



American Rescue Plan Funding

County Board Workshop

April 13, 2021

Agenda



- I. Review of ARP program
- II. Overview of current Dakota County conditions
- III. Review broad areas for potential use of funds
- IV. Discussion and direction on initial priority areas
- V. Summary and next steps

ARP Fiscal Recovery Funds (FRF)



- Dakota County Estimate: \$83.2M
 - DC Cities Estimate: \$48.9M
- Funds Expected: May 10
- Spending Deadline: December 31, 2024
- Allowable Uses:
 - Respond to the public health emergency or its negative economic impacts
 - Revenue replacement
 - Investments in water, sewer or broadband infrastructure
 - Premium pay for essential workers



ARP Funding



Federal

- Economic Impact Payments
- Child Tax Credit & Other Tax Relief for Individuals
- Emergency Assistance for Rural Housing
- Emergency Section 8 Housing Vouchers
- Paycheck Protection Program
- Restaurant Revitalization Funds
- Small Business Economic Injury Disaster Loan Payments
- Small Business Shuttered Venue Operators

State

- State Fiscal Recovery Funds
- Capital Projects Fund
- Homeowner Assistance Fund
- Housing Counseling Funds
- Emergency Rental Assistance
- HOME Programs
- Small Business Community Navigator Pilot Program
- Small Business Credit Initiative
- Vaccines and Testing
- Unemployment Provisions

County

- Local Fiscal Recovery Funds
- Emergency Rental Assistance
- HOME Programs

City

- City Grant Funds

Schools

- Education Assistance for K-12

ARP Funding



Fund	County	City	DC Schools	Schools (State-wide)	State	Federal
Fiscal Recovery Funds	\$83,205,981	\$48,856,848			\$2,577,000,000	
Capital Projects Fund					\$179,000,000	
Child Abuse Prevention Programs & Grants					\$6,128,000	
Child Tax Credit & Other Tax Relief for Individuals						TBD
Childcare and Headstart Programs					\$549,229,000	
Congregate Care & Caregiver Support Programs					\$23,047,000	
Economic Impact Payments					\$6,331,000,000	
Education Assistance for K-12			TBD	\$1,320,646,000		
Emergency Assistance for Rural Housing						TBD
Emergency Rental Assistance	TBD				\$150,000,000	
Emergency Section 8 Housing Vouchers						TBD
Enhanced Mobility (Seniors & Persons with Disabilities)					\$348,000	
FEMA					\$6,994,000	
HOME Programs	\$3,253,281				\$31,137,836	
Homeowner Assistance Fund					\$55,000,000	
Housing Counseling Funds					\$5,000,000	
Institute for Museum and Library Services					\$3,232,000	
Low Income Home Energy Assistance Program					\$109,986,000	
Mental Health Block Grant					\$21,622,000	
National Endowment for the Arts & Humanities					\$1,790,000	
Other Educational Assistance Programs			TBD	\$639,725,000		
Pandemic Emergency Assistance					\$14,327,000	
Paycheck Protection Program						TBD
Restaurant Revitalization						\$28,600,000,000
Small Business Community Navigator Pilot Program					\$3,500,000	
Small Business Credit Initiative					\$50,000,000	
Small Business Economic Injury Disaster Loan Payments						TBD
Small Business Shuttered Venue Operators						TBD
Substance Abuse Block Grant					\$20,367,000	
Transit					\$348,588,000	
Unemployment Provisions					\$2,000,000,000	
Vaccines and Testing					\$853,500,000	
WIC Cash Value Vouchers Increase					\$8,084,000	
Total	\$86,459,262	\$48,856,848	TBD	\$1,960,371,000	\$13,348,879,836	

All amounts are estimates and subject to change when the U.S. Treasury releases official allocation numbers.

ARP Readiness Checklist



- ☒ We are actively tracking the ARP legislation and are aware of the amounts currently allocated to Dakota County
- ☐ We understand the full range of funding sources, options and spending strategies potentially available to Dakota County
- ☐ We are fully prepared to receive, invest and deploy the ARP funding we expect to receive
- ☐ We understand the purposes, eligible uses and constraints on the use of the ARP grant funds
- ☐ We have reached out to community stakeholders, constituents and regional partners to assess the community's needs and opportunities
- ☐ We are planning and documenting a strategic approach to the utilization of ARP funds for optimum results based on the community needs assessment
- ☐ Our spending plans, award criteria and decision structures and process are transparent and inclusive
- ☐ We have identified the resources – both internal and external – required to effectively manage the ARP program, ensure compliance and avoid audit exceptions

Considerations in designing an ARP Program

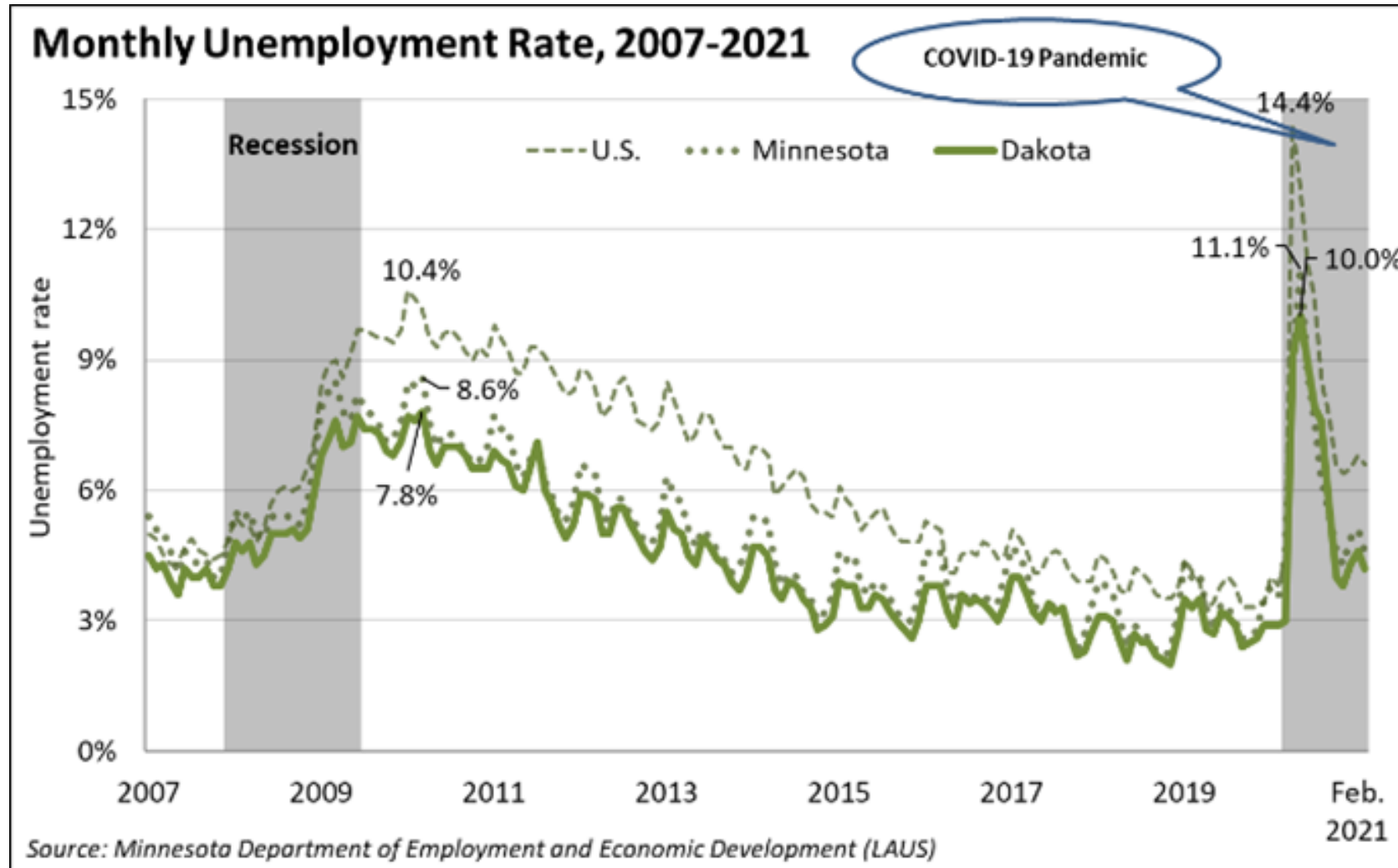


- Other units of government (state, cities/towns, schools) are also receiving ARP funding with similar or related potential uses; local households, businesses and others will face multiple delivery channels.
- Utilize existing platforms and delivery systems wherever possible.
- If the County chooses to deliver new or expanded programming or projects beyond current capacity to deliver them timely, appropriate administrative resources will be needed.
- Timelines for the availability and use of funds will be important in identifying priorities and strategies.

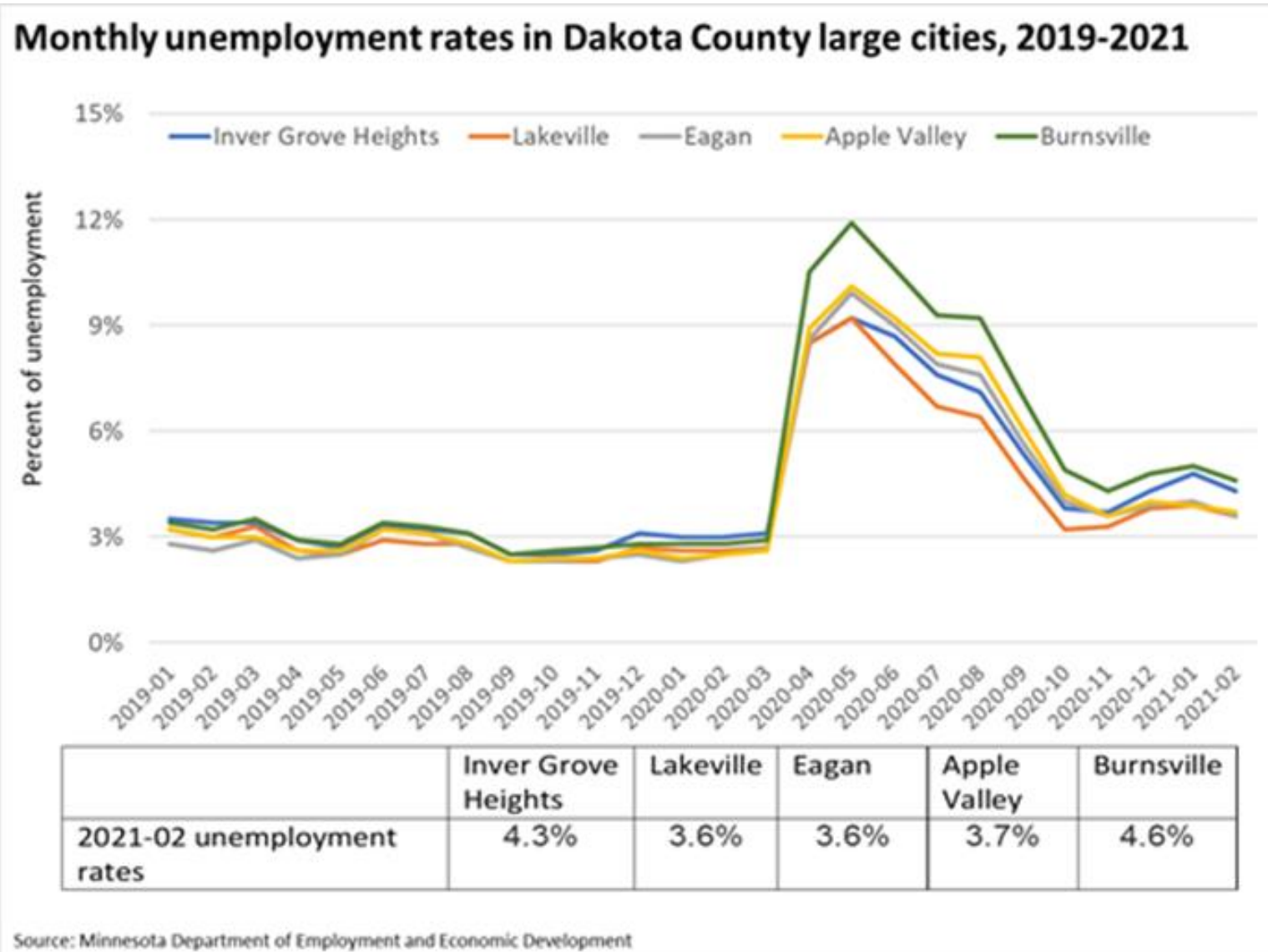


Current Conditions in Dakota County

Current Conditions - Unemployment



Current Conditions - Unemployment



Current Conditions - Unemployment



Reason for Not Working (Minnesota)	Percent
I am retired	46.8%
Other reason	10.4%
I was concerned about getting or spreading the coronavirus	9.3%
I was sick (not coronavirus related) or disabled	7.4%
My employer experienced a reduction in business (including furlough) due to coronavirus pandemic	5.2%
I did not want to be employed at this time	5.2%
I was caring for children not in school or daycare	4.8%
I was laid off due to coronavirus pandemic	3.7%
Did not report reason	3.4%
My employer closed temporarily due to the coronavirus pandemic	1.9%
I was caring for an elderly person	1.3%
My employer went out of business due to the coronavirus pandemic	0.6%
I was sick with coronavirus symptoms	0.1%

Note: Percentage totals equal 100 percent.

Data source: Census Bureau Household Pulse Survey

Data includes Minnesotans ages 18 and up for the dates of March 3 - 15

Current Conditions - Unemployment



	Minnesota job losses		U.S. job losses	
Total population 18 years and older	since March 13, 2020	expected in next 4 weeks	since March 13, 2020	expected in next 4 weeks
Yes	43%	16%	46%	19%

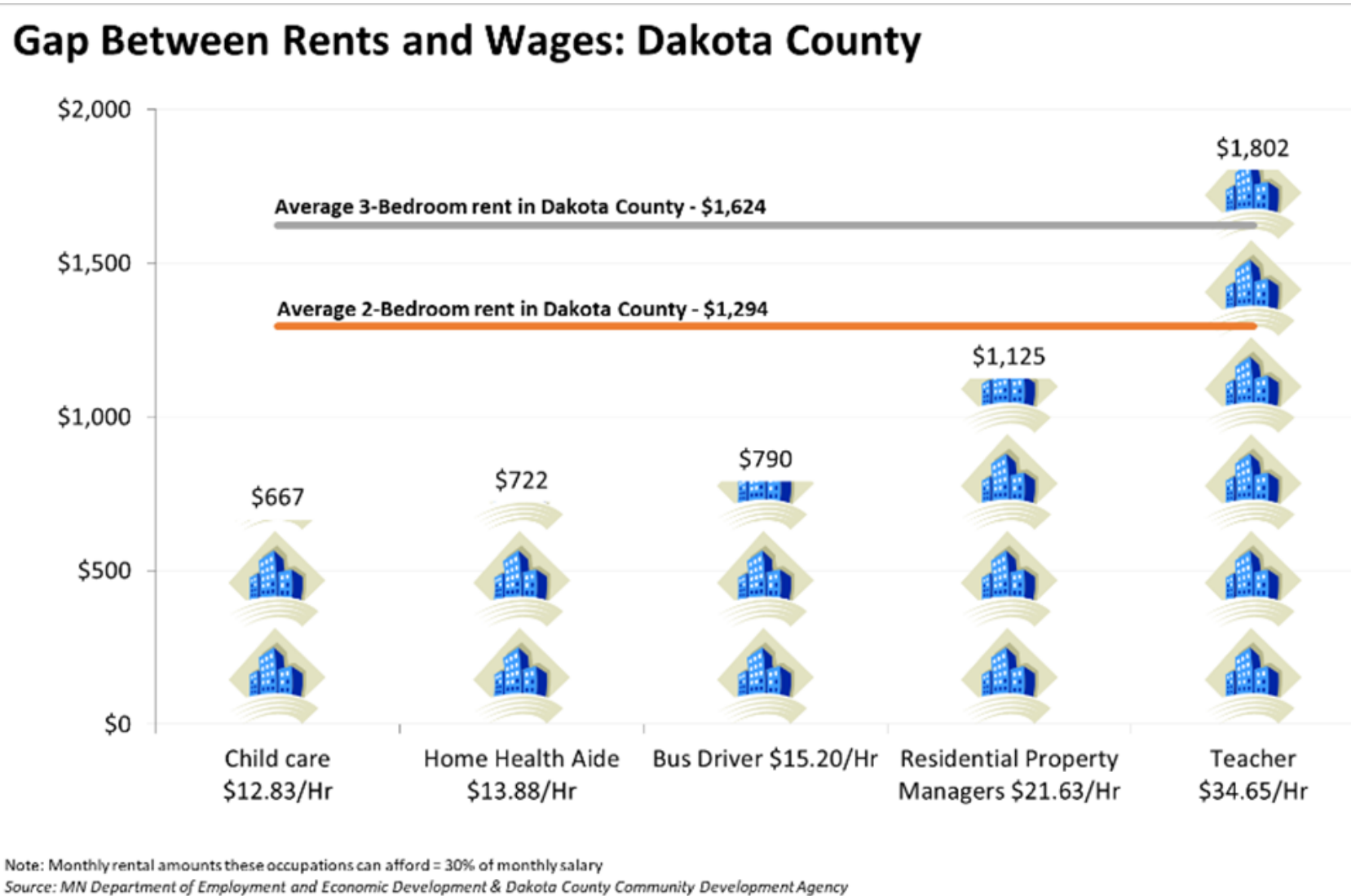
	Minnesota job losses		U.S. job losses	
Population by age	since March 13, 2020	expected in next 4 weeks	since March 13, 2020	expected in next 4 weeks
18 - 24	47%	12%	52%	14%
25 - 39	53%	20%	54%	21%
40 - 54	51%	16%	52%	23%
55 - 64	45%	22%	48%	22%
65 and above	18%	6%	26%	13%

	Minnesota job losses		U.S. job losses	
Hispanic origin and race	since March 13, 2020	expected in next 4 weeks	since March 13, 2020	expected in next 4 weeks
Hispanic or Latino (may be of any race)	42%	18%	59%	31%
White alone, not Hispanic	42%	14%	41%	14%
Black alone, not Hispanic	53%	34%	52%	25%
Asian alone, not Hispanic	41%	29%	44%	22%
Two or more races + Other races, not Hispanic	54%	14%	56%	25%

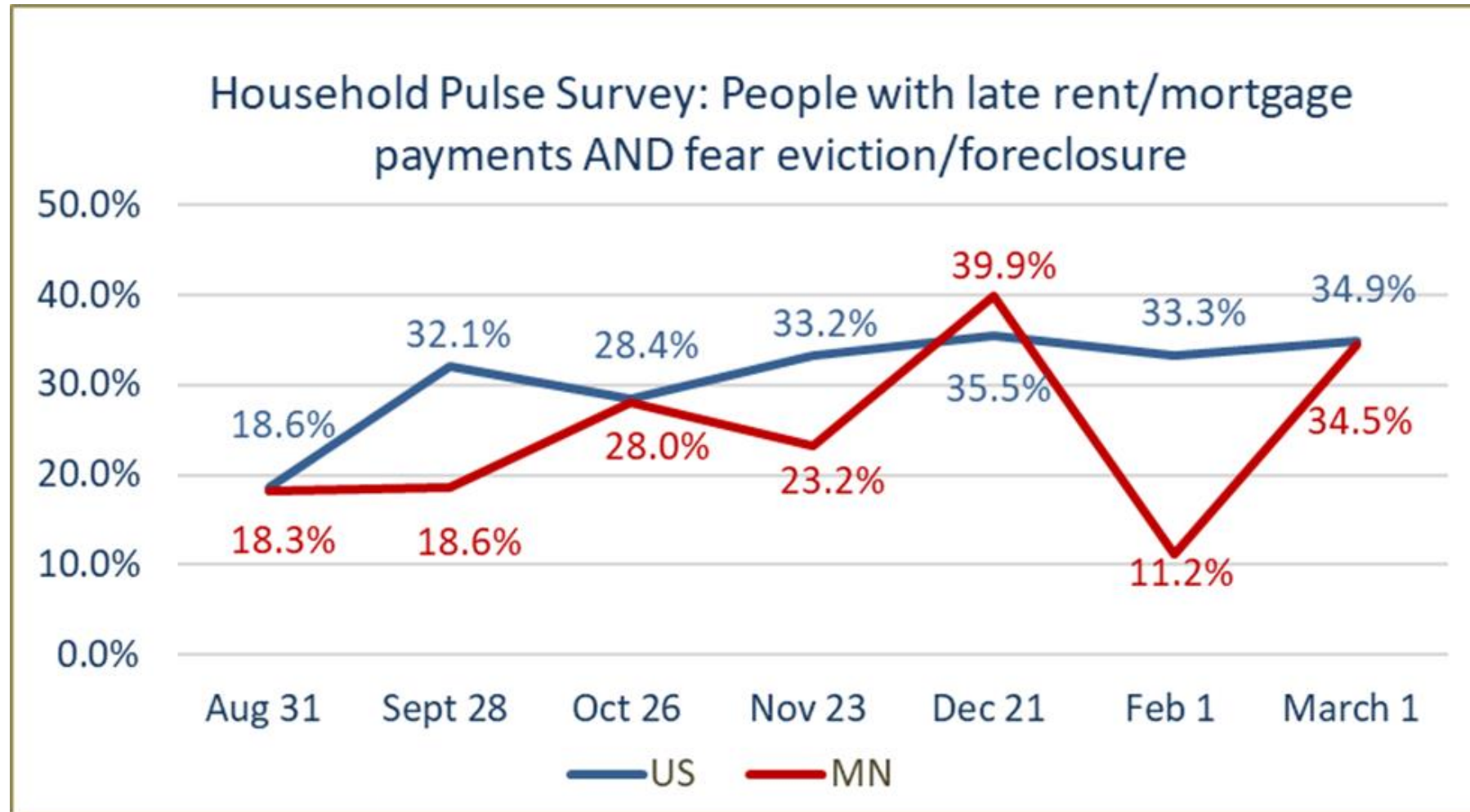
	Minnesota job losses		U.S. job losses	
Education	since March 13, 2020	expected in next 4 weeks	since March 13, 2020	expected in next 4 weeks
Less than high school	50%	18%	54%	36%
High school or GED	38%	19%	48%	20%
Some college/associate's degree	48%	18%	50%	19%
Bachelor's degree or higher	41%	10%	38%	13%

Data source: Census Bureau Household Pulse Survey

Current Conditions - Housing



Current Conditions - Housing



Current Conditions - Housing



Emergency Sheltering in Dakota County

Pre-pandemic participation in the emergency sheltering program compared to current rates demonstrate the impact of housing vulnerability in Dakota County.

Pre-COVID

- Families: 22 (22 shelter rooms, plus overflow hotel as needed)
- Singles: 50 (all congregate shelter)

Current

- Families: 32 (22 shelter rooms, 10 hotel)
- Singles: 85 (all hotel)
- Youth: 15 (all hotel)



Review of Potential Uses of ARP Funds

Potential Investment Opportunity: Revenue loss offset



2020 Estimated Pandemic Revenue Loss

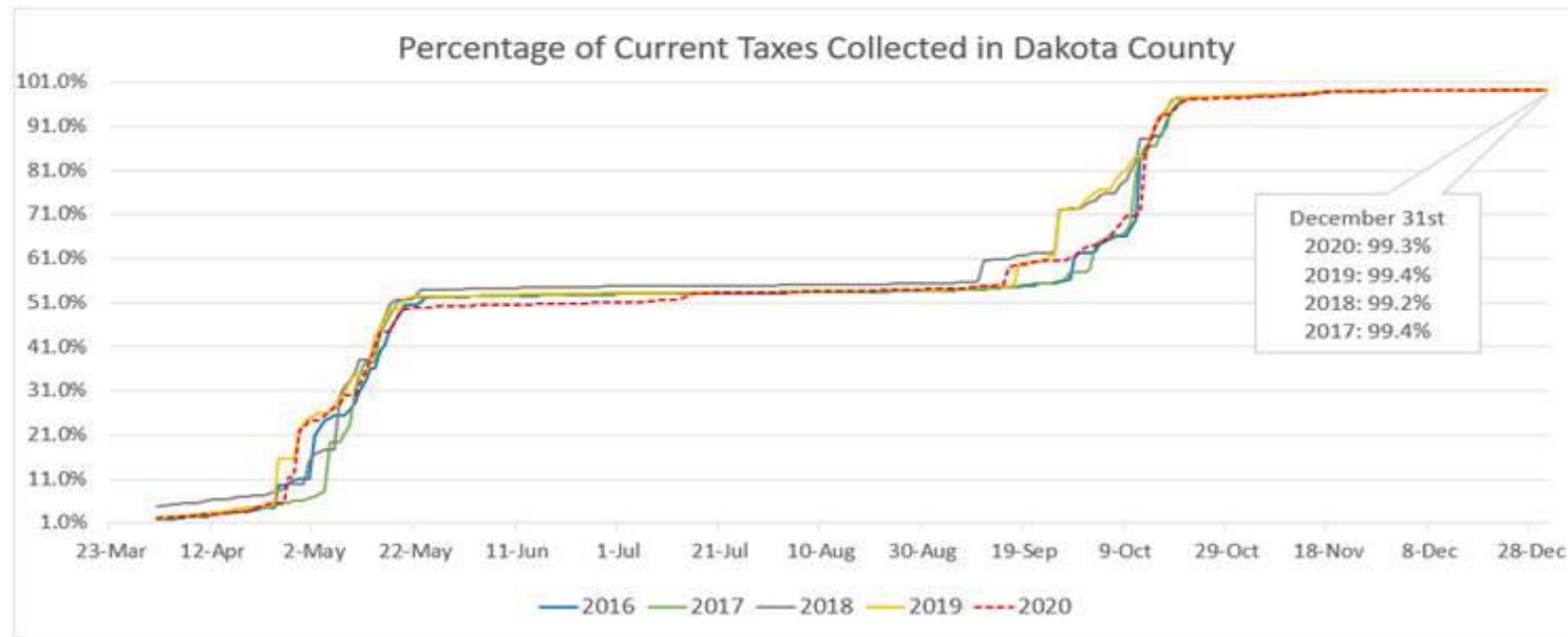
Department Description	Object Description	2019 YTD Actual	2020 YTD Actual	Variance
NON-DEPARTMENTAL	INTEREST ON INVESTMENTS	12,383,004	8,266,970	(4,116,034)
PSR ADMIN & PTR	FEES AND SALE OF COPIES	335,716	147,377	(188,339)
SERVICE & LICENSE CENTERS	FEES - PASSPORT, LICENSE, OTHER	1,044,336	570,617	(473,719)
SHERIFF	FEES - BOOKINGS & CIVIL PROCESS	290,149	203,404	(86,746)
SOCIAL SERVICES	RECOVERIES	266,232	178,269	(87,964)
COMMUNITY CORRECTIONS	FEES-PROBATION, JSC BED FEES, OTHER	1,516,437	1,248,279	(268,157)
General Fund Totals		15,835,874	10,614,915	(5,220,959)
PARKS	RENTALS-EQUIP., CABIN, SHELTER, OTHER	920,235	581,526	(338,710)
Parks Fund Totals		920,235	581,526	(338,710)
LIBRARY	FINES, FEES & SALE OF COPIES	439,172	165,744	(273,428)
Library Fund Totals		439,172	165,744	(273,428)
DC TRANSPORTATION SALES/USE TAX	TRANSIT SALES & USE TAX	18,881,999	18,736,368	(145,630)
DC Transportation Sales Tax Fund		18,881,999	18,736,368	(145,630)
Total County Funds		36,077,280	30,098,553	(5,978,727)
CDA	RENTAL INCOME LOSS			(185,050)
LAW LIBRARY	FEES *LAW LIBRARY*	309,186	206,868	(102,318)

Potential Investment Opportunity: Penalty Abatement



In 2020 the Dakota County Board of Commissioners authorized penalty abatements to provide property tax relief for taxpayers financially impacted by COVID-19

- Authorized in MN Stat. § 279.01, Subd. 2
- May 16 thru July 15 ~ 7,500 parcels (10% of eligible), collecting over \$25 million
- October 16 thru November 16 ~ 4,800 (7% of eligible), collecting nearly \$18 million
- Year end collection rates were consistent with prior years
- Provided early and additional tax distributions to taxing districts to mitigate impact



Potential Investment Opportunity: Penalty Abatement



Dakota County may consider an additional penalty abatement for eligible* taxpayers from May 18 through June 15, 2021

** Non-escrowed residential, agricultural, vacant rural, apartments and commercial & industrial businesses*

- Other counties:
 - Hennepin County Board authorized a penalty abatement through June 15, 2021
 - Washington County Board will consider an abatement though June 15, 2021
- If directed, staff will prepare a resolution for the April 20, 2021 Dakota County Board of Commissioners Meeting
- Upon adoption of resolution:
 - Staff will ensure prompt communication to taxpayers including County website, social media and press releases
 - Staff will ensure local taxing districts receive distribution of tax collections

Potential Investment Opportunity: Respond to Public Health Emergency & Economic Impact



- Direct assistance to households
- Direct assistance to businesses and non-profits
- Employment programs
- Mental health support
- Homeownership
- Rental assistance
- Enhance existing shelter capacity
- Technology access to public services

Other ARP Considerations: Housing



State Administered (MHFA)

- Emergency rental assistance, estimated \$150 million state and \$50 million local
- Homelessness assistance and supportive services programs, estimated \$31 million
- Homeowner assistance fund to prevent homeowner mortgage delinquencies or foreclosures due to financial hardship, estimated \$55 million
- Housing counseling funds, estimated \$5 million

Federally Administered

- Emergency Sec. 8 housing vouchers
- Emergency assistance for rural housing

Other ARP Considerations: Small Business



State Administered (DEED)

- Community Navigator Pilot Program, estimated \$3.5 million
- State small business credit initiative, estimated \$50 million

Federally Administered

- Paycheck Protection Program, expands eligibility for additional nonprofits
- Economic Injury Disaster Loan payments
- Restaurant Revitalization Fund at the U.S. Treasury
- Shuttered venue operators

Other ARP Considerations: Individual Assistance



Direct assistance

- Estimated \$6.331 billion in direct stimulus checks to Minnesotans

Unemployment

- Unemployment provision extends through September 6, 2021
- \$2 billion for UI fraud prevention, equitable access, and timely payment to eligible workers

Tax changes

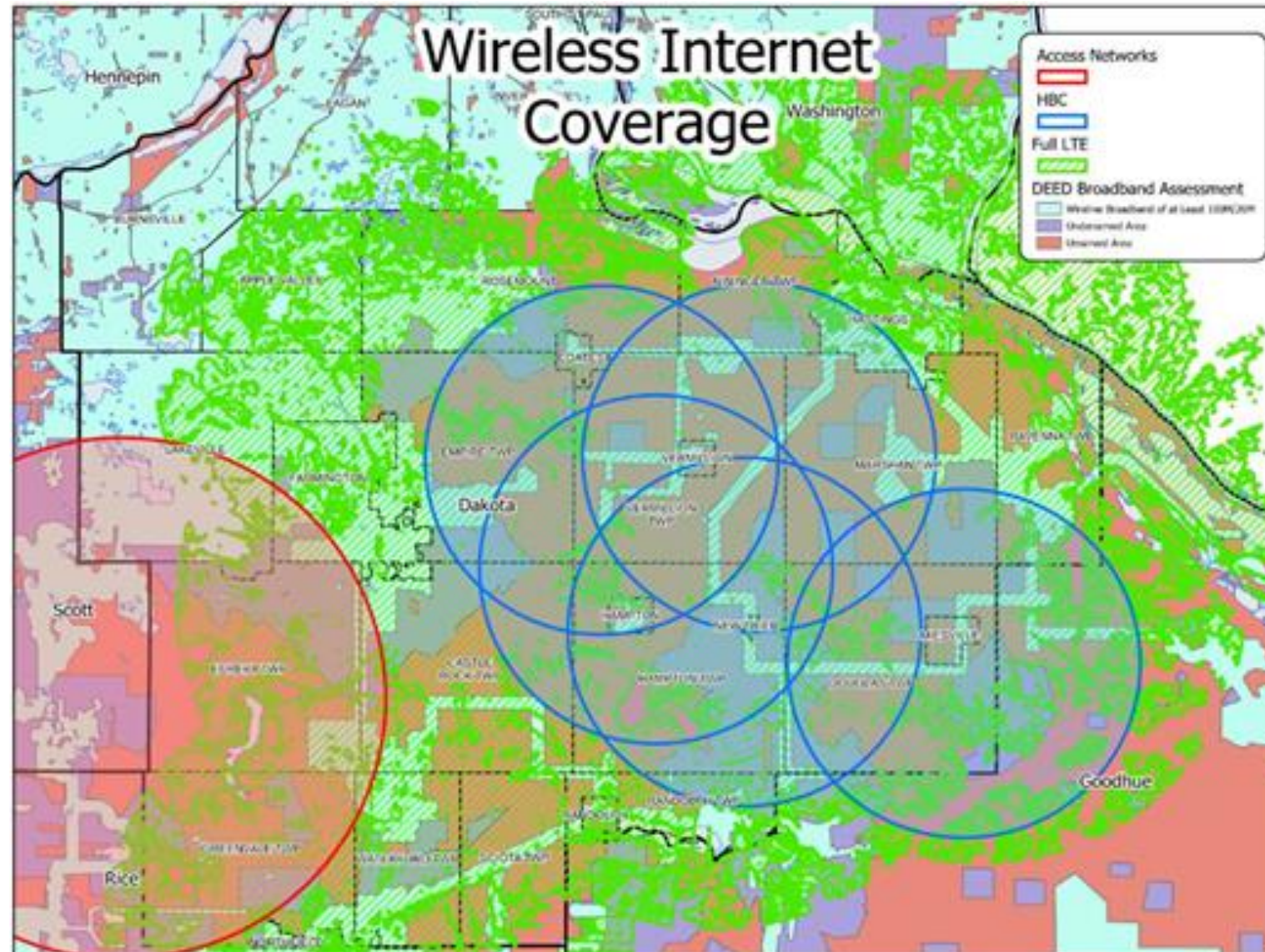
- First \$10,200 in UI received in 2020 non-taxable for households with incomes under \$150,000
- Child tax credit improvements for 2021 including advance payment
- Earned income tax credits for individuals with no qualifying children
- Refundability and increase in value of child and dependent care tax credit
- Exempt student loan forgiveness from income tax in 2021 – 2025

Potential Investment Opportunity: Investments in Water or Sewer Infrastructure



- Ground water and water infrastructure improvements
 - Drinking water safety, quantity and quality
 - Grants to communities or individuals
- Sewer improvements
 - Capital investments in wastewater or septic systems
 - Lower County costs for already planned projects
- Surface water management
 - Infrastructure necessary to improve existing or building new structures

Potential Investment Opportunity: Broadband



Potential Investment Opportunity: Other Allowable Uses



- *Provide premium pay to eligible workers or grants to their employers*
 - *"Premium pay" means an additional amount up to \$13 per hour that is paid to an eligible worker for essential work during the COVID-19 pandemic. The law imposes a cap of \$25,000 for any single eligible worker.*

- Identify the general areas for staff to continue to develop investment opportunities for the Board to consider.
- Provide direction on the general approach the Board wishes to use in developing decisions on use of ARP funds.
- Decision on first half property taxes.

- Staff will continue to monitor for additional details from U.S. Treasury.
- Staff will monitor State decisions on FRF uses.
- FRF money (first half) anticipated by approximately May 10.
- Board action to receive funds and a staff update will be provided in May.