



# American Rescue Plan Act (ARPA) City Manager's Preliminary Investment Plan

# *Presentation Overview*

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# Background

## **Background**

## ***Summary of Previous Coronavirus Relief Legislation***

- **March 13, 2020** - Mayor Alexander declares local State of Emergency
- **March 18, 2020** - Families First Coronavirus Response Act (FFCRA)
- **March 27, 2020** - Coronavirus Aid, Relief and Economic Security (CARES) Act
  - *City of Norfolk receives \$42M in Coronavirus Relief Funds*
  - *NPS receives \$12.8M in ESSER I Funds*
- **April 24, 2020** - Paycheck Protection Program and Health Care Enhancement Act (PPP)
- **Dec 27, 2020** - Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act
  - *Coronavirus Relief Fund deadline extended to December 31, 2021*
  - *NPS receives \$50.5M in ESSER II Funds*
  - *Virginia receives \$525M in Emergency Rental Assistance Funds (ERA 1) - Norfolk households apply through Virginia Housing*

## Background

# American Rescue Plan Act (ARPA) Overview

**March 11, 2021** –  
American Rescue Plan Act  
(ARPA)

- *City of Norfolk receives \$154M in State and Local Fiscal Recovery Act Funds (SLFRF)*
- *NPS receives \$113M in ESSER III Funds*
- *Virginia receives additional \$414M in ERA II funding for VA Housing*

Must be encumbered by Dec. 31, 2024  
and spent by Dec. 31, 2026

**\$154,141,050**

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graph LR; A["$154,141,050"] --- B["$106,991,262  
Metropolitan City Funds"]; A --- C["$47,149,788  
County Funds"]
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**\$106,991,262**  
Metropolitan City  
Funds

**\$47,149,788**  
County Funds

## *Background*

## *Eligible Uses*

- Broad eligible use categories:
  - Response to public health emergency
  - Economic support and assistance for impacted residents and businesses
  - Premium pay
  - City revenue loss
  - Certain capital improvements
- Significant flexibility within each category
- Expecting final rule from U.S. Treasury on use of funds

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## City Manager's Preliminary ARPA Investment Plan

- **Priorities**
  - Budget Stabilization
  - Investing in our Neighborhoods
  - Direct Assistance to Residents and Businesses
  - Economic Stimulus
- **Avoid an ARPA fiscal cliff**



**\$94.3 Million**

**• Budget Stabilization**

\$48.3M

Maintain Continuity of Services

\$46.0M

Fund Planned Infrastructure Projects

**\$42.5 Million**

**• Invest in our Neighborhoods**

\$19.0M

Construct New Neighborhood Amenities

\$18.5M

Preserve and Grow our Tax Base

\$5.0M

Improve Pedestrian Safety

**\$13.3 Million**

**• Direct Assistance to our Residents and Businesses**

\$10.0M

Provide Social Safety Net Programming

\$3.3M

Implement Property Improvement Grant Programs

**\$4.0 Million**

**• Economic Stimulus**

\$4.0M

Fund Arts, Culture, and Tourism Events/Investments

**\$48.3 Million**

*Budget Stabilization – Maintain Current Service Levels*

**Program:** Create a continuity of services set-aside

- **GOAL:** No tax increases or service reductions as we emerge from the pandemic
- FY 2022 Budget has \$7.5 million structural imbalance
  - Ongoing expenditures > ongoing revenue
- Structural imbalance projected to peak in FY 2023
  - FY 2023 Preliminary Budget Gap of **\$13 Million**
- Use ARPA revenue replacement provision to create set-aside of \$48.3 million to cover structural imbalances over next four to five years

**\$40 Million**

*Budget Stabilization – Fund Planned Infrastructure Projects*

**Project: Renovate Chrysler Hall**

- Replaces planned use of \$40M of general obligation debt
- Total project cost: \$76M, funding sources:
  - \$6M in design funds from FY 2019 CIP
  - \$40M in proposed ARPA funds
  - \$10M in projected historic tax credit revenue
  - \$20M in projected philanthropy
- Substantial reduction in debt service expenses peaking in FY 2026 and FY 2027 at more than \$4M each year

**\$6 Million**

*Budget Stabilization – Fund Planned Infrastructure Projects*

**Project: Construct Regional Broadband Network**

- Replaces planned use of \$5M of general obligation debt
- Construction of regional fiberoptic network that will use Trans-Atlantic cables to interconnect the five cities of South Hampton Roads
- Southside cities will jointly own and monetize the Ring's 288 strands of fiber
  - Opportunities to leverage this ownership into new revenue and/or policy goals
- Positions the region to successfully benefit from the growth in the information economy, attracting new enterprises with high-paying jobs
- Creates the ecosystem for low-cost Internet Service Providers (ISPs) to meet the demand for affordable high-speed internet access needed to bridge the digital divide

**\$19 Million**

*Invest in our Neighborhoods – Build new Neighborhood Amenities*

## *Projects*

\$4.5M: Transform Barraud Park

\$4.5M: Transform Northside Park

\$4.0M: Rebuild/Relocate Hunton YMCA to facilitate St. Paul's Blue/Greenway

\$3.0M: Construct public boat ramp on Pretty Lake

\$1.5M: Construct Lafayette River fishing pier at Granby St. bridge

\$1.5M: Construct Southside Trail and connect to the Elizabeth River Trail

**\$12.5 Million**

*Invest in our Neighborhoods – Preserve and Grow our Tax Base*

## *Projects*

\$4M: Renovate and expand Azalea Garden Ball Field Complex

\$3M: Improve 23<sup>rd</sup> Street Streetscapes

\$2.5M: Improve former Greenie's site

\$2M: Mitigate flooding at Surrey Crescent

\$1M: Dredge Pretty Lake main channel

**\$6 Million**

*Invest in our Neighborhoods – Preserve and Grow our Tax Base*

**Program: Provide gap financing for affordable housing initiatives**

- The gap between the funding needed to develop and operate a property and the revenue available from rent paid by low- and moderate-income households is called the affordable housing funding gap
- Provides gap financing to projects that produce affordable housing for low-to-moderate income renters citywide:
  - New Construction
  - Substantial rehabilitation
  - Preservation of rental housing for low to moderate income households
  - Conversion of existing facilities to affordable housing units
  - Direct financial assistance to affordable housing projects adversely impacted by increased costs of construction due to COVID 19
- Awarded competitively through Notice of Funding Availability (NOFA)
- Priority given for projects in neighborhoods with a poverty rate less than 40 percent
- Affordable housing construction provides job opportunities and increases spending on local goods and services

**\$5 Million**

*Invest in our Neighborhoods – Improve Pedestrian and Bike Safety*

**Program: Implement Vision Zero initiatives**

- City Council adopted a Vision Zero policy in November 2019
- Vision Zero is a long-term strategy to eliminate all pedestrian and bicycle fatalities and injuries and to make the city's streets safer for all users
- Focus areas will include:
  - Speed reduction
  - Pedestrian, bicycle, and vehicular safety improvements
  - Pedestrian improvements – signals, crosswalk beacons, and sidewalks
  - School zone and bus stop improvements
- A total of 15 projects are planned
- Project locations included in the resource guide



**\$10 Million**

*Direct Assistance to Residents and Businesses*

**Program:** Provide social safety net programming

- Leverage partnerships, build capacity
- Three focus areas:
  - Youth violence intervention
  - Scaling up United Way's Asset Limited, Income Constrained, Employed (ALICE) program
  - Reduce recidivism
- A strong social safety net helps maintain a strong local workforce and economy

**\$2 Million**

***Direct Assistance to Residents and Businesses:  
Implement Property Improvement Grant Programs***

***Program:*** Implement homeowner rehab programs

- Eligible households with income up to \$75K single / \$150K married
- Four Programs:
  - ***Ramp Up, Norfolk:*** up to \$5K for exterior entrance wheelchair ramps
  - ***Weatherization Assistance:*** up to \$15K for roof, siding, insulation, exterior doors, solar panels, and window improvements
  - ***Norfolk Porch Project:*** up to \$10K for porch and front entry repairs and other exterior improvements to improve curb appeal
  - ***Emergency Repair Grants:*** up to \$20K to correct code violations or make other emergency home repairs
- Will target low- and moderate-income neighborhoods (<80% AMI)
- Program design may change as a result of consultant recommendations

**\$1.3 Million**

*Direct Assistance to Residents and Businesses:  
Implement Property Improvement Grant Programs*

**Program:** Implement commercial corridor façade improvement grants

- Program provides up to \$20K for business façade improvements
- Businesses must be zoned C-C (Commercial Community) or C-N (Commercial Neighborhood) to qualify
- Priority given to businesses located in low-mod census tracts
- 50 percent match required – waived for SWaM certified businesses
- Map of target areas included in resource guide

**\$4 Million**

*Stimulate the Economy:  
Fund Arts, Culture, and Tourism Events/Investments*

## Program Criteria

- Return on Investment (ROI)
  - Projects should generate direct ROI to the city with a goal of 1.5 times the award
- Stimulus Amounts
  - Individual awards can range from \$50K to \$2M
- Can use funds to subsidize larger projects
- Timeframe
  - Projects should deliver goal ROI within 18 months (ideally sooner)

**\$4 Million**

*Stimulate the Economy:  
Fund Arts, Culture, and Tourism Events/Investments*

## Program Evaluation Process

### Return On Investment (ROI)

- How much ROI is Generated?  
(goal of 1.5 times award)
- What is the ROI timeframe?  
(The quicker the better)
- One-time or Ongoing Revenue?  
(ongoing is better)

### Project Viability

- Can project be completed within 18 months?
- Will project complement current arts and culture programming?
- Are city resources required to successfully implement project?
  - Are these resources available?

**\$4 Million**

***Stimulate the Economy:  
Fund Arts, Culture, and Tourism Events/Investments***

**Summary of proposed activities**

<b>Proposed Activity</b>	<b>Organization</b>	<b>Proposed Award</b>	<b>Estimated ROI</b>
Last Stop to Freedom	VisitNorfolk	\$1,500,000	\$2,200,000
Nature's Wonderland	Norfolk Botanical Garden	\$850,000	\$2,400,000
25th Season Bank Street Stage	Virginia Arts Festival	\$700,000	\$1,600,000
Selden Market Phase II Expansion and Renovation	Downtown Norfolk Council	\$310,000	\$475,000
Harrison Opera House (lighting & sound upgrades)	Virginia Opera	\$265,000	\$127,000*
Holiday Placemaking Initiative	Downtown Norfolk Council	\$230,000	\$375,000
Family Weekend, expansion of Children's Festival	Festevents	\$150,000	\$276,000
ZooLumination	Virginia Zoo Society	\$55,000	\$80,000

\*Reflects initial net savings, additional ROI from ticket, meals, and hotel revenues to be determined.

**Total**      **\$4,060,000**      **\$7,533,000**

**\$4 Million**

***Stimulate the Economy:  
Fund Arts, Culture, and Tourism Events/Investments***

## **Proposed Activity Detail**

- **NCBV/Visit Norfolk \$1,500,000**  
**Last Stop to Freedom**
  - Based on book written by Dr. Cassandra Newby-Alexander at NSU
  - Creates an Interactive, multi-channel experience that brings to life Norfolk's history as an integral part of the Underground Railroad
  - Interactive walking tour using a web-based application and brochure to guide visitors through Norfolk's story of the underground railroad
  - Provides for full length stand-alone documentary developed with Norfolk state and other SMEs
- **Norfolk Botanical Garden \$850,000**  
**Nature's Wonderland – butterflies, boating, and beauty at NBG**
  - New Destination Exhibit Summer 2022 – In discussions with international caliber exhibitors
  - Enhancements to the annual Garden of Lights in Winter 2021 and 2022
  - Renovation of butterfly house and relaunch of the highly popular Butterfly Festival
  - Creation of kayak program featuring staff guided tours of the watershed and the first permanent kayak rental program on Lake Whitehurst

**\$4 Million**

*Stimulate the Economy:  
Fund Arts, Culture, and Tourism Events/Investments*

## Proposed Activity Detail

- Virginia Zoo \$55,000  
**ZooLumination**
  - One of a kind experience for the region with 28 inflatable animals
  - Creates the Zoo's only drive through exhibit
- Norfolk Festevents \$150,000  
**Family Weekend – expansion of the annual Virginia Children's Festival**
  - Expand festival from one-day to weekend event
  - Add a national, touring family entertainment group to the Family Weekend - e.g., Paw Patrol, Sesame Street



**\$4 Million**

*Stimulate the Economy:  
Fund Arts, Culture, and Tourism Events/Investments*

## Proposed Activity Detail

- Virginia Arts Festival \$700,000
  - 25<sup>th</sup> Season Bank Street Stage**
    - Provides a permanent outdoor performance venue on Bank and Charlotte Streets with purchase of main tent with 48' x 20' stage, raised floor, chandeliers, and VIP area
    - Will seat 600-700 or 300-400 cabaret style, and will also be used for receptions and galas
- Virginia Opera \$265,000
  - Replacement of Harrison Opera House sound and lighting system**
    - Expand the number and variety of shows the venue can support
    - Eliminates need to rent additional sound equipment

**\$4 Million**

*Stimulate the Economy:  
Fund Arts, Culture, and Tourism Events/Investments*

## Proposed Activity Detail

- Downtown Norfolk Council \$230,000  
**Holiday Placemaking Initiative**
  - Expands the downtown holiday experience with new decorations and lights
  - Six weeks of holiday themed events and street level activities
  - Installation of an immersive experience like see saws or Christmas tree at MacArthur square
- Downtown Norfolk Council \$310,000  
**Seldon Market Phase II Expansion and Renovation Project**
  - Doubles current capacity of the community kitchen for more store fronts and pop-ups
  - New cooking equipment and preparation space
  - Creates welcoming environment for new small businesses

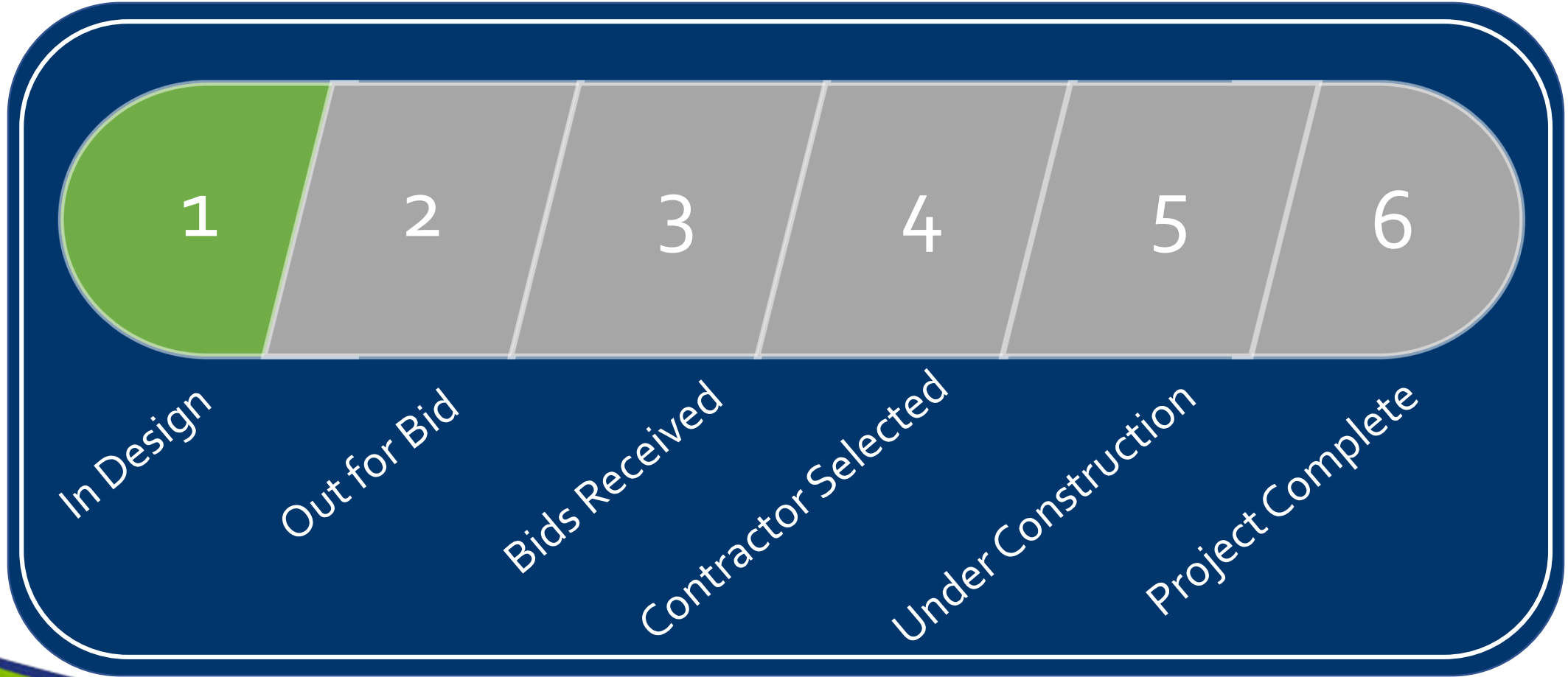
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# Grant & Project Management

- Department of Housing and Community Development (DHCD) :
  - Grant compliance and oversight
  - Financial accounting and expenditure approval
  - Quarterly expenditure reports to U.S. Treasury
  - Subrecipient monitoring (City Partner Projects)
  - Audit response
- Public Works, Transit, RPOS, DHCD, City Arts Partners, etc.
  - Project and program implementation
- DHCD and CivicLab
  - (Nearly) Live project tracking

# Grant & Project Management

## (Nearly) Live Project Tracking



*Grant & Project  
Management*

*Project Signage*

