	Community Resiliency	\$525,000.00
Black Wall Street Hub for Amplifying Durham's Entrepreneur Community	\$256,000.00	Economic Equity	\$179,200.00
DCI's ConnectEd to Career Pipeline	\$200,000.00	Economic Equity	\$140,000.00
Multifamily Acquisition Support & Supply (MASS)	\$1,000,000.00	Safe, Stable Housing	\$700,000.00
Necessity-Driven Entrepreneurial Support	\$50,000.00	Economic Equity	\$35,000.00
Durham: The City of Books	\$489,642.00	Community Resiliency	\$342,749.40
Homeowner & Homebuyer Initiated Program (HHIP)	\$2,000,000.00	Health and Wellness	\$1,000,000.00
Durham Affordable Sustainable Homes (DASH)	\$1,000,000.00	Safe, Stable Housing	\$700,000.00
Transitional & Independent Housing	\$259,150.17	Safe, Stable Housing	\$181,405.12
Digital Literacy Training and Computers	\$448,000.00	Economic Equity	\$313,600.00
Green Stormwater Infrastructure Installations	\$373,759.00	Community Resiliency	\$261,631.30
Durham Peer Support Reentry Partnership	\$500,000.00	Economic Equity	\$350,000.00
Bridging Business Opportunity and Equity	\$3,500,000.00	Economic Equity	\$1,000,000.00
Home and Neighborhood Preservation Initiative	\$2,225,000.00	Safe, Stable Housing	\$1,000,000.00
Community Infrastructure Investment for Equitable Engagement	\$450,000.00	Community Resiliency	\$315,000.00
Community-Rooted™ Approaches to Public Health	\$2,850,000.00	Community Resiliency	\$1,000,000.00
Culture & Arts - Invest to Restart	\$1,500,000.00	Community Resiliency	\$1,000,000.00
Digital Equity Delivers Equitable Durham	\$704,400.00	Economic Equity	\$493,080.00
Family Childcare Homes Education Initiative	\$89,999.00	Economic Equity	\$62,999.30
Entrepreneur Accelerator + Youth STEM/Apprenticeship (Knox St. Studios)	\$380,000.00	Economic Equity	\$266,000.00
Be Connected Durham: Fayetteville Street Corridor Equitable Engagement S	\$500,000.00	Community Resiliency	\$350,000.00
Center for Youth Entrepreneurship	\$5,000,000.00	Economic Equity	\$1,000,000.00
Community-Driven Planning for Prosperous Futures	\$5,300,000.00	Economic Equity	\$1,000,000.00
Fayetteville Street Corridor Planning & Infrastructure	\$15,500,000.00	Economic Equity	\$1,000,000.00
Strengthening Durham Nonprofits	\$210,000.00	Community Resiliency	\$147,000.00
Worker Sustainability Fund	\$2,065,000.00	Economic Equity	\$1,000,000.00
Road to Wealth Building Project	\$1,750,000.00	Economic Equity	\$1,000,000.00
Durham Residents Legal Services	\$335,583.00	Health and Wellness	\$234,908.10
Transformative Justice Campus	\$2,000,000.00	Community Resiliency	\$1,000,000.00
Restoration of Durham's Black Businesses	\$20,000,000.00	Economic Equity	\$1,000,000.00
<b><u>TOTAL</u></b>	<b><u>\$77,251,522.17</u></b>		<b><u>\$20,635,615.52</u></b>

Staff:

**City Manager's Office**

**Bertha T. Johnson**

Deputy City Manager

Bertha.Johnson@durhamnc.gov

Phone: 919-560-4222, ext. 11230

**Robert D. Morales**

Senior Manager, Grants

Robert.Morales@durhamnc.gov

Phone: 919-560-4222, ext. 11240

