

[City of Dallas, TX]

Recovery Plan

State and Local Fiscal Recovery Funds

2021 August 31, Interim Report

GENERAL OVERVIEW

Executive Summary

In response to the COVID-19 pandemic, President Biden signed \$1.9 trillion for the American Rescue Plan Act of 2021 (ARPA) into law on March 11, 2021. The City of Dallas was allocated \$355.4 million for Local Fiscal Recovery through ARPA. Eligible uses for these funds include: (1) respond to COVID-19 or its economic impacts; (2) replace revenue lost due to COVID-19; (3) provide premium pay for eligible essential workers; and (4) invest in water, sewer, and broadband infrastructure. The funds are being transferred to the City from the U.S. Department of Treasury in two tranches with the first received in May 2021, and the second to be received by May 2022. These funds are being allocated to support the FY 2021-22 and FY 2022-23 biennial budget and further our commitment to making Responsible, Equitable, Accountable, and Legitimate (R.E.A.L.) investments in the city. The following tables outline the City's proposed use of the \$355.4 million of Local Fiscal Recovery funds received through the American Rescue Plan Act.

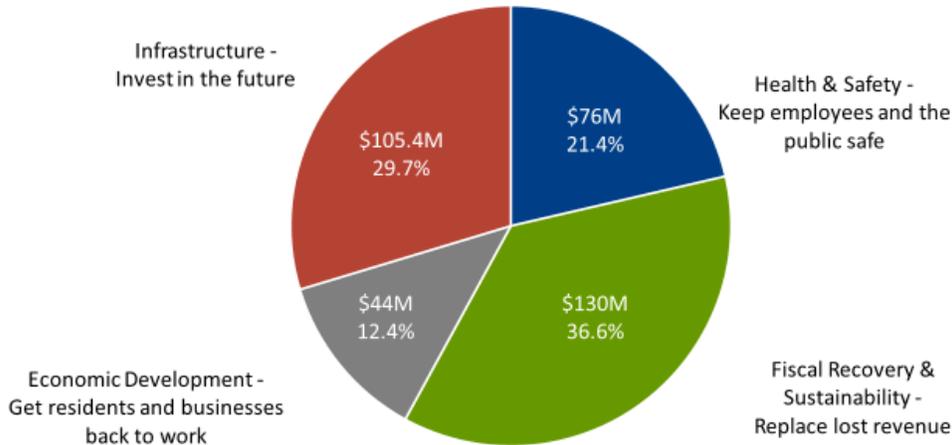
Development of the City's FY 2021-22 and FY 2022-23 biennial budget is ongoing. Since May, the City has conducted three telephone town hall meetings that reached more than 17,000 residents, including 1,670 Spanish speakers and 6,500 residents age 65 and older. Telephone town hall meetings included polling questions and a voluntary survey was posted online in English and Spanish from June 2 through June 23 to receive input around residents' financial situation and needs considering COVID-19. Additional community engagement activities conducted through July 31 also included listening sessions with clients, service recipients, citizen advisory boards, and numerous meetings with community organizations for feedback. The City Manager's recommended use of ARPA funds will be presented to the City Council in August 2021. Additional community engagement activities will be conducted to include over 30 virtual, in-person and telephone town hall meetings. City staff will participate in local Eviction Prevention Task Force meetings, Early Matters Dallas coalition meetings, South Dallas Employment Project Task Force meetings, meet with Dallas Afterschool, and others. A nonprofit survey will be developed to send out to better understand community and nonprofit needs. Final adoption of the ARPA budget, with any potential amendments, is scheduled for September 22, 2021.

Use of Funds

The City proposes to use ARPA funds to provide immediate public health relief and long-term sustainability by investing in:

- Health & Safety
- Economic Development
- Fiscal Recovery & Sustainability
- Infrastructure

Proposed Spending Framework



Health & Safety - \$76 million

The City will meet public health needs by investing \$76 million in ARPA funds on health and safety. These projects, supplies, and equipment will provide immediate support for residents and City staff during the COVID-19 pandemic. The timeline for providing these services will be in the next six months to a year. This funding includes:

ARPA Item	Amount
COVID-19 testing and vaccinations	\$ 19,000,000
Personal protective equipment and disinfection supplies	10,000,000
Eliminate backlog of paramedic training	8,500,000
Replace 35 rescues including stretcher, Lifepak15, and disinfecting UV equipment	11,500,000
Equip Dallas Fire & Rescue (DFR) to meet public health needs, including handheld radios, chest compression devices, priority dispatch software, and medication inventory management systems	5,000,000
Retrofit City facilities, including air filtration improvements, remote monitoring and control, duct cleaning, and other retrofits	21,000,000
Install air quality monitors	1,000,000
TOTAL Health & Safety	76,000,000

Economic Development - \$44 million

The City will provide short-term and long-lasting investments in the community by using \$44 million in ARPA funds on economic development. For immediate relief (six months to one year) the City will support people in crisis by providing social services such as mental health support, services for children and families, food and essential services, benefits and financial navigation, nonprofit assistance, and contract oversight and technology. The City will also leverage \$500,000 in APRA funds to provide eviction assistance services to keep residents in their homes during the pandemic. The City is pursuing local solutions at scale to leverage partnerships to optimize resources regionally. A long-term investment includes a partnership with Metro Dallas Homeless Alliance (MDHA), the lead agency of the local Continuum of Care, for a rapid rehousing initiative that will house over 2,700 people experiencing homelessness over the next two years. Economic development funding includes:

ARPA Item	Amount
Support people in crisis by providing targeted and equitable social services (see Appendix)	\$ 25,900,000
Provide eviction assistance services	500,000
Provide City Council District funding for relief to small businesses, nonprofits, or impacted industries based on established criteria	16,000,000
Partner with MDHA for Rapid-Rehousing initiative	1,600,000
TOTAL Economic Development	44,000,000

Fiscal Recovery & Sustainability - \$130 million

The City will replace lost revenue and take actions to further fiscal sustainability by investing \$130 million in ARPA funds on fiscal recovery and sustainability. These funds will be used to upgrade financial systems and provide three years of program implementation and monitoring. ARPA funds will be used to supplement the City of Dallas General Fund budget and fund one-time or non-recurring expenses in FY22, FY23, and FY24. The timeline for spending these funds will be three years. This funding includes:

APRA Item	Amount
ARPA implementation, compliance, and auditing	\$ 7,000,000
ARPA communication and marketing	3,000,000
Replace lost revenue	120,000,000
TOTAL Fiscal Recovery & Sustainability	130,000,000

Infrastructure - \$105.4 million

The City will fuel results through bold resource investments by using \$105.4 million in ARPA funds on infrastructure. These projects will encourage affordable housing, extend water and wastewater services, and bridge the digital divide. The timeline for spending these funds will be three years. This funding includes:

ARPA Item	Amount
Extend Dallas Water Utilities (DWU) water and wastewater service to occupied areas of city that are currently unserved	\$ 37,400,000
Install water and wastewater infrastructure in partnership with development of affordable housing units	10,000,000
Bridge digital divide through broadband investment <ul style="list-style-type: none"> • Wi-Fi at Park & Recreation facilities - \$3M • Broadband infrastructure in partnership with other entities - \$40M 	43,000,000
Add automation to securely and effectively deliver City services online	15,000,000
TOTAL Infrastructure	105,400,000

The proposed budget allocates \$37.4 million dollars from the ARPA to complete the Unserved Areas projects in half the time. Within the next four years, the City’s goal is to place into service and complete all the design and construction of the infrastructure improvements necessary to serve all occupied areas in the city of Dallas. The budget also proposes to use \$10 million in federal ARPA funding to install water and sewage infrastructure to incentivize the development of mixed income housing citywide. The program will cover up to 100 percent of infrastructure costs for developments that foster both affordable and unrestricted market rate housing, prioritizing single family developments that set aside 20 percent of homes to be sold to households earning between 60 percent and 80 percent of Area Median Income, and mixed income multifamily developments that set aside 20 percent of units to be rented at an unrestricted market rate. This program will encourage developments with a greater inclusion of affordable units in areas of opportunity, support quality market rate housing in historically disinvested neighborhoods, and provide additional opportunities for affordable homeownership.

The City is devoting \$3 million in ARPA funding to add Wi-Fi to 63 geographically dispersed park locations in high priority zip codes, as one of many efforts to bridge the digital divide. The locations include 42 recreation centers, 19 aquatics facilities, one athletic facility, and one skate rink. Utilizing \$40 million in ARPA funding in partnership with other entities in the region, we will step into the gap left by the private sector to ensure all Dallas households have access to critical internet service. Our investment in internet infrastructure will have an equity lens and focus on historically underserved areas. The Broadband and Digital Equity Strategic plan is a collaboration between the City, Dallas Independent School District (DISD), and the Internet for All Coalition to provide all households in Dallas with high-speed, reliable internet, and access to devices in their homes. The project aims to identify digital equity issues, broadband gaps, and to develop solutions to ensure all Dallas residents and DISD students have access to high-speed home broadband service.

Community Engagement

ARPA funds will be used for communication and outreach to increase equitable outcomes for hard to reach communities. Fair Park Multimedia Center and Language Access Center of Excellence will advance equity by creating original and multilingual content reaching Dallas residents including those with low-literacy and Limited English Proficiency (LEP). Original content will be created in Spanish for the Spanish cable access channel. City departments and include outreach to anchor institutions and partner organizations servicing resident throughout the city. The City will work in partnership with multicultural media outlets, nonprofits, small businesses, and other intergovernmental and quasi-governmental agencies in reducing disparities by increasing residents' access to City services and programs. The City will develop and implement a department metric to measure its partnership work and evaluate the reduction of disparities. The City will build on the success of the Coronavirus Aid, Relief, and Economic Security Act (CARES) and Coronavirus Relief Fund funded communications and outreach to increase community engagement through targeted paid messaging with multicultural and non-English speaking publications serving communities of color using ARPA funds.

Labor Practices

The City of Dallas has adopted the Davis-Bacon Wage Rates, as published online by the U.S. Department of Labor, as the minimum acceptable rates of per diem wages for public works contracts, including public building construction and highway/heavy construction contracts. The Davis-Bacon Wage Rates are reviewed and updated annually to ensure contracts reflect the latest Davis-Bacon Wage Rates.

Use of Evidence

As part of the 100 Resilient Cities pioneered by The Rockefeller Foundation (100RC), the City of Dallas developed a strategic plan to enhance the capacity of its individuals, communities, institutions, businesses, and systems to adapt, grow and thrive in the face of both shocks (traumatic events, both natural and man-made) and more long-term, chronic stresses (poverty and housing shortages). Resilient Dallas, the first holistic resilience strategy in the city's history, is a new approach to shaping a thriving, equitable city, and is the product of extensive community participation. The Resilient Dallas goals include:

- Advance equity in City government
- Ensure Dallas is a Welcoming City to immigrants and all residents
- Increase economic mobility for Dallas' vulnerable and marginalized residents
- Ensure Dallas provides residents with reasonable, reliable and equitable access
- Leverage partnerships to promote healthy communities
- Invest in neighborhood infrastructure to revitalize historically underserved neighborhoods
- Promote sustainability to improve public health and alleviate adverse environmental conditions

Data for the desired outcome is researched and used dependent on how well it is it disaggregated by race, gender, Council district and/or geographic area. Key issues for determination include “For whom, when and/or where do we achieve the desired outcome?” It is through this analysis that the City identifies the communities who are most impacted and why are these communities impacted disproportionately. This approach holistically incorporates many of the concerns and goals address by ARPA funds.

Where specific geographic distribution does not apply but there is still a demonstrated need to address equity, the City makes relevant services available to eligible individuals and /or households on a citywide basis. With an estimated 1.3 million people residing in the city of Dallas, approximately 52.8 percent (706,884) are considered low/moderate income. The Office of the White House, National Strategy for the COVID-19 Response and Pandemic found that while the pandemic affected communities across the country, it disproportionately impacted some groups and communities, resulting in an exacerbation of pre-existing disparities.

The City of Dallas' definition of racial equity is a situation that is achieved when people are thriving and race no longer statistically dictates, determines, or predicts one's social outcome or ability to thrive. Equity is a critical factor in individual, family, neighborhood, and community success over a number of metrics - economic, education, housing, health, and access to public facilities and essential services.

On March 24, 2021, the City Council approved a Racial Equity Resolution. The this resolution, the City of Dallas reaffirmed its deep resolve to promote racial equity, inclusion, and diversity in all aspects of city government and pledged to demonstrate its commitment to racial equity through equitable investment and future funding decisions for specific projects, inclusive practices, and socially just policies.

Expenses by Expenditure Category

As of July 31, 2021 – No ARPA funds have been spent. Budget deliberations are ongoing.

APPENDIX

Support people in crisis by providing targeted and equitable social services - \$25.9M Breakdown

Mental Health	Mental Health (CMH, MIPOC/AAPA)	\$2,400,000.00	Community Mental Health programming, including individual counseling, group counseling and mental health outreach and education
	Mental Health – grief, stress, PTSD	\$1,200,000.00	Individual counseling and group counseling services targeting highly impacted communities
	Seniors – Isolation Support	\$ 750,000.00	Services targeting older adults, particularly homebound seniors
Children and Families	Family Violence Prevention / Intervention	\$ 2,250,000.00	Treatment, counseling and other services for prevention, including near-fatality prediction/prevention, and intervention of family violence
	Positive Youth Development / Academic Support	\$ 3,250,000.00	Positive youth development programming, such as afterschool programming, academic support, and training
	Home Visiting Programs	\$ 2,000,000.00	Home visiting services to homes of newborns, proven to promote safety and improve infant health outcomes
Food and Essentials	Food – Distribution	\$ 2,400,000.00	Support of various food distribution programs throughout the City
	Food – Home Delivery	\$ 1,400,000.00	Delivery of food and grocery items to individuals sick or quarantined due to COVID-19
	Food – Food Banks Support	\$ 800,000.00	Support to local food banks to help keep shelves stocked and able to serve clients in need
	Food – Garden Kits	\$ 2,000,000.00	Home garden kits enable homebound individuals to grow healthy produce items to supplement diets
	Essential Necessities	\$ 1,000,000.00	Critical non-food items, such hygiene products, diapers, period products, adult diapers, for distribution to high need communities
Benefits / Financial Navigation	Benefit Navigation (Bene-Dallas)	\$ 2,750,000.00	Following best practice model of Benefits Trust, a single stop opportunity integrating benefits access and application to simplify process for clients
	Expanded Tax Preparation and Consultation Services	\$ 800,000.00	Expanding free tax preparation service availability and supplementing and strengthening year-round tax guidance
	Financial Navigation	\$ 300,000.00	Financial Navigators help guide residents in need through complicated financial services landscape to find programming and services than can support their unique needs
Nonprofits Assistance	Child Care Providers Assistance	\$ 1,000,000.00	Small grants to childcare providers to mitigate negative financial impact from pandemics
	Nonprofits Assistance Programs	\$ 2,600,000.00	Small grants to nonprofit organizations to mitigate negative financial impact from pandemic
	Service Design Support	\$ 100,000.00	Project based support for service design improvements related to database development and management, contract management, program workflow

Contracts Oversight and Technology	Contract Management Software Enhancements	\$ 200,000.00	Explore opportunities to integrate enhanced contract management and reporting via current or new contract management system software
	Facilities Upgrades / Lease Costs	\$ 250,000.00	Additional officing for ERA and ARPA staff, potential facility with Highland Hills community
	Client CRM Management	\$ 200,000.00	System to manage client progress, client and partner contacts, create and management client and communication lists, etc.