



AMERICAN RESCUE PLAN ACT Revised Spending Framework

City of Austin

May 18, 2021



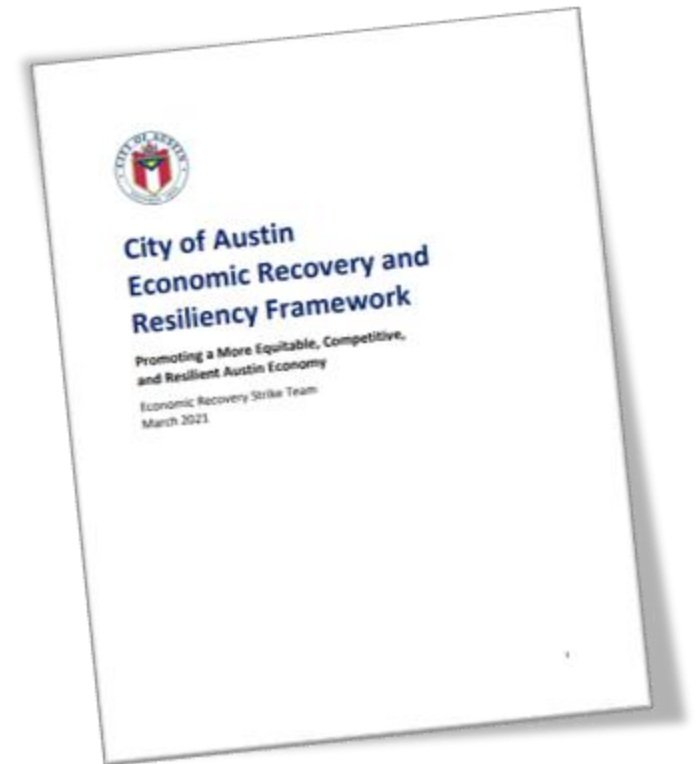


BACKGROUND

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RESOLUTION NO. 20210325-111

- City staff proposed a spending framework on March 23, 2021.
- Council adopted Resolution No. 20210325-111 on March 25, 2021.
- Council directed staff to evaluate the following priorities:
 - Homelessness
 - Early childhood care and education
 - Workforce development and work programs
 - Food and housing insecurity
- Council also directed staff to identify immediate relief needs and public health expenses that should be considered for funding.



ENGAGING WITH REGIONAL PARTNERS

MEETINGS WITH COUNTY AND CENTRAL TEXAS CITIES

- Council directed staff “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.”
- Staff meet regularly with Travis County administrative officials.
- Staff participated in the following meetings with Central Texas jurisdictions:
 - Summit to Address Unsheltered Homelessness (March 19, 2021 to April 15, 2021)
 - American Rescue Plan Roundtable with County and Central Texas Cities (April 2, 2021)
 - Special Called Joint Meeting with Travis County Commissioners Court (April 27, 2021)
 - Travis County Commissioners Court (May 11, 2021 – view only)
- Staff continue to meet with local jurisdictions. Next meeting: May 28, 2021

AMERICAN RESCUE PLAN ACT

TREASURY DEPARTMENT GUIDELINES

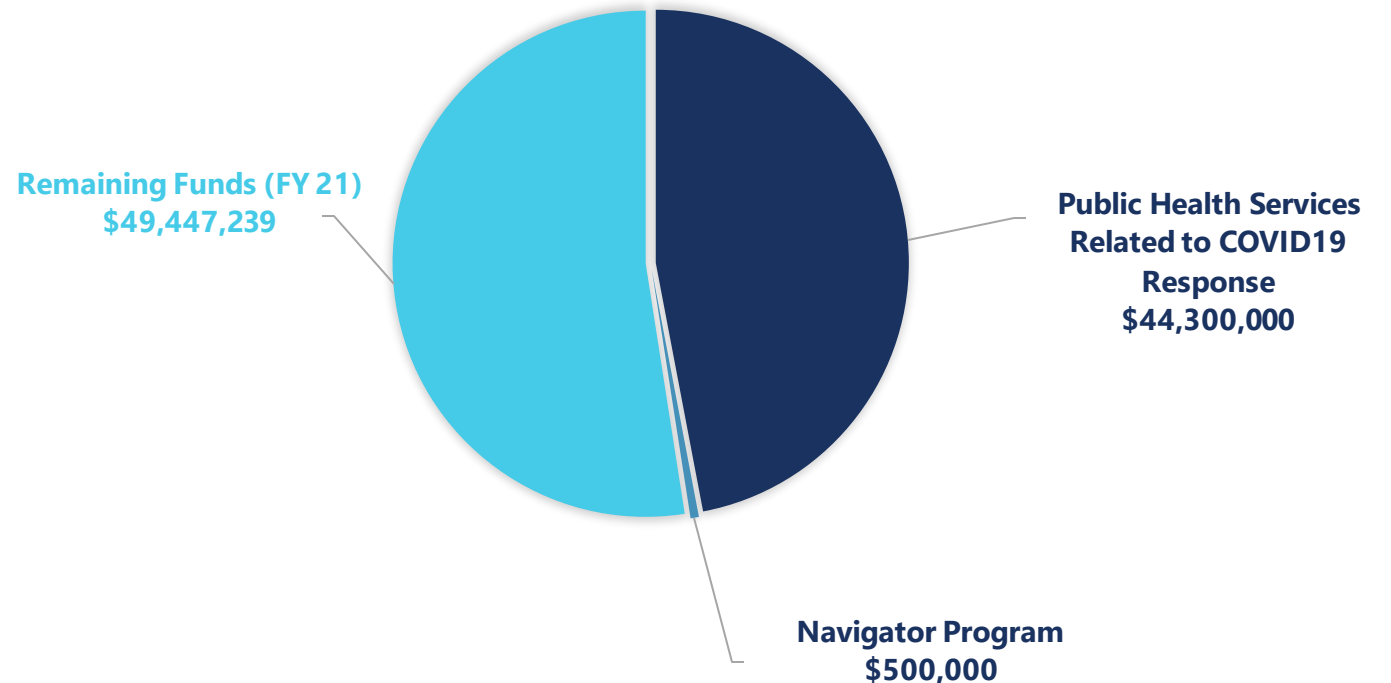
- **City of Austin's total allocation: \$188,482,478.**
 - Funds will arrive in two tranches, with 50% arriving in May 2021 and the balance arriving May 2022
- Eligible uses of funds:
 - Supporting the public health response
 - Addressing the negative economic impacts caused by the public health emergency
 - Serving the hardest-hit communities and families
 - Replacing lost public sector revenue
 - Providing premium pay for essential workers
 - Investing in water and sewer infrastructure
 - Investing in broadband infrastructure
- Ineligible uses of funds:
 - Offsetting a reduction in net tax revenue due to change in law from March 3, 2020 through last day of the fiscal year in which the funds provided have been spent
 - Deposits into pension funds

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

ORDINANCE NO. 20210506-002

Council Approved Action	Amount
FY 2020-21 ARPA Allocation	\$94.2M
Public Health Services Related to COVID19 Response	\$44.3M
Navigator Program Supporting Local Businesses Applying for Federal Assistance	\$0.5M
Remaining Funds FY 2020-21	\$49.4M
Remaining Funds FY 2020-21 and 2021-22	\$143.6M

CHART 1: AMERICAN RESCUE PLAN
ACT ALLOCATIONS (FY 2020-21)



AMERICAN RESCUE PLAN ACT

ADDITIONAL FEDERAL RESOURCES TO CITY OF AUSTIN

- \$22M – Emergency Rental Assistance
- \$11M – Assistance for Residents Experiencing Homelessness



FINDINGS: PRIORITY INVESTMENT AREAS

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

TOTAL INVESTMENT NEEDED FOR PRIORITY AREAS

\$732.8M

Priority Areas (Resolution No. 20210325-111)	Total Investment Required
Homelessness, and related housing, mental health, and substance use issues	\$515.0M
Early childhood care and education that is high quality and affordable	\$13.7M
Jobs for working class Austinites that include good wages, benefits, and workplace protections, and associated workforce development and work programs	\$32.0M
Food and housing insecurity	\$103.6M
Immediate relief needs and public health expenses	\$68.5M
TOTAL INVESTMENT REQUIRED	\$732.8M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

PRIORITY AREA: HOMELESSNESS

\$515.0M

Services and Activities Supported by Investment

Total Investment Required

Core housing services and rental supports	\$200.2M
Mental health, substance abuse, and supported employment services	\$22.5M
System capacity building	\$9.4M
Capital expense (e.g., PSH Development Capital Expense)	\$282.9M
TOTAL INVESTMENT REQUIRED	\$515.0M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

PRIORITY AREA: EARLY CHILDHOOD CARE

\$13.7M

Services and Activities Supported by Investment	Total Investment Required
Additional childcare funding to address families' changes in employment status	\$6.0M
Sustain and scale innovative infrastructure to increase access to quality childcare	\$2.2M
Plan and implement solutions for identified gaps in the system (including childcare for night economy workforce)	\$2.5M
Stabilize the childcare workforce	\$1.0M
Navigation, workforce development, and school-age childcare	\$1.7M
Stabilize support to young children outside of full-time care	\$0.3M
TOTAL INVESTMENT REQUIRED	\$13.7.0M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

PRIORITY AREA: JOBS AND WORKFORCE DEVELOPMENT

\$32.0M

Services and Activities Supported by Investment	Total Investment Required
Re:WorkNOW	\$25.0M
Re:WorkNOW for residents experiencing homelessness	\$5.0M
Public Sector Academy	\$2.0M
TOTAL INVESTMENT REQUIRED	\$32.0M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

PRIORITY AREA: FOOD INSECURITY

\$103.6M

Services and Activities Supported by Investment	Total Investment Required
Response to ongoing food access needs	\$16.0M
Prepare for food access needs in advance of future disasters and disruptions	\$5.1M
Plan for a more equitable and resilient regional food system	\$2.0M
Invest in the food system in ways that increase food access, community resiliency, and equitable prosperity	\$67.0M
Strengthen the power of individuals and households to purchase food	\$13.5M
TOTAL INVESTMENT REQUIRED	\$103.6M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

ADDITIONAL IMMEDIATE RELIEF NEEDS

\$68.5M

Services and Activities Supported by Investment	Total Investment Required
Colony Park Sustainable Community Health Center	\$1.5M
Hotel Occupancy Tax (HOT) Programs <ul style="list-style-type: none">• Cultural Arts Fund• Historic Preservation Fund• Live Music Fund	\$20.0M
Financial relief to individuals and households (e.g., RISE and/or RENT)	\$20.0M
Assistance to businesses and non-profit organizations	\$27.0M
TOTAL INVESTMENT REQUIRED	\$68.5M



STAFF RECOMMENDATIONS

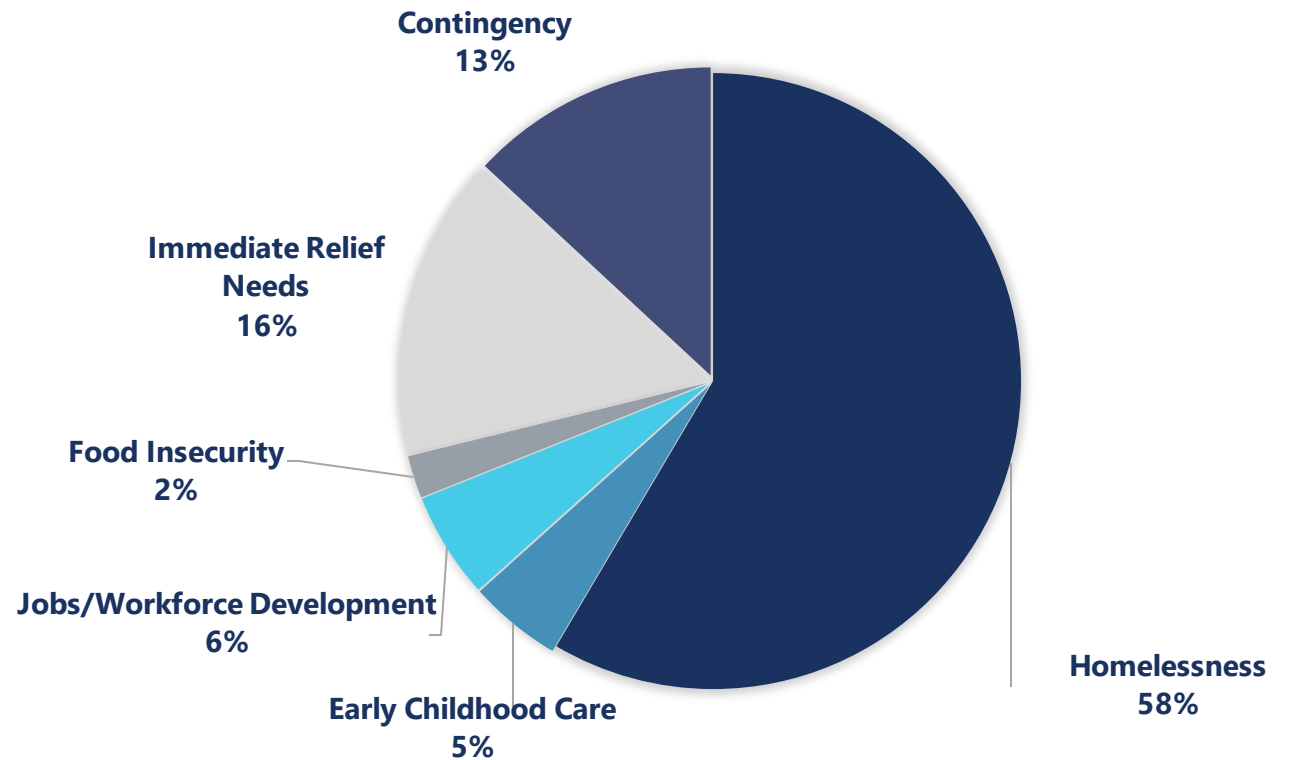
AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

STAFF RECOMMENDATIONS

\$143.6M

Priority Area	Amount
Homelessness	\$84.0M*
Early Childhood Care	\$6.9M
Jobs and Workforce Development	\$8.0M
Food Insecurity	\$3.0M
Immediate Relief Needs	\$22.9M
Contingency	\$18.8M
TOTAL INVESTMENT	\$143.6M

CHART 2: STAFF RECOMMENDATION FOR AMERICAN RESCUE PLAN ACT ALLOCATION (FY21 & FY22)



*\$4M of the \$84M is for workforce development for persons experiencing homelessness.

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

STAFF RECOMMENDATION BY FISCAL YEARS

\$143.6M

Priority Area	FY 2021 (A)	FY 2022 (B)	Total Amount (A + B)
Homelessness	\$26.6M	\$57.4M	\$84.0M
Early Childhood Care	\$1.3M	\$5.6M	\$6.9M
Jobs and Workforce Development	\$8.0M	--	\$8.0M
Food Insecurity	\$2.0M	\$1.0M	\$3.0M
Immediate Relief Needs	\$11.5M	\$11.4M	\$22.9M
Contingency	--	\$18.8M	\$18.8M
TOTAL INVESTMENT	\$49.4M	\$94.2M	\$143.6M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

STAFF RECOMMENDATION IMMEDIATE RELIEF NEEDS

Colony Park Sustainable Community Health Center	\$1.5M
Hotel Occupancy Tax (HOT) Programs <ul style="list-style-type: none">• Cultural Arts Fund• Historic Preservation Fund• Live Music Fund	\$20.0M
Financial relief to individuals and households (e.g., RISE and/or RENT)	\$1.4M
Total Investment	\$22.9M



DISCUSSION