



Cumberland County Board of Commissioners
117 Dick St. Room 561 Fayetteville, NC 28301

Fayetteville City Council
433 Hay St. Fayetteville, NC 28301

April 7, 2021

Dear Elected Official,

As a coalition of organizations focused on advancing economic mobility, we write to offer local strategies to capitalize on landmark anti-poverty measures included in the American Rescue Plan (ARP). With the City of Fayetteville projected to receive \$38 million in federal fiscal aid from the ARP package and Cumberland County projected to receive \$65 million, Pathways for Prosperity has been considering how to best leverage these resources for our community. Indeed, budget projections that appear rosier than initially contemplated present us with a strategic opportunity.

In the spirit of partnership and transparency, we share the guiding principles that shaped our thinking along with recommendations for your consideration in the categories of: Affordable Housing, Investment in Children and Families, and Economic Development. We hope these recommendations will lead to investments that work synergistically with the federal anti-poverty effort, optimize return on investment, and help our community prosper.

Guiding Principles:

- Align with established city/county priorities
- Place equity and inclusion at the forefront of decision making
- Prioritize systems change over short-term projects
- Focus resources on areas of highest need
- Choose investments that will leave the community better prepared to absorb the next pandemic/hurricane/disaster--build resilience, capacity
- Consider funding needed for *administration* of programs/benefits
- Where possible, build on existing models in the community
- Provide opportunities for review and comment

Recommended Investments—ARP Funds:

Affordable Housing

- Establish Housing Trust Funds within the city and county
 - Alignment with strategic planning:
 - City: FY22 Strategic Planning Retreat, 2/19/21, Objective 2.2: Community Revitalization- Invest in community places to ensure revitalization and increase quality of life; Objective 4.5: Ensure a place for people to live in great neighborhoods; Objective 4.6: Reduce poverty and homelessness



- County: FY22 Goals and Priorities Session, 2/16/21, Budget Priority Area: Economic Development
 - Recommend separate Housing Trust Funds be established within city and county community and economic development offices
 - Recommended allocations:
 - City: \$10M
 - County: \$10M
 - Impact: Housing Trust Fund resources will provide gap financing for affordable housing development, incentives for income-diverse projects, first-time home buyer program funds, and LL/housing manager training to preserve and expand affordable housing units, improve housing quality, and support wealth building. These initial investments will build momentum and provide a bridge until sustained revenue sources for HTFs are identified.
- Provide additional funding for the tenant-based local rent supplement program currently in development for low-income families; prioritize households at or below 50% Area Median Income (AMI), especially those at risk of eviction, homelessness due to domestic violence, or poor living conditions
 - Recommend a *jointly funded* program between city and county jurisdictions; identify appropriate partner for administration
 - Alignment with strategic planning:
 - City: FY22 Strategic Planning Retreat, 2/19/21, Objective 2.2: Community Revitalization- Invest in community places to ensure revitalization and increase quality of life; Objective 4.5: Ensure a place for people to live in great neighborhoods; Objective 4.6: Reduce poverty and homelessness
 - County: FY22 Goals and Priorities Session, 2/16/21, Budget Priority Area: Economic Development, Homelessness
 - Recommended allocations:
 - City: \$11.5M
 - County: \$11.5M
 - Impact: \$23M would be sufficient to provide rent supplements to approximately one third of Fayetteville's 9,000+ very low income (50% AMI or below) renter households paying more than 50% of income in rent (severely cost burdened) over a three-year period. Supplements can be designed to pay the difference between an eligible household's affordable rent (30% of income) and the market rate. These supplements will increase financial stability for many households and free dollars for circulation in the local economy.

Investment in Children and Families

- Increase capacity for CCS-endorsed Communities In Schools' (CIS) Parent University program expansion by funding 10-12 new Student Support Specialist positions over three years
 - Recommend city and county separately allocate funds for Communities In Schools of Cumberland County
 - Alignment with strategic planning:
 - City: FY22 Strategic Planning Retreat, 2/19/21, Objective 2.2: Community Revitalization- Invest in community places to ensure revitalization and increase



quality of life; Objective 4.6: Reduce poverty and homelessness; Objective 6.1: Ensure collaborative relationships with the business community, local governments, military, and stakeholders

- County: FY22 Goals and Priorities Session, 2/16/21, Budget Priority Area: Economic Development
- Recommended allocations:
 - City: \$1.5M
 - County: \$1.5M
- Impact: \$3M would be sufficient to support the placement of 10-12 new Student Support Specialists in schools serving youth in areas of concentrated poverty for a period of three years. CIS Parent University programming includes case management for families, referrals to existing supports, and connection to resources.

Economic Development

- Launch a Historically Underutilized Business (HUB) certification campaign in partnership with Fayetteville Cumberland Economic Development Corporation (FCEDC)
 - Recommend city and county separately allocate funds for FCEDC
 - Alignment with strategic planning:
 - City: FY22 Strategic Planning Retreat, 2/19/21, Objective 2.3: Leverage partnerships for job creation and retention; Objective 6.1: Ensure collaborative relationships with the business community, local governments, military, and stakeholders
 - County: FY22 Goals and Priorities Session, 2/16/21, Budget Priority Area: Economic Development
 - Recommended allocations:
 - City: \$500K
 - County: \$500K
 - Impact: A \$1M campaign to certify more local businesses as HUBs will promote a more equitable share of government contracts and will increase the strength and capacity of diverse businesses throughout the community.

- Create a revolving loan fund (or grant fund for businesses that have lost money due to COVID19) to provide financing opportunities for individuals who have difficulty accessing capital; consider integration with other funding sources
 - Recommend city and county separately allocate funds for an appropriate community partner such as the Center for Economic Empowerment & Development (CEED)
 - Alignment with strategic planning:
 - City: FY22 Strategic Planning Retreat, 2/19/21, Objective 2.3: Leverage partnerships for job creation and retention; Objective 6.1: Ensure collaborative relationships with the business community, local governments, military, and stakeholders
 - County: FY22 Goals and Priorities Session, 2/16/21, Budget Priority Area: Economic Development
 - Recommended allocations:
 - City: \$2.5M
 - County: \$2.5M



- Impact: A \$5M initial investment in a revolving loan fund can provide a sustainable financial tool to facilitate growth of small businesses and increase access to opportunities, particularly for low and moderate-income individuals.
- Establish a broadband access program to provide subscriptions (or discounted subscriptions) for low-income households (prioritize households at or below 50% AMI); consider linking eligibility to other supports, such as SNAP benefits, for which a family may already qualify
 - Recommend city and county separately allocate funds for an appropriate community partner for administration
 - Alignment with strategic planning:
 - City: FY22 Strategic Planning Retreat, 2/19/21, Objective 2.2: Community Revitalization- Invest in community places to ensure revitalization and increase quality of life; Objective 2.3: Leverage partnerships for job creation and retention; Objective 4.6: Reduce poverty and homelessness
 - County: FY22 Goals and Priorities Session, 2/16/21, Budget Priority Area: Economic Development
 - Recommended allocations:
 - City: \$2.7M
 - County: \$2.7M
 - Impact: A \$5.4M investment would be sufficient to provide 3,000 low-income families access to broadband subscriptions for a period of three years (approximately \$600 per year per eligible household). Alternatively, the program could be designed to support a greater number of families by covering part of the subscription fees. Increasing access to broadband internet connectivity for low-income households will not only expand access to job opportunities, training, and education, but will also compliment the strategic effort to increase broadband coverage across the county.

In addition to the recommendations above, federal aid through the ARP may offer an opportunity to increase living wage standards for local government employees; such increases will improve staff recruitment and retention as well as provide upward pressure on local wages. Last, and importantly, we recommend considering infrastructure improvements such as street lighting, storm drain improvement, and street resurfacing in high-need areas (e.g., Murchison Road, Massey Hill, Deep Creek Road, and Cliffdale Road areas). Clearly, deeper review and analysis of these options will be required by city and county budget offices to ensure compliance with forthcoming guidance from the Treasury Department.

As we continue to fight COVID19 and coordinate our recovery, the Pathways for Prosperity Coalition stands ready to support you in pursuing a stronger, more equitable future. If you have questions about these recommendations, or if we can assist further, please contact us via pathwaysforprosperity@gmail.com

Respectfully yours,

The Pathways for Prosperity Coalition
Consisting of:



Action Pathways Inc.
Alpha Kappa Alpha
Boys & Girls Club of Cumberland County
Carolina Collaborative Community Care (4C)
Center for Economic Empowerment and Development
Communities in Schools of Cumberland County
Community Interagency Council--Quality Education (CICQuE)
Cumberland Community Foundation
Fayetteville Alumnae Chapter, Delta Sigma Theta Sorority, Inc.
Fayetteville Area Habitat for Humanity
Fayetteville Cumberland Re-Entry Council
Fayetteville Metropolitan Housing Authority
Fayetteville PACT
Fayetteville Rotary Club
Fayetteville State University
Fayetteville Technical Community College
Fayetteville/CC Economic Development Corporation
Giving Hands Association
Greater Fayetteville Chamber of Commerce
Greater Fayetteville United
Kingdom Community Development Corporation
Latino Community Connections
Latinos United for Progress
Methodist University
NAACP—Fayetteville Branch
North Carolina Justice Center
Partnership for Children of Cumberland County
Sustainable Sandhills
United Way of Cumberland County