

Project Summary

Below is an explanation of how revenue replacement funds were allocated to government services as of December 31, 2021.

In June of 2021, the City introduced a two-phased strategy for the use of the ARPA State and Local Fiscal Recovery Funds (SLFRF). By August 2021, as part of the FY 2022 Budget process, the two-phased strategic approach was approved by 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 process to set spending priorities for the use of the federal funds.

As part of Phase I, the City allocated \$97.50 million of the first tranche received in May 2021. Of the \$97.5 million, \$46.5 million was allocated to the General Fund to stabilize the City budget and to address community needs exacerbated by the pandemic. This includes but not limited to programs that support mental health, domestic violence, and community navigators. The funds were allocated over two years (FY 2022 and FY 2023). \$51 million was allocated to the Hotel Occupancy Tax (HOT) Fund over two years (FY 2021 and FY 2022) to support the convention, hospitality, and arts industry. Additionally, in November 2021, \$30 million in funding was allocated for household utility assistance to aid San Antonians who were financially impacted by the COVID-19 crisis and in need of financial assistance with utility payments in arrears.

On October 20, 2021, the City Council was briefed and presented with a potential spending framework, strategic guiding principles, and a community input plan for the use of SLFRF. As part of Phase II, during the month of November 2021, the City engaged the community to obtain feedback on the use of SLFRF.

The City hosted eight community meetings and conducted outreach to seniors to gather feedback from residents regarding their priorities for the use of 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.

In addition, the 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. The SBAC received input from a small business survey, two written statements and comments during the three listening sessions.

The report summarizing the results of the community input and the SBAC presentation can be found on the City's ARPA website at <https://covid19.sanantonio.gov/What-Were-Doing/ARPA>.

On December 9, 2021, staff presented the results of the Community Input and SBAC meetings to the City Council and City Council provided feedback on spending priorities. On January 26, 2022, staff presented a recommended spending framework reflecting the Community and City Council input.

After the robust community engagement process described above, the spending framework for the remaining amount of \$199.4 million is scheduled for Council approval in early February of 2022.

Below is the list of the programs that have been allocated to the General Fund for government services and Hotel Occupancy Tax (HOT) Fund.

General Fund \$46.5 million

Affordable Housing - \$4.4 million

This funding reinforces some of the findings in the San Antonio Housing Policy Framework that addresses the growing affordability gap. The funding supports the total housing investment of \$35.7 million in FY 2022 for the City of San Antonio. Enhancing the housing stability services to help families by providing funding for the Owner-occupied Rehabilitation, Minor Repair, and Under 1 Roof programs. Additionally, this includes providing funding for Relocation Assistance to aid in risk mitigation. This is a one-time ARPA investment in FY 2022.

Emergency Preparedness - \$5.0 million

The ARPA funds provide support to the City's resiliency to future weather events and other disruption plans that total a resiliency investment of \$8.5 million. This is a one-time investment in FY 2022. This funding will enhance the City's emergency management and resiliency by supporting purchases to replace critical building systems in key public safety facilities including generators and setting up four resiliency hubs strategically located across the city. As an example, the resiliency hubs can serve as a warming or cooling site in the event of a weather emergency.

Homelessness - \$464 thousand

This supports the City's \$32.5 million in homelessness funding. This enhances support to the Partners with South Alamo Regional Alliance for the Homeless (SARAH) to divert households from entering homeless emergency shelters. The program assists individuals and families with immediate needs such as rent, utility assistance, or hotel vouchers to quickly stabilize housing situations. This will help leverage additional private philanthropy funds secured by SARAH for the Diversion Program. This is a one-time ARPA investment in FY 2022.

Additionally, the City is enhancing contract monitoring with two positions to monitor and work with nonprofit organizations in effectively and efficiently using funding allocated to support the City's policy priorities and ensure compliance with local, state, and federal regulations and federal grant deliverables. The ARPA funding for contract monitoring support covers FY 2022 and FY 2023.

311 Customer Service Operations - \$919 thousand

The City is enhancing its 311 Call Center with seven customer service positions to increase efficiency and satisfaction in customer service when responding to resident requests for information. The ARPA customer service operations support covers FY 2022 and FY 2023.

Community Navigators - \$2.7 million

The ARPA allocation supports the City's Homeless funding of \$32.5 million. This extends the City's Financial Empowerment Benefits Navigation program which connects residents to financial counseling, safety net, mental health, domestic violence, and job training resources. This navigation program connects residents to City initiatives and other available programs to bridge gaps for individuals, families, and older adults experiencing severe financial stress and homelessness. The community navigators will also be utilized for homeless shelter diversion, street outreach resources - \$46.5 million, and benefits navigation that serves low-income households, including older adults experiencing housing instability due to the direct and indirect effects of COVID-19. Additionally, the City is enhancing the housing stability services to help families facing eviction and housing instability by expanding a total of eleven positions for operations and administration staff and providing funding to the Owner-occupied Rehabilitation, Minor Repair, Under 1 Roof, and Relocation assistance programs. The ARPA community navigators support covers FY 2022 and FY 2023.

Mental Health Coordinated Response - \$3.4 million

This funding covers support in FY 2022 and FY 2023. Providing an alternative response to police calls by introducing a dedicated multi-disciplinary response team to address mental health calls in the central area of the City, as recommended by the Meadows Policy Institute. The On-Scene Crisis Response/Coordinated Response Pilot Program will be enhancing the City's response to mental health calls by expanding staffing levels to the Mobile Integrated Healthcare (MIH) Program for a paramedic to provide treatment to individuals suffering from acute behavioral and/ or emotional disorders. This includes seven clinicians to be on-scene community advocates that will be trained in rapid intake and triage to identify if a person needs a more intensive clinical intervention and notify specialized services when appropriate, and overtime for police and equipment to support the coordinated pilot program.

Domestic Violence Expansion - \$7.6 million

Funding supports twenty-seven positions in FY 2022 and FY 2023 to expand hours for domestic violence calls to include evenings and weekends, additional case management and wrap around services, stronger evaluation and data driven strategies, and enhanced community education initiatives focused on prevention. Additionally, these crisis community advocates will respond alongside police officers on calls related to domestic violence.

Vision Zero Crossings - \$5.2 million

This is a one-time investment. Vision Zero pedestrian safety improvements will support designing and constructing mid-block crossings across eight corridors to address severe pedestrian injury

areas, which were identified by the City’s Vision Zero 2020 Severe Pedestrian Injury Report. The projects will take place in areas of persistent poverty, which are disproportionately impacted by severe pedestrian injuries and fatalities. The safety improvements will facilitate crossings to places that people want to go but that are not well served by the existing traffic network.

Emergency Medical Services - \$2.1 million

This funding is over two years; FY 2022 and FY 2023. Leveraging Telemedicine Technology for Emergency Medical Services (EMS) calls to expand a successful Clinical Dispatcher Pilot Program that increases access to emergency response services through telemedicine with eight clinical dispatchers that primarily serve low-income communities and communities of color. The program allows 911 call takers to provide telemedicine to residents, freeing up ambulance and paramedic resources to respond to critical emergencies.

Metro Health Strategic Growth Plan - \$5.0 million

In response to the pandemic-related lessons learned around health disparities, health equity, and social justice and to capitalize on additional funding for public health, Metro Health developed its Strategic Growth Plan as an expansion to the department’s Strategic Plan. This expansion includes additional programs and initiatives in the areas of Mental Health, Health Justice, Access to Care, and Technology Infrastructure. Funds in the amount of \$5.0 million will support some of these initiatives within the Metro Health Strategic Growth Plan over two fiscal years (FY 2023 and FY 2024). The specific initiatives to be supported by the \$5.0 million in SLFRF will be identified in as part of the City’s FY 2023 Budget Process.

Street Maintenance - \$9.7 million

This funding is over two years; FY 2022 and FY 2023. The ARPA funds support the City’s total investment of \$110 million. The annual Street Maintenance Program serves to prolong the useful life of transportation infrastructure by mitigating deteriorating pavement conditions caused by age, utility cuts, stormwater drainage, underlying soil conditions, extreme temperatures, and overloading from heavy trucks and buses.

Hotel Occupancy Tax (HOT) Funds - \$51 million

COVID-19 had an unprecedented impact on the Hotel Occupancy Tax Revenues. The City experienced a 44% decline in FY 2020. In April of 2020, the City Manager implemented a hiring freeze due to budgetary and service impacts resulting in the furlough of 266 employees from departments funded by the Hotel Occupancy Tax (HOT) Funds, including Convention & Sports Facilities, Alamodome, and Arts & Culture. Of the \$97.5 million allocated, \$51 million was allocated to the Hotel Occupancy Tax Funds to bring government services back to pre-pandemic levels. This included funding to support tourism, convention center activities, and the Arts in FY 2021 and FY 2022.

In FY 2021, the City utilized \$12.7 million for the purposes of providing support to the HOT Funds to ensure continuity of vital government services. The SLFRF revenue replacement funds were

utilized in FY 2021 to support the cost of operations for the Convention Center and the Alamodome due to a decline in tourism and conventions activities that occurred. SLFRF have supported the return of employees at the Convention Center.

In FY 2022, \$38.2 million has been allocated to the HOT funds to continue to ensure continuity of vital government services to support the cost of operations for the Convention Center and the Alamodome due to a decline in tourism and conventions activities, as well as arts and cultural programming across the City.

Below is the list of the programs that have been allocated to the HOT Funds for government services.

Convention Facilities Fund Support - \$24.3 Million

Support to restore funding and staffing levels to sustain upcoming conventions and events at the Convention Center and Alamodome.

Visit San Antonio – Tourism - \$6.6 Million

Support for the Destination Marketing Agreement with Visit San Antonio. Visit San Antonio is a main source of marketing destination information on the city and local events, which provides interaction with current visitor and potential travelers choosing San Antonio for their destination.

Hosting Obligations - \$4.8 Million

Provides supplemental funding to support major conventions, meetings, and/ or events to successfully ensure the selection of San Antonio as the destination for annual meetings, conventions, and/ or special events.

Arts - \$2.6 Million

This allocation supports arts agencies to FY 2019 funding levels of the City of San Antonio’s arts and cultural institutions, events, programming, and local artists. City-funded arts and cultural organizations increase awareness of the impact and value of arts and culture to the City by hosting thousands of events, including classes, performances, exhibits, festivals, and workshops each year. These activities enrich the quality of life in San Antonio by connecting and engaging residents and visitors with local artists, thereby helping to make San Antonio an exciting place to live and visit.

The City of San Antonio looks forward to future reports that outline the results of the programs described above as well as with the future allocations approved by City Council.