



City of San Antonio

Agenda Memorandum

Agenda Item Number: 1

Agenda Date: January 26, 2022

In Control: City Council B Session

DEPARTMENT: City Manager's Office

DEPARTMENT HEAD: Veronica A. Carrillo

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Briefing of the State and Local Fiscal Recovery Funds (SLFRF) from the American Rescue Plan Act (ARPA).

SUMMARY:

Staff will present a recommended spending framework reflecting the community and council input.

BACKGROUND INFORMATION:

On March 11, 2021, Congress signed into law the American Rescue Plan Act (ARPA) in response to the COVID-19 pandemic. Among the numerous allocations, this legislation established the Coronavirus State and Local Fiscal Recovery Fund, which provides resources to state, local, territorial, and Tribal governments. These funds are intended to support local government's response to and recovery from the COVID-19 public health emergency. The program ensures that governments have the resources needed to:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts,
- Maintain vital public services, even amid declines in revenue, and
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

In May 2021, the Treasury published the Interim final rule (IFR) describing eligible and ineligible uses of funds, and the final rule was published on January 6, 2022. The eligible uses of the funds are categorized as follows:

- Support public health expenditures related to the COVID-19 pandemic
- Address negative economic impacts caused by the public health emergency
- Replace lost public sector revenue
- Provide premium pay for essential workers
- Invest in water, sewer, and broadband infrastructure

The U.S. Department of the Treasury has allocated \$326.9 million of State and Local Fiscal Recovery Funds (SLFRF) to the City of San Antonio. The city received the first half \$163.45 million in May 2021 and is expected to receive the second half in May 2022. These funds must be obligated by December 2024 and spent by December 2026.

On August 2021, as part of the FY 2022 Budget process, a two-phased strategy was presented to the City Council:

- Phase I was approved as part of the FY 2022 Budget and focused on stabilizing the City budget and addressing community needs.
- Phase II began in the fall of 2021 with an extensive community engagement to set spending priorities for the use of the federal funds.

As part of the FY 2022 Budget, the City allocated \$97.50 million of the \$163.45 million received in May 2021. These funds were used to stabilize the budget and to address community needs exacerbated by the pandemic including mental health, domestic violence, and community navigators. In addition, on November 18, 2021, Council approved \$30.0 million for utility assistance leaving an available balance of \$35.95 million. San Antonio expects to receive the second disbursement of \$163.45 million in May 2022. With this second allocation, a total of \$199.4 million is unallocated.

The City Council was briefed on October 20, 2021, and was presented with a potential spending framework, strategic guiding principles, and a community input plan for the use of the ARPA Fiscal Recovery Funds.

Community Input: The City of San Antonio hosted 8 community meetings and outreach to seniors to gather feedback from residents regarding their priorities for the use of State and Local Fiscal Recovery Funds (SLFRF). Widespread social media efforts were used to advertise the meetings and survey. A survey was made available from November 18 to December 1, 2021. A total of 2,417 surveys were completed and 593 residents participated at the town hall meetings through audience live polling.

Small Business Advisory Commission Input: City Council requested that the Small Business Advisory Commission (SBAC) be engaged to discuss the needs and priorities of small businesses impacted by COVID-19. Three public meetings with the SBAC were held on November 17, November 29, and December 4, 2021, to garner input from the small business community. SBAC received comments during the three sessions, a small business survey and two written statements.

The report summarizing the results of the community input and SBAC can be found on the City's ARPA website at this link [American Rescue Plan Act \(ARPA\) - City of San Antonio](#)

On December 9, 2021, staff presented the results of the Community Input and SBAC to the City Council and City Council provided feedback on spending priorities.

ISSUE:

The City Council will be provided with a recommended spending framework for the use of the ARPA Fiscal Recovery Funds that reflects the community input and City Council priorities.

ALTERNATIVES:

Presentation is a briefing for discussion purposes only.

FISCAL IMPACT:

Presentation is a briefing for discussion purposes only.

RECOMMENDATION:

This presentation is a briefing. The City Council is scheduled to consider the proposed spending framework for the State and Local Fiscal Recovery Funds (SLFRF) from the American Rescue Plan Act (ARPA) at the February 3, 2022 at “A” Session.