



Legislation Text

File #: 21-1186, **Version:** 1

STRATEGIC PRIORITY: Government Performance and Financial Management

AGENDA DATE: June 23, 2021

COUNCIL DISTRICT(S): N/A

DEPARTMENT: Office of Budget and Management Services

EXECUTIVE: Elizabeth Reich

SUBJECT

A resolution to authorize the City Manager to **(1)** spend funds in compliance with the American Rescue Plan Act of 2021 and in accordance with guidance from the U.S. Department of Treasury for the Coronavirus Local Fiscal Recovery Fund (CFDA No. 21.027); **(2)** take all necessary actions to apply for and receive funds for which the City is eligible from state and federal sources; **(3)** receive and deposit funds in an amount not to exceed \$355,426,891.00 in the Coronavirus Local Fiscal Recovery Fund which will be received in two tranches with 50% in 2021 and 50% in 2022; **(4)** establish appropriations in an amount not to exceed \$177,713,445.50 in the Coronavirus Local Fiscal Recovery Fund; **(5)** transfer appropriations, expenses, or cash between funds established for the coronavirus disease 2019 (COVID-19) response; and **(6)** execute any grant agreements necessary to receive COVID-19 funding from federal and state sources - Not to exceed \$355,426,891.00 - Financing: U.S. Department of the Treasury - Coronavirus Local Fiscal Recovery Funds

BACKGROUND

Building on what began under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) enacted in March of last year, on March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 (ARPA). ARPA includes \$1.9 trillion to provide additional federal resources for economic stimulus and recovery from the COVID-19 pandemic.

The legislation provided \$350 billion for fiscal assistance to state, local, and tribal governments, with funds for municipalities distributed roughly using the Community Development Block Grant formula. The City of Dallas will receive approximately \$355,426,891.00 under this program.

The Treasury Department will distribute funds in two tranches: half (\$177,713,445.50) for the first tranche was received on May 19, 2021; and the remaining half (\$177,713,445.50) to be received in 2022. Funds are available until December 31, 2024.

Eligible uses are:

1. To respond to the public health emergency with respect to the COVID-19, or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries, such as tourism, travel, and hospitality
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers (up to \$13 per hour; capped at \$25K per worker), or by providing grants to employers who have eligible employees performing essential work
3. To ensure the provision of government services by offsetting deductions in revenue due to COVID-19, relative to revenues collected in the most recent full fiscal year prior to the emergency
4. To make necessary investments in water, sewer, or broadband infrastructure

The Fiscal Recovery Funds build on and expand the support provided to these governments over the past year. Finally, these resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.

This item seeks to establish appropriations for the Coronavirus Local Fiscal Recovery Fund payment from the Treasury Department and authorize the City Manager to take all actions necessary to account for and report the use of Coronavirus Local Fiscal Recovery Funds including but not limited to creating additional funds/units, and transferring appropriations, expenses and/or cash between funds/units as recovery efforts continue and further information on eligible uses are released.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

[City Council was briefed by memorandum on the American Rescue Plan Act of 2021 on March 15, 2021. <https://dallascityhall.com/government/citymanager/Documents/FY%2020-21%20Memos/Update-on-COVID-Funding_031521.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2020-21%20Memos/Update-on-COVID-Funding_031521.pdf)

City Council was briefed on the American Rescue Plan Act of 2021 on April 21, 2021.

City Council was briefed on the American Rescue Plan Act of 2021 on May 5, 2021.

City Council was briefed on the American Rescue Plan Act of 2021 on June 16, 2021.

FISCAL INFORMATION

Fund	FY 2021	FY2022	Future Years
U.S. Department of the Treasury Coronavirus Local Fiscal Recovery Funds	\$177,713,445.50	\$177,713,445.50	\$0.00