ONE CHATTANOOGA RELIEF AND RECOVERY

NOTICE OF FUNDING OPPORTUNITY

Technical Assistance Session

May 3, 2022 & May 9, 2022

MAYOR
TIM KELLY

AGENDA

- Overview of Changes from the First Round of Applications
- ARPA Restrictions
- NOFO Timeline Review
- Additional Questions/Discussions

KEY CHANGES IN THE APPLICATION

- Framework establishes Key Priority Areas for applications
- Target Funding Amount in Key Priority Areas are set
- Clarification regarding eligible applicants
- SAM.gov registration required
- Detailed budget and milestone information required
- Performance metrics required

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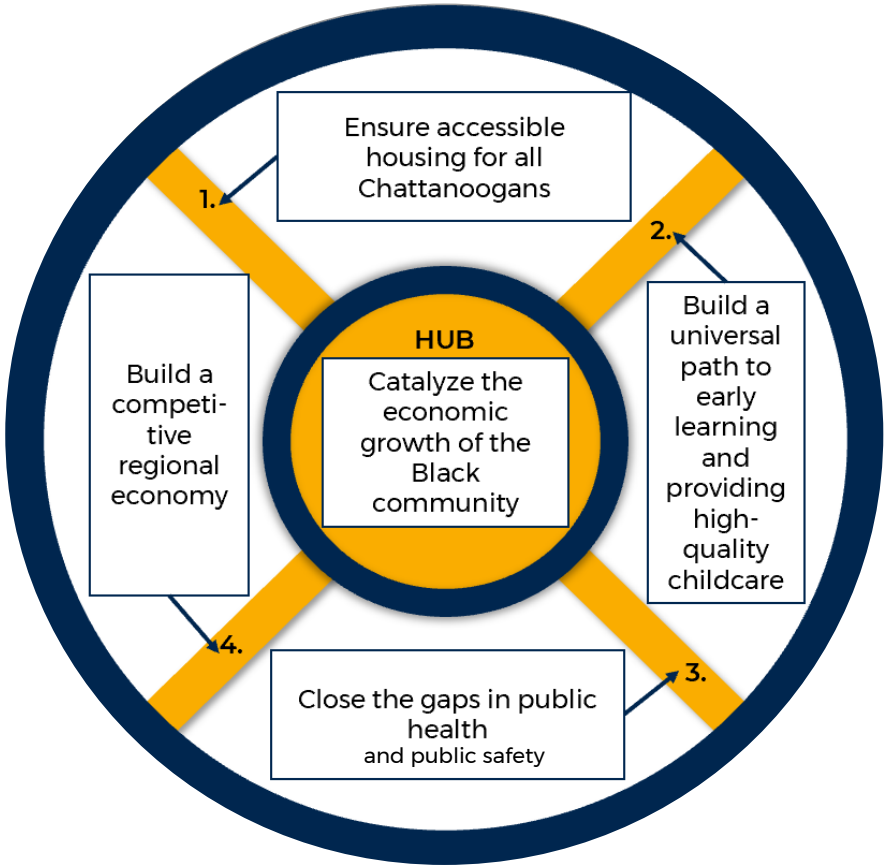
CERC FRAMEWORK



To establish the framework, the CERC took a holistic approach, addressing the interactions of several areas of disparity in Chattanooga. The committee concluded that communities that started with the least were most vulnerable to pandemic impacts. To visualize this, the Committee used a “hub and spoke” model to set their central objective with the spokes representing key areas where investment is needed to achieve this, and the outer circle represents the interconnectedness of these areas

- The Framework Report contains non-exhaustive lists of example projects for your reference.

Equity is not only a matter of social justice or morality, it is an economic necessity.

FUNDING TARGETS

Strategy	Percentage	Amount
Ensure accessible housing for all Chattanoogans	43.3%	$13,000,000
Build a universal path to early learning and providing high-quality childcare	16.7%	$5,000,000
Close the gaps in public health & public safety	20.0%	$6,000,000
Build a competitive regional economy	20.0%	$6,000,000

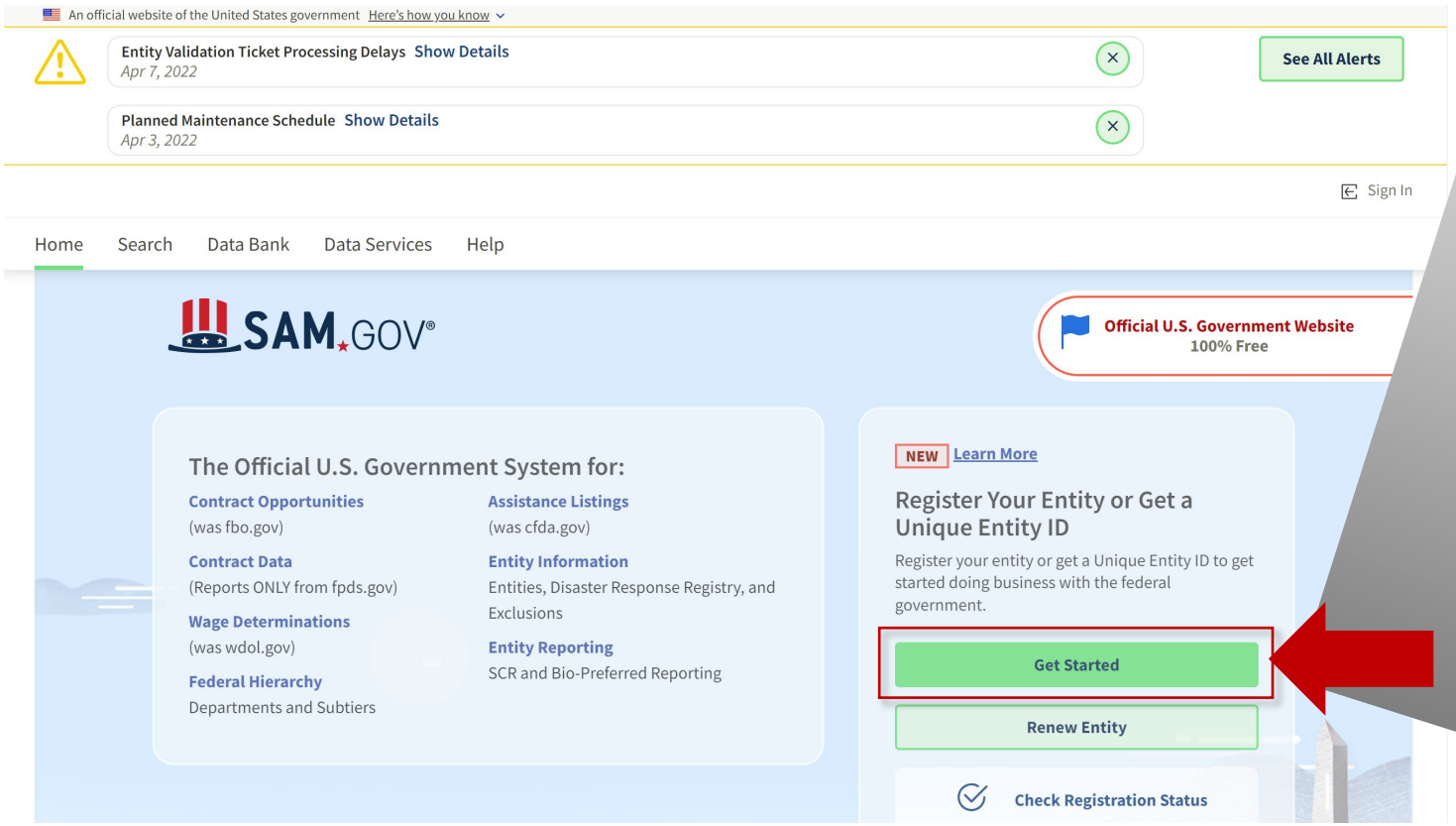
ELIGIBLE APPLICANTS

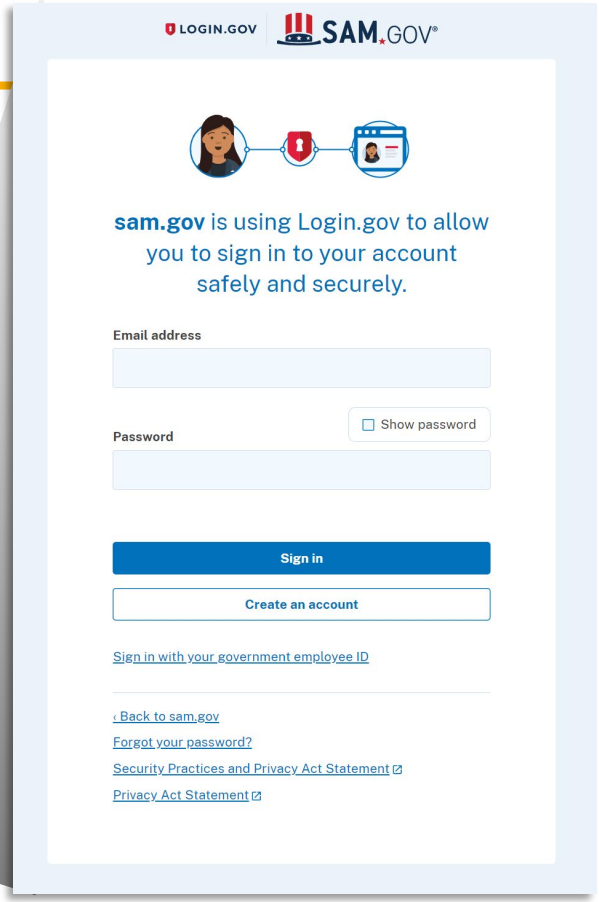
- Organizations and businesses that can provide services, loans, grants, assistance, etc. to individuals, households, and other businesses.
- Organization must be a public not-for-profit, in good standing* (charitable organizations, trade associations, social clubs, etc.), that serves citizens within the community, OR
- For-profit organization: Tennessee Secretary of State Business Filing and Certificate of Good Standing* (current within the last 12 months), OR
- Faith-based organizations that provide community services to the public which could include: goods, services, and accommodations offered generally to the public (e.g., a restaurant or thrift store).
- Physical location and operating within the city limits of Chattanooga, Tennessee. Preference will be given to those projects that are shown to benefit the City of Chattanooga residents and community partners.
- No outstanding tax liens or judgements, excluding 2020 property taxes.*

INELIGIBLE APPLICANTS

- Organizations located outside of the eligible geographic area.
- Organizations engaged in illegal activities under federal, state, or local laws.
- Organizations otherwise prohibited by federal or Tennessee laws.
- Organizations ineligible or precluded to receive federal or State of Tennessee funding due to federal laws (including but not limited to the ARPA Act) or Tennessee laws.
- Owners or partners currently undergoing bankruptcy proceedings.
- Organizations with the following concerns:
    - Gambling businesses, including casinos, racing operations or other activities where the purpose involves gambling; or
    - Lobbying organizations and political organizations subject to Internal Revenue Code 527.
- Individual persons, households, or businesses – the City of Chattanooga is seeking applications from organizations that can provide services, loans, grants, assistance, etc. to individuals rather than individuals themselves.

SAM.GOV REGISTRATION





[Entity Registration Checklist]

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DETAILED BUDGET INFORMATION

PART 5 FUNDING INFORMATION (CONT.)

APPLICATION BUDGET OVERVIEW

List the budgetary line items that will be used for this grant. Amount should be equal to or less than the grant award.

Line Item	Assumptions (See p. 35 for Instructions)	AMOUNT REQUESTED FROM THE CITY	Total Budget Amount
Salaries		$	$
Fringe Benefits		$	$
Accounting / Audit fee		$	$
Repairs and Maintenance		$	$
Insurance		$	$
Marketing/Advertising		$	$
Phone		$	$
Postage		$	$
Printing		$	$
Rent		$	$
Supplies		$	$

Line Item	Assumptions (See p. 35 for Instructions)	AMOUNT REQUESTED FROM THE CITY	Total Budget Amount
Technology and Computer Equipment		$	$
Training		$	$
Travel		$	$
Land Acquisition		$	$
Design Services		$	$
Environmental Services		$	$
Construction (Material & Services)		$	$
Contingency		$	$
Other (specify):		$	$
Other (specify):		$	$
	Total	$ 0.00	$ 0.00

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MILESTONE INFORMATION

PART 4 PROJECT SCHEDULE

14. Please list your milestones by quarter for the planned duration of your project in the chart below. If there will be no activity completed in the quarter, please leave the cell blank.
EXAMPLE:

Quarter 3 2022	***Quarter 4 2022***
Select an architectural and engineering firm to design 6 units of affordable housing at 80% AMI on 1 acre.	*Complete Design Development phase documents and apply for any required variances with the City.*

Quarter 3 2022	**Quarter 4 2022**
Quarter 1 2023	**Quarter 2 2023**
Quarter 3 2023	**Quarter 4 2023**
Quarter 1 2024	**Quarter 2 2024**
Quarter 3 2024	**Quarter 4 2024**

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PROJECT PERFORMANCE METRICS

PART 3 PROJECT EVIDENCE AND IMPACT

The purpose of this section is to understand the evidence and research that the program is based upon to provide context for the basis of the program design and how success of these funds will be measured during the project duration and upon closing of the State and Local Fiscal Recovery Fund grant after 2024.

13. Please list four (4) key outcomes and metrics of the program along with relevant data for those outcomes.

EXAMPLE:

Outcome:	*Premium pay for essential childcare workers will attract more workers to provide services to a larger number of children.*
Metric:	*Worker to child ratio (Currently 1:7)*

13.1

Outcome:	
Metric:	

13.2

Outcome:	
Metric:	

13.3

Outcome:	
Metric:	

13.4

Outcome:	
Metric:	

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ARPA FUNDING PURPOSE

a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;

c) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and

d) To make necessary investments in water, sewer, or broadband infrastructure.

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Coronavirus State and Local Fiscal Recovery Funds, Interim Final Rule, https://www.federalregister.gov/documents/2021/05/17/2021-10283/coronavirus-state-and-local-fiscal-recovery-funds

ARPA FUNDING USE

Eligible uses of these funds include:

- Revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to the emergency,
- COVID-19 expenditures or negative economic impacts of COVID-19, including assistance to small businesses, households, and hard-hit industries, and economic recovery,
- Premium pay for essential workers,
- Investments in water, sewer, and broadband infrastructure.

Government Finance Officers Association, https://www.gfoa.org/american-rescue-plan-spending-guiding-principles

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TEMPORARY NATURE OF ARPA FUNDS

ARPA funds are non-recurring so their use should be applied primarily to non-recurring expenditures.

- Care should be taken to avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment.
- Use of ARPA funds to cover operating deficits caused by COVID-19 should be considered temporary and additional budget restraint may be necessary to achieve/maintain structural balance in future budgets.
- Investment in critical infrastructure is particularly well-suited use of ARPA funds because it is a non-recurring expenditure that can be targeted to strategically important long- term assets that provide benefits over many years. However, care should be taken to assess any on-going operating costs that may be associated with the project.

Government Finance Officers Association, https://www.gfoa.org/american-rescue-plan-spending-guiding-principles

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SUBGRANTEE PURCHASING – DISBURSEMENT

- Small Purchases of Properties or Services (<$25,000)
  - a small purchase contract negotiated informally with the vendor and valued under $25,000.
  - Informal procurement Methods
    - Retain Documentation of advanced negotiation, should pursue a minimum of 3 quotes
    - Quotes may be established by printed online quotes, email, or documented phone calls with name and contact information of the business & person contacted.
    - Repetitive purchases of the same commodity from the same vendor within a 12 month period where the sum of purchases exceeds $25,000, the commodity must be competitively procured.
- Formal Competitive Expenditures (>$25,000)
  - Projects should adhere to Chattanooga Purchasing Manual as closely as practicable based on consultation with the City.
    - Competitive Sealed Bids – Construction, movables, equipment, etc.
    - Requests for Proposals – some professional services, technology services, etc.
    - Requests for Qualifications - persons or groups are tested, licensed, bonded, insured, and regulated by the State of Tennessee and its governing and regulating bodies

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ARPA REPORTING

Project and Expenditure reports will include:

- financial data,
- information on contracts and subawards over $25,000,
- types of projects funded,
- other information regarding a recipient's utilization of the award funds,
- updates to the expenditure categories and the addition of data elements related to specific eligible uses, must be submitted to Treasury within 30 days after the end of each calendar quarter.

Samples of reporting are included in the NOFO

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ARPA RESTRICTIONS

- Use the funds . . . to either directly or indirectly offset a reduction in . . . net tax revenue . . . resulting from a change in law, regulation, or administrative interpretation during the covered period that **reduces any tax . . . or delays the imposition of any tax or tax increase.**

- **May not be used as non-Federal match for other Federal programs** whose statute or regulations bar the use of Federal funds to meet matching requirements.

- **Must comply with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR part 200) (the Uniform Guidance), including the cost principles and restrictions on general provisions for selected items of cost.

- **Obligated by by December 31, 2024**. In addition, the ARPA expressly permits the use of Fiscal Recovery Funds for improvements to water, sewer, and broadband infrastructure, which entail a longer timeframe. In recognition of this, Treasury is interpreting the requirement in section 602 and section 603 that costs be incurred by December 31, 2024, to require only that recipients have obligated the Fiscal Recovery Funds by such date.

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RECOUPMENT PROCESS

a) **Identification and Notice of Violations.**

b) **Request for Reconsideration.** request for reconsideration to the Secretary within 60 calendar days of receipt of such notice. The request must include an explanation of why the recipient believes that the finding of a violation or recoupable amount identified in the notice of recoupment should be reconsidered.

c) **Repayment.** Finally, the interim final rule provides that any amounts subject to recoupment must be repaid within 120 calendar days of receipt of any final notice of recoupment or, if the recipient has not requested reconsideration, within 120 calendar days of the initial notice provided by the Secretary.

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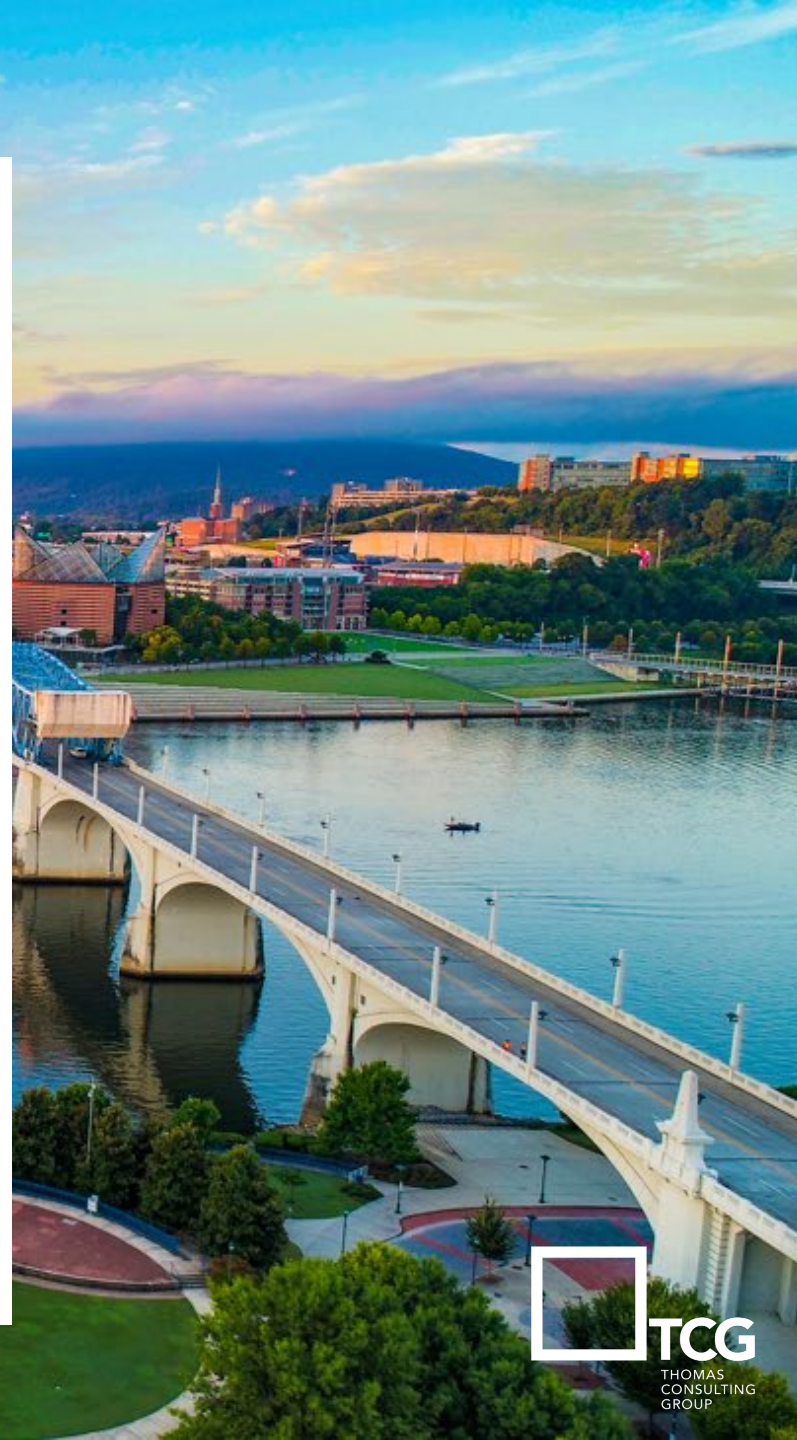
NOFO TIMELINE

- **April 29, 2022** - Issue NOFO
- **May 3, 2022 at 1:00 PM** - Applicant Informational Session – Recommended. Session will be taped and available on the website with 2 business days.
- **May 9, 2022 at 5:00 PM** - Applicant Informational Session – In-Person at The Edney Building - 5th Floor, 1100 Market St, Chattanooga, TN 37402
- **May 20, 2022** - Deadline to Submit Questions & Request Feedback
- **May 27, 2022** - Response to Questions and Feedback Requests
- **June 3, 2022** - Final Application Submission Deadline
- **July 8, 2022** - Notice of Intent to Award
- **July 12, 2022** - Recommended Awards Submitted to City Council



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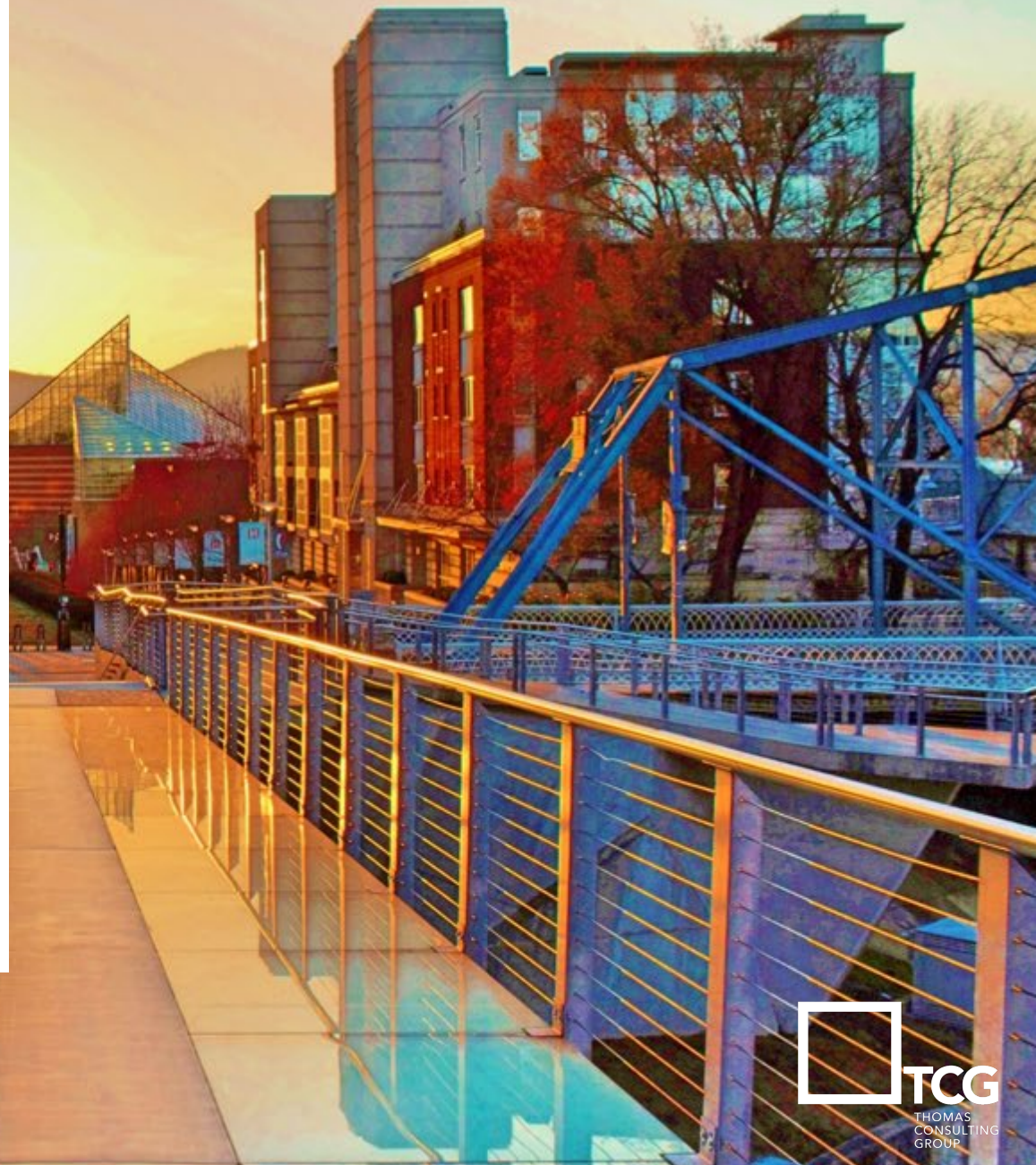
Q&A

- **Contact the Consultants:**
  - chattanooga@fedgrantassist.com



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