



AMERICAN RESCUE PLAN AND PROPOSED COVID-19 SPENDING FRAMEWORK

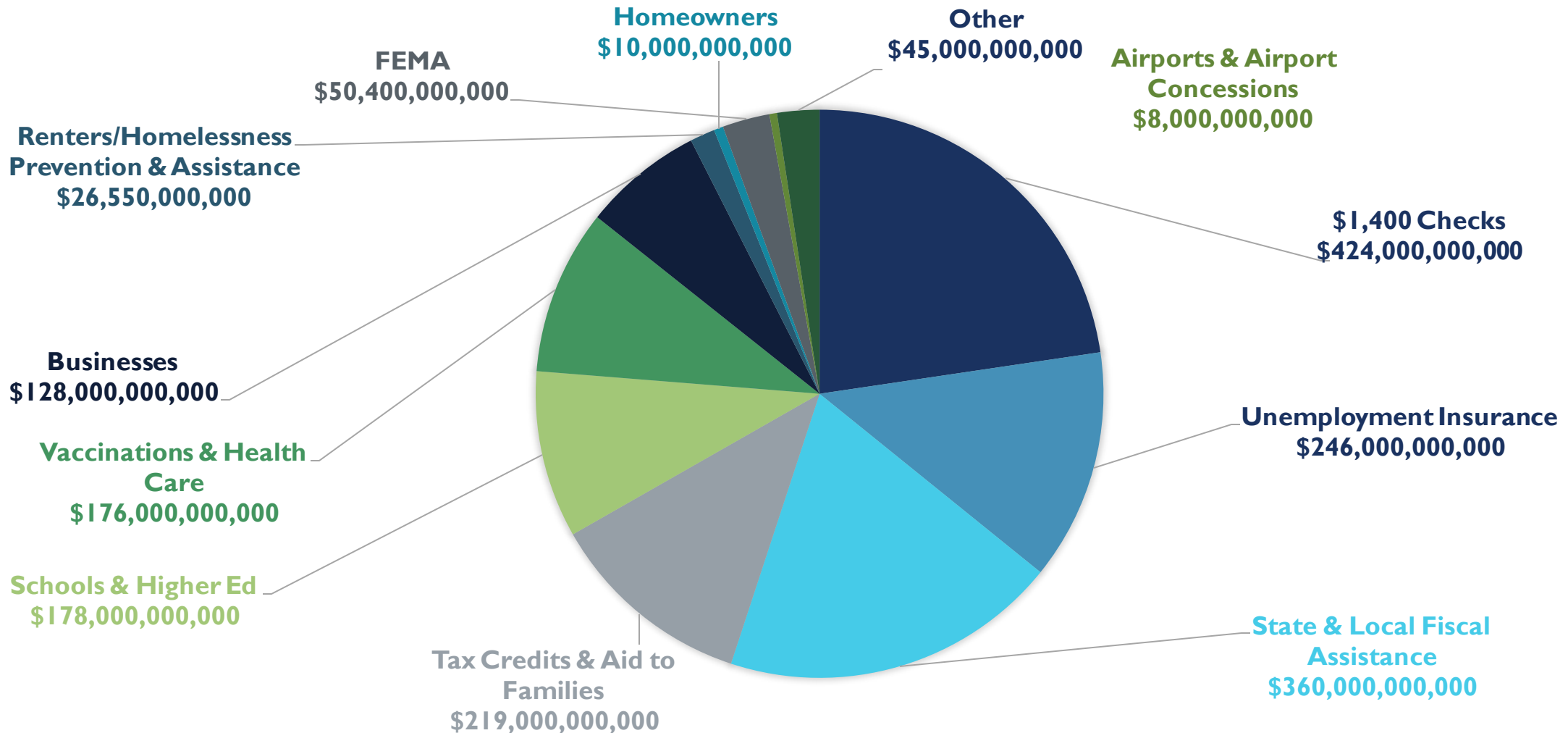
City of Austin

March 23, 2021



AMERICAN RESCUE PLAN OVERVIEW

AMERICAN RESCUE PLAN ACT (PL 117-2)



ESTIMATED DIRECT AID TO AUSTIN & TRAVIS COUNTY

City of Austin

- Local Fiscal Assistance: \$195.8M
- Emergency Rental Assistance: \$22.0M
- Homelessness Prevention & Assistance via HOME: \$11.0M

Travis County

- Local Fiscal Assistance: \$247.1M
- Emergency Rental Assistance: \$8.1M

ESTIMATED AID TO TRAVIS COUNTY LOCAL GOVERNMENTS

Direct Allocation from Treasury – CDBG Entitlement City

- Austin - \$195.8M
- Pflugerville - \$6.7M
- Round Rock - \$16.8M
- Travis County - \$247.1M

Sub-Allocation from the State

- Bee Cave - \$1.5M
- Cedar Park - \$17.3M
- Creedmoor - \$50,000

Sub-Allocation from the State cont'd

- Elgin - \$2.2M
- Jonestown - \$460,000
- Lago Vista - \$1.6M
- Lakeway - \$3.4M
- Leander - \$13.6M
- Manor - \$3.0M
- Mustang Ridge - \$210,000
- Rollingwood - \$350,000
- Sunset Valley - \$150,000
- West Lake Hills - \$720,000

SMALL BUSINESS ASSISTANCE *ADMINISTERED BY FEDERAL AGENCIES*

- Restaurant Revitalization Fund Grants - \$25.0B
- Shuttered Venue Grants - \$16.125B
- Paycheck Protection Program - \$7.25B
- Economic Injury Disaster Loan - \$15.0B
- Airport Concessions - \$800M

AID TO HOUSEHOLDS *ADMINISTERED BY FEDERAL AGENCIES*

- Child Tax Credit Expansion
- EITC Expansion
- Child Care & Dependent Tax Credit Expansion
- Increased ACA Subsidies
- Nutrition Assistance



PROPOSED COVID-19 SPENDING FRAMEWORK

City Staff Development Team

Austin Public Health – Stephanie Hayden-Howard

Budget Office – Diane Siler

Convention Center – Trisha Tatro

Economic Recovery Officer – Veronica Briseño

Economic Development – Sylvania Holt-Rabb

Government Relations – Brie Franco

Homeland Security – Juan Ortiz

Housing and Planning – Rosie Truelove



General Funds Reserves & American Rescue Plan

	FY 2021 Reserves	FY 2021 ARP	FY 2022 ARP	Total
Public Health Response	\$15.6 M	\$28.7 M		\$44.3 M
Economic Recovery Resources	\$25.0 M	\$52.8 M	\$26.8 M	\$104.6 M
Hotel Occupancy Tax-Funded Services		\$16.4 M	\$31.9 M	\$48.3 M
Contingency			\$39.2 M	\$39.2 M
Total	\$40.6 M	\$97.9 M	\$97.9 M	\$236.4 M

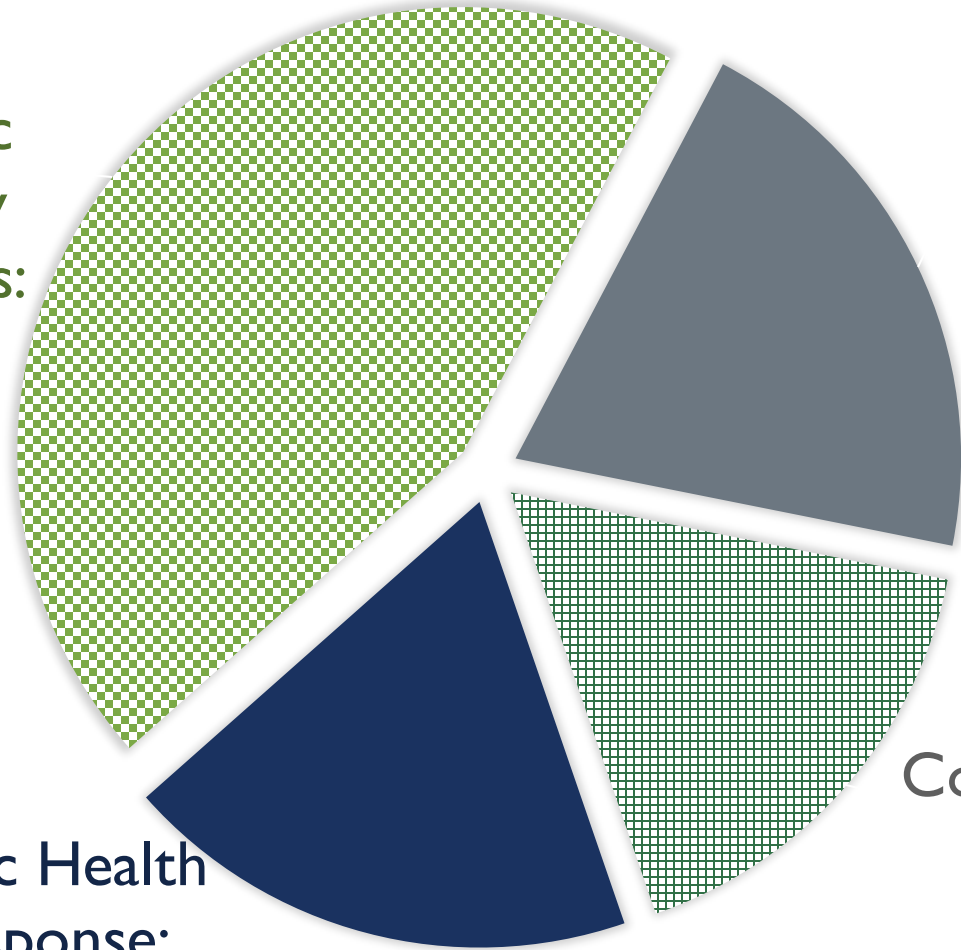
- Contingency equals 20% of the total funding; allows flexibility for unanticipated events and expenditures
- Can be reprogrammed in FY22

Funding by Expenditure Category

**Total Funding
\$236.4 Million**

Economic
Recovery
Resources:
\$104.6M

HOT-Funded
Services:
\$48.3M



Contingency:
\$39.2M

Public Health
Response:
\$44.3M

Total Public Health Costs

City Share	\$44.3M
FEMA Share	\$36.7M
Vaccinations (FEMA)	\$45.8M
Total	\$126.8M



GENERAL FUND COMBINED RESERVES

FY21 Estimate as of March 2021

FY21 Estimate as of March 2021

FY21 Approved Ending Balance		\$133.6 M
FY20 Year-End	Revenue in excess of estimate	\$8.4 M
	Savings from hiring freeze and extended closures	\$10.0 M
CARES	Reserve for FY21 Public Health Costs	\$24.9 M
	Travis County reimbursement for shared costs	\$7.4 M
FY21 Budget Amendments	RISE 2.0 (net of \$6.5M transfer from CIP)	(\$8.5 M)
	Food Access Relief	(\$1.5 M)
Revised FY21 Ending Balance		\$174.3 M
Balance Required to Maintain Reserves at 12%		\$133.7 M
Reserve Balance Available		\$40.6 M



Considerations

- City still has not received a final determination from FEMA on the eligibility of the costs for the non-congregate shelters or the cost recovery percentage
 - Estimate assumes 75% cost recovery for all expenses
- Staff currently working on revenue and expenditure estimates for FY21
 - Forecast to be completed next month; significant changes will be communicated at that time

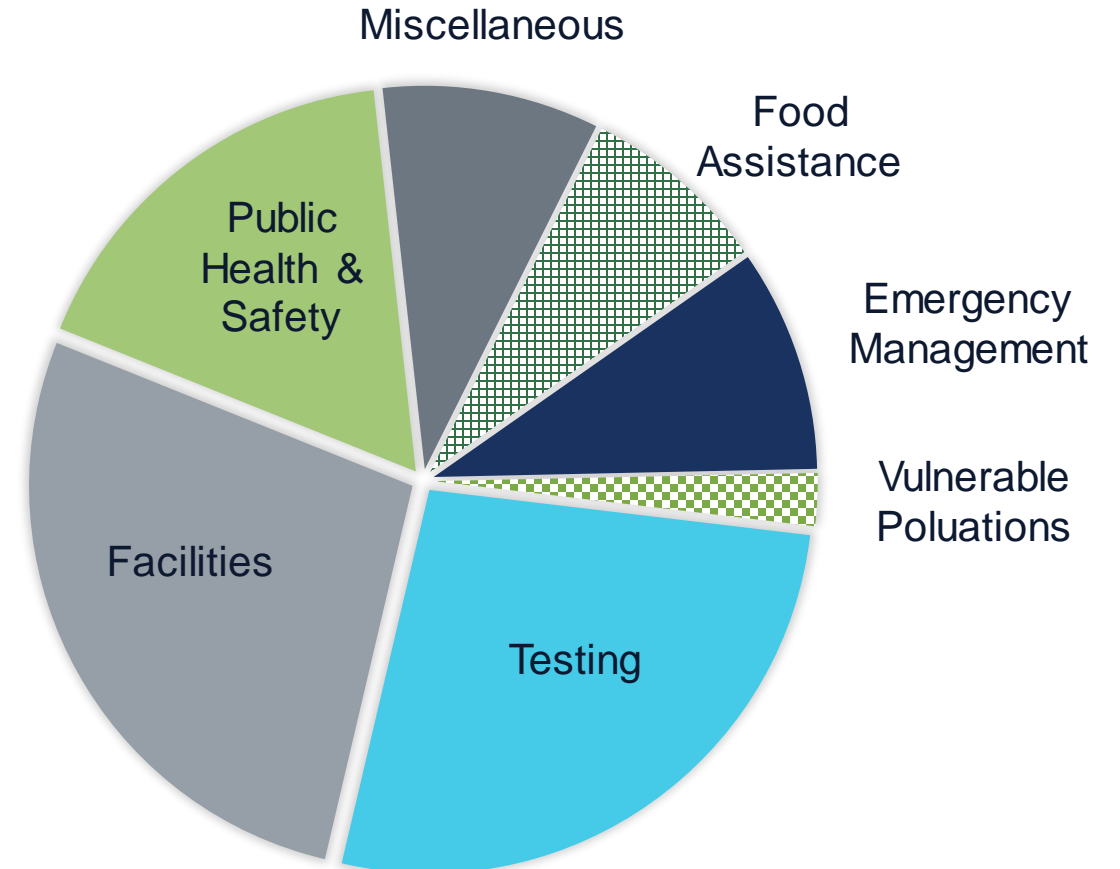


PUBLIC HEALTH RESPONSE

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK PUBLIC HEALTH RESPONSE & RECOVERY COSTS

January through September 2021

Expense Category	Amount
COVID-19 Emergency Management	\$7.6 M
Protection of Vulnerable Populations	\$1.8 M
Testing	\$21.7 M
Shelters & Quarantine Facilities	\$22.2 M
Public Health & Safety Measures	\$13.9 M
Miscellaneous	\$7.4 M
Food Assistance	\$6.4 M
Total	\$81.0 M



AMERICAN RESCUE PLAN – SPENDING FRAMEWORK

PUBLIC HEALTH RESPONSE & RECOVERY COSTS

January through September 2021

Expense Category	Funded Items
COVID-19 Emergency Management	<ul style="list-style-type: none"> • \$7.2 million – Emergency Operations Center • \$415,000 – Expo Center, Infusion Center, communications
Protection of Vulnerable Populations	<ul style="list-style-type: none"> • \$1.4 million – Homeless Services • \$395,000 – Hygiene Stations (operations and equipment)
Testing	<ul style="list-style-type: none"> • \$9.8 million – Lab costs • \$5.9 million – Testing Site Operations • \$4.1 million – Technology • \$1.9 million – Tests and Other Medical Supplies
Shelters & Quarantine Facilities	<ul style="list-style-type: none"> • \$9.6 million – Isolation Facilities • \$6.8 million – Alternate Care Site (Convention Center) • \$5.8 million – Non-congregate Shelters

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK

PUBLIC HEALTH RESPONSE & RECOVERY COSTS

January through September 2021

Expense Category	Funded Items
Public Health & Safety Measures	<ul style="list-style-type: none"> • \$6.0 million – Epidemiology & Public Health Preparedness • \$3.8 million – Public Information • \$2.6 million – Staffing agencies and Department Overtime • \$1.5 million – PPE
Miscellaneous	<ul style="list-style-type: none"> • \$6.4 million – Staffing Costs for Administration, Community Services • \$550,000 – Facility renovations and sanitation • \$450,000 – Supplies, Cell Phone Service, Storage
Food Assistance	<ul style="list-style-type: none"> • \$3.9 million – AISD Caregiver Meals Program • \$2.5 million – Eating Apart Together (EAT) Program

Considerations

- City share estimated at \$44.3 million; FEMA at \$36.7 million
- Vaccination program is not included in \$81.0 million estimate
 - COVID-19 vaccines will be procured and distributed by the Federal government at no cost to City
 - Work and associated costs to support the distribution and administration of vaccines are eligible for 100% public assistance through FEMA; cost is \$45.8 million
 - Council approval and appropriation of funding will be handled separately
- Cost sharing interlocal with Travis County in process
 - Talks in preliminary stages; no estimates currently available



ECONOMIC RECOVERY RESOURCES

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK ECONOMIC RECOVERY RESOURCES

\$104.6M

Accomplishments with CARES and General Reserves

- Distributed more than \$115.0 Million and served over 204,580 households and 1,640 businesses

Continued need in 2021

- 82,990 still unemployed
- 28,200 jobs lost in Leisure and Hospitality sector
- -35% business open rate since August 2020
- -65% to -75% open rate for Leisure and Hospitality sector since August 2020

The American Rescue Plan can fund the first two years of the Economic Recovery & Resiliency Framework

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK

INDIVIDUAL ASSISTANCE

\$20.0M

Economic Recovery & Resiliency Framework Opportunity	FY 21 Request		FY 22 Request	TOTAL
	Reserves	ARP	ARP	
Provide additional financial assistance to individuals, households , employees, businesses, and non-profit organizations. <i>Financial Support</i> <ul style="list-style-type: none"> RISE 3.0 Enables the City to serve more households in need Funds can be used for rent, utilities and other financial assistance required for persons effected by COVID-19 	\$20,000,000			\$20,000,000

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK

BUSINESS ASSISTANCE

\$34.9M

Economic Recovery & Resiliency Framework Opportunity	FY 21 Request		FY 22 Request	TOTAL
	Reserves	ARP	ARP	
Support research to reduce the risk of infection at large and live events. <i>Civic Innovation</i>		\$100,000		\$100,000
Continue providing workshops and one-on-one coaching to help business owners, entrepreneurs, and creatives adapt their business models. <i>Employee and Business Assistance</i> <ul style="list-style-type: none"> No-cost virtual technical assistance and one-on-one business counseling 		\$1,000,000	\$1,000,000	\$2,000,000
Facilitate the creation of business cooperatives. <i>Employee and Business Assistance</i>			\$400,000	\$400,000
Incentivize adaptations to produce innovations and improvements to commercial sites, which benefit employees and customers. <i>Financial Support</i>		\$3,000,000		\$3,000,000
Provide additional financial assistance to individuals, households, employees, businesses , and non-profit organizations. <i>Financial Support</i> <ul style="list-style-type: none"> Recovery Lease Tax Abatement Incentive Program Restaurant & Farm Relief Grant Program Small Business Relief Grant 2.0 		\$18,500,000	\$8,500,000	\$27,000,000

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK

BUSINESS ASSISTANCE CONTINUED

\$34.9M

Economic Recovery & Resiliency Framework Opportunity	FY 21 Request		FY 22 Request	TOTAL
	Reserves	ARP	ARP	
Temporarily reduce or waive certain City permits and fees for businesses that are reopening safely. <i>Financial Support</i>		\$1,000,000	\$1,000,000	\$2,000,000
Expedite temporary rezoning to activate underutilized spaces. <i>Public Infrastructure</i>		\$200,000		\$200,000
Flexible timing restrictions for marathons and other outdoor events. <i>Public Infrastructure</i>		\$200,000		\$200,000

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK

CHILDCARE ASSISTANCE

\$4.5M

Economic Recovery & Resiliency Framework Opportunity	FY 21 Request		FY 22 Request	TOTAL
	Reserves	ARP	ARP	
Provide additional financial assistance to individuals, households, employees, businesses , and non-profit organizations. <i>Financial Support</i> <ul style="list-style-type: none"> • Incentivize reopening of high-quality home-based and center-based childcare providers • Incentivize opening of new high-quality home-based and center-based childcare providers • Prioritize childcare providers serving households that reside in low-income zip codes 		\$3,000,000	\$1,500,000	\$4,500,000

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK COMMUNITY ASSISTANCE

\$7.6M

Economic Recovery & Resiliency Framework Opportunity	FY 21 Request		FY 22 Request	TOTAL
	Reserves	ARP	ARP	
Facilitate the creation of financial services for unbanked individuals, creatives, business owners, and entrepreneurs. <i>Civic Innovation</i> <ul style="list-style-type: none"> Existing BCL contract could be a framework for non-City employees 			\$500,000	\$500,000
Launch an Austin Community Challenge that engages residents, creatives, employees, and employers in a process of co-creating solutions for local problems. <i>Civic Innovation</i> <ul style="list-style-type: none"> Use Small Business Challenge Studio as model 			\$100,000	\$100,000
Create an Austin Tool Lending Library that allows individuals to access tutorials and borrow equipment at little to no cost. <i>Employee and Business Assistance</i> <ul style="list-style-type: none"> Leverage equipment at Austin Public Library and Telecommunications and Regulatory Affairs; bring on temporary employee to coordinate 			\$100,000	\$100,000
Provide households with tools and resources to grow their own food. <i>Employee and Business Assistance</i>			\$100,000	\$100,000
Collaborate with government agencies and community partners to close the digital divide. <i>Public Infrastructure</i> <ul style="list-style-type: none"> Internet access; subscriptions; tablets; digital literacy training; virtual tech support 		\$3,500,000	\$3,300,000	\$6,800,000

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK

CREATIVE ASSISTANCE

\$10.1M

Economic Recovery & Resiliency Framework Opportunity	FY 21 Request		FY 22 Request	TOTAL
	Reserves	ARP	ARP	
Assist local creatives with streaming content from local arts and cultural organizations. <i>Employee and Business Assistance</i>		\$250,000	\$250,000	\$500,000
Develop a local artist registry to foster more opportunities for Austin’s creatives. <i>Employee and Business Assistance</i>		\$50,000	\$50,000	\$100,000
Continued dedicated relief and recovery funding for Live Music Venues. <i>Financial Support</i> <ul style="list-style-type: none"> Expand Phase II Awards of the Live Music Venue Preservation Fund 		\$3,000,000		\$3,000,000
Provide additional financial assistance to individuals , households, employees, businesses, and non-profit organizations. <i>Financial Support</i> <ul style="list-style-type: none"> Creative Worker Relief Grant 2.0 		\$4,500,000	\$2,000,000	\$6,500,000

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK

EMPLOYEE ASSISTANCE

\$8.5M

Economic Recovery & Resiliency Framework Opportunity	FY 21 Request		FY 22 Request	TOTAL
	Reserves	ARP	ARP	
Provide additional financial assistance to individuals, households, employees , businesses, and non-profit organizations. <i>Financial Support</i> <ul style="list-style-type: none"> Grants for Restaurant and Food Service Workers 		\$4,000,000	\$1,500,000	\$5,500,000
Continue providing enhanced mental wellness resources for <i>Austinites. Health and Mental Wellness</i>		\$3,000,000		\$3,000,000

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK

NON-PROFIT ASSISTANCE

\$8.0M

Economic Recovery & Resiliency Framework Opportunity	FY 21 Request		FY 22 Request	TOTAL
	Reserves	ARP	ARP	
Provide additional financial assistance to individuals, households, employees, businesses, and non-profit organizations . <i>Financial Support</i> <ul style="list-style-type: none"> Non-Profit Relief Grant 2.0 		\$5,000,000	\$3,000,000	\$8,000,000

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK

WORKFORCE DEVELOPMENT

\$11.0M

Economic Recovery & Resiliency Framework Opportunity	FY 21 Request		FY 22 Request	TOTAL
	Reserves	ARP	ARP	
Collaborate with partners on workforce development to prepare Austinites for jobs in current and new industries. <i>Employee and Business Assistance</i>		\$1,000,000	\$3,000,000	\$4,000,000
Offer workforce development scholarships to unemployed or underemployed individuals who commit to work locally in their trained field or sector. <i>Employee and Business Assistance</i>			\$500,000	\$500,000
Leverage public works and transportation projects to offer short-term employment and economic security to Austinites. <i>Public Infrastructure</i>		\$1,500,000		\$1,500,000

On-Going Workforce Development Need	FY 21 Request		FY 22 Request	TOTAL
	Reserves	ARP	ARP	
Austin Civilian Conservation Corps	\$5,000,000			\$5,000,000



HOTEL OCCUPANCY TAX-FUNDED SERVICES

Austin Convention Center

- ARP funds may be use for “the provision of government services to the extent of the reduction in revenue of such local government due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the local government prior to the emergency”
- Total revenue losses of \$76 million across all sources
- Cost containment measures (\$54 million since FY19) included significantly reducing operations including scaling back the use of temporary employees, overtime for permanent staff, and goods and services necessary for running events
- Expended \$1.2M on COVID-19 and weather-related assistance across the City, including acting as a Warming Center, an Alternate Care Site, and site assembly for the EATs initiative
- \$28.3 million in ARP funding would be used to cover projected operating deficits, positioning the Convention Center to emerge from this pandemic in a state of operational readiness to host events, driving the economic recovery of the local tourism and related industries

AMERICAN RESCUE PLAN – SPENDING FRAMEWORK

HOTEL OCCUPANCY TAX

\$48.3M

Recommendation by Fund	Fiscal Year 2021		Fiscal Year 2022	Total
	Reserves	ARP	ARP	
Cultural Arts Fund <ul style="list-style-type: none"> Extend current 700+ cultural contracts one more year Fund programs that support Austin’s artists and organizations in all disciplines that provide arts and cultural programming. 		\$3,900,000	\$3,900,000	\$7,800,000
Historic Preservation Fund <ul style="list-style-type: none"> Extend current heritage contracts one more year Fund programs (marketing, education, and planning) that honor and preserve Austin as a place of personal heritage. 		\$5,000,000	\$5,000,000	\$10,000,000
Live Music Fund <ul style="list-style-type: none"> Fund programs that support Austin’s venues, commercial music businesses, and musicians. 		\$1,100,000	\$1,100,000	\$2,200,000
Austin Convention Center Department		\$6,400,000	\$21,900,000	\$28,300,000
TOTAL HOT-FUNDED SERVICES		\$16,400,000	\$31,900,000	\$48,300,000



OTHER AMERICAN RESCUE PLAN RESOURCES
FOR HOUSING AND HOMELESSNESS

OTHER POSSIBLE RESOURCES EMERGENCY RENTAL ASSISTANCE

\$22.0M

- Allocated directly from Treasury, may not require Action Plan amendment
- Total Allocation: \$19.0 Billion
- Estimated Austin Allocation: \$22.0 Million
- Deploys in phases
 - Tranche One = 40% within 60 days: \$8.7 Million
 - Remainder of payments once 75% obligation of Tranche One
 - Unallocated funds will be reallocated beginning 3/31/2022
- Eligible Uses

OTHER POSSIBLE RESOURCES HOMELESSNESS ASSISTANCE

\$11.0M

- HUD funds, allocated from Treasury, will likely require Action Plan amendment
 - Uses the HOME Formula for allocation
- Total Allocation: \$5.0 Billion
- Estimated Austin Allocation: \$11 Million
- Eligible Uses

OTHER POSSIBLE RESOURCES
HOMEOWNER ASSISTANCE FUND

\$TBD

- Allocated from Treasury, will not require Action Plan amendment
- Total Allocation: \$9.9 Billion
- Estimated State and Austin Allocation: \$TBD
- Eligible Uses

OTHER POSSIBLE RESOURCES

EMERGENCY INCREMENTAL SECTION 8 VOUCHERS

\$5.0B

- Emergency incremental Section 8 vouchers to transition homeless people or people at risk of homelessness to stable housing
- Total allocation: \$5.0 Billion
 - Funds are available through FY30
- Housing authorities must accept or decline the supplemental vouchers via a process established by HUD; HUD will reallocate declined vouchers.
- Eligible households



DISCUSSION