

**RESOLUTION NO. 20210610-077**

**WHEREAS**, the City of Austin, Travis County, and the State of Texas issued disaster declarations relative to each jurisdiction in response to the novel coronavirus (COVID-19) pandemic in order to protect public health; and,

**WHEREAS**, the United States government has provided certain funds to aid the City in addressing unforeseen financial needs and risks created by the COVID-19 public health emergency; and,

**WHEREAS**, the council has passed resolutions and ordinances to allocate and appropriate funds to provide relief services and assistance to Austin residents, creatives, non-profits, and businesses to address the needs created by this public health emergency and to provide longer-term resiliency for Austin residents to help support the health of Austin residents and the Austin economy; and,

**WHEREAS**, City staff introduced a proposed spending framework for the City of Austin's American Rescue Plan Act allocation to the council on March 23, 2021; and,

**WHEREAS**, City staff presented a revised proposed spending framework for the City of Austin's American Rescue Plan Act allocation to the council on May 18, 2021, in response to Council Resolution No. 20210325-111; and

**WHEREAS**, in 2020, an estimated **1,879** individuals experiencing homelessness were housed through the combined efforts of the City of Austin, nonprofits, and other housing partners. The City of Austin alone allocated nearly **\$69 million** in Fiscal Year 2021 for social service contracts, housing vouchers, and other programs related to homelessness, and with additional investments related in large part to hotel acquisitions, the estimated total for 2020-2021 is **\$92.5 million**.

In addition, the COVID pandemic necessitated additional public health intervention measures including food distribution and leases for non-congregate space and associated services for an estimated total expenditure that exceeded **\$17 million** by May 2021; and

**WHEREAS**, this Spring several organizations (Downtown Austin Alliance, the Greater Austin Chamber of Commerce, and the Ending Community Homelessness Coalition, and others) convened a group that included individuals with lived experience, social justice advocates, social service providers, representatives from the business sector, and selected other community members and city staff to participate in focused conversations related to homelessness. “The Summit to Address Unsheltered Homelessness in Austin,” resulted in the ambitious goal of housing an additional 3,000 individuals over the next three years, building on the existing community investments in homelessness and providing a path to ending homelessness in Austin; and

**WHEREAS**, the Summit work estimates costs associated with expanding the permanent housing system necessary to house an additional 3,000 individuals within three years at **\$515.1 million**. (Note this figure does not appear to include funding for additional shelter, crisis beds, or designated camping areas.) Based on an understanding that **\$222.1 million** of additional funding has already been committed or is anticipated, Summit leadership have set a goal of identifying public funding and raising philanthropic dollars for a total increased investment of **\$300 million**; and

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

The Council authorizes the City Manager to use federal American Rescue Plan Act funds, additional federal funding received by the City of Austin, and City

funds in substantially the categories and allotments reflected in Exhibit A: the American Rescue Plan Act Spending Framework.

**BE IT FURTHER RESOLVED:**

The Council authorizes the City Manager to use the funds flexibly so as to maximize the lawful use of the federal funds within the framework established by the applicable federal programs, and then to use City funds to the extent needed to address needs that the council has prioritized but that are not funded by the federal programs.

**BE IT FURTHER RESOLVED:**

**HOMELESSNESS**

The Council affirms its intent to identify **\$106.7 million** within the American Rescue Plan Act allocation to expand housing and services for individuals experiencing homelessness. With the exception of the funding for Emergency Shelter (**\$4.2 million**), Capacity Building (**\$.5 million**), Workforce: Homelessness (**\$2 million**), HOME (**\$11.4 million**), and an additional **\$5 million** from the general homelessness fund, the American Rescue Plan Act allocation for Fiscal Year 2021 shall remain in a reserve fund designated for this purpose, in a manner similar to the Council creation of the Pay for Success Reserve Fund Operating Budget, until completion of the process described below.

The City's allocation will be contingent on external partners committing or securing funding of at least \$200 million to match this more than \$100 million investment.

**BE IT FURTHER RESOLVED:**

Council signals its intent to **review and affirm or revise** this framework as appropriate and necessary, including making funding shifts in response to factors that include the following:

- external funding commitments
- other budgetary and funding processes
- availability of other possible sources of more restrictive funding (such as the Waller Creek TIRZ)

In addition, Council will review and affirm or revise this framework prior to receiving the American Rescue Plan Act allocation for Year 2.

**BE IT FURTHER RESOLVED:**

While the Summit proposal is based on an in-depth financial model as well as considerable expert research (including from the City of Austin’s Homeless Strategy Officer), the information presented publicly does not yet include that level of detail. The City Manager is directed to engage the following process so that City Council, the public, and potential funding entities can clearly identify and support the proposed investments and intended outcomes.

**Funding Plan**

At the earliest possible date but no later than the July 1, 2021– and prior to proposing contracts in excess of a cumulative **\$10 million** -- the City Manager shall do the following:

Designate appropriate city staff from Financial Services, Austin Public Health, and the Homeless Strategy Office to review the information created within

the Summit to affirm or revise financial assumptions, funding recommendations, and other related information.

Using the Summit work as appropriate, on July 1, 2021, the City Manager shall present a detailed funding plan to house an additional 3,000 individuals over three years. This Funding Plan shall build on the existing City investment of approximately \$70 million annually and the current public/nonprofit achievements of housing approximately nearly 2,000 individuals each year.

At a minimum, this Funding Plan shall:

- describe new or expanded investments proposed within the general categories of Crisis Services, Core Housing Programs, Other Services, System Capacity Building, and Capital Investment
- explain the assumptions that form the basis for the financial model
- include expected numbers of individuals served within each subcategory
- explore other eligible sources of city available funding to meet these needs
- identify a process and timeline for measuring results and sharing them with the public

This Funding Plan shall also:

- detail existing city financial investments
- include expected numbers of individuals served within each category and contract
- provide contracted dates of service
- identify current funding source

## **Fundraising Plan**

By July 15, the City Manager shall request that Summit partners provide the following:

- a development plan with fundraising goals for private, public, foundation, and individual contributors and a draft timeline for meeting those goals
- names of individuals who will continue to serve in positions of Summit leadership and a description of the group's decision-making process

### **BE IT FURTHER RESOLVED:**

#### **Public meetings**

Prior to September 1, 2021, or to proposed spending totaling more than \$10 million from the general homelessness ARPA fund, the City Manager shall create a SpeakUp Austin! page and shall hold a minimum of two City of Austin community meetings to discuss the overall plan and intended American Rescue Plan Act investments and to solicit public feedback.

The City Manager shall use this feedback to inform recommendations and, as soon as feasible, the Manager shall return to Council with any recommended revisions to the Spending Plan.

### **BE IT FURTHER RESOLVED:**

#### **Spending authority**

The City Council affirms its intent to review and retain its authority to deliberate and make final decisions on all contracts proposed to be funded from the American Rescue Plan Act and in excess of the City Manager's spending authority.

As noted above, Council also affirms its intent to revise this Spending Plan as needed to respond and to accommodate newly identified needs.

**BE IT FURTHER RESOLVED:**

**Local Government Corporation**

Resolution 20190808-077 called for the creation of a Local Government Corporation to assist in raising private philanthropic dollars for homelessness housing and services. The resolution defined the LGC's scope of work as that which would support the City's Action Plan to End Homelessness; directed the City Manager to engage stakeholders in clarifying the scope, exploring the feasibility of classifying the LGC as a 501(c)(3), and filing the required documents with the City Clerk by November 1, 2019; and directed that a representative from the Continuum of Care consortium, a private business sector representative, and a representative from the Downtown Austin Alliance be among the members of the initial board. This LGC has not yet been established, though the City Manager has the Council direction he needs to engage in conversations with stakeholders about such an LGC's recommended scope and purpose. The City Council would retain the authority to affirm such an LGC's scope and responsibilities and to designate appointees.

The City Manager shall provide regular updates to the Public Health Committee (via memo if necessary) about the current and expanded investments toward ending homelessness in Austin.

**BE IT FURTHER RESOLVED:**

**HISTORIC PRESERVATION**

Council commits to recovering the lost legacy historic preservation funding from the Convention Center Capital Reserves and to exploring the extent to which other Hotel Occupancy Taxes that exist within reserves can be used toward potential historic acquisitions as legal and feasible. Feasible for purposes of this section means not detrimentally impacts the existing operations of the convention center as differentiated from decisions with respect to convention center expansion.

**BE IT FURTHER RESOLVED:**

**CREATIVE SECTOR**

To the extent possible, the City Council desires to see the funding within the creative arts not designated for nonprofit emergency relief used to support programs that benefit writers, artists, live entertainment workers, and musicians, while also providing innovative public programs, including potentially artist-in-residence partnerships with area schools and some of the other innovative ideas described in the City's 2009 Create Austin Cultural Plan.

**BE IT FURTHER RESOLVED:**

**FOOD SECURITY / FOOD ACCESS**

The City Manager is directed to prioritize any unspent funds within the "Resilience" category to Food Security / Food Access. The City Manager should look to allocate this funding to the highest impact investments within the revised Nourish Austin proposal.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to bring forward a budget amendment if the rental assistance funds will be fully expended before December 31st, 2021, and if such funds are needed to prevent widespread eviction. The City Manager should flag \$6M in the City funds that could be brought forward in this way if necessary. Rental assistance dollars in the adopted framework must be available in 2021.

**BE IT FURTHER RESOLVED:**

The Manager is directed to provide Council with a report of any funding Council has previously allocated for homelessness that staff would recommend be redirected to meet the needs initially identified to be funded using our American Rescue Plan Act allocation. The report should be presented to Council in conjunction with the Manager's budget proposal.

**BE IT FURTHER RESOLVED:**

The Manager is directed to notify Council if any public health related spending from our allocation of the American Rescue Plan Act is less than the original projections and include recommendations on how those savings can best be spent to serve other community needs.

**BE IT FURTHER RESOLVED:**

The Manager is directed to ensure that Austin Energy Customer Assistance programs coordinate with relevant city departments, our navigators, and existing external partners to maximize opportunities to connect community members with financial resources and social services at the local, state, and federal level such as SNAP enrollment.

**BE IT FURTHER RESOLVED:**

The Manager is directed to provide Council and the public with a report of early outcomes of our American Rescue Plan Act and other related allocations.

**BE IT FURTHER RESOLVED:**

The Manager is directed to implement our deployment of American Rescue Plan Act spending related to homelessness in a manner that maximizes opportunities to leverage funding matches from private, philanthropic or other government funding sources to help address homelessness in our community.

**BE IT FURTHER RESOLVED:**

The following direction does not supersede any other direction with respect to the childcare/childhood funds. The Manager is directed to begin implementation of the childcare/childhood spending informed by an understanding of the investments anticipated by Travis County in this sector. In partnership with other governmental units and community partners, it is Council's intention to accomplish the recommendations of Success by Six/United Way as presented in the following documents:

- a. Transforming the ATX Early Childhood System
- b. Del Valle ISD Pre-K Access
- c. Family Connects
- d. AISD Supplemental
- e. United Way: Rebuilding Systems: Investments in Shovel-Ready Project

**BE IT FURTHER RESOLVED:**

The City Manager is directed to adopt the Success by 6 Coalition supplemental recommendation to allocate \$1,500,000 in American Rescue Plan

funds dedicated to Early Childhood and Education to the Del Valle Independent School District to expand access to dual-language full-day Pre-K for 4-year-old students in Del Valle. The City shall fund the entire amount if the County does not contribute.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to consider allocation of the American Rescue Plan funds dedicated to food and housing insecurity to the following initiatives and programs:

- The adoption of the ATCFPB's Recommendation No 20210405\_4.a.i.i to Fund a Community-Supported Food System Plan;
- The planning, designing, and beginning of operations of a least 1 new community-owned and/or community-controlled grocery store in an area lacking healthy food retail;
- The response to on-going food access needs resulting from the COVID-19 pandemic through funding a strategically targeted program in the Eastern Crescent that delivers on good health outcomes;
- The dedication of seed funding for the planning, designing, and building of a network of emergency regional food hubs;
- The consideration of food access needs in advance of future disasters and disruptions through creation of an emergency food plan and the development of contracts for emergency food resources during disasters and other disruptions; and
- The funding of a city-wide food recovery pilot program (1 year)

**BE IT FURTHER RESOLVED:**

The City Manager is directed to explore with Medicaid, Medicare, and Medical Assistance Program (MAP) payors, including Integral Care, Central Health, Sendero Health Plans and managed care organizations, the opportunities for reimbursement of:

- health and mental health services, including substance use disorder services, and social services, and
- housing services related to the social determinants of mental health, such as crisis shelter, rapid exit programs, rapid rehousing, permanent supportive housing or other housing.
- other services related to social determinants of mental health which affect unhoused persons.

The City Manager is also directed to explore opportunities for collaboration on investing in infrastructure for these and related services.

The City Manager is directed to report back to the City Council with progress on these discussions with payors when reporting back to Council on other opportunities for funding.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to use the \$35.3 million of emergency rental assistance before using funds in the City's reserves. If the level of eviction is lower than projected, or if the county puts in enough funding to permit the City not to use all the available funding, the funds will be used for other allowable purposes.

**BE IT FURTHER RESOLVED:**

The Council reaffirms the goals and directions for the recovery and resilience of Austin's creative community as set forth in Resolution 20210520-060. Consistent with that Resolution, the City Manager is directed to provide a plan to Council for additional funding for grants to Austin music professionals, organizations, and enterprises, including the live music venue fund, to get funding up to the \$10 million as stated in the Resolution No. 20210520-060. Similarly, consistent with that Resolution, the City Manager is directed to provide a plan to Council for grants to Austin artists, arts groups, and non-profit arts organizations to get that funding up to \$15 million. The Manager should identify funding sources that may not be out of the ARPA funds to reach those goals.

**BE IT FURTHER RESOLVED:**

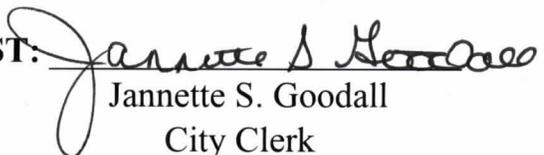
The City Manager is directed to keep Council apprised as additional funding is identified, or as programs come in at different or unexpected rates so that Council can be really thoughtful about making shifts.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to work closely with Workforce Solutions, Capital Idea, and any other like organizations to see how we can invest those dollars in helping us meet the gap in cases of individuals experiencing homelessness as well as to create that pipeline of case workers, case managers who will really help support the other elements of our plan to end homelessness.

**ADOPTED:** June 10, 2021

**ATTEST:**

  
Jannette S. Goodall  
City Clerk

# American Rescue Plan Spending Framework

Program Area	Item	Program Budget
<b>Sources of Funds:</b>		
	ARP	\$ 188.4
	Grant: Home	\$ 11.4
	Grant: RENT	\$ 35.3
	Budget Stabilization (BSR)	\$ 28.4
<b>Available Dollars</b>		<b>\$ 263.5</b>
<b>Uses of Funds:</b>		
<u>Health</u>	COVID - APH	\$ 44.3
	Navigators	\$ 0.5
	Colony Park Sustainable Community Health Center	\$ 1.5
<u>Homelessness</u>	Homelessness General (incl. HEAL, "3K in 3Yr")	\$ 88.6
	Grant: HOME	\$ 11.4
	Emergency Shelter	\$ 4.2
	Capacity Building	\$ 0.5
	Homelessness: Workforce (WFS, TOOF, etc)	\$ 2.0
<u>Economic Dev.</u>	Childcare/Childhood/Family Connects	\$ 11.0
	Workforce: General (WFS, Capitol Idea, etc)	\$ 15.0
	Workforce: Austin Civilian Conservation Corps (ACCC)	\$ 5.0
	Workforce: ACCC (Homeless and/or Creative Sector Focus)	\$ 1.0
<u>Resilience</u>	Food Security/Food Access	\$ 3.0
	Resilience Hubs	\$ 3.0
<u>Creative Sector</u>	Non-Profit Emergency Relief - Arts / Music	\$ 2.0
	Arts	\$ 6.0
	Music	\$ 4.0
<u>Emergency Relief</u>	Rental Assistance	\$ 35.3
	Individual Assistance (add'l eviction support if needed)	\$ 6.7
<u>Contingency</u>	Excess over 12% in Budget Stabilization Reserve	\$ 18.5
<b>Total Program Budget</b>		<b>\$ 263.5</b>
<b>Total Unallocated Budget Stabilization Reserves</b>		
<b>\$ extra reserves (over 12%) unallocated:</b>		<b>\$ 18.5</b>
<b>% of extra reserves (over 12%) unallocated:</b>		<b>65%</b>