



CITY OF RICHMOND

Department of Planning & Development Review *Staff Report*

Ord. No. 2021-291 - To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept the first tranche of American Rescue Plan Act funds in the amount of \$77,439,914.00 from the United States Department of the Treasury; to amend the Fiscal Year 2021-2022 General Fund Budget by increasing estimated revenues and the amount appropriated to the General Fund Budget for certain agencies and reserves for contingencies by \$35,639,914.00; to amend the Fiscal Year 2021-2022 Capital Budget by increasing estimated revenues and the amount appropriated to the Department of Parks, Recreation, and Community Facilities for certain new capital improvement projects in the Culture and Recreation category by \$28,300,000.00; to amend the Fiscal Year 2021-2022 Stormwater Utility Budget by increasing estimated revenues and the amount appropriated to the Stormwater Utility Budget by \$12,500,000.00; and to amend the Fiscal Year 2021-2022 Water Utility Budget by increasing estimated revenues and the amount appropriated to the Water Utility Budget by \$1,000,000.00 all for the purpose of funding the City's efforts to recover from the economic and health effects of the COVID-19 pandemic in accordance with the American Rescue Plan Act.

To: City Planning Commission
From: Land Use Administration
Date: October 18, 2021

PETITIONER

Jason P. May Director of Budget & Strategic Planning

PURPOSE

To accept \$77,439,914 from the United States Department of Treasury allocations of monies from the American Recovery Plan Act (ARPA), and to amend the four budgets for the purpose of implementing the ARPA spend plan.

SUMMARY & RECOMMENDATION

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President. The ARPA is a \$1.9 trillion coronavirus rescue package designed to facilitate the United States' recovery from the economic and health effects of the COVID-19 pandemic. Of the \$1.9 trillion, \$350 billion has been allocated to aid states, cities, tribal governments, and U.S. territories in their recovery efforts. The \$350 million in State & Local Recovery Funds, an amount of approximately \$155 million has been allocated to the City. This ordinance is to amend the FY22 budget to accept and appropriate the first tranche of those funds in the amount of \$77.4 million.

A summary of the four budgets being amended are as follows:

Budget	Adopted Budget	Amendment Increase	Modified Budget
General Fund	772,831,959	35,639,914	808,471,873
Capital Budget (All Funds)	185,644,161	28,300,000	213,944,161
Stormwater Utility Budget	12,638,350	12,500,000	25,138,350
Water Utility Budget	76,961,761	1,000,000	77,961,761
	Total Amendment	77,439,914	

Below provides the details of each of the four budget amendments:

- **General Fund**

- Amend Ordinance 2021-040, adopted May 24, 2021, which adopted the FY2022 general fund budget by amending several general fund departments budgets, requesting in accordance with Charter § 6.16(a) to create a reserve for contingencies line items in Non-Departmental and appropriating \$35,639,914 for implementing the following purposes/objectives, etc. in accordance to the ARPA Spending Plan:

Department	Total Amendment Increase	ARPA Spending Plan Implementation Objective:
Housing & Community Development	\$10,000,000	Affordable Housing Trust Fund
Human Services	2,000,000	Child Care and Parental Support
Economic Development	1,000,000	Small Business Grant Application Support and Outreach
Office of Community Wealth Building	1,500,000	OCWB Workforce Development and Community Ambassadors
Finance	1,139,914	Covid-19 Administrative Response Reserve
Public Works	1,500,000	Façade and city beautification improvements (trees, signs, etc.)
Public Works	300,000	Climate Risk Assessment and Implementation
Public Works	1,000,000	Enhanced Lighting (street and business) and cameras
Non-Departmental	2,500,000	Reserve for Contingencies - Health Equity Trust Fund
Non-Departmental	1,000,000	Reserve for Contingencies - Family Crisis Funding
Non-Departmental	3,000,000	Reserve for Contingencies - CDFI Revolving Loan Fund
Non-Departmental	4,200,000	Reserve for Contingencies - Healthy Homes
Non-Departmental	1,500,000	Reserve for Contingencies - Gun Violence Prevention
Non-Departmental	5,000,000	Reserve for Contingencies - First Responder Hazard Pay
Total	\$35,639,914	

- **Capital Improvement Plan**

- Amend Ordinance 2021-042, adopted May 24, 2021, which adopted the FY2022 capital budget by appropriating \$28,300,000 for the creation and implementation of 8 new capital projects in accordance to the ARPA Spending Plan:

New of Existing Project	Category	Project Name	Appropriation
NEW	Culture & Recreation	Creighton Court Redevelopment Phase I (ARPA)	\$ 6,800,000
NEW	Culture & Recreation	Highland Grove Redevelopment Phase I (ARPA)	5,500,000
NEW	Culture & Recreation	Parks Master Plan (ARPA)	500,000
NEW	Culture & Recreation	TB Smith (ARPA)	1,000,000
NEW	Culture & Recreation	Lucks Field (ARPA)	1,000,000
NEW	Culture & Recreation	Calhoun Center (ARPA)	1,000,000
NEW	Culture & Recreation	Southside Community Center (ARPA)	8,000,000
NEW	Culture & Recreation	James River Branch Trail Purchase and Development (ARPA)	4,500,000
		Total	\$ 28,300,000

- **Public Utilities Budgets**

- Amend Ordinance 2021-051 and Ordinance 2021-053, both adopted May 24, 2021, which adopted the FY2022 Stormwater and Water Utility budgets, respectively, by appropriating \$13,500,000 for implementing the following purposes/objectives, etc. in accordance to the ARPA Spending Plan:

Budget	Total Amendment Increase	ARPA Spending Plan Implementation Objective:
Stormwater Utility Budget (Ord. 2021-051)	\$ 12,500,000	Stormwater Improvements
Water Utility Budget (Ord. 2021-053)	1,000,000	Lead Line Replacement
Total	\$13,500,000	

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President. The ARPA is a \$1.9 trillion coronavirus rescue package designed to facilitate the United States' recovery from the economic and health effects of the COVID-19 pandemic. Of the \$1.9 trillion, \$350 billion has been allocated to aid states, cities, tribal governments, and U.S. territories in their recovery efforts.

In May 2021, the Treasury Department released its Interim Final Guidance on the State and Local Government funding from the ARPA to provide guidance on the eligible uses. This funding is to aid localities in their recovery efforts over a four year period. The funding can be used with-in four area: (i) public health and economic impacts; (ii) premium pay; (iii) revenue loss; and (iv) investments in infrastructure.

The total allocation for the City is approximately \$155 million from just the State & Local Recovery funds portion. Funding will be distributed to the City in two tranches. The City has receive the first tranche of \$77.4 million with the second tranche not to be expected until later next year.

On July 27, 2021 the City released a survey for the purpose of determining resident and community priorities for spending the \$77 million in ARPA funding. Almost 2,000 surveys were completed. The survey asked residents to rank four core priorities, spending options within those priorities, and provide any other feedback via open response questions. Overall, residents ranked Supporting Children and Families the most important spending category, followed by Transforming Infrastructure, Neighborhoods and Public Spaces. City leadership used this feedback to assist them in crafting the ARPA Spending Plan to aid in the recovery efforts.

The ARPA Spending Plan consists of six priority area categories, which are: (i) Building Back Affordable and Healthy Homes; (ii) Building Back Healthier; (iii) Investing in our Future – Children and Families; (iv) Building Back Stronger; (v) Building Back Greener and more Resilient; (vi) Building Back Safer.

This ordinance is to amend certain FY22 budgets to appropriate the first year of funding in order to begin implementing the ARPA Spending Plan. The City will have until December 2026 to expend all funding it receives.

Lastly, part of the requirements of the City for receiving the ARPA funding is that the City is obligated to submit quarterly reports to the Department of Treasury. The quarterly reports require the City to report out on the expenditure details. As such, in addition to submitting these quarterly reports to Treasury, the Administration is committed to also providing City Council with quarterly reporting in an effort to remain transparent on the use of this monumental funding.

City Administration recommends approval of this request.

FINDINGS OF FACT

SITE DESCRIPTION

City of Richmond

MASTER PLAN

The following selected goals within the Richmond 300 Master Plan align with the budget allocations itemized above.

Goal 1 - Complete Neighborhoods: Establish a city of complete neighborhoods that have access to Nodes connected by major corridors in a gridded street network.

Goal 4 - Urban Design: Establish a distinctive city comprising architecturally significant buildings connected by a network of walkable urban streets and open spaces to support an engaging built environment.

Goal 8 - Non-Car Network: Enhance walking, biking, and transit infrastructure to provide universal access to all users, prioritizing low-income areas and areas within the high injury street network.

Goal 11 - Businesses & Jobs: Foster an environment that supports the growth of existing and new small, medium, and large businesses, focusing on Nodes, major corridors, and industrial centers.

Goal 13 - Anchor Institutions: Leverage institutions to strengthen job sectors and collaborate on land planning.

Goal 14 - Housing: Preserve, expand, and create mixed income communities, by preserving existing housing units and developing new ones—both renter- and owner- occupied—throughout the city.

Goal 15 - Clean Air: Improve air quality within the city and the region, achieve a 45% reduction in greenhouse gas emissions within the city by 2030, and achieve net zero greenhouse gas emissions within the city by 2050 via RVAgreen 2050.

Goal 16 - Clean Water: Improve local water quality and manage the built environment to enhance and protect natural assets such as the James River.

Goal 17 - Resilient & Healthy Communities: Positively adapt to the effects of a changing climate via RVAgreen 2050, and ensure that all residents have equitable access to nature and a healthy community.

Staff Contact:

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