



**Date:** November 20, 2023

**To:** Wanda S. Page, City Manager  
**Through:** Bertha T. Winbush, Deputy City Manager  
**From:** Victoria W. Samayoa, ARPA Grants Manager  
**Subject:** American Rescue Plan Act (ARPA) Project – An Innovative Model for Examining the Financial Impact of COVID-19 on Small Businesses in Durham

### **Executive Summary**

On November 3, 2021, the Samuel DuBois Cook Center on Social Equity at Duke University, submitted proposal “An Innovative Model for Examining the Financial Impact of COVID-19 on Small Businesses in Durham” for funding in the amount of \$20,000,000 from the American Rescue Plan Act (ARPA) funds. This project seeks to assist small businesses in marginalized areas of Durham recover from the financial impacts of COVID-19. On May 18, 2022, City Council approved \$1,000,000 funding for this entity. Staff has reviewed the revised proposal and recommends funding.

### **Motion**

To authorize the City Manager to execute an ARPA subrecipient grant agreement with Duke University in an amount not to exceed \$1,000,000.

### **Background**

The original proposal from the Samuel DuBois Cook Center on Social Equity at Duke University requested \$20,000,000.00 from the ARPA funds under the core category of Economic Equity. This project and partner institutions, Carolina Small Business Development Fund (CSBDF) and the National Institute for Economic Development Center (the Institute), intends to further evidence-based recommendations and provide direct services to the small businesses impacted by COVID-19. Recommendation results will be used to determine the best strategies for small businesses and mitigate entrepreneurial negative outcomes. This project will be part of a larger pilot with the Samuel DuBois Cook Center on Social Equity to assess intersectional challenges of wealth inequality and the effects of the COVID-19 crisis at the citywide level.

### **Issues and Analysis**

This project will evaluate impacts of policies on the entrepreneurial output via developed survey of the Samuel DuBois Cook Center on Social Equity and the Institute (Phase I), will engage a selected number of business owners to participate in workshops and asset disparity examinations with the CSBDF (Phase II), and programmatic courses for recovery (Phase III). The project model will examine how business owners have managed economic downturns, government responses through legislative action, strategies put for by the private sector in support of small businesses, the consequences on surrounding communities, and potential policy recommendations for short and long-term consideration.

CBDF will provide technical assistance and access to capital to support small businesses still adjusting in their business operations and those attempting to grow and expand. With the

compiled survey results, CSBDF will contact the survey respondents and offer technical assistance plans based on customized business needs assessments. CSBDF will bring valuable content to small business owners that will help them protect their assets and mitigate potential short and long-term risks while providing the tools needed to scale. Education and counseling on small business resiliency strategies will be delivered through our Digital Learning Academy - CSBDF's online learning library, as well as in-person group workshops and one-on-one counseling in Spanish and English.

Additionally, CSBDF's team is committed to finding the best solutions for deploying capital to small businesses, CSBDF's existing loan fund, or by referrals to partner agencies as appropriate. CSBDF's experience in providing the Durham Small Business Opportunity Fund has helped us understand the characteristics of firms that have succeeded through the pandemic while learning about the pain points of those that continue to struggle. As such, CSBDF is well-equipped to partner with the Samuel DuBois Cook Center on Social Equity to provide these services to small businesses in the City of Durham.

### **Alternatives**

The City Council can choose not to accept the staff recommendation.

### **Financial Impact**

\$1,000,000 is available for this purpose from the funding source of the ARPA federal funds. The City of Durham received \$51,881,733 in two distributions; the first distribution was received on June 1, 2021, in the amount of \$25,940,866.50; the remaining was received May 2022. The City will have until December 2024 to obligate the funds. Recipients have until December 2026 to spend the funds.

### **Equal Business Opportunity Summary**

Due to the nature of this agenda item, a review by the Finance Department was not required.

### **Contractor Workforce Diversity & Hiring Practices**

Due to the nature of this agenda item, obtaining Contractor Workforce Diversity & Hiring Practices information would not be applicable.

### **Attachments**

Duke University Subrecipient Grant Agreement