



AMERICAN RESCUE PLAN ACT Revised Spending Framework

City of Austin

June 7, 2021



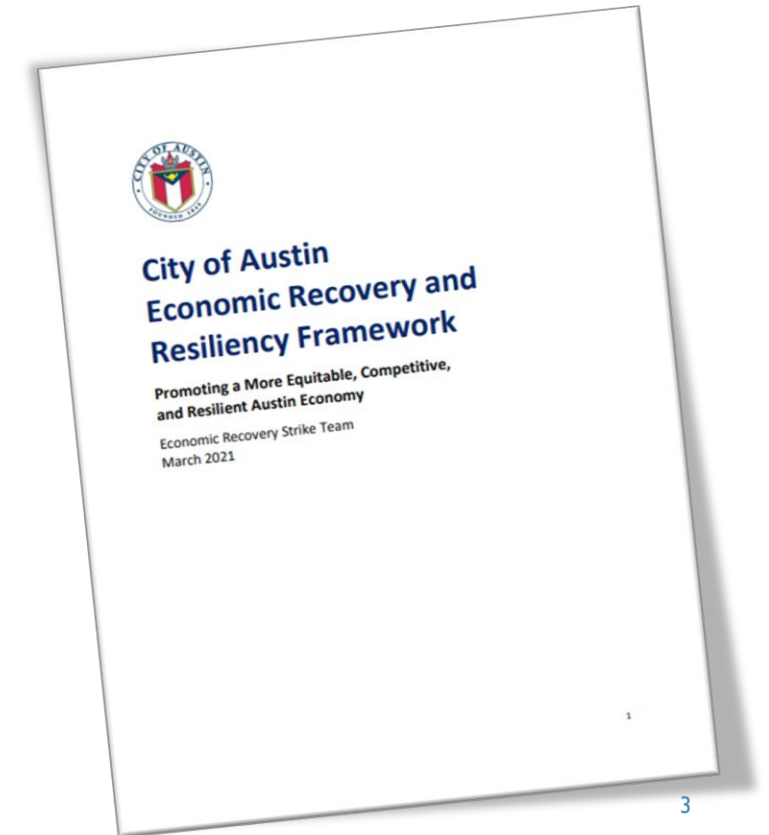


BACKGROUND

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DIRECTION ON AMERICAN RESCUE PLAN SPENDING FOR ECONOMIC RECOVERY

- March 23, 2021- City staff presented the Economic Recovery and Resiliency Framework and proposed an initial American Rescue Plan Act spending framework.
- March 25, 2021- Council adopted Resolution No. 20210325-111 directing the City Manager to revise the spending framework based on four priority areas: homelessness, early childhood care and education, workforce development and work programs, and food and housing insecurity.
- May 18, 2021- City staff presented a revised American Rescue Plan Act spending framework based on Council-identified priorities.
- May 20, 2021- Council adopted Resolution No. 20210520-60 directing the City Manager to provide recommendations to stabilize the Austin cultural arts and music communities with no more than \$25M.

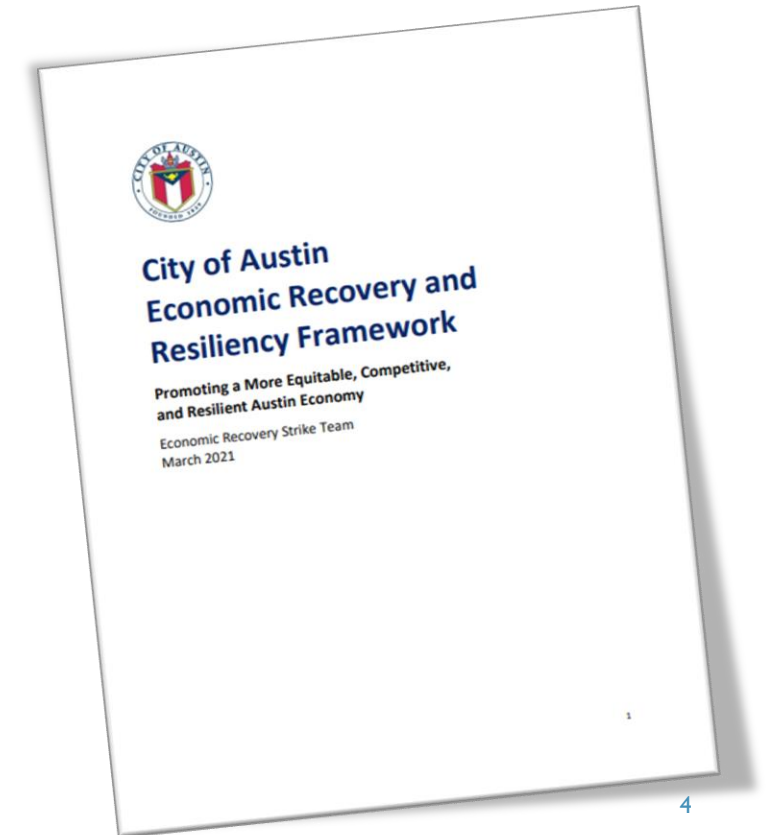


BACKGROUND

ADDITIONAL DIRECTION ON AMERICAN RESCUE PLAN SPENDING FOR ECONOMIC RECOVERY

June 10, 2021 City Council Agenda

- Item 77: Approve a resolution adopting the American Rescue Plan Act Spending Framework and authorizing the City Manager to make the necessary allocations.
- Item 78: Approve an ordinance amending the Fiscal Year 2020-2021 Financial Services Department Operating Budget Special Revenue Fund (Ordinance No. 20200812-001) to appropriate an amount not to exceed \$49,400,000 from the U.S. Department of Treasury, available through the American Rescue Plan Act, for municipal purposes related to the Coronavirus disease outbreak and recovery efforts.
- Item 92: Approve a resolution directing the City Manager to allocate \$2 million in American Rescue Plan Act funding to the Nonprofit Relief Grant Program for the purpose of supporting Austin's nonprofit organizations engaged in arts and culture.



ENGAGING WITH REGIONAL PARTNERS

MEETINGS WITH COUNTY AND CENTRAL TEXAS CITIES

- Council Resolution No. 20210325-111 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; May 28, 2021)
 - Special Called Joint Meeting with Travis County Commissioners Court (April 27, 2021; May 11, 2021)
- Staff continue to meet with local jurisdictions. Next meeting: June 25, 2021

AMERICAN RESCUE PLAN ACT

TREASURY DEPARTMENT GUIDELINES

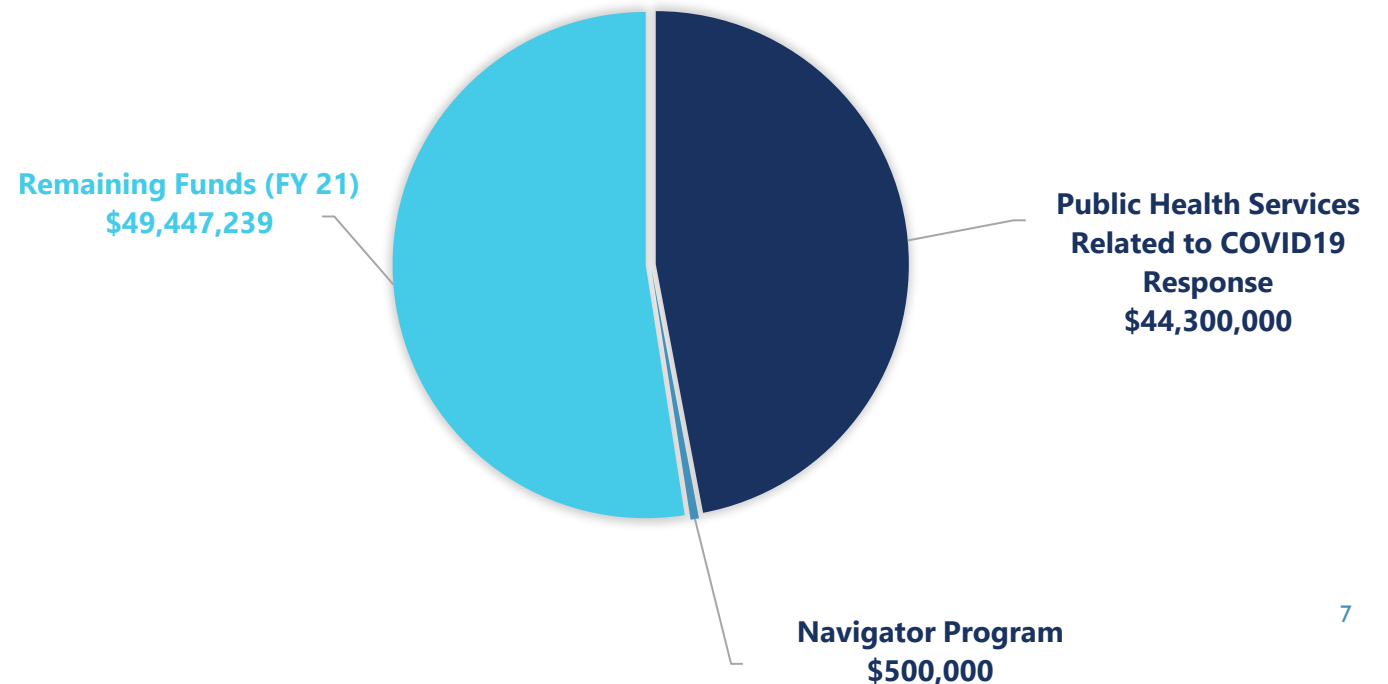
- **City of Austin's total allocation: \$188,482,478.**
 - Funds will arrive in two tranches, with 50% arriving in May 2021 and the balance arriving May 2022.
- Eligible uses of funds:
 - Supporting the public health response
 - Addressing the negative economic impacts caused by the public health emergency
 - 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

Federal funding that is allocated to the City's Housing and Planning Department, not included in the \$94.2M for FY21

- \$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

\$732.9M

Priority Areas (Resolution No. 20210325-111)

Total Investment Required

Homelessness, and related housing, mental health, and substance use issues	\$515.1M
Early childhood care and education that is high quality and affordable	\$18.7M
Jobs for working class Austinites that include good wages, benefits, and workplace protections, and associated workforce development and work programs	\$27.0M
Food insecurity	\$103.6M
Immediate relief needs and public health expenses	\$68.5M
TOTAL INVESTMENT REQUIRED	\$732.9M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

PRIORITY AREA: HOMELESSNESS

\$515.1M

Services and Activities Supported by Investment	Total Projected Cost	Committed or Anticipated	Gap	Proposed City of Austin ARP (Proportional Across Gap)
Crisis Services: Outreach and Diversion	\$7.3M	\$0.5M	\$6.8M	\$1.95M
Core Housing Programs: Rapid Exit, Rapid Rehousing, PSH, Targeted Prevention	\$203.3M	\$70.5M	\$132.8M	\$38.11M
Other Services: Substance Use Disorder Services, Employment, Benefits Enrollment, etc.	\$16.8M	--	\$16.8M	\$4.82M
System Capacity Building: Organizational Development, Training, Workforce Recruitment & Retention, Communications, System Management	\$12.7M	--	\$12.7M	\$3.64M
Capital Investment: Development of PSH and other dedicated housing units	\$275.0M	\$151.1M*	\$123.9M	\$35.56M
TOTAL INVESTMENT REQUIRED	\$515.1M	\$222.1M	\$293.0M	\$84.0M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

PRIORITY AREA: EARLY CHILDHOOD CARE

\$18.7M

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
*Expand access to public Pre-K with supplemental funding	\$1.5M
*Expand the Family Connects program by 2,000 births per year with evaluation	\$3.5M
TOTAL INVESTMENT REQUIRED	\$18.7M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

PRIORITY AREA: JOBS AND WORKFORCE DEVELOPMENT

\$27.0M

Services and Activities Supported by Investment

Total Investment Required

Re:WorkNOW	\$25.0M
Public Sector Academy	\$2.0M
TOTAL INVESTMENT REQUIRED	\$27.0M

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



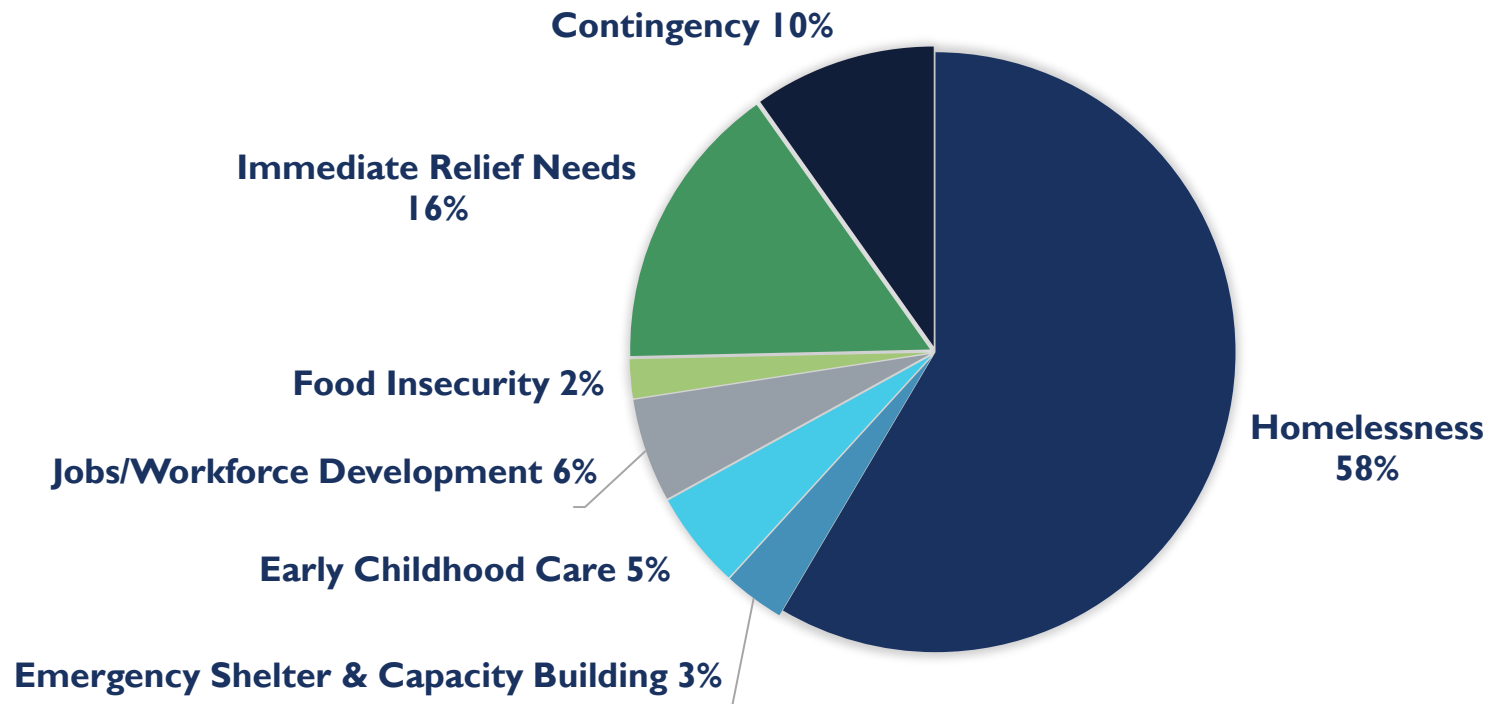
STAFF RECOMMENDATIONS

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

STAFF RECOMMENDATIONS

\$143.6M

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



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 <i>\$5M of the \$84M is for workforce development for persons experiencing homelessness.</i>	\$22.4M	\$61.6M	\$84.0M
Emergency Shelter & Capacity Building	\$4.2M	--	\$4.2M
Early Childhood Care	\$1.3M	\$6.2M	\$7.5M
Jobs and Workforce Development	\$8.0M	--	\$8.0M
Food Insecurity	\$2.0M	\$1.0M	\$3.0M
Colony Park Sustainable Community Health Center	\$1.5M	--	\$1.5M
Cultural, Historic, and Music Programs	\$10.0M	\$10.0M	\$20.0M
RENT and RISE	--	\$0.8M	\$0.8M
Contingency <i>Funding for unanticipated public health needs or other Council priorities</i>	--	\$14.6M	\$14.6M
TOTAL INVESTMENT	\$49.4M	\$94.2M	\$143.6M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

STAFF RECOMMENDATIONS: HOMELESSNESS

\$84.0M

Services and Activities Supported by Investment	FY 2021 (A)	FY 2022 (B)	Total Amount (A+B)
Crisis Services: Diversion and Outreach	--	\$2.0M	\$2.0M
Core Housing Programs: Rapid Exit, Rapid Rehousing, PSH, Targeted Prevention	\$8.0M	\$30.0M	\$38.0M
Other Services: Substance Use Disorder Services, Employment, Benefits Enrollment, etc.	--	\$4.8M	\$4.8M
System Capacity Building: Organizational Development, Training, Workforce Recruitment & Retention, Communications, System Management	\$3.6M	--	\$3.6M
Capital Investment: Development of PSH and other dedicated housing units	\$10.3M	\$25.3M	\$35.6M
TOTAL INVESTMENT REQUIRED	\$21.9M	\$62.1M	\$84.0M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

STAFF RECOMMENDATIONS: EMERGENCY SHELTER & CAPACITY BUILDING

\$4.2M

Services and Activities Supported by Investment	FY 2021 (A)	FY 2022 (B)	Total Amount (A+B)
Expansion of Shelter and/or Designated Encampments	\$4.2M	--	\$4.2M
TOTAL INVESTMENT REQUIRED	\$4.2M	--	\$4.2M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

STAFF RECOMMENDATIONS: EARLY CHILDHOOD CARE

\$7.5M

Services and Activities Supported by Investment	FY 2021 (A)	FY 2022 (B)	Total Amount (A+B)
Additional childcare funding to address families' changes in employment status	\$0.68M	\$0.82M	\$1.5M
Sustain and scale innovative infrastructure to increase access to quality childcare	\$0.1M	\$1.63M	\$1.73M
Plan and implement solutions for identified gaps in the system (including navigation)	\$0.27M	\$0.6M	\$0.87M
Stabilize the childcare workforce	\$0.25M	\$0.25M	\$0.5M
Stabilize support to young children outside of full-time care		\$2.9M	\$2.9M
TOTAL INVESTMENT REQUIRED	\$1.3M	\$6.2M	\$7.5M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

STAFF RECOMMENDATION: JOBS AND WORKFORCE DEVELOPMENT

\$8.0M

Services and Activities Supported by Investment	FY 2021 (A)	FY 2022 (B)	Total Amount (A+B)
Re:WorkNOW *Includes professionally managed career training scholarships; cash stipends during training; support services such as childcare and housing support; and subsidized employment while in work-based learning and apprenticeship programs.	\$8.0M	--	\$8.0M
TOTAL INVESTMENT REQUIRED	\$8.0M	--	\$8.0M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

STAFF RECOMMENDATION: FOOD INSECURITY

\$3.0M

Services and Activities Supported by Investment	FY 2021 (A)	FY 2022 (B)	Total Amount (A+B)
Continue and evolve emergency feeding programs	\$2M	--	\$2M
Develop a food system plan	--	\$0.5M	\$0.5M
Support the development of non-profit and cooperatively-owned grocery stores	--	\$0.5M	\$0.5M
TOTAL INVESTMENT REQUIRED	\$2.0M	\$1.0M	\$3.0M

AMERICAN RESCUE PLAN ACT SPENDING FRAMEWORK

STAFF RECOMMENDATIONS: IMMEDIATE RELIEF NEEDS

\$22.3M

Services and Activities Supported by Investment	FY 2021 (A)	FY 2022 (B)	Total Amount (A+B)
Colony Park Sustainable Community Health Center	\$1.5M	--	\$1.5M
Cultural, Historic Preservation, and Music Programs <ul style="list-style-type: none">• Cultural Arts• Historic Preservation• Live Music	\$10.0M	\$10.0M	\$20.0M
Financial relief to individuals and households (e.g., RISE and/or RENT)	--	\$0.8M	\$0.8M
TOTAL INVESTMENT REQUIRED	\$11.5M	\$10.8M	\$22.3M



DISCUSSION