

**City of Philadelphia Recovery Office
Presentation to Philanthropy Network on
American Rescue Plan
April 21, 2021**



Table of Contents

1. Overview of American Rescue Plan
2. Funding Specifics for the City of Philadelphia
3. Funding for Individuals and Families
4. Funding for Businesses and Non-Profits
5. Other Funding Sources in the American Rescue Plan to Watch...
6. Next Steps



Overview of the American Rescue Plan

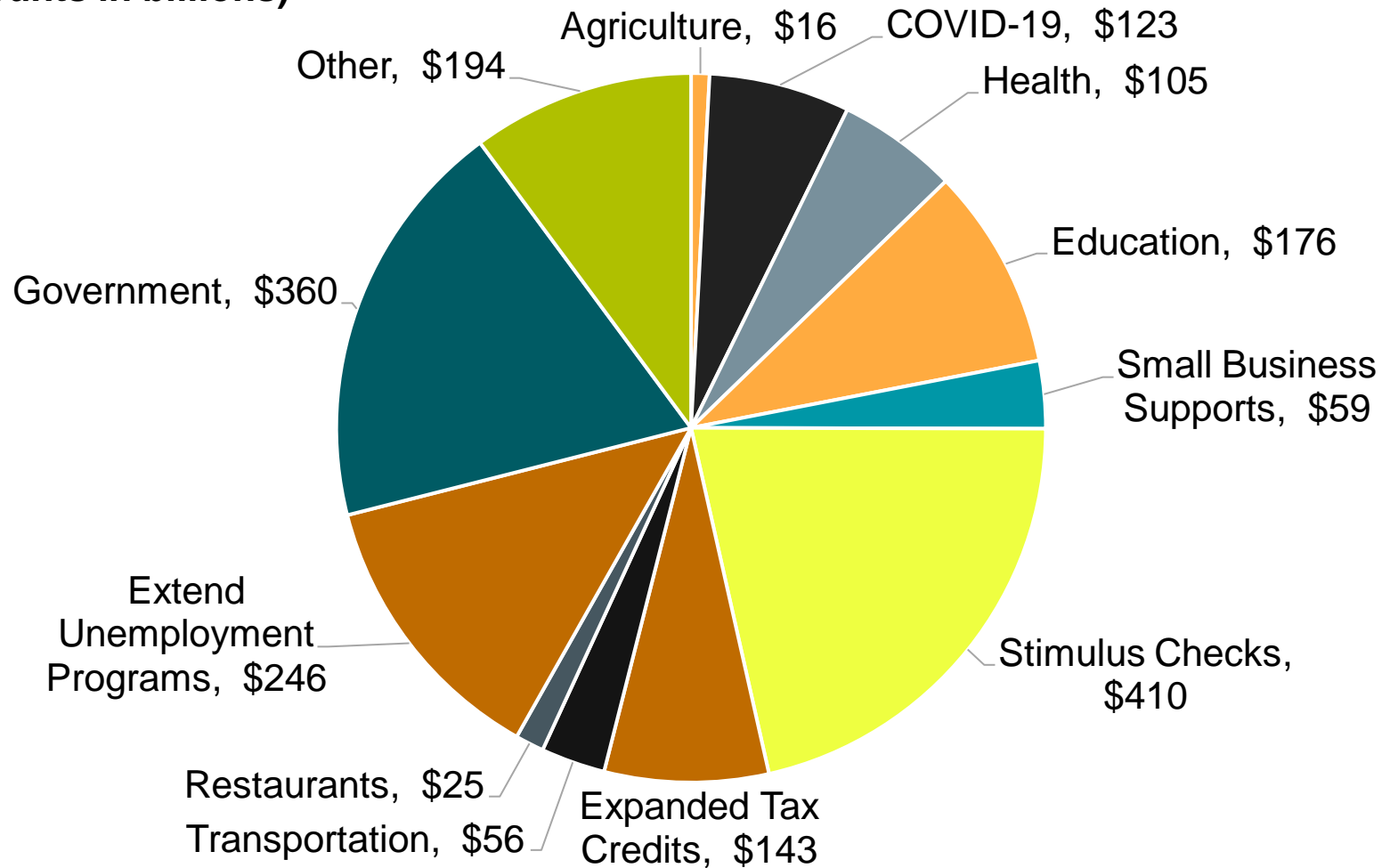


American Rescue Plan- Overview

- **\$1.9 trillion** stimulus bill; signed by President Biden on March 11, 2021.
- Provides **direct aid** to individuals, businesses, and nonprofits.
- **Addresses Philadelphia's top priority for relief:** direct and flexible funding for state and local governments, including for revenue replacement.
- Federal agencies have **varying timeframes** (30, 60, or 90 days) to administer funding and/or make funding opportunities available.
- Allocations and guidance has begun to come out; expect **more in the coming weeks** about what Philadelphia will receive.

American Rescue Plan: Major Spending Categories

(amounts in billions)



Data source: <https://www.wsj.com/articles/whats-new-in-the-third-covid-19-stimulus-bill-11615285802>



Funding Specifics for the City of Philadelphia



What Funding Will the City of Philadelphia Receive Directly?

Public Health Funding:

- **\$14 million** for vaccinations
- **\$48 million** for testing (85% of which must be used for school related activities)
- Funding for **reimbursement of eligible emergency protective measures** (\$50 billion nationally for FEMA's Disaster Relief Fund)
 - Philadelphia amount unknown and contingent on reimbursement of approved, eligible costs
- **Funding for public health workforce (\$7.66 billion nationally)** for state, local and territorial health departments
 - Philadelphia amount unknown
- **Funding for accessible mental health and substance use disorder treatment (\$3.88 billion nationally).**
 - Some funding streams include local government- Philadelphia amounts unknown at this point.
 - Funding includes **mental health and substance use disorder training** for health care professionals, paraprofessionals, and public safety officers; community-based funding for **local substance use disorder services**, and more.

Did you know?

FEMA Public Assistance is the **funding source** for many of the City's COVID and vaccine-related activities.

\$5.65 million
obligated by FEMA to date

\$23.1 million
in submitted expenses
currently under review by
FEMA



What Funding Will the City of Philadelphia Receive Directly?

Housing and Homeless Services Funding:

- **\$42 million** for homeless services via HUD's HOME Investment Partnerships Program
 - Funds **already allocated**; will likely be provided in the fall, must be **spent by 2030**.
 - Funds are for the "**development of affordable housing, tenant-based rental assistance, supportive services, and acquisition and development of non-congregate shelter units.**"
- **Emergency rental assistance**
 - Philadelphia allocation currently unknown.
 - Funding is **in addition to the \$104 million** in Emergency Rental Assistance Program (ERAP) funds that the City received from the Consolidated Appropriations Act, 2021.
 - The ARP also **extends the spending deadline** for the \$104 million from December 31, 2021 to September 30, 2022.

Spotlight: PHLRentAssist

In May 2020 Philadelphia began providing support to tenants and landlords affected by the COVID-19 pandemic.

Since then, Philadelphia has provided more than **\$64 million** in support to more than **14,000 households.**

Nearly 45 percent of the landlords who received payments are **small landlords** with five or fewer units.



What Funding Will the City of Philadelphia Receive Directly?

Transportation:

- **\$115 million (estimated) for Airport and payroll support**
 - Payroll support includes requirement to retain at least 90% of personnel employed as of March 27, 2020 through September 30, 2021)

Flexible Funding:

- **\$1.4 billion (estimated)** Coronavirus Local Fiscal Recovery Funds

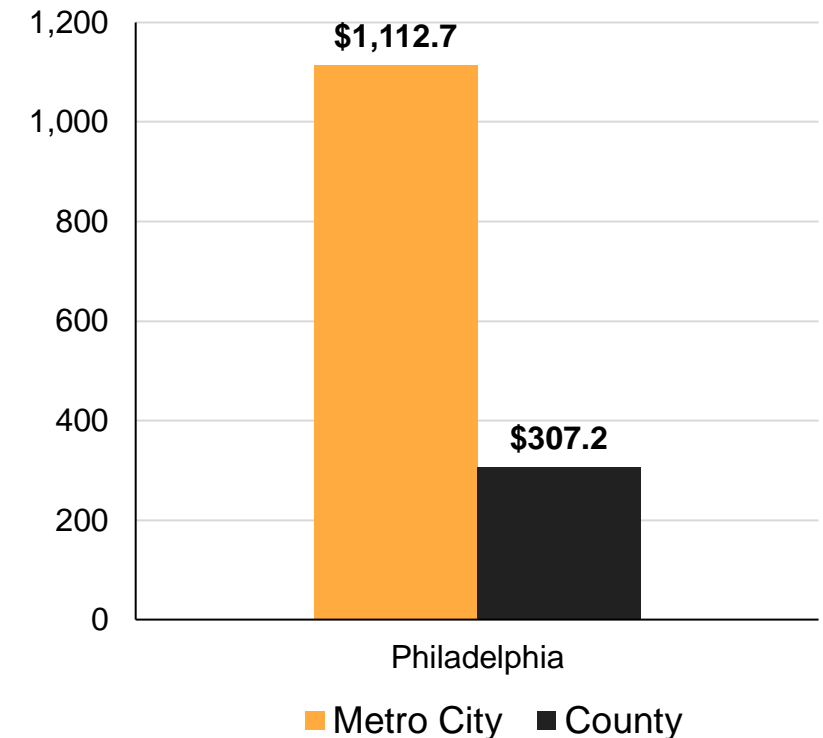
Funding for organizations that the City funds (Education + Transit):

- **\$1.3 billion** for School District
- **Estimated \$667 million** for SEPTA
- **Estimated \$55 million** for CCP

Coronavirus Local Fiscal Recovery Funds

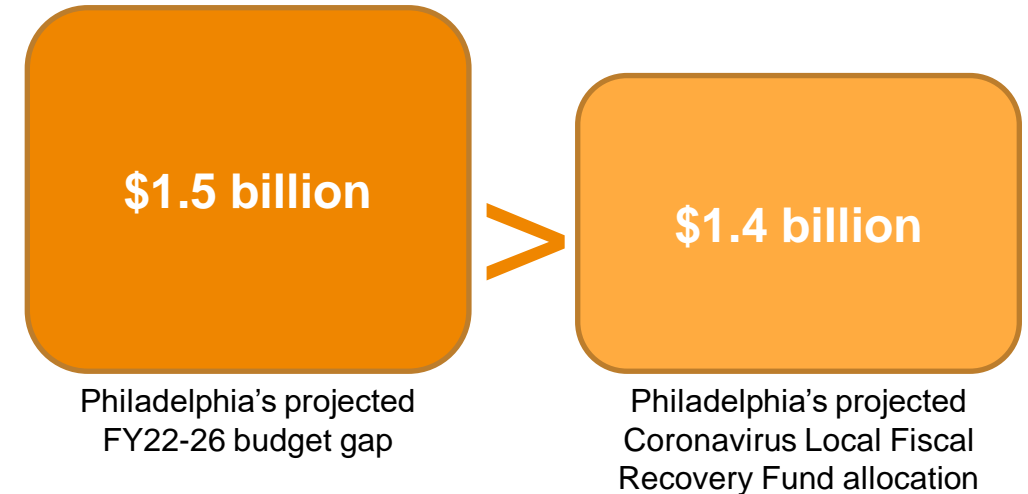
- Estimated 1.4 billion for Philadelphia **as a city and a county**
 - **Treasury has not yet released much information**; cities and states are being forced to make budgetary decisions before guidance is issued
- **Will be delivered in two tranches**: 50% within 60 days of enactment of the bill and 50% one year later.
- **Can be expended through December 31, 2024** (City's Fiscal Year 2025 Q2)
- **May not be used** to make a deposit into any pension fund.
- **Four categories** of eligible expenses. Philadelphia will make use of the following two:
 - Costs to respond to the pandemic and its negative economic impacts
 - Replacement of revenues lost as a result of the pandemic

Philadelphia's Projected Local Fiscal Recovery Funds from ARP (in millions)



Coronavirus Local Fiscal Recovery Funds and the City's FY22 Budget and FY22-26 Five Year Plan

- The Coronavirus Local Fiscal Recovery Funds **were intended to help state and local governments address the negative consequences of the pandemic** by funding new costs and providing revenue replacement.
- While this funding is extremely helpful, **it is not enough to get us back to where we were pre-pandemic.**
- Using the Local Fiscal Recovery Funds to cover costs helps the **City avoid more painful budget cuts and decisions** resulting from the negative impacts of the pandemic on the City's fiscal health.



Philadelphia's projected budget gap over the course of the Five Year Plan is greater than what we are projected to receive in Coronavirus Local Fiscal Recovery Funds.



CLFRF and the Five Year Plan

FY21	• \$32M	<p>ARP Treated as Flexible Revenues to the General Fund to (mostly) fill gap created by pandemic.</p> <p>Not Targeted to Particular Spending; Supports overall operations, COVID costs, enables new investments in education, health, and anti-violence, and keeps Plan balanced</p> <p>Anticipated Interest Earnings = \$25M (after management fees)</p>
FY22	• \$575M	
FY23	• \$425M	
FY24	• \$250M	
FY25	• \$143M	



Funding for Individuals and Families



What Assistance Will Be Available for Individuals/Families?

- **Stimulus checks** of up to \$1,400 for individuals earning up to \$75,000/joint filers up to \$150,000.
- **Extension of pandemic unemployment** (\$300/week) through September 6, 2021. Up to \$10,200 in unemployment benefits received in 2020 exempted from federal income taxes for households making less than \$150,000.
- **Expanded child tax credit** with advanced payments beginning on July 1, 2021. \$3,000/year (\$3,600 for children < 6 years old).
- **EITC expansion.**
- **Expanded benefits access + food access** (additional funding for TANF, SNAP max benefit extended by 15%).
- **Expanded health care coverage/lowered health care costs.**
- **Rental assistance and homeowner assistance.**
- **Funeral assistance** through FEMA.



Funding for Businesses and Non-Profits



What Funding Will Be Available for Businesses and Non-Profits?

- **Grant funding for restaurants** to address pandemic-related revenue loss (\$28.6 billion nationally for new Restaurant Revitalization Fund).
- **Paycheck Protection Program:** Additional funding + expanded eligibility for 501(c) nonprofits (\$7.25 billion nationally).
- **EIDL grants:** COVID-19 emergency grants (\$15 billion nationally).
- **Employee retention tax credit** for employers subject to closure due to COVID-19.
- **Support for socially and economically disadvantaged business owners** through the newly established Community Navigator Pilot Program. Aims to increase the awareness of and participation in COVID-19 relief programs for business owners currently lacking access, with priority for socially and economically disadvantaged individuals, women, and veterans.
- **Shuttered Venue Operators:** \$1.25 billion nationally for shuttered venue grants.



What Funding Will Be Available for Businesses and Non-Profits?

- **Financing:** \$10 billion nationally to support up to \$100 billion in small business financing through state, territorial, and tribal government programs.
 - \$2.5 billion dedicated for support to business enterprises owned and controlled by socially and economically disadvantaged individuals, including minority-owned businesses.
- **Other:**
 - \$10 billion nationally to boost production of PPE.
 - \$39 billion nationally in block grants for childcare providers.



Other Funding Sources in the American Rescue Plan to Watch...



Funding to the Commonwealth (not a comprehensive list)

Flexible Funding/Infrastructure:

- **State Coronavirus Fiscal Recovery Funds**
 - PA estimated to receive about **\$7.3 billion**.
 - **Similar rules** to Local Coronavirus Fiscal Recovery Funds.
 - Funding may **not** be used by States to **offset a reduction in net tax revenue** resulting from certain changes in law
- **State Capital Project Fund**
 - PA estimated to receive about **\$279 million**.
 - Funds can be used to carry out **critical capital projects directly enabling work, education, and health monitoring, including remote options**, in response to the public health emergency with respect to the Coronavirus Disease (COVID-19).



Funding to the Commonwealth (not a comprehensive list)

Housing and Utilities:

- **\$350 million** for a **PA Homeowner Assistance Fund**
 - For homeowners who are at **150% or less of AMI**, with **60% prioritized** for homeowners who are at **100% AMI**.
 - To prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of **homeowners experiencing financial hardship after January 21, 2020**.
 - Funds from the HAF may be used for **assistance with mortgage payments, homeowner's insurance, utility payments, and other specified purposes**.
- **\$500 million nationally** for grants to states for **water assistance programs** for low-income households
- **\$670 million** to Pennsylvania **for emergency rental assistance funding**
- **\$100 million** nationally for grants to housing counseling intermediaries approved by the Department of Housing and Urban Development, **State housing finance agencies**, and NeighborWorks organizations for **providing housing counseling services**



Funding to the Commonwealth (not a comprehensive list)

Services for Children and Mental Health:

- **\$23.975 billion** nationally for **Child Care Development Block Grants** and the same amount nationally for **Child Care Stabilization Grants to states**
 - **10%** may be used **for administration, technical assistance, and advertising.**
 - **90%** must be passed on to **qualified childcare providers.**
- **\$350 million** nationally for **Child Abuse Prevention and Treatment Act** grants to states
- **\$3.375 billion** nationally to states for **Child Care Assistance Grants for workers**
- **\$1.5 billion** nationally in block grants to states **for community mental health services**
- **\$1.5 billion** nationally in block grants to states for **prevention and treatment of substance abuse**



Funding to the Commonwealth (not a comprehensive list)

Businesses and Economic Assistance:

- **\$10 billion** nationally for the **state small business credit initiative**
 - Pennsylvania to receive **\$206.7 million**
 - Funds for state, territory, and Tribal government **small business credit support and investment programs**
- **\$750 million** for assistance to States and communities that have suffered economic injury as a result of job and gross domestic product losses in the travel, tourism, or outdoor recreation sectors.



Direct and Indirect Funding for Arts and Humanities

- **\$135 million** to the National Endowment for the Arts:
 - **40%** for grants and administrative expenses **to state arts agencies and regional arts organizations** that support organizations' programming and general operating expenses
 - **60% for direct grants, and relevant administrative expenses.**
 - Funds maybe used to cover **up to 100% of the costs** of the programs which the grants support, **to prevent, prepare for, respond to, and recover from the coronavirus.**
- **\$135 million** to the National Endowment for the Humanities:
 - **40%** for grants and administrative expenses **to state humanities councils** that support humanities organizations' programming and general operating expenses
 - **60% for direct grants, and relevant administrative expenses.**
 - Funds maybe used to cover **up to 100% of the costs** of the programs which the grants support, **to prevent, prepare for, respond to, and recover from the coronavirus.**



Funding for Libraries

- **\$200 million** to the Institute of Museum and Library Services for **necessary expenses** to carry out museum and library services.
- **\$7.172 billion Emergency Connectivity Fund**
 - Libraries can apply to receive **100% reimbursement** for purchases of equipment to provide internet connectivity and devices to the public.



Next Steps



Lessons Learned and Next Steps

- **Critical and timely support from philanthropy**, paired with federal, state and local funding sources, has allowed the City to quickly stand up a number of **effective relief programs**.
 - However, more can be done to **streamline and maximize access** to these **existing programs**.
- The American Rescue Plan will provide the City with **enough funding to support core City services** and avoid additional, painful cuts. It will also make **direct funding available to individuals and businesses**.
 - New, innovating methods are needed to help Philadelphia families and businesses **maximize access to these new resources**.
 - Accessing these resources is critical for Philadelphia to emerge from the pandemic as **a more equitable city**.



Opportunities for Philanthropy

- Continued support for **effective programs that supplement the social safety net** during the pandemic (step up to the place, worker's relief fund, etc.)
- Continued support for sectors with **limited state and federal relief options**, such as the Arts and Culture sector.
- Ideas for **establishing a system of consistent, credible community outreach** to make sure Philadelphians access all of the available benefits in the American Rescue Plan
- Partnership with the public sector to identify how Philadelphia can **emerge from the pandemic as a more equitable city** -- what opportunities are there for a "new normal"? How do we measure success?



Thank you!

Questions?

Please email us at
sarah.dewolf@phila.gov
ashley.delbianco@phila.gov

www.phila.gov/recoveryPHL