

### Council Report Backs

#### 2021 American Rescue Plan – Fiscal Recovery Funds Report Back – Part 1

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<b>Question 1</b>	<b>Question From</b>	<b>Answer From</b>
What stormwater backlog projects or combined sewer projects could be addressed with Fiscal Recovery Funds? How would this mitigate future borrowing?	Jensen/ Ruckriegel/ Riggenbach	Public Works

All CIP projects were temporarily suspended pending Council review and action due to the original COVID budget restrictions. Stormwater projects were released upon review and adoption of the revised 2021 budget. Accordingly, the existing balance in the stormwater fund requires no augmentation to support spending for backlogged projects.

Although the Fiscal Recovery Funds would be restricted from use for year one borrowing due to the nature the lending, second and subsequent years borrowing could be reduced if the funds were used as an offset to the required spending for projects.

CSO capital expenses are approximately \$6 million per year.

<b>Question 2</b> What is the public engagement strategy?	<b>Question From</b> Jensen/ Jackson	<b>Answer From</b> City Manager
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The City Council has indicated they would like robust public input to consider in their decision-making.

### **Public Engagement Process and Timeline**

#### Phase 1: Staff Planning

Currently, a small group of staff comprised of the City Manager and some department heads are meeting to discuss potential projects, City goals, and prioritization of spending. From these discussions, the group is designing a framework on how much funding should be allotted over the next 4 years. Once that has been determined, then the public will decide where they would like their spending in each of the four years.

#### Phase 2: Survey Design

Staff is still determining the best online tool for survey design. Survey Monkey has the benefit of being user-friendly, but the program used for the Online Budget Challenge may provide a more refined set of data. Once staff works through more of the priorities in Phase 1, then a tool will be determined. The communication plan will be the same, regardless of the tool.

#### Phase 3: Community Engagement

Given the high visibility of the American Rescue Plan and the accompanying media coverage, staff anticipates a high amount of participation.

A press release will be issued on July 10 to the Communications list, which includes media and area stakeholders announcing the launch of the survey. The survey will officially open on July 14 and close on August 14. Although this will be primarily an online survey, paper versions will be available at all Peoria Public Library locations.

The primary social media platforms for this campaign will include Facebook, Twitter, and NextDoor. Instagram will be used as a secondary as will a short video that will be housed on the City’s YouTube channel and played on Public Access. We will repeat posts 2-3 times a week as reminders to complete the survey.

We will utilize [www.Peoriagov.org](http://www.Peoriagov.org) and insert a banner at the top of the homepage, directing people to a page that will host the survey. This page will be included in all social media postings to direct people to the survey.

To maximize our reach, we will make sure to engage local businesses, neighborhood associations, and our stakeholders in the following activities:

- Work with stakeholder partners like the Convention and Visitors Bureau, Chamber, and the GPEDC to reach out to their membership through their social media and newsletters
- We will send out the information and the link in the Grow Peoria newsletter
- We will email staff liaisons for Commissions and Board and provide them with wording that they can email to their members

- We will craft an email to HOAs/NAs to include in their newsletters, social media, or to send to their neighbors
- Direct email to associations, nonprofits, and community partners, encouraging them to participate

Staff recommends holding two public meetings: One at the Lincoln Branch Library and one at the North Branch Library.

Phase 4: Data Reconciliation (August 15-August 19)

Following the conclusion of the surveys, City staff will compile all information to provide to Council by the August 24 meeting. This would allow the Council time to provide direction to City staff in the preparation of the 2022-2023 Biennial Budget.

<b>Question 3</b> How can the Fiscal Recovery Funds be used for housing rehabilitation and neighborhood stability? How can the funds be targeted in neighborhoods hit hardest by Covid-19?	<b>Question From</b> Ruckriegel/ Jackson	<b>Answer From</b> Community Development
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The Fiscal Recovery Funds can be used to create programs focused on removing blight-creating structures and properties, improving the appearance of vacant properties, and providing housing rehabilitation services to existing properties. All of these services can be focused geographically and/or by income limits.

The Community Development Department recommends five major approaches to address these issues:

1. Addressing Vacant, Abandoned, and Blight-Creating Properties –
  - a. Increase the demolition budget
  - b. Increase property-clearance budget related to demolitions and vacant land
  - c. Create a budget for a perimeter fencing program
  - d. Increase funding for cleaning up illegal dumping
  - e. Implement a Board-Up Beautification Program
2. Create a Housing Rehabilitation Program to improve the existing housing stock
  - a. Owner-occupied property owners would provide a 50% match similar to the East Village TIF Housing Program. Property owners must live in a qualified census tract or be income-eligible (80% of area median income)
  - b. Rental property rehabilitation program with a 75% match. Properties must be in an eligible census tract.
  - c. Multi-family property rehabilitation program with a 75% match. Properties must be in an eligible census tract.
3. Promote Home Ownership
  - a. Create a grant program to encourage homeownership in older neighborhoods
    - i. Grants specifically targeted in eligible census tracts (Require third part housing counseling as part of the program)
    - ii. Grants could be targeted to attract out of town residents to relocate to Peoria
  - b. Homeownership public campaign
    - i. Promote the affordability of Peoria
    - ii. Attract remote workers
4. Increase funding for Land Bank to ensure existing positions are funded through 2024. The Land Bank works to move vacant and abandoned property quicker through the process from foreclosures or public ownership back to the private market.
  - i. Salaries of Land Development Manager, 0.5 FTE Legal Staff, 0.5 FTE Community Services Inspector
  - ii. Strategic property acquisition
5. Increase Staffing Levels for Code Enforcement in 2022 Budget
  - a. Increase number of Code Enforcement Inspectors who can focus on housing issues
  - b. Increase budget for Weed and Litter budget to address environmental issues
  - c. Increase staffing levels of Administrative staff and the Legal Department to add more prosecution for code violators

<b>Question 4</b> How can the Fiscal Recovery Funds be used for business support?	<b>Question From</b> Riggenbach/ Jackson	<b>Answer From</b> City Manager
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There are two primary ways we have used Federal funds for COVID Relief effort and business recovery – grants and loans.

In a normal year, our team approves up to three loans in our existing Revolving Loan Fund and no grants and under \$500,000. Since funding for COVID response began we have received over \$2.6M in grants and loans and distributed \$1.7M in grants and loans.

Since the \$1.38M fund in ES Grant Funds was established last year we have distributed three rounds of grants in the program that will end in July 2021. To date we have distributed 84 sustainability grants, 84 capacity grants and 28 transformation grants for a total of 196 grants awarded across 84 businesses \$1.36M has been distributed to date and we expect to expend all funds before the end of July.

And early this year we received a \$1.29M loan fund from the EDA under the Business Recovery Loan Program. Since the beginning of this year, we have closed on 7 loans for a total of \$350,000 or 27% of the total available funds. Our submission rate is well ahead of the target to have 25% of our funds out by November and we are hopeful that history will repeat and that under utilized funds will be re-pooled and distributed to entities that have shown an ability to move their funding.

We have developed an aggressive and high-functioning process to develop a pipeline and execute grants and loans. I would recommend this as a first place to go for support of local business for recovery. Prior to establishing the fund, I recommend a round table discussion with target industries to better understand what types of grant support would be most effective.

In terms of new ideas, the teams top suggestions include:

- Expanded façade programs that target our commercial corridors. For up to 75% and up to \$10K depending on project elements and location.
- Mural grant program for 80% of cost up to \$10K
- ‘Digital Mainstreet’ program to ensure the local businesses are able to maximize their ability to participate in commerce online.
- Business Innovation Grants and/or forgivable loans possibly executed in collaboration with business accelerator or other technical assistance partners.
- Artpreneurs Grant Program to support the expansion and sustainability of the community of local professional artists.

<b>Question 5</b> How can the Fiscal Recovery Funds be used for restoring cuts to public safety services – police, fire, and code enforcement?	<b>Question From</b> Grayeb	<b>Answer From</b> City Manager
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Under the American Rescue Plan (ARP), State and Local Fiscal Recovery Funds (FRF), eligible uses of the FRF funds are divided into six (6) categories: Support Public Health Response, Address Negative Economic Impacts, Replace Public Sector Revenue Loss, Premium Pay for Essential Workers, Water and Sewer Infrastructure, and Broadband Infrastructure. The question above would fall under the category, Replace Public Sector Revenue Loss. Per the Department of the Treasury Interim Final Rules, Recipients may use payment from the Fiscal Recovery Funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency. Government services can include, but are not limited to maintenance or pay-go funded building of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire and other public safety services. Employee’s wages and salaries are an eligible use of the Fiscal Recovery Funds, as well as, covered benefits that include the following: costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee health insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and State), worker’s compensation insurance, and Federal Insurance Contribution Act taxes (which includes Social Security and Medicare taxes).

<b>Question 6</b> How can the Fiscal Recovery Funds be used to address the needs of the homeless and mentally ill?	<b>Question From</b> Grayeb	<b>Answer From</b> City Manager
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The City of Peoria received \$1,331,224 in Emergency Solutions Grant (ESG) COVID funds. These grant funds must be spent to support individuals and families experiencing homelessness or to prevent individuals and families from becoming homeless. The funds were allocated to nonprofit agencies that provide services to individuals experiencing homelessness. Below is a summary of the funds allocated to agencies for eligible ESG program components.

- Emergency Shelter programs provide overnight, congregate shelter.
- Rapid Rehousing provides a rental assistance subsidy for individuals in a private market apartment. Case management services are also provided.
- Homeless Prevention funds are for individuals and families at risk of homelessness, such as those with an eviction notice, to pay funds owed to prevent homelessness and remain in housing.
- HMIS is funding for licenses for entering all individuals who receive services into a required systemwide database.
- Street Outreach funds were for portable bathrooms last winter when businesses were closed.
- Admin funds are for staff time for the application process, technical assistance, and reviewing and processing financial reports.

The funds outlined under the City of Peoria for Emergency Shelter were used to move individuals from the encampment under the I-74 bridge to a hotel. Phoenix CDS provided case management services to these individuals to locate appropriate housing. This temporary program is completed.

Agency	Emergency Shelter	Rapid Rehousing	Homeless Prevention	HMIS	Street Outreach	Admin	TOTAL
Center for Prevention	\$ 20,000	\$ 50,000		\$2,250			\$ 72,250
Dream Center	\$148,388						\$148,388
Phoenix CDS	\$ 30,000	\$460,610		\$1,500			\$492,110
Salvation Army	\$ 215,887		\$178,179	\$ 750			\$394,816
Heart of Illinois United Way		\$75,000		\$ 225			\$ 75,225
City of Peoria	\$ 89,571				\$ 5,332	\$53,532	\$148,435
<b>Total Allocated</b>	<b>\$503,846</b>	<b>\$585,610</b>	<b>\$178,179</b>	<b>\$ 4,725</b>	<b>\$ 5,332</b>	<b>\$53,532</b>	<b>\$1,331,224</b>

The City will also be receiving \$2.4 Million in a new version for the HOME Investment Partnership Program that will target individuals experiencing homelessness and preventing individuals from



becoming homeless. The Department of Housing and Urban Development (HUD) is currently working on guidance for this new program. The guidance is anticipated to be released in September at the earliest. This funding will build upon the current HOME regulations for the creation and preservation of affordable housing. After additional guidance is released, we should have a better idea of how to tie this funding to homelessness and mental illness.

<b>Question 7</b> How many properties need to be demolished and at what cost?	<b>Question From</b> Oyler	<b>Answer From</b> City Manager
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Based on data from the Assessor, there are roughly 200 properties in very poor shape and 750 properties in poor shape.

Total vacant units in Q4 of last year were 878 in 61605 and 1,065 in 61603.

Based on this data, it could be estimated that about 1,000 properties in the City of Peoria need to be demolished. An average demolition costs between \$10,000 and \$15,000 which would put the total cost between \$10 to \$15 million for the cost of demolition. Please note that to obtain the demolition orders for these properties, it would take additional resources in the Code Enforcement Division, Land Bank Division, and Legal Department.

A few additional items of clarification:

1. This is still a fraction of the 40,000 residential units in town.
2. An arrangement with the landfill to reduce the tipping/dumping costs should be pursued if we choose to go down this path. The landfill in Peoria County has very high fees and costs which is a significant portion of the cost of demolition.
3. For most of the '80s, '90s, and '00s, the City did very few demolitions. The work that has been done over the last ten years has started to allow us to catch up a bit. This progress stopped with the budget cuts and freezes of the past two years
4. In addition to the demolition of the structure, to see a true impact on the neighborhood, funds should be allocated to remove old fences, stairs, scrub trees, and other blight.
5. Multiple studies have shown that demolishing a vacant or abandoned property in a neighborhood increases property values of surrounding properties, reduces crime, and arson.
6. A compliment to the program would be allocating funding for a board-up beautification program to install painted plywood on houses that are waiting to be demolished.
7. Any property that can be saved and transferred to a responsible property owner, willing to bring the property into code compliance, should be saved.

<b>Question 8</b>	<b>Question From</b>	<b>Answer From</b>
What capital projects were suspended due to Covid-19 in 2020?	Kelly	City Manager

Projects Fully Suspended to 2022:

All CIP projects were temporarily suspended pending Council review and action due to the original COVID budget restrictions. Stormwater projects were released upon review and adoption of the revised 2021 budget.

Bicycle Plan Implementation Program	\$65,000
Computers and Technology – Office 365	\$140,000
Corridor Planning and Quick Start	\$50,000
Fiber Optic Upgrade	\$20,000
Fire Riding Lawnmowers	\$6,000
Growth Management Planning	\$50,000
Knox Box System	\$5,000
Neighborhood Enhancement Programs	\$150,000
CPAT Building	\$450,000
Street Lighting Program	\$30,000
Street Lights LED Upgrade	\$275,000 Rolled into Citywide project
Sidewalk in Need of Repair	\$20,000
Sidewalk Participation	75,000
Combined Sewer Outfall Televising	\$1,275,000
CSO – LTCP Pilot Projects	\$7,400,000 Placeholder pending lending
Glen Ave Reconstruction (Sheridan to Knoxville)	\$300,000
Glen Ave Reconstruction (War Memorial to University)	\$675,000
Northmoor Rd Improvements (Allen to University)	\$555,000
<b>Total Fully Suspended</b>	<b>\$11,271,000</b>

<b>Question 9</b> How can the Fiscal Recovery Funds be used to address inadequate alley lighting that is leading to illegal dumping in the south side?	<b>Question From</b> Jackson	<b>Answer From</b> City Manager
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Illegal dumping in the City of Peoria is an issue that occurs all over the town, specifically in older neighborhoods with alleys and even more specifically in the south side due to alley access and a significant amount of vacant lots.

The Community Development Department is responsible for cleaning up illegal dumping on private property and Public Works is responsible for cleaning up illegal dumping on public property.

The Community Development Department has implemented multiple programs to address the issue:

- **Illegal Dumping Awareness Campaign** – The Community Development Department hired a local graphic design artist to create illegal dumping signs that encourage people not to illegally dump and report issues when they do occur. A 5-foot by 7-foot sign costs approximately \$1,200. A smaller yard size sign costs about \$30 per sign.
- **Tireless Program** – The Department works to promote the monthly Tireless Project which uses volunteers from Jimax to collect tires down on Darst Street. The Tireless Project uses the City contract with PDC which allows disposal of the tires collected at no cost to the residents. The cost of disposing of the tires is charged to the City’s contract allocation.
- **Neighborhood Clean-Ups** – The Community Development Department hosts and supports multiple neighborhood clean-ups throughout the year where residents and staff volunteer to remove litter and dumped materials throughout the community.
- **Neighborhood Dumpster Programs** – Based on the contract with PDC, Neighborhood Associations can request large dumpsters for cleans-ups twice a year.
- **Deer Cameras** – The Community Development Department has multiple deer cameras in hot spots for dumping across the community. Each deer camera costs about \$200 but is very staff intensive to monitor. Cameras are often stolen or damaged. The program has allowed the Department to catch about 20 people throughout the last two years who illegally dumped in our community and issue citations.
- **Code Enforcement Efforts** – The Community Development Department currently has five full-time Code Enforcement Inspectors and six temporary Code Enforcement Aides who proactively inspect their assigned geographic areas and issues thousands of work orders a year to address environmental code violations throughout the City.

In addition to the above efforts, the Department will present to Council a proposed ordinance to address the issue of illegal tire dumping. The Department will propose instituting a no-cost Business License for any business that buys, sells, or fixes tires in the community. The license will require the business to track the disposal of tires in their possession and allow the City to audit the records quarterly to ensure the tires are being disposed of properly and not illegally dumped in our Community. The ordinance will be coming to City Council for a first reading at the second meeting in July.

In terms of the use of federal funds to combat illegal tire dumping in the southside, additional lighting would likely help with the issue. However, staff has observed multiple instances of illegal dumping (via installed deer cameras and reports by residents) occurring in the daylight hours in areas of the southside. Additional lighting would allow residents to identify violators and report them to the City to

hold them accountable. Additional alley lighting would also have a positive impact on crime that occurs and provide additional safety to the residents of the area. To fund this initiative, Public Works would need to provide a cost estimate to install additional alley lighting on the Southside.