American Rescue Plan Act (ARPA)
City Manager’s Preliminary Investment Plan
Presentation Overview

1. Background
2. City Manager’s Preliminary Investment Plan
3. Grant and Project Management
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
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
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
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
<table>
<thead>
<tr>
<th>CM’s Investment Plan</th>
<th>Investment Blueprint - Summary</th>
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<tbody>
<tr>
<td>$94.3 Million</td>
<td>• Budget Stabilization</td>
</tr>
<tr>
<td></td>
<td>$48.3M Maintain Continuity of Services</td>
</tr>
<tr>
<td></td>
<td>$46.0M Fund Planned Infrastructure Projects</td>
</tr>
<tr>
<td>$42.5 Million</td>
<td>• Invest in our Neighborhoods</td>
</tr>
<tr>
<td></td>
<td>$19.0M Construct New Neighborhood Amenities</td>
</tr>
<tr>
<td></td>
<td>$18.5M Preserve and Grow our Tax Base</td>
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<tr>
<td></td>
<td>$5.0M Improve Pedestrian Safety</td>
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<tr>
<td>$13.3 Million</td>
<td>• Direct Assistance to our Residents and Businesses</td>
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<tr>
<td></td>
<td>$10.0M Provide Social Safety Net Programming</td>
</tr>
<tr>
<td></td>
<td>$3.3M Implement Property Improvement Grant Programs</td>
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<tr>
<td>$4.0 Million</td>
<td>• Economic Stimulus</td>
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<td></td>
<td>$4.0M Fund Arts, Culture, and Tourism Events/Investments</td>
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</table>
**Budget Stabilization – Maintain Current Service Levels**

- **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

Program: Create a continuity of services set-aside

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**$48.3 Million**
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  

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
### Invest in our Neighborhoods – Build new Neighborhood Amenities

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Budget</th>
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</thead>
<tbody>
<tr>
<td>Transform Barraud Park</td>
<td>$4.5M</td>
</tr>
<tr>
<td>Transform Northside Park</td>
<td>$4.5M</td>
</tr>
<tr>
<td>Rebuild/Relocate Hunton YMCA to facilitate St. Paul's Blue/Greenway</td>
<td>$4.0M</td>
</tr>
<tr>
<td>Construct public boat ramp on Pretty Lake</td>
<td>$3.0M</td>
</tr>
<tr>
<td>Construct Lafayette River fishing pier at Granby St. bridge</td>
<td>$1.5M</td>
</tr>
<tr>
<td>Construct Southside Trail and connect to the Elizabeth River Trail</td>
<td>$1.5M</td>
</tr>
<tr>
<td>$12.5 Million</td>
<td>Invest in our Neighborhoods – Preserve and Grow our Tax Base</td>
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<tr>
<td>---------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Projects</strong></td>
<td></td>
</tr>
<tr>
<td>$4M:</td>
<td>Renovate and expand Azalea Garden Ball Field Complex</td>
</tr>
<tr>
<td>$3M:</td>
<td>Improve 23rd Street Streetscapes</td>
</tr>
<tr>
<td>$2.5M:</td>
<td>Improve former Greenie's site</td>
</tr>
<tr>
<td>$2M:</td>
<td>Mitigate flooding at Surrey Crescent</td>
</tr>
<tr>
<td>$1M:</td>
<td>Dredge Pretty Lake main channel</td>
</tr>
</tbody>
</table>
$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
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
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

$10 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
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)
**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?
## Summary of proposed activities

<table>
<thead>
<tr>
<th>Proposed Activity</th>
<th>Organization</th>
<th>Proposed Award</th>
<th>Estimated ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Stop to Freedom</td>
<td>VisitNorfolk</td>
<td>$1,500,000</td>
<td>$2,200,000</td>
</tr>
<tr>
<td>Nature’s Wonderland</td>
<td>Norfolk Botanical Garden</td>
<td>$850,000</td>
<td>$2,400,000</td>
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<tr>
<td>25th Season Bank Street Stage</td>
<td>Virginia Arts Festival</td>
<td>$700,000</td>
<td>$1,600,000</td>
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<tr>
<td>Selden Market Phase II Expansion and Renovation</td>
<td>Downtown Norfolk Council</td>
<td>$310,000</td>
<td>$475,000</td>
</tr>
<tr>
<td>Harrison Opera House (lighting &amp; sound upgrades)</td>
<td>Virginia Opera</td>
<td>$265,000</td>
<td>$127,000*</td>
</tr>
<tr>
<td>Holiday Placemaking Initiative</td>
<td>Downtown Norfolk Council</td>
<td>$230,000</td>
<td>$375,000</td>
</tr>
<tr>
<td>Family Weekend, expansion of Children’s Festival</td>
<td>Festevents</td>
<td>$150,000</td>
<td>$276,000</td>
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<tr>
<td>ZooLumination</td>
<td>Virginia Zoo Society</td>
<td>$55,000</td>
<td>$80,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$4,060,000</strong></td>
<td><strong>$7,533,000</strong></td>
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</tbody>
</table>

*Reflects initial net savings, additional ROI from ticket, meals, and hotel revenues to be determined.
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
  25th 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
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
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

1. In Design
2. Out for Bid
3. Bids Received
4. Contractor Selected
5. Under Construction
6. Project Complete
This project made possible by American Rescue Plan Stimulus Funds