

AMERICAN RESCUE PLAN FISCAL RECOVERY FUNDS POLICY SESSION

City of Peoria
August 16, 2022



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FISCAL RECOVERY FUND FUNDING OBJECTIVES

- **Support urgent COVID-19 response efforts** to continue to decrease spread of the virus and bring the pandemic under control
- **Replace lost public sector revenue** to strengthen support for vital public services and help retain jobs
- **Support immediate economic stabilization** for households and businesses
- **Address systemic public health and economic challenges** that have contributed to the inequal impact of the pandemic


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ELIGIBLE USES OF THE STATE AND LOCAL FISCAL RECOVERY FUNDS



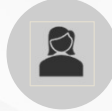
SUPPORT PUBLIC HEALTH RESPONSE



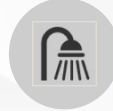
ADDRESS NEGATIVE ECONOMIC IMPACTS




REPLACE PUBLIC SECTOR REVENUE LOSS



PREMIUM PAY FOR ESSENTIAL WORKERS



WATER AND SEWER INFRASTRUCTURE



BROADBAND INFRASTRUCTURE

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EQUITY-FOCUSED SERVICES

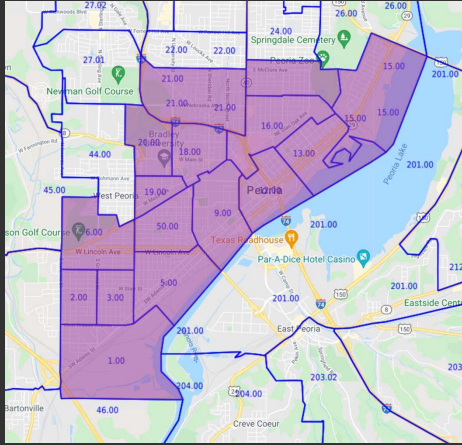
- **Additional flexibility for the hardest-hit communities and families** to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- **Broadly applicable to Qualified Census Tracts**, other disproportionately impacted areas, and when provided by Tribal governments

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EQUITY-FOCUSED SERVICES



Qualified Census Tracts

- 01, 02, 03, 05, 06, 09
- 12, 13, 15, 16, 18, 19
- 21, 25, 50
- Tract 20 has been removed



EQUITY-FOCUSED SERVICES

- Address health disparities
 - Community health workers and public benefits navigators
 - Lead paint remediation
 - Community violence intervention programs
- Housing and neighborhoods
 - Persons experiencing homelessness
 - Affordable housing development
 - Housing vouchers, residential counseling, navigation assistance
- Educational disparities
 - New/expanded early learning services
 - Expanded resources for high-poverty school districts
 - Tutoring and afterschool programs
- Promoting healthy childhood environments
 - New/expanded high quality childcare
 - Home visiting programs for families with young children
 - Services for child welfare-involved families



INELIGIBLE USES

- **Changes that reduce net tax revenue** must not be offset with American Rescue Plan Funds
- **Extraordinary payments into a pension fund** are a prohibited use of this funding. Under Treasury's interpretation, a "deposit" is distinct from a "payroll contribution," which occurs when employers make payments into pension funds on regular intervals for employees whose wages are an eligible use
- **Rainy day funds** or financial reserve deposits
- **Funding debt service** payments, legal settlements, or judgements

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2021 FISCAL RECOVERY FUNDS USE

- **Lost revenue calculation for Peoria - \$20,561,566**
- **\$10,301,585** of Fiscal Recovery Funds were used in 2021 to cover revenue losses for the City.
- Funds were used to offset Police and Fire Salaries
- **\$36,788,391** of unspent funds.
- Funds must be appropriated by 12/31/2024 and spent by 12/31/2026.

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RECOMMENDED SPENDING

RECOMMENDED SPENDING	2022	2023
INFRASTRUCTURE	\$6,300,403	\$5,235,027
NEIGHBORHOODS	\$2,450,000	\$2,453,303
ECONOMIC DEVELOPMENT	\$2,400,000	\$2,406,155
HEALTH EQUITY (MATCHED BY PEORIA COUNTY)	\$600,000	\$600,000
VIOLENCE REDUCTION	\$1,300,000	\$1,320,390
PROGRAM MARKETING/ FINANCE ADMINISTRATION	\$183,000	\$170,125
TOTAL	\$13,243,403	\$12,185,000

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2022 ANTICIPATED SPENDING

RECOMMENDED SPENDING	2022 BUD	2022 SPENT
INFRASTRUCTURE	\$6,300,403	\$4,618,403
NEIGHBORHOODS	\$2,450,000	\$2,100,693
ECONOMIC DEVELOPMENT	\$2,400,000	\$2,407,595
HEALTH EQUITY (MATCHED BY PEORIA COUNTY)	\$600,000	\$600,000
VIOLENCE REDUCTION	\$1,300,000	\$731,250
PROGRAM MARKETING/ FINANCE ADMINISTRATION	\$183,000	\$18,750
TOTAL	\$13,243,403	\$10,476,691

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INFRASTRUCTURE

2022 Budget

- Sidewalks - \$870,000
- Street Lighting - \$700,000
- Smart Lighting - \$500,000
- Mill and Overlay - \$2,048,403
- Harrison/McKinley - \$2,000,000
- Administration - \$182,000

2022 Spent

- Sidewalks - \$0
- Street Lighting - \$610,000
- Smart Lighting - \$0
- Mill and Overlay - \$2,008,403
- Harrison/McKinley - \$2,000,000
- Administration - \$0

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NEIGHBORHOOD REVITALIZATION

2022 Budget

- Demolition/Lot Clearance - \$1,000,000
- Land Bank Operations - \$300,000
- Housing Rehabilitation - \$400,000
- Nonprofit Capital Program - \$200,000
- Down Payment Assistance - \$250,000
- Neighborhood Mini Grants - \$100,000
- Administration - \$250,000

2022 Spent

- Demolition/Lot Clearance - \$1,000,000
- Land Bank Operations - \$150,000
- Housing Rehabilitation - \$250,000
- Nonprofit Capital Program - \$200,000
- Down Payment Assistance - \$125,000
- Neighborhood Mini Grants - \$100,000
- Utility Assistance - \$150,000
- Administration - \$125,693

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ECONOMIC DEVELOPMENT

2022 Budget

- Small Business Support - \$750,000
- Small Business Innovation - \$750,000
- Assistance to Unemployed - \$750,000
- Partner Support - \$100,000
- Administration - \$50,000

2022 Spent

- Small Business Support - \$1,900,000
- Commercial Rehab/ Facade- \$300,000
- Assistance to Unemployed - \$75,000
- Partner Support - \$100,000
- Administration - \$32,595

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VIOLENCE REDUCTION, HEALTH EQUITY, AND ADMINISTRATION

2022 Budget

- Violence Prevention - \$735,000
- Hot Spot Intervention – \$500,000
- Administration - \$65,000
- Health Equity - \$600,000
- Marketing/ Administration - \$183,000

2022 Spent

- Violence Prevention - \$700,000
- Hot Spot Intervention – \$0
- Administration - \$31,250
- Health Equity - \$600,000
- Marketing/ Administration - \$18,750

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2023 PROPOSED SPENDING

RECOMMENDED SPENDING	2023 BUD	2023 PROP
INFRASTRUCTURE	\$5,235,027	\$8,515,455
NEIGHBORHOODS	\$2,453,303	\$2,453,303
ECONOMIC DEVELOPMENT	\$2,406,155	\$2,406,155
HEALTH EQUITY (MATCHED BY PEORIA COUNTY)	\$600,0000	\$600,000
VIOLENCE REDUCTION	\$1,320,390	\$1,320,390
PROGRAM MARKETING/ FINANCE ADMINISTRATION	\$170,125	\$170,125
TOTAL	\$12,185,000	\$15,465,428

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INFRASTRUCTURE

2023 Budget

- Sidewalks - \$800,000
- Street Lighting - \$800,000
- Smart Lighting - \$500,000
- Mill and Overlay - \$960,000
- Wisconsin Avenue - \$2,000,000
- Administration - \$175,027

2023 Proposed

- Sidewalks - \$1,670,000
- Street Lighting - \$800,000
- Smart Lighting - \$500,000
- Mill and Overlay - \$1,760,000
- Wisconsin Avenue - \$2,000,000
- Sewers - \$1,600,000
- Administration - \$185,455

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INFRASTRUCTURE

- Public Works requested to carry over \$870,000 in sidewalk spending for 2023 from 2022
- The street light projects for Prospect Road and SW Adams remain
- Smart Street Lighting Pilot would be \$500,000 for 2023, coupled with an anticipated \$2,500,000 DCEO Grant
- Mill and Overlay costs have increased, MLK up \$300,000 and Gale up \$500,000
- Wisconsin Avenue still at \$2,000,000
- **New project:** A sewer in NW Peoria along War Memorial Drive - \$1,600,000

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NEIGHBORHOOD REVITALIZATION

2023 Budget

- Demolition/Lot Clearance - \$1,000,000
- Land Bank Operations - \$300,000
- Housing Rehabilitation - \$400,000
- Nonprofit Capital Program - \$200,000
- Down Payment Assistance - \$250,000
- Neighborhood Mini Grants - \$100,000
- Administration - \$203,303

2023 Proposed

- Demolition/Lot Clearance - \$1,000,000
- Land Bank Operations - \$300,000
- Housing Rehabilitation - \$250,000
- Nonprofit Capital Program - \$200,000
- Down Payment Assistance - \$250,000
- Neighborhood Mini Grants - \$100,000
- Utility Assistance - \$150,000
- Administration - \$203,303

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NEIGHBORHOOD REVITALIZATION

- Housing Rehabilitation programs reduced to \$250,000
- New Program: Utility Assistance to assist with higher utility costs - \$150,000

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ECONOMIC DEVELOPMENT

2023 Budget

- Small Business Support - \$750,000
- Assistance to Unemployed - \$750,000
- Small Business Innovation - \$750,000
- Partner Support - \$100,000
- Administration - \$56,155

2023 Proposed

- Small Business Support - \$600,000
- Commercial Rehab/ Facade- \$600,000
- Assistance to Unemployed - \$300,000
- RJE Gap Identification - \$300,000
- Tourism Reserve Fund - \$450,000
- Partner Support - \$100,000
- Administration - \$56,155

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ECONOMIC DEVELOPMENT

- Commercial Rehab and Façade programs recommended at \$600,000
- Small Business Support recommended at \$600,000
- Assistance to Unemployed Workers at \$300,000
- **New program:** provide \$300,000 to the RJE Economic Development and Jobs Subcommittee to identify gaps in workforce development/ income support programs
- **New Program:** Tourism Reserve Fund – Recapitalize the TRF - \$450,000

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VIOLENCE REDUCTION, HEALTH EQUITY, AND ADMINISTRATION

2023 Budget

- Violence Prevention - \$735,000
- Hot Spot Intervention – \$500,000
- Administration - \$85,390
- Health Equity - \$600,000
- Marketing/ Administration - \$170,125

2023 Proposed

- Violence Prevention - \$735,000
- Hot Spot Intervention – \$500,000
- Administration - \$85,390
- Health Equity - \$600,000
- Marketing/ Administration - \$170,125

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2024-2026 FISCAL RECOVERY FUNDS

- With the proposed changes for 2023, **\$10,846,272** would remain to be spent in 2024-2026.
- The intergovernmental agreement with Peoria County for the Health Equity Fund calls for funding \$600,000 per year in 2024 and 2025.
- **\$9,646,272** left to allocate for 2024-2026.
- Should Council wish to continue with Neighborhood, Economic Development and Violence Prevention spending, **\$3,181,802** would be available for infrastructure.

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2024-2025 PROPOSED SPENDING

RECOMMENDED SPENDING	2024 BUD	2025 BUD
INFRASTRUCTURE	\$3,181,802	
NEIGHBORHOODS	\$2,459,402	
ECONOMIC DEVELOPMENT	\$2,357,278	
HEALTH EQUITY (MATCHED BY PEORIA COUNTY)	\$600,000	\$600,000
VIOLENCE REDUCTION	\$1,287,098	
PROGRAM MARKETING/ FINANCE ADMINISTRATION	\$171,527	
TOTAL	\$10,246,272	\$600,000

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POLICY CONSIDERATIONS

- Does Council concur with staff recommendations for 2023?
- Does Council wish to continue programming in Neighborhood Revitalization, Economic Development, and Violence Prevention in 2024?
- Are there additional areas of attention Council would like to address?

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