



City of Dallas

American Rescue Plan Act of 2021

**City Council Briefing
April 21, 2021**

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Chief Financial Officer**

Overview



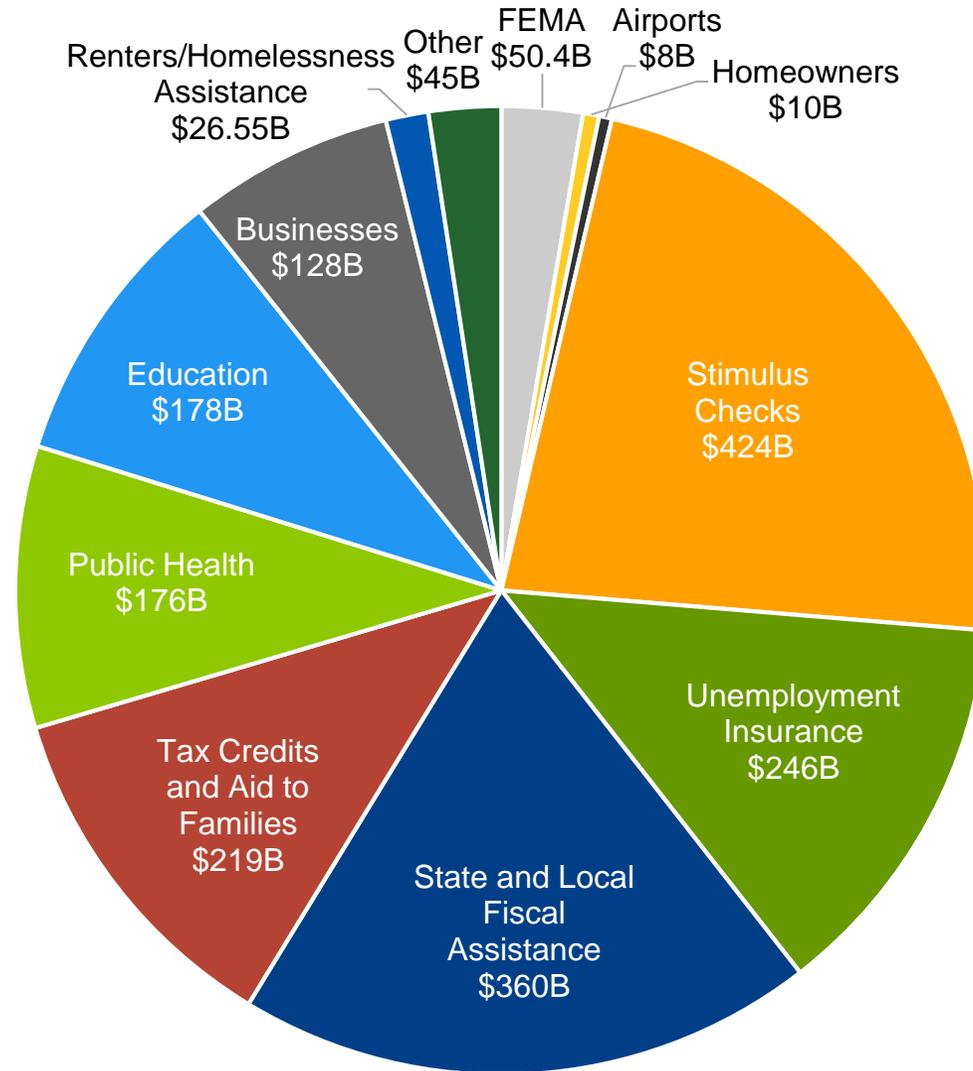
- American Rescue Plan Act (ARPA) of 2021
 - Coronavirus Local Fiscal Recovery Fund
 - Other funds available to City
 - Other ARPA programs impacting residents
- Strategic framework for use of ARPA funds
- Comprehensive COVID-19 funding



American Rescue Plan Act



- President Biden signed the **\$1.9 trillion** American Rescue Plan Act of 2021 (ARPA) into law on 3/11/21



Coronavirus Local Fiscal Recovery Fund



- \$360B for state and local aid to “mitigate the fiscal effects stemming from the public health emergency”
 - \$229.8B for states, tribal governments, territories, and DC
 - \$16.7B for state of Texas
 - \$65.1B for counties
 - \$511M for Dallas County
 - \$172M for Denton County
 - \$201M for Collin County
 - \$65.1 for cities
 - \$45.6B for metropolitan cities
 - \$19.5B for other cities



\$27.6B
total in
fiscal
recovery
funds for
Texas



Coronavirus Local Fiscal Recovery Fund



- City of Dallas to receive \$377M
 - Direct allocation from Treasury
 - Based on a modified Community Development Block Grant (CDBG) formula*
- Two tranches
 - \$188.5M by 5/10/21
 - \$188.5M in 2022
- Cities have until 12/31/24 to spend all funds
- Treasury will issue guidance

*This is NOT CDBG funding



Other Local Fiscal Recovery Fund Allocations



- Local jurisdictions should be aware of plans throughout their communities to maximize ARPA funding
- \$871.45M in local funds allocated to Dallas and neighboring cities



Eligible Uses of Local Fiscal Recovery Funds



Respond to
COVID-19 or its
economic impacts

Replace revenue
lost due to
COVID-19

Provide premium
pay for eligible
essential workers

Invest in water,
sewer, and
broadband
infrastructure

Note: Funds cannot be deposited into pension funds



Funding Comparison



Coronavirus Relief Fund

9 months to spend

All funds released at once

County portion net of City population

Revenue replacement not allowed

Local Fiscal Recovery Fund

3+ years to spend

Funds released in two tranches

County portion inclusive of City population

Revenue replacement allowed





Other ARPA Programs

Additional programs to be administered by the City or that will benefit Dallas residents

ARPA Housing & Utility Programs



Funds administered by the City

- ~\$31M in additional funding for emergency rental assistance to help stabilize renters during COVID-19 and help rental property owners of all sizes continue to cover their costs
- \$21M through the HOME Investment Partnership program for supportive services, affordable housing, and acquisition of non-congregate shelter spaces for people experiencing homelessness during COVID-19



Housing & Utility Programs (continued)



Other programs that benefit Dallas residents

- \$10B to Treasury Homeowner Assistance Fund for direct assistance with mortgage payments, property taxes, property insurance, utilities, and other housing-related costs, including internet service
- \$5B to housing authorities for emergency housing vouchers to transition people experiencing or at risk of homelessness to stable housing
- \$4.5B to Health and Human Services (HHS) to provide home energy assistance and \$500M to provide water/wastewater assistance to low-income households
- \$100M to Neighborhood Reinvestment Corporation for grants to housing counseling organizations, state housing finance agencies, and NeighborWorks organizations for housing counseling services



ARPA Transportation & Infrastructure Programs



Funds administered by the City

- \$8B for airports, including \$800M for airport concessionaires
 - ~\$50M for Dallas

Other programs that benefit Dallas residents

- \$339M to assist Dallas-Fort Worth-Arlington transit agencies with operating costs, including payroll and personal protective equipment (administered by Regional Transportation Council)
- \$14M for Denton-Lewisville transit agencies



ARPA Emergency Management Programs



Funds administered by the City

- \$50B to Federal Emergency Management Agency (FEMA) for additional disaster assistance (reimbursement for activities including vaccination efforts, personal protective equipment for public sector employees, and disinfecting public facilities)
- \$100M in supplemental appropriations for FEMA Assistance to Firefighters Grants and \$200M for SAFER Firefighter Hiring Grants
- \$100M in supplemental appropriations for FEMA Emergency Management Performance Grants

Other programs that benefit Dallas residents: N/A



ARPA Nutrition Programs



Funds administered by the City

- \$800M for Women, Infants, and Children (WIC) program; temporarily boosts value of WIC Cash Value Vouchers

Other programs that benefit Dallas residents

- \$3.6B to U.S. Department of Agriculture (USDA) to support food supply chain, including grants and loans for farmers markets, food banks, and other organizations to respond to COVID-19
- Extends 15% increase in SNAP maximum benefits through 9/30/21



ARPA Nutrition Programs (continued)



Other programs that benefit Dallas residents (continued)

- \$37M for Commodity Supplemental Food Program to increase access to nutritious foods for low-income individuals age 60+
- \$5B for Pandemic EBT (P-EBT) program so low-income families have access to school meals and food assistance year-round during federally declared public health emergencies
- Temporarily expands access to Child and Adult Care Food Program so young adults (under age 25) at emergency homeless shelters are eligible for nutrition support



ARPA Programs for Individuals & Families



Funds administered by the City: N/A

Other programs that benefit Dallas residents

- Up to \$1,400 in additional stimulus payments for individuals earning up to \$80K, joint filers earning up to \$160K, and heads of households earning up to \$120K
- Continues enhanced unemployment benefits
 - Weekly \$300 increase in federal unemployment benefits
 - Pandemic Unemployment Assistance for self-employed, gig workers, independent contractors, and others who do not qualify for state-level assistance
 - Pandemic Emergency Unemployment Compensation, which increases duration of payments to those in traditional state systems
- FEMA assistance with funeral expenses related to COVID-19



Programs for Individuals & Families (continued)



Other programs that benefit Dallas residents (continued)

- Raises maximum Earned Income Tax Credit (EITC) for childless adults to ~\$1,500 in 2021
 - Lowers minimum age to claim EITC to 19
 - Eliminates age cap for older workers
- Expands tax credits for dependents in 2021
 - Increases Child Tax Credit to \$3,000 for families with children ages 6-17 and \$3,600 for children under age 6
 - Makes CTC fully refundable; directs IRS to pay half of CTC in monthly or bimonthly installments beginning 7/1/21
 - Increases Child and Dependent Care Tax Credit to up to \$4,000 for one child and \$8,000 for two+ children
- Eliminates immigration status penalties for several programs, including EITC and rental/mortgage assistance



ARPA Education & Child Care Programs



Funds administered by the City: N/A

Other programs that benefit Dallas residents

- \$122.8B for grants to state and local education agencies
 - Texas has not released allocations for local school districts
 - ~25% must be targeted at learning loss
 - \$800M dedicated to services for students experiencing homelessness
- \$39.6B for grants to higher education institutions
 - 50% dedicated to emergency financial aid grants for students
- \$3B for special education programs and \$2.75B for private schools
- \$1B to support Head Start programs
- \$15B for agencies to provide child care and \$24B to aid child care providers affected by COVID-19



ARPA Economic Development Programs



Funds administered by the City: N/A

Other programs that benefit Dallas residents

- \$7.25B in additional funding for Paycheck Protection Program
 - Expands eligibility to 501(c) nonprofits of all sizes/types
- \$25B for restaurants/bars affected by COVID-19
 - \$5B dedicated for restaurants with <\$500K in 2019 annual revenue
 - 21-day priority given to restaurants owned and operated by women, veterans, or socially and economically disadvantaged individuals
- Additional funding for Shuttered Venue Grants (\$16.25B total)



ARPA Economic Development Programs (continued)



Other programs that benefit Dallas residents (continued)

- \$15B for Economic Injury Disaster Loan advances to those who applied in 2020 but did not receive full \$10K grant
- \$3B for economic adjustment assistance and disaster economic recovery grants to prevent, prepare for, and respond to economic injury caused by COVID-19
- Establishes Community Navigator Pilot Program to increase business owner participation in COVID-19 relief programs



ARPA Quality of Life Programs



Funds administered by the City: N/A

Other programs that benefit Dallas residents

- \$135M to National Endowment for the Arts to support programming and general operating expenses
 - 40% to state arts agencies
 - 60% for competitive grants to arts organizations
- \$135M to National Endowment for the Humanities to support programming and general operating expenses
 - 40% to state humanities councils
 - 60% for competitive grants to humanities organizations
- \$200M to Institute for Museum & Library Services to support programming and general operating expenses



ARPA Digital Divide Programs



- \$10B for Coronavirus Capital Projects Fund
 - Funds for critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to COVID-19
 - \$484M for state of Texas
- \$7.2B for FCC Emergency Connectivity Fund to support equipment purchases for schools and libraries and provide broadband connections
- Internet service is an allowable housing expense through Treasury's Homeowner Assistance Fund





Strategic Framework for Using ARPA Funds

Funding Considerations



Focus

On rebuilding financial flexibility and restoring fiscal resiliency

Avoid

New programs or additions to existing programs that require ongoing financial commitment

Enhance

Budgetary stability by spreading expenses through December 2024

Partner

With other organizations to maximize funding



Prioritizing Funds for Long-Term Sustainability



Short Term

6 months to 1 year

Tier 1: Immediate Relief

Meet immediate public health and safety needs and support people in crisis

Tier 2: Budget Sustainability

Replace lost revenue and take actions to further fiscal sustainability

Tier 3: Service Delivery

Analyze and prioritize programs and services

Tier 4: Regional Partnerships

Pursue local solutions at scale and leverage partnerships to optimize resources regionally

Tier 5: Big Swings

Fuel results through bold resource investments; spend to save more

Long Term

1 to 3 years



Proposed Spending Framework



Health and Safety

Keep employees and the public safe

Fiscal Recovery and Sustainability

Replace lost revenue

Economic Development

Help residents and businesses get back to work

Infrastructure

Invest in the future





Comprehensive COVID-19 Funding

Federal Response



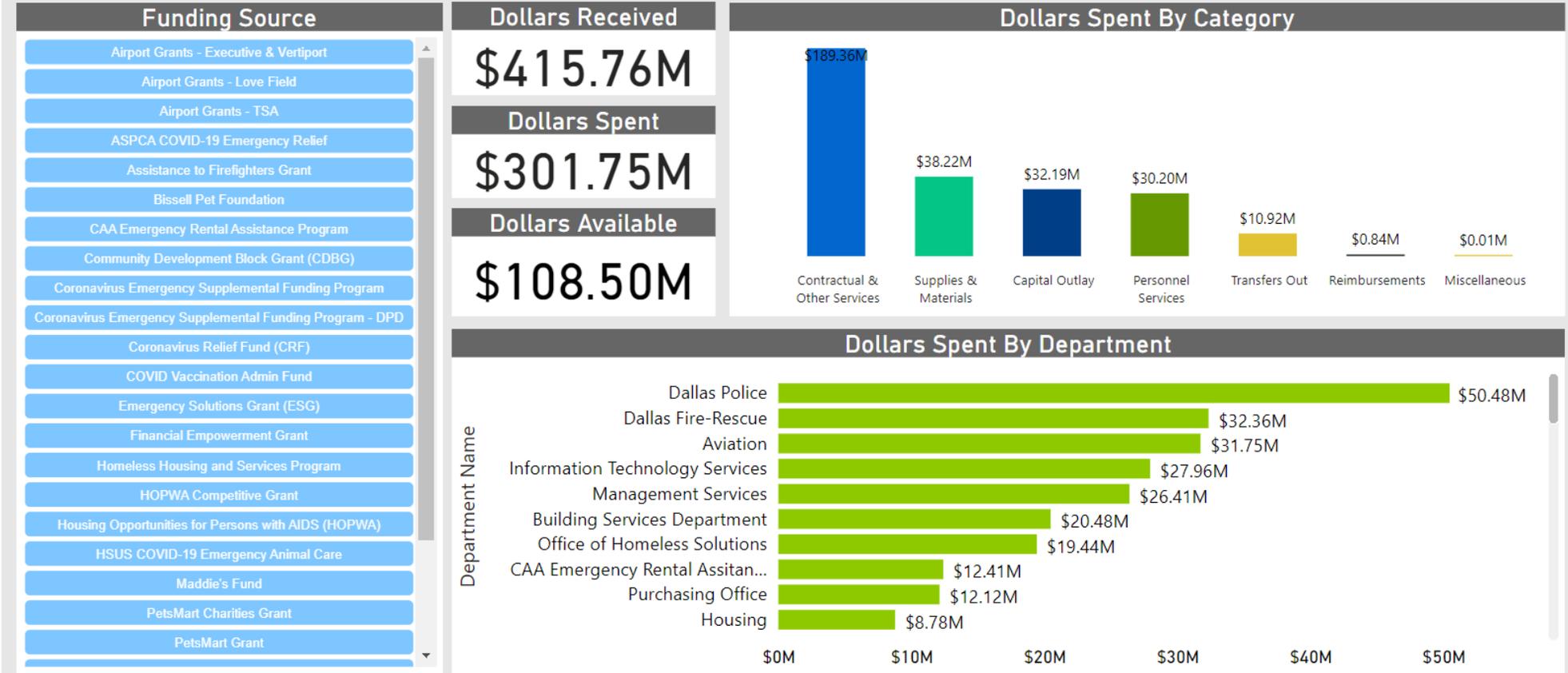
- Coronavirus Preparedness and Response Supplemental Appropriations Act enacted 3/6/20
 - Primarily for CDC but included \$1.05B for states
- Families First Coronavirus Response Act enacted 3/14/20
 - Emergency paid sick leave and expanded FMLA
- Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted 3/27/20
 - Coronavirus Relief Fund
 - FEMA disaster reimbursement
 - Additional formula and competitive funding
- Coronavirus Response and Relief Supplemental Appropriations Act enacted 12/27/20
 - \$900B pandemic relief measure
- American Rescue Plan Act of 2021 (ARPA) enacted 3/11/21



COVID-19 Funding Dashboard



COVID-19 Grant Dollars Received and Spent Reset



Last update: April 12, 2021.
 Note: Dollars Received and Dollars Available data is not available for most categories or departments.

COVID-19 Response Funding

<https://dallascityhall.com/departments/budget/financialtransparency/Pages/Covid-19-Response-Funding.aspx>



Funding Received by the City (in millions)*



Funding Source	Deadline	Total
Coronavirus Aid, Relief, and Economic Security (CARES) Act (3/27/20)		
Coronavirus Relief Fund (CRF)	12/31/21	\$235.2
Airport Grants	6/3/24	54.4
HUD Community Development Block Grant (CDBG) – Rounds 1 and 3	6/4/26 (80% within 3 years)	20.7
CDBG-2 via TDHCA	12/31/21	3.4
HUD Emergency Solutions Grants (ESG)	9/30/22 (20% within 1 year, 80% within 18 months)	21.1
HUD Housing Opportunities for Persons with AIDS (HOPWA)	6/18/23	1.2
BJA Coronavirus Emergency Supplemental Funding (CESF)	1/3/22	2.3
CESF via the Office of the Governor	6/30/21	1.0
Women, Infants, & Children (WIC)	9/30/21	0.1
HHS Provider Relief Fund	12/31/20	0.5
Texas Department of Housing and Community Affairs (TDHCA)-1	1/31/22	0.04
Assistance to Firefighters Grant (competitive)	7/2/21	0.9
Texas State Library Archives Commission (competitive)	8/31/21	0.05
FEMA Disaster Assistance	N/A	TBD
	<i>CARES Subtotal</i>	<i>\$340.89</i>

*Does not include funding that went to entities other than the City or funding from private sources



Funding Received by the City (in millions)*



Funding Source	Deadline	Total
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) (12/27/20)		
Emergency Rental Assistance	12/31/21	\$40.7
Airport Grants	Funds must be obligated by 9/30/21	15.7
	<i>CRRSA Subtotal</i>	56.4
American Rescue Plan Act (ARPA) (3/11/21)		
Coronavirus Local Fiscal Recovery Fund**	12/31/24	377.0
Emergency Rental Assistance	12/31/25	31.0
Homelessness Assistance and Supportive Services	12/31/25	21.4
Airport Grants (estimate)	9/30/24	50.0
FEMA Disaster Assistance	TBD	TBD
Women, Infants, & Children (WIC)	TBD	TBD
	<i>ARPA Subtotal</i>	479.4
	Grand Total	\$876.69

*Does not include funding that went to entities other than the City or funding from private sources

**Funding distributed in two tranches; 50% by 5/11/21 and the other 50% by 5/11/22





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Appendix

GFOA Guiding Principles for ARPA Funds



- ARPA funds are non-recurring (temporary) so they should be applied primarily to non-recurring expenditures
 - Avoid creating new programs or additions to existing programs that require ongoing financial commitment
 - Prioritize replenishing reserves used to offset revenue declines during COVID-19 to restore fiscal resilience
 - Use of funds to cover operating deficits caused by COVID-19 should be considered temporary
 - Investment in critical infrastructure is particularly well-suited to ARPA funds; take care to assess any ongoing operating costs associated with project(s)



GFOA Guiding Principles for ARPA Funds



- Local jurisdictions should be aware of plans for ARPA funding throughout their communities
 - Be cognizant of state-level ARPA efforts, especially regarding infrastructure, potential enhancements of state funding resources, and existing or new state law
 - Consider regional initiatives, including partnering with other ARPA recipients, such as schools, transportation agencies, and local economic development authorities



GFOA Guiding Principles for ARPA Funds



- ARPA funds will be issued in two tranches; consider how funds may be used to address rescue efforts and lead to recovery throughout the years of outlays and until the end of calendar year 2024
 - Use other dedicated grants and programs first whenever possible; save ARPA funds for priorities not eligible for other federal and state programs
 - Spread expenditures related to ARPA funds over the qualifying period whenever possible to enhance budgetary/financial stability
 - Take adequate time to consider all alternatives for prudent use of funds prior to committing resources



NLC Guiding Principles for ARPA Funds



- Use dedicated grants and programs first whenever possible; save ARPA funds for gaps and priorities not eligible for other federal and state assistance programs
- Assess government operations AND community needs; ask valuable staff and stakeholders for help creating a comprehensive needs assessment
- Prioritize fiscal stability and returning to work
- Maintain records and document success; create long-term information infrastructure for your future leaders
- Your congressional delegation is part of your success; invite members of Congress to reopenings, ribbon cuttings, etc.

