



AGENDA INFORMATION SHEET

DEPARTMENT: Community Services

CM/ DCM/ ACM: Frank Dixon, Assistant City Manager

DATE: March 10, 2023

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding American Rescue Plan State and Local Fiscal Recovery Funds.

BACKGROUND

On March 11, 2021, President Biden signed the American Rescue Plan (ARP) into law, which provides over \$1.9 trillion in relief to address the continued impact of the Coronavirus Disease 2019 (COVID-19) pandemic on the economy, public health, State and local governments, individuals, and businesses.

Treasury ARP Funding

The ARP made \$350 billion available in state and local government financial assistance from the U.S. Department of Treasury under the American Rescue Plan's State and Local Fiscal Recovery Funds (SLFRF). The City of Denton's allocation under the Act is \$23.29 million. Half of this funding (\$11.65 million) became available in May 2021.

On July 27, 2021, Denton City Council approved the one-time allocations of \$550,000 for Nonprofit Capacity Support Grant funding. Funds can be used to cover costs incurred beginning March 3, 2021. On December 10, 2021, the Community Services Advisory Committee (CSAC) finalized their recommendations to City Council for the ARP Nonprofit Capacity Support Grant following an application process open to eligible organizations serving City of Denton residents. In April and July of 2022, City Council approved awards of \$550,000 in Nonprofit Capacity Support Grant funding to seven (7) Nonprofit Capacity Support Grant applicants.

City Council approved allocations of the remaining half of ARP allocations when they approved the City's Operating Budget September 27, 2022. In the second round of allocations, \$1,500,000 was allocated for Nonprofit Capacity Support Grants for eligible organizations. A portion of the allocation (\$194,140.70) has been committed for nonprofit staff support at the Temporary Alternative Shelter funded by the City's ARP SLFRF at a local hotel. Additionally, a previous Nonprofit Capacity Support grant recipient returned \$36,752.57. **There is currently \$1,342,611.87 of ARP SLFRF available for CSAC recommendation.**

DISCUSSION

One of the American Rescue Plan (ARP) goals is to respond to the negative economic impacts of the pandemic, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.

Council's second-round ARP allocations for nonprofit capacity support will continue to help communities respond, recover, and rebuild. This support will allow nonprofits to scale up their efforts and enhance services to support local economic recovery.

ARP funds will be allocated to a diverse set of organizations serving different community needs. **Staff is recommending dedicating a portion of the funds to projects assisting communities of color in recovering from the impacts of COVID.** Historically marginalized populations—including communities of color, people with disabilities, low-income communities, and those experiencing homelessness—are more vulnerable during/after times of disaster.

Staff are seeking direction from the committee on the investment of ARP funds as outlined below.

- **Prioritization** of funding for specific efforts.
- **Size of Grant Awards** – Staff is recommending a minimum award of approximately \$130,000 (ten percent of the total funding available), and a maximum award of \$1,342,611.87 (the full funding amount).

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:
Courtney Douangdara
Deputy Director of Community Services

Dani Shaw
Director of Community Services