



Legislation Text

File #: ID#21-075, **Version:** 1

AGENDA CAPTION:

Receive a staff presentation on CARES Act reimbursements and use of potentially available City funds; and provide direction to staff.

Meeting date: February 2, 2021

Department: Planning and Development Services

Amount & Source of Funding

Funds Required: Click or tap here to enter text.

Account Number: Click or tap here to enter text.

Funds Available: Click or tap here to enter text.

Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- ☐ Economic Development - Choose an item.
- ☐ Environment & Resource Protection - Choose an item.
- ☐ Land Use - Choose an item.
- ☐ Neighborhoods & Housing - Choose an item.
- ☐ Parks, Public Spaces & Facilities - Choose an item.
- ☐ Transportation - Choose an item.
- ☐ Core Services
- ☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

As part of the CARES Act implementation last year, the US Treasury Department created the Coronavirus Relief Fund (CRF) and issued funding to the states to distribute to smaller communities. The Texas Department of Emergency Management (TDEM) is the administrator of these funds for the state of Texas. TDEM set the amounts allocated for each city and the rules by which applications must be submitted.

On December 15, 2020, the City of San Marcos submitted an application to TDEM for the City's full allocation of \$3.6 million according to the rules of the grant program. TDEM is currently reviewing the application and intends to inform the City by mid-March of the amount approved. If TDEM approves the application as submitted, the City will be able to reimburse the General Fund approximately \$2.7 million for police and fire salary expenditures in calendar year 2020. The City Council has expressed the desire to use as much of this amount as possible on programs that provide community services.

Some of the \$2.7 million will be used by the City to cover ongoing unbudgeted expenses related to the COVID -19 pandemic, such as public safety staff support for the vaccination rollout. In addition, some unbudgeted expenses were not able to be included in the application by December 15, and will need to be covered as well, in order to protect the fiscal health of the City. It is expected that approximately \$2.0-2.3 million will remain for community services programs.

At the February 2, 2021, Council Work Session, staff will present summary information on the funding available as described above, along with information about community services to which the City currently contributes. Staff will then ask for City Council direction on two fundamental programmatic questions that must be answered before the funding can be distributed:

- 1) What proportion of the funds should be used for current social service relief programs versus building long term capacity and strength in the San Marcos system of social service providers?
- 2) What funding distribution selection process is preferred: Council allocation, call for applications, or a blend of both?

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

After subtracting the amounts needed for unbudgeted expenses, staff recommends using 90% of the funding for current pandemic emergency relief and 10% to build system capacity in the following ways:

PANDEMIC

- 1) direct allocation to current CDBG-CV rent/mortgage/utilities provider
 - separate program so no CDBG-CV restrictions
 - add car payments
 - same provider for fastest disbursement
- 2) direct allocation to a program for business expenses (unless the federal paycheck protection program is meeting needs)
- 3) application process to fund crisis programs

SYSTEMIC

- 4) direct allocation to a non-profit that trains others (such as National Development Council)
- 5) direct allocation to the City or an agency in the Local Homeless Coalition to fund a comprehensive homelessness needs assessment conducted by an experienced consultant
- 6) direct allocation to the City to hold for the Local Homeless Coalition's decision on which agency will host the Homeless Management Implementation Software