

Coronavirus Relief Fund Update

EXTENDED STRATEGY SESSION

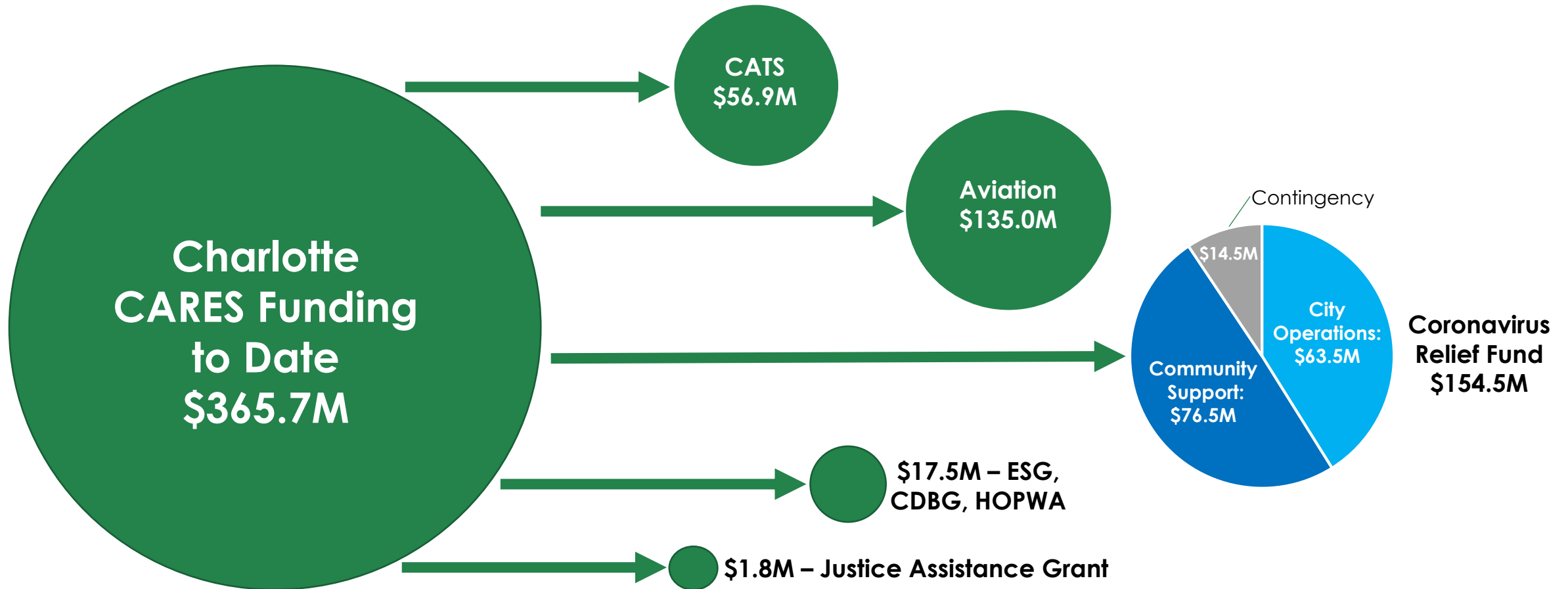
OCTOBER 5, 2020



Overview

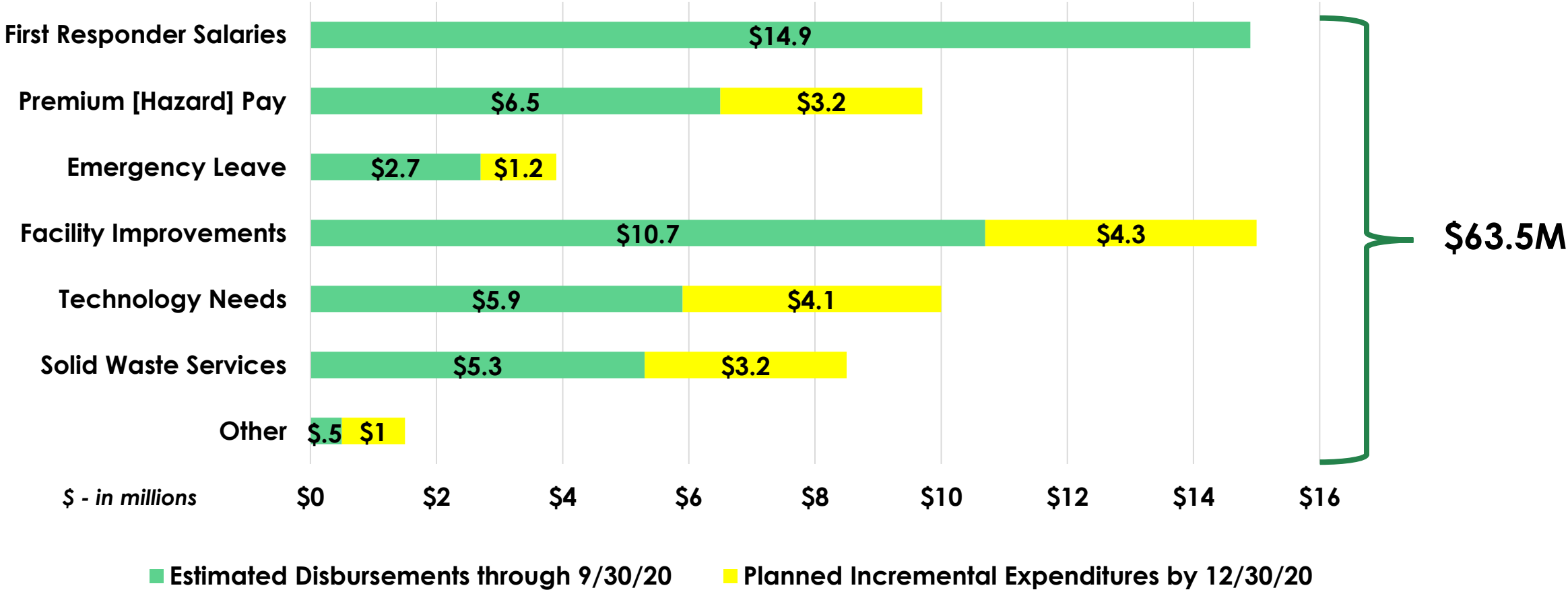
- ◀ **CARES Funding Overview**
- ◀ **City Operations Investments**
- ◀ **Community Support Investments**
- ◀ **Summary of CARES Funds Remaining for Allocation**
- ◀ **Recommended Housing Support Allocation**
- ◀ **Recommended Contingency/Discretionary Allocations**

Federal CARES Funding to Date

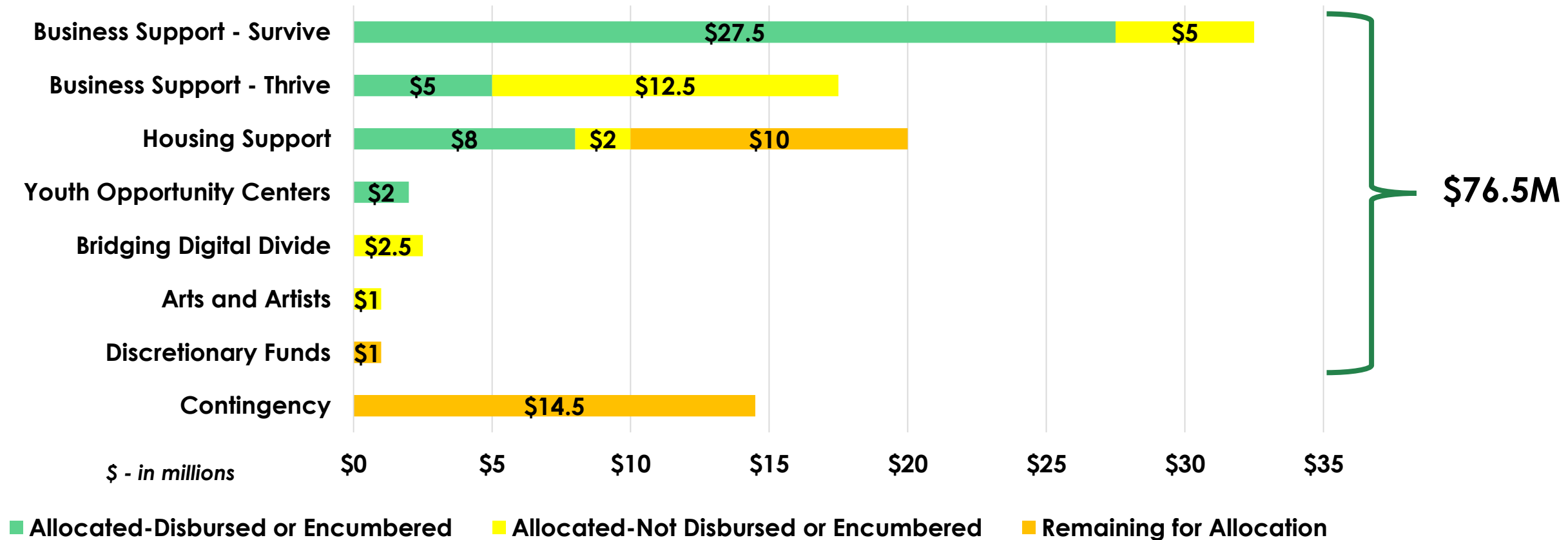


As presented September 8, 2020

Coronavirus Relief Fund: City Operations



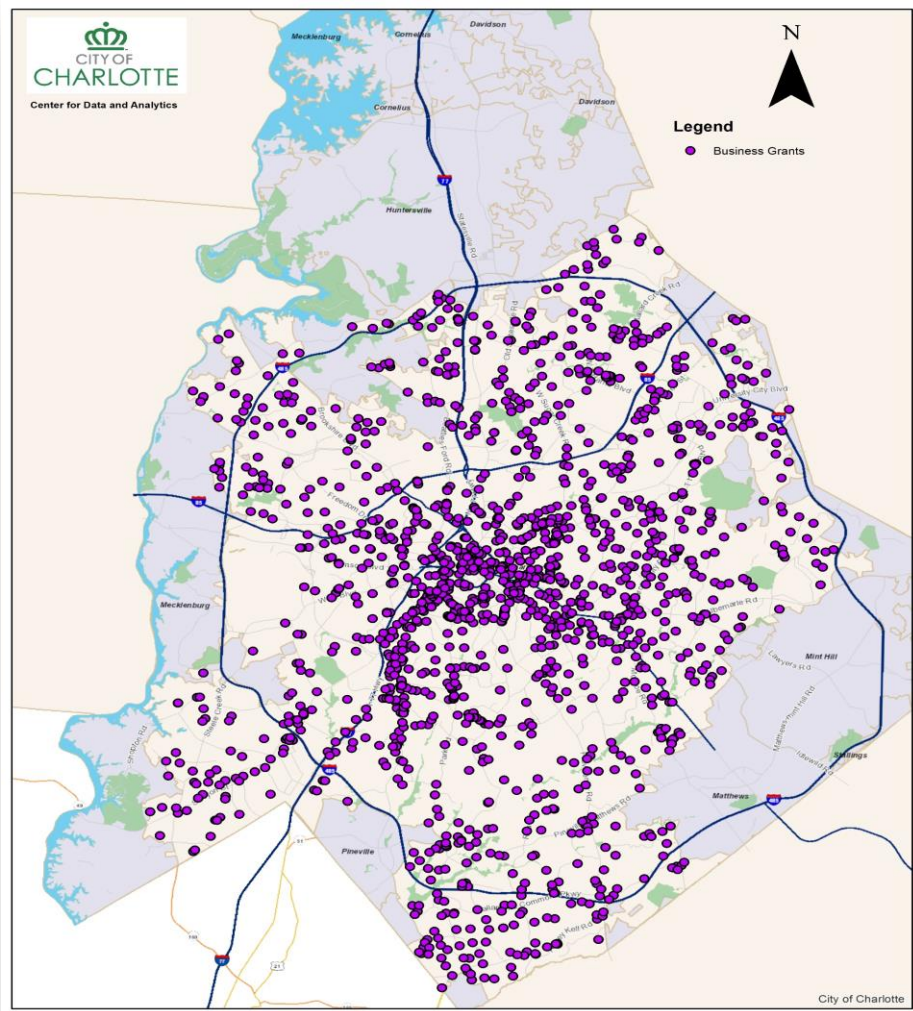
Coronavirus Relief Fund: Community Support and Contingency Investment Status¹



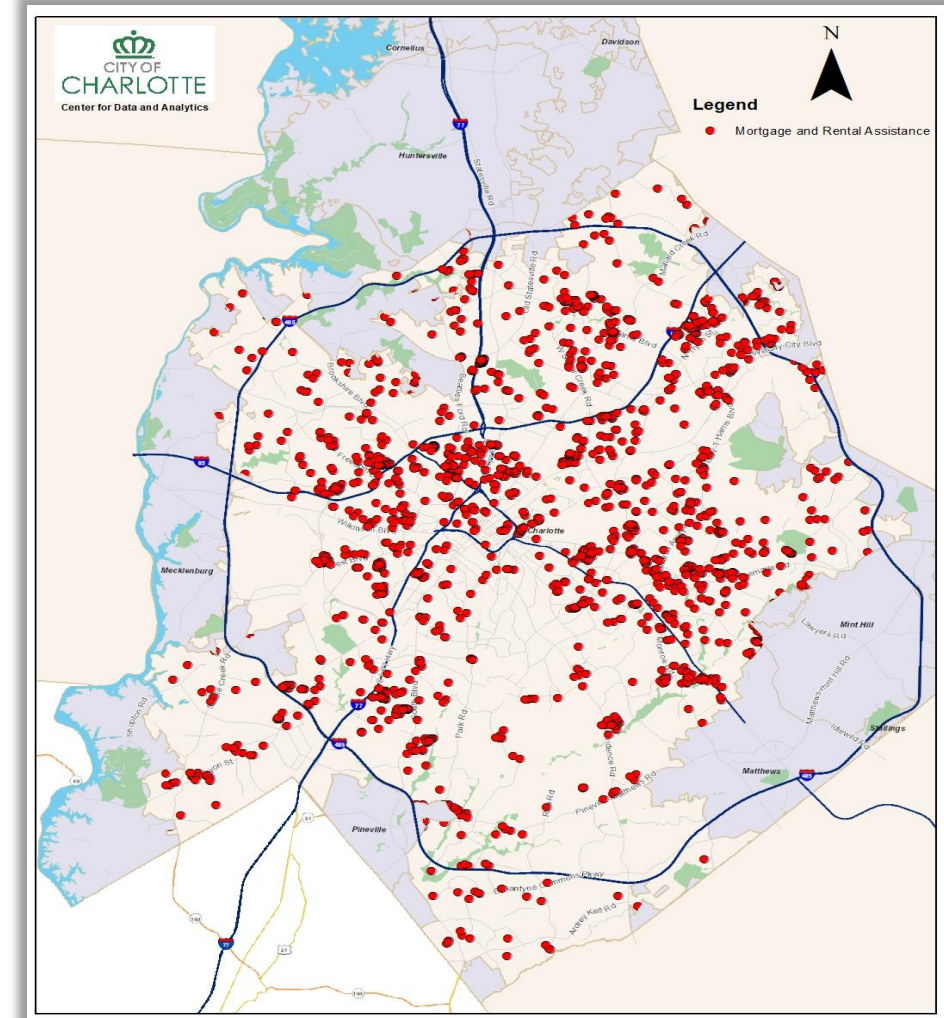
¹ – Disbursements through September 30, 2020

Geographic Distribution of Access to Capital and Rent/Mortgage Relief Expenditures

Access to Capital



Rent/Mortgage Relief



Summary of CARES Funds Remaining for Allocation

Coronavirus Relief Fund: Allocation Recommendations Planned for Discussion on October 5, 2020

	<u>Amount</u>	<u>Background</u>
Housing Support	\$10M	Earmark established in May 2020, and shown as “Remaining for Allocation” on slide 5
CRF Contingency	\$14.5M	Earmark established in May 2020
Discretionary Funds	\$1M	Enabled by FEMA reimbursement discussed on August 10 th

CARES Act ESG and CDBG Funding: Allocation Recommendations to be Developed in the Future

	<u>Amount</u>	<u>Background</u>
ESG	\$3.9M	This funding may be expended through calendar year 2022
CDBG	\$4.9M	This funding, announced by HUD in September, may be expended over at least three years

Housing Support Allocation Recommended by Great Neighborhoods Committee

Program	Allocation Amount
Homeless Shelter Support	\$2,500,000
Utility Assistance	\$3,500,000
Rental Assistance	\$4,000,000
TOTAL	\$10,000,000 ¹

¹ – Shown as Housing Support “Remaining for Allocation” on slides 5 and 7

Homeless Shelter Support: Salvation Army Center of Hope Expansion Request

- ◀ The Salvation Army Center of Hope (COH) is the main emergency shelter for women and families seeking immediate housing with services
- ◀ The pandemic is creating more need for shelter, while simultaneously decreasing the number of beds available due to social distancing requirements
- ◀ By expanding the existing shelter, 75 beds can be added
 - 250 people
 - 900 additional people annually

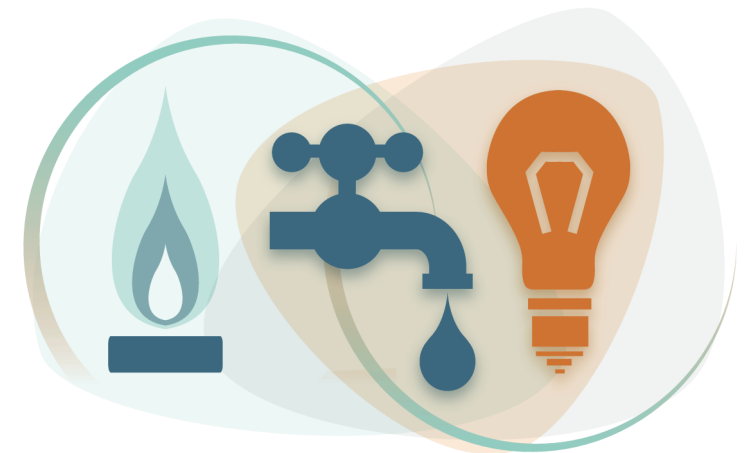


Salvation Army Renovation Request

Source	Amount
Salvation Army	\$2 Million
City CARES-CRF	\$2.5 Million
Total Renovation Costs (estimated)	\$4.5 Million

Utility Assistance Recommendation

- ◀ **Allocate \$3.5M CARES-CRF for utility assistance supporting electric, gas and water customers**
- ◀ **Partner with The Housing Partnership and Socialserve to administer the program**
- ◀ **Serve approximately 4,600 low-to-moderate income households impacted by COVID-19**
 - Up to 3 months utility bill assistance
 - Average \$750 per household
 - Can include arrears back to April 2020



Rental Assistance Program

Background

- ◀ **COVID-19 has had an immediate impact on the housing stability of low-to-moderate income renters in Charlotte and the nation.**
- ◀ **Eviction rates are expected to continue increasing**
- ◀ **UNCC Urban Institute recently released a draft report: *COVID-19 Economic Impact on Renters in Mecklenburg County* report**
 - Looked at Extremely Low Income (ELI) renter-households - those earning 30% or less of AMI
 - Estimated costs to cover the monthly rent of the most at-risk ELI renters ranges from \$9.3M/month (100% of rent), to \$2.8M/month (30% of rent)
 - While the report looked specifically at ELI households, the problem of housing affordability, exacerbated by the pandemic, extends to moderate-income households. Households earning between 31% - 80% AMI were also significantly cost-burdened pre-COVID

Rental Assistance Recommendation

- ◀ **Propose adding \$4M CARES-CRF to the existing Rent Assistance Program administered by The Housing Partnership**
 - Assists low-to-moderate income residents that have been negatively impacted by COVID-19
- ◀ **Will help reduce COVID-related evictions, which are expected to increase**



Summary of CARES Act Community Investments Previously Allocated or Recommended to City Council

Areas of Need	CARES Allocations as of 9/8/2020	Great Neighborhoods Committee 9/16/2020 Recommendation
Basic Needs		
Housing [rent/mortgage]	\$11.5M ¹	\$4M
Utilities		\$3.5M
Vulnerable Populations		
Homeless	\$7.2M ¹	\$2.5M
Children/Teens	\$2M	
Highly Impacted Sectors		
Small Businesses	\$37.75M	
Food and Beverage	\$5M	
Hotels	\$3M	
Arts	\$1M	
Other Priorities		
Workforce Development	\$4.25M	
Digital Divide	\$2.5M	
TOTAL	\$74.2M	\$10M

¹ – Includes all applicable CARES-related funding sources [i.e., CRF, ESG, CDBG, and HOPWA].

City Manager Recommendations

Guiding principles:

- Eligible expenditure
- Compelling Need
- Ability to deploy by 12/30/20

Investment Area	Amount	Description
Flex Fund Supporting Highly Impacted Sectors	\$5M	<ul style="list-style-type: none"> • Enable additional funding for known areas of need, such as small business support [i.e., Access to Capital and/or Food & Beverage], workforce development partner support, and indoor music venues
Hotels	\$3M	<ul style="list-style-type: none"> • Increase the allocation previously approved by Council, with support expected for over 150 hotels
Arts Organizations	\$3M	<ul style="list-style-type: none"> • Additional support for large arts organizations
Non-profit Organizations	\$2M	<ul style="list-style-type: none"> • Support for local non-profits that focus on one of the following areas: Safety & Security; Equity, Inclusion & Social Justice; Housing & Neighborhood Development; Environment • This program would be structured as a special round of the COVID-19 Respond Fund
Digital Divide	\$500K	<ul style="list-style-type: none"> • Install/expand computer labs, in partnership with the United Way, in selected community centers [equipping at least 10 locations with needed technology] • Support of a "Digital Navigator" program designed to provide technical support to local residents [with an emphasis on areas where the City is advancing public wi-fi]
Remaining Contingency	<u>\$2M</u>	<ul style="list-style-type: none"> • Flex fund to deploy in support of any Community Investment priorities or City Operations, depending on how needs evolve during Q4
Total	\$15.5M¹	

¹ To the extent that any CRF funds are not deployed as planned by December 2020, it may be necessary to redeploy remaining funds in support of eligible City Operations expenses such as First Responder Pay, unless Congress extends the CRF expenditure deadline beyond December 30, 2020.