

ITEM NO. 22-

**TO THE CITY COUNCIL OF PEORIA, ILLINOIS, IN COUNCIL,
ASSEMBLED YOUR COMMITTEE OF THE WHOLE to Whom
was Referred a POLICY SESSION on CORONAVIRUS STATE
and LOCAL FISCAL RECOVERY FUNDS and Provide
Direction to Staff as Appropriate.**

A Policy Session was held on Tuesday, August 16, 2022, beginning at 6:00 P.M. at City Hall, Council Chambers (Room 400), 419 Fulton Street, with Mayor Ali presiding, and with proper notice having been posted.

ROLL CALL

Roll Call showed the following Council Members were present: Allen, Cyr, Grayeb, Jackson, Jensen, Kelly, Oyler, Ruckriegel, Velpula, Mayor Ali - 10. Absent: Riggenschach.

Others present were as follows: City Manager Patrick Urich, Interim Corporation Counsel Chrissie Kapustka, City Clerk Stefanie Tarr, Deputy Clerk II Courtney Coe, Police Chief Eric Echevarria, Strategic Communications Manager Stacy Peterson, Assistant City Manager Kimberly Richardson, Community Development Director Joe Dulin, Public Works Director Rick Powers, Finance Director Kyle Cratty, interested citizens and members of the media.

**Communication from the City Manager and Finance Director with a Request to
hold a POLICY SESSION on the CORONAVIRUS STATE and LOCAL FISCAL RECOVERY
FUNDS**

Mayor Ali opened the Policy Session at 6:16 P.M.

City Manager Urich asked the Council for continued guidance concerning the unprecedented funding awarded to the City of Peoria through the American Rescue Plan Act (ARPA). He said he would provide a review of the funds the Council had previously allocated and spent, and he would present proposals and options for the Council to decide how to utilize funds that had not been allocated or to rearrange funds as needed.

City Manager Urich began the presentation with a review of ARPA, noting it was funding provided by the Federal Government in response to detrimental effects of the pandemic with four key funding objectives and six eligible use categories along qualified census tracts. He said the qualified census tracts in the City of Peoria were located south of McClure Avenue, except in the Uplands area. He offered several areas and programs where the funds could be utilized, and he described the ineligible uses for the funds as outlined in the provided guidelines. He said the ARPA funding allocation deadline was December 31, 2024, and the deadline to spend the funds was December 31, 2026. He reviewed the ARPA funds allocated as approved in the City of Peoria 2022-2023 Biennial Budget and how funds had been spent to date, noting some of the funds budgeted in 2022 would be shifted to the 2023 Budget Plan.

Community Development Director Joe Dulin explained a new program proposal to provide utility assistance in response to the sharp increases in electricity bills in Illinois. He said it was a preemptive measure targeted for households that do not qualify for existing utility assistance programs. He said \$150,000.00 in 2022 and in 2023 would allow the City to help up to 500 households at \$150.00 per month per household, and if the Council approved the program, the Community Development Department would implement the program by November 2022.

Discussions were held on how the utility credits would be provided, the administration and management of the program, and how the target households of the City's program differed from the Town of the City of Peoria's Utility Assistance Program.

Council Members Jensen and Ruckriegel expressed concern that \$150,000.00 per year in 2022 and 2023 would not be enough to respond to the needs in the community after the drastic electricity bill increases. Director Dulin said the \$150,000.00 was determined based on the target population and how the funds could be utilized most effectively.

In response to Council Member Jensen's inquiry regarding how many citizens had received utility assistance from the City during the pandemic, Director Dulin noted the program during the pandemic addressed past due amounts while the new program was a preemptive measure.

In response to Council Member Ruckriegel, Director Dulin said it was a unique program proposed to prevent the utility bill increases from detrimentally affecting households living paycheck to paycheck in the community without the funding reserves to address the sudden upsurges. He said it was the discretion of the Council to increase the funding allocations initially, or to make the decision based on reporting from the Community Development Department once the program was implemented and initial needs were assessed. Council Member Ruckriegel asked Director Dulin to keep the Council apprised of funding needs.

Discussions were held to determine where there could be additional funding and how the Community Development Department Staff would manage the applications and administration of the new program.

Continued discussions were held concerning ARPA funds budgeted in 2022 that were reallocated to be spent in 2023.

In response to Council Member Oyler regarding funds removed from the Housing Rehabilitation allocation to fund the proposed utility assistance program, Director Dulin said while supporting neighborhood rehabilitation was important, he felt the funds would be better used in the proposed utility assistance program to prevent future concerns. Mayor Ali said she believed both initiatives should be supported instead of taking funds from one to support the other.

Council Member Allen thanked Director Dulin for the proposed utility assistance program, noting the importance and impact it would have in Peoria, especially for citizens on fixed incomes. Director Dulin explained the collaborative efforts with landlords, nonprofit organizations, and other means of communication in order to successfully reach citizens in need.

City Manager Urich continued the presentation on Coronavirus State and Local Fiscal Recovery Funds with a discussion of the proposed ARPA fund allocations for 2023 projects and programs, including infrastructure investments, and he asked the Council for approval and direction concerning the proposals to incorporate the recommendations in the 2023 Budget discussions.

Discussions were held regarding the Wisconsin Avenue reconstruction projects, and Mayor Ali congratulated the City Manager on the additional \$3 million grant the City received from the State to apply towards this project.

Discussions were held regarding funding allocations to address Hot Spot Crime Areas in Peoria. City Manager Urich noted the Police Department would initiate efforts and recruit the appropriate City Department to address concerns contributing to crime in each area, such as abandoned properties and insufficient lighting. The effectiveness of improved street lighting

solutions and addressing abandoned or vacant properties in neighborhoods were discussed. Police Chief Eric Echevarria explained how the Police Department was working to determine the Hot Spots in the City and how to best mitigate the concerns and reduce the violence. He said once the data was compiled, he would provide a Report Back to the Council. Public Works Director Rick Powers explained the standard street lighting and smart lighting solutions the Public Works Department pursued in collaboration with Ameren Illinois.

In response to Council Members Jackson and Cyr regarding the status of outsourcing engineering projects, Director Powers said while sourcing engineering talent was a nationwide difficulty, the City of Peoria benefited from outsourcing engineering projects to consultants in order to leverage resources of multiple firms to manage ongoing projects while addressing inflation and bid response concerns.

After Council Member Ruckriegel noted the importance of having an inventory of good housing, he said Council Members Jensen, Oyler and himself met with Director Dulin to discuss a pilot program to set aside funds to designate a City employee focused on Housing Court cases and proceedings. City Manager Urich said he would pursue a program that would bridge the Community Development and Legal Department efforts to address deteriorating, abandoned or vacant housing in the City through the Housing Court process. Director Dulin discussed how the Community Development Department was addressing the demolition backlog, as well as the importance of addressing deteriorating properties before they required demolition. He explained the additional work the Legal Department would undertake in order to address the properties more quickly and successfully.

Discussions were held regarding the Nonprofit Capital Program funded through ARPA, the properties demolished and scheduled to be demolished in the City, and the Neighborhood Mini-Grants Program. Director Dulin said the Land Bank would provide a Report Back to the Council with demolition and Neighborhood Mini-Grant information.

City Manager Urich said he would bring back the funding for the Housing Rehabilitation Program and the pilot project for Legal Department support for Housing Court cases as a part of the 2023 Budget proposal.

City Manager Urich continued the presentation with an update on the Economic Development Department programs, including Small Business Support, Commercial Rehabilitation/Façade Improvement Program, and unemployment assistance. He said three initiatives were being explored in collaboration with the Economic Development and Jobs Subcommittee of the Joint Commission on Racial Justice and Equity Commission, including workforce development, growth of minority-owned businesses, and investments in qualified census tracts. He said the subcommittee was interested in identifying gaps, such as income and childcare support to encourage job training initiatives. He explained an additional focus on the tourism industry, a sector that was greatly affected by the pandemic and a funding reserve that was drained due to the Hotel Restaurant Amusement (HRA) tax revenue decrease.

Discussions were held regarding obtaining the greatest return on investment for the ARPA funds, focusing investments on assets such as the riverfront, and projects in progress to improve the downtown area to boost economic development efforts in Peoria.

Discussions were held regarding the annual funding amount the Tourism Reserve Fund (TRF) received from HRA municipal tax revenues, how the funding was allocated, the effect of the pandemic on funding reserves, and the proposal to replenish the TRF in order to resume promotion operations.

Council Member Velpula asked how the City was promoting Peoria to business-owners to communicate mutually beneficial prospects and attract new businesses to the area. City Manager Urich described multiple ongoing promotional projects such as marketing videos, and he summarized how marketing efforts had decreased significantly due to the diminished TRF. Council Member Kelly noted the importance of fostering growth of existing local businesses in order to create an even more attractive marketplace for outside investors and business owners.

Discussions were held on improvements and reconstruction to City-owned property with a focus on the Riverfront and Warehouse Districts, and the progression of the Economic Development R.I.S.E Program to support and expand small businesses instead of concentrating on start-ups.

After Mayor Ali asked if the Council had any objections to Staff recommendations regarding Economic Development, she noted no objections were heard.

Discussions were held concerning administrative costs associated with the eligible use categories compared to the efforts funded through the Program Marketing/Finance Administration category. The progress of hiring City Staff in order to provide the necessary additional administrative support was also discussed.

Council Member Kelly commented on the importance of eliminating obstacles discouraging intact family units for citizens, especially those enrolled in financial assistance or citizens in need of support. He said the right assistance programs could benefit the families financially, engage the community, and reduce violence. He discussed the demographics and circumstances that he said often led to criminal activities in the youth, as well as the cycle of poverty and ways to help citizens regain their independence and prosperity.

Mayor Ali said she worked with the Department of Human Services and served on the Welfare Reform for the State of Illinois, and she noted the City of Peoria did not have the ability to control State programs. She remarked on the importance of working with State Legislators and DHS to address the issues.

In response to Council Member Kelly regarding actions the Council could take using ARPA funds, City Manager Urich said an Income Support Program would be an eligible use of ARPA funds in order to provide a stopgap for diminished benefits for affected families, and he said once Staff was able to construct the program, it would be brought to the Council for consideration.

Mayor Ali asked if Council was in concurrence of pursuing an Income Support Program. Council Member Jensen said she did not think they should proceed with the program; Council Member Grayeb agreed the concerns should be communicated with State Legislators, and Council Member Allen said it was important to see what other municipalities were implementing to address the disparities.

After Mayor Ali asked if the Council had any additional recommendations or changes to what had been presented and proposed, she noted no objections were heard and directed City Manager Urich to proceed with the proposed plans.

City Manager reviewed the Council's recommendations, including replenishment of the \$250,000.00 in the Housing Rehabilitation fund category and researching a pilot program for a Legal Staff dedicated to Housing Court proceedings. He said with the concurrence of the presented funding proposals, \$9.8 million remained to be allocated by 2024. He said he would

work with Staff to build the recommendations into the Budget to be presented to the Council for consideration in October 2022, and the remaining funds would be appropriated by the Council at a later date.

Council Member Ruckriegel asked City Manager Urich for a Report Back with a list of existing and anticipated grants in 2022 and 2023, funded through ARPA funds and any other sources provided by the City of Peoria.

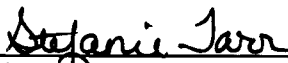
Mayor Ali noted the Council concurred with the funding recommendations in the categories the City Manager Urich presented, with the addition of the proposed Peoria promotion initiative presented by Council Member Velpula.

Council Member Oyler said he was considering a neighborhood infrastructure pilot program concept and he said more information would be presented to the Council at a later date.

Mayor Ali said the discussions had been fruitful and she instructed City Manager Urich to proceed with the presented proposals.

Council Member Grayeb commented on the historic Federal funding received by the City of Peoria in response to the pandemic, noting the importance of monitoring and managing how those funds were used to the greatest outcome for Peoria. City Manager Urich said the Finance Department would monitor progress of the programs and grants funded through ARPA and other sources to determine their effectiveness.

Mayor Ali closed the Policy Session at 8:09 P.M.



Stefanie Tarr, RMC, CMC, City Clerk
City of Peoria, Illinois

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