RESOLUTION NO. 20210325-111

WHEREAS, the federal government will be providing approximately one-half billion dollars to the City of Austin and Travis County area as part of the American Rescue Plan (ARP) and related funding; and

WHEREAS, some of this funding is needed to provide emergency and immediate relief from the health and economic impacts of the novel coronavirus (COVID-19) pandemic; and

WHEREAS, given its scale, much of this funding could be used to help both the City of Austin and Travis County so that one or more of our most serious and significant challenges might be addressed and met in ways, and with urgent timing, that might not otherwise have been possible; and

WHEREAS, the City of Austin, partnering and joining with Travis County, needs to be deliberate and strategic if we are to take greatest advantage of the unique opportunity to help bring about transformational and generational progress; and,

WHEREAS, a deliberate and strategic spending framework might be different from that employed by the City for the CARES Act funding, which was focused on immediate and emergency relief when the virus first hit, its immediate impact was the greatest, and the future was most uncertain; and

WHEREAS, Council has allocated the CARES Act and other funds to provide relief services and assistance to Austin residents to address both the needs and risks created by this public health emergency, with a lesser emphasis on providing longer-term resiliency for Austin residents and the Austin economy; and

WHEREAS, Council passed Resolution No. 20200507-060 requesting a framework specific to the available CARES Act and the other available relief

funding for the City, and subsequently approved Resolution No. 20200604-040, which established allocations toward emergency response, medical and public health needs, and economic support; and

WHEREAS, under the CARES Act, county governments were provided coronavirus relief funds based on a formula with guidelines that limited counties from spending funding in incorporated areas within the counties, thus limiting the opportunities for Austin and Travis County to co-invest and work together; and

WHEREAS, the City and Travis County developed separately their spending frameworks without extensive coordination given the limitations and guidelines associated with that funding; and

WHEREAS, since Council adopted the initial framework for spending the CARES Act funding, conditions have changed and the City now has an opportunity to implement a spending framework for the ARP funds with greater collaboration and a greater focus on "capacity building" rather than "relief" efforts. Such a new framework should take into account the change in immediate needs and recognize the potential for ARP funding to address future opportunities for our community; and

WHEREAS, the ARP includes funding for:

- Direct recovery rebates for individuals
- Earned Income Tax Credit
- Child Tax Credit
- Child & Dependent Care Tax Credit
- Food banks and community partners
- Supplemental Nutrition Assistance program (SNAP)
- Women, Infants and Children (WIC) program

- Senior nutrition
- Youth nutrition
- Nutrition for the homeless
- Elementary and secondary school education relief fund
- Colleges and universities
- School libraries, broadband, and special education
- Public health testing, contact tracing, surveillance, and mitigation
- Technical assistance to localities for public health efforts
- Medical supplies such as personal protective equipment (PPE)
- Public health workforce
- Childcare and development block grant program
- Head Start
- Centers for Disease Control (CDC) funding for vaccine distribution capabilities
- Research and development for vaccines and therapeutics
- Mental health and substance use
- Health surveillance and data modernization
- Public health volunteers and strengthening response
- National Health Service Corps and loan repayment
- Community Health Centers
- In-house services for older Americans
- Medicaid
- Children's Health Insurance Program (CHIP)
- Low Income Home Energy Assistance Program
- Water assistance

- Federal Emergency Management Agency (FEMA) disaster and humanitarian relief
- First responder grants
- Cybersecurity risk mitigation
- Grants to identify and address disproportionate environmental or public health harms and risks in minority or low-income populations
- Emergency rental assistance
- Homeowner assistance fund
- Homelessness
- Small Business Paycheck Protection Program (PPP)
- Restaurant Revitalization Fund
- Economic Injury Disaster Loan (EIDL) Program
- Community Navigator Pilot Program
- Unemployment insurance
- Payroll tax credit extension for paid sick, family and medical leave
- Amtrak
- Aviation
- Public transit
- Cultural agencies; and

WHEREAS, funding related to the ARP includes funding associated with initiatives such as the Coronavirus Response and Relief Supplemental Act of 2021 (CRRSA) which included items such as $15 billion for struggling live venues, movie theatres and museums and $325 billion for small businesses; and

WHEREAS, the ARP includes local funding based on a new formula that awards funding to cities, directly to those eligible for Community Development Block Grants and indirectly and through the State to other cities; and

WHEREAS, allocations to counties will be based in significant part on total population and also unemployment rates and will be available for county-wide use, including for residents in any cities located within county boundaries; and,

WHEREAS, ARP funding for Travis County and its included cities are estimated to be the following:

Direct Allocation – CDBG Entitlement City

- Austin - $195.8 million
- Pflugerville - $6.71 million
- Round Rock - $16.84 million
- Travis County - $247.08 million

Sub-Allocation from the State

- Bee Cave - $1.49 million
- Cedar Park - $17.33 million
- Creedmore - $50,000
- Elgin - $2.25 million
- Jonestown - $460,000
- Lago Vista - $1.65 million
- Lakeway - $3.48 million
- Leander - $13.65 million
- Manor - $3.02 million
- Mustang Ridge - $210,000

- Rollingwood - $350,000
- Sunset Valley - $150,000
- West Lake Hills - $720,000; and

WHEREAS, Council has consistently placed homelessness as its top budget priority, a challenge that significantly raises issues of housing and housing insecurity, mental health, and substance use assistance and intervention, but funding necessary to meet these challenges has been difficult to scale to the level needed; and

WHEREAS, in 2018 the City Council approved the Action Plan to End Homelessness, setting out a blueprint for the strategies our community must deploy to end homelessness in our city; and

WHEREAS, the City of Austin has implemented multiple city programs and funded others in the community aimed at supporting individuals in moving from homelessness into safe and stable housing; and

WHEREAS, Council passed Resolution No. 20210204-049, initiating the Homeless Encampment Assistance Link (HEAL) program to further address the priority of unsheltered homelessness, but funding necessary to house individuals without homes and to help them move out of encampments will be difficult to obtain and sustain at the scale needed; and

WHEREAS, Austin and Travis County have maintained amongst the lowest rates of evictions in the country throughout the pandemic, but any wave of evictions in the pandemic recovery could significantly worsen the levels of homelessness; and

WHEREAS, a summit to address unsheltered homelessness is being convened with broad community and subject matter expert involvement to propose a timeline with the actions and transformational investments needed to reach net-

effective zero homelessness that will require both public and private participation and funding at levels commensurate with the scale of the challenge; and

WHEREAS, Austin and Travis County have other priority challenges including early childhood care and education, workforce development and work programs, and food insecurity that could also benefit from significant and material investment of a scale that would not be available absent this ARP opportunity and for which the ARP can provide long-term capacity building; and

WHEREAS, there still remain present, immediate, and emergency relief and planned public health needs that need to be met from the ARP and related funding, some of which will come from the individual ARP-designated funding programs and some of which will need to come from the general allocation to cities and counties; **NOW THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to inventory Austin, Travis County, and other regional funding available for relief and recovery needs from the ARP and any other related federal, state or local assistance. This inventory should include programs administered by local government entities, as well as those distributed through federal agencies or directly through designated partners.

BE IT FURTHER RESOLVED:

The City Manager is directed to identify Austin priority need(s) or challenge(s) that could be addressed in a transformational and generational way with funding at a sufficient scale that is not as available absent the opportunity presented by the ARP and related funding.

A focused list of transformational investments for the region would not prevent support for an additional group of programs, but the extent to which transformational results can be achieved will be limited by a lack of focus in prioritization. The City Manager's evaluation should include the following priority (ies) and challenge(s), listed in priority order, and recognizing that sufficient funding might not be available to address all priorities and challenges at the desired scale:

- Homelessness, and related housing, mental health, and substance use issues;
- Early childhood care and education that is high quality and affordable;
- Jobs for working class Austinites that include good wages, benefits, and workplace protections, and associated workforce development and work programs
- Food and housing insecurity.

BE IT FURTHER RESOLVED:

The City Manager is directed to identify immediate and emergency relief needs and planned public health expenses (such as were identified in the CARES Act spending framework) that are so significant that they should be considered for funding from the ARP and related funds. Ending the pandemic public health crisis is the top priority for addressing the economic disaster and saving lives.

BE IT FURTHER RESOLVED:

The City Manager is directed to work with regional partners, especially including Travis County because of the greatest overlap of residents, to identify shared priorities, challenges and opportunities for joint investment and action.

BE IT FURTHER RESOLVED:

The City Manager is directed to find and develop leveraging opportunities that may have a maximum impact in addressing priorities and challenges.

BE IT FURTHER RESOLVED:

The City Manager is directed to prioritize building long-term capacity and making transformative change rather than returning to pre-existing conditions wherever appropriate and available.

BE IT FURTHER RESOLVED:

The City Manager is directed to identify opportunities to maximize the recovery for residents and for businesses of funding that is awarded to them directly with the strategic use of navigators or facilitators. For example, the federal government will make approximately $16 billion available to shuttered venue operators (from both the APR and the CRRSA) and approximately $29 billion for restaurants, both on a first-come, first-served basis; as many of our qualifying local creative venues and restaurants as possible should be prepared with the support of the city to submit their applications for this funding the moment the Small Business Administration opens up its online application process.

BE IT FURTHER RESOLVED:

In implementing the finalized spending framework, the City Manager is directed to deploy the various funding sources in a manner that reserves the most flexible funding sources for purposes that may not fit within the guidelines of more restrictive funds.

BE IT FURTHER RESOLVED:

The City Manager shall designate one or more city staff members to oversee the process, to ensure that individual departments are first exploring to the fullest extent opportunities which may exist outside of the general allocation, and to encourage creative and innovative ways to address immediate needs in ways that produce longer-term, sustainable support.

BE IT FURTHER RESOLVED:

Prior to conducting the other critical work directed in this Resolution, the City manager shall prioritize staffing resources to assist individuals and local businesses in identifying and applying to applicable federal assistance programs. The staffing resources dedicated to this action shall mirror the need and demand within the community for these services.

BE IT FURTHER RESOLVED:

Taking into account the elements identified above, the City Manager is directed to present to the City Council a proposed strategic framework for spending the ARP funding, with initial recommendations no later than April 12, 2021, that focuses to the greatest extent possible on our key priority(ies) and challenge(s), and those investments should be deployed in a manner that allows for the greatest transformational and generational advances.

BE IT FURTHER RESOLVED:

The City Manager is directed to report to City Council by April 12, 2021 with a clear accounting of the City's year to date revenue gaps, expected Fiscal Year 2021 revenues relative to the Fiscal Year 2021 projected budget, and, where feasible, updated projections for Fiscal Year 2022 revenues. Where an existing or projected

loss of revenue is tied to a specific department's activities, the City Manager should provide details on potential impacts to programming and staffing.

ADOPTED: March 25, 2021 **ATTEST:** _____

Jannette S. Goodall
City Clerk