

AMERICAN RESCUE PLAN FISCAL RECOVERY FUNDS PUBLIC INPUT/POLICY SESSION

City of Peoria
September 7, 2021



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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



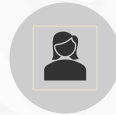
SUPPORT PUBLIC
HEALTH RESPONSE



ADDRESS
NEGATIVE
ECONOMIC
IMPACTS



REPLACE PUBLIC
SECTOR REVENUE
LOSS



PREMIUM PAY FOR
ESSENTIAL
WORKERS



WATER AND
SEWER
INFRASTRUCTURE



BROADBAND
INFRASTRUCTURE

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SUPPORT THE PUBLIC HEALTH RESPONSE

- **Services to contain and mitigate the spread of COVID-19**, including vaccination, medical expense testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- **Behavioral healthcare services**, including mental health or substance misuse treatment, crisis intervention, and related services
- **Payroll and covered benefits** for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response

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ADDRESS NEGATIVE ECONOMIC IMPACTS

- **Deliver assistance to workers and families**, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims
- **Support small businesses** with loans, grants, in-kind assistance, and counseling programs
- **Speed the recovery of impacted industries**, including the tourism, travel, and hospitality sectors
- **Rebuild public sector capacity** by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs

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REPLACE PUBLIC SECTOR REVENUE LOSS

- **Ensure continuity of vital governmental services** by filling budget shortfalls
- **Revenue loss is calculated** relative to a counter-factual trend, beginning with the last full fiscal year pre-pandemic and adjusted 4.1% annually for growth
- **Recipients may recalculate revenue loss** at multiple points during the program, supporting those entities that experience revenue loss with a lag

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PREMIUM PAY FOR ESSENTIAL WORKERS

- **Provide premium pay to essential workers**, both directly and indirectly through grants to third party employers
- **Prioritize low and moderate-income workers**, who face the greatest mismatch between employment-related health risks and compensation
- **Key sectors include** healthcare, grocery and food services, education, childcare, sanitation, and transit
- **Must be fully additive** to a worker's wages
- **Retroactive** - Funding under this can look back to 2020 costs

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WATER AND SEWER INFRASTRUCTURE

- **Includes improvements to infrastructure**, such as building or upgrading facilities and transmission, distribution, and storage systems
- **Eligible uses aligned to Environmental Protection Agency project categories** for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund

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BROADBAND INFRASTRUCTURE

- **Focus on households and businesses** without access to broadband and those with connections that do not provide minimally acceptable speeds
- **Fund projects that deliver reliable service** with minimum 100 Mbps download/ 100 Mbps upload speeds unless impracticable
- **Complement broadband investments** made through the Capital Projects Fund

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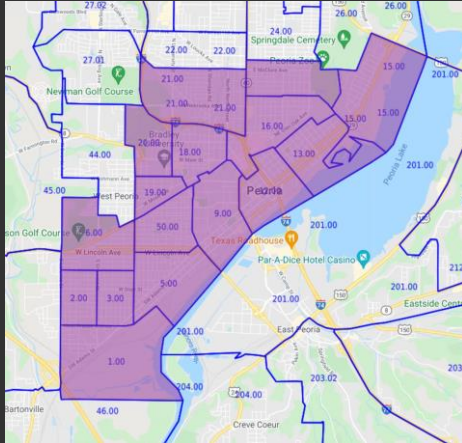
EQUITY-FOCUSED SERVICES

- **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
- 20, 21, 25, 50

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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

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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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WWW.PEORIAGOV.ORG/ENGAGEPEORIA/



The screenshot shows the Peoria City website with a navigation bar at the top containing links for HOME, GOVERNMENT, BOARDS/COMMISSIONS, CITY SERVICES, ONLINE PAYMENTS, and CONTACT US. The main content area features a banner for "Engage Peoria" with a city skyline background. Below the banner is a call to action: "Take the survey on Coronavirus Recovery funds [HERE](#)".

The text below the call to action reads: "The Federal Government has allocated \$350 Billion for state and local governments of the \$1.9 trillion American Rescue Plan. Over the next two years, the City of Peoria will receive \$47,089,976 in Coronavirus State and Local Fiscal Recovery Funds (FRF). Last month, the City received the first \$23,544,988. The City Council voted in June to use \$10,301,585 of the FRF to eliminate the need to issue working cash bonds in 2021, and to curtail furloughs for affected non-union employees. \$36,788,391 remains to be obligated by December 31, 2024. Congress outlined specific funding objectives:

- Support urgent COVID-19 response efforts to continue to decrease the 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.

On the right side of the page, there are several utility and service links: "PEORIA CARES UREPORT request a city service", "Pay Your Utility Bill", "Yes, Peoria Picks Up! Trash, Recycling, and Yard Waste", and "Grow Peoria CITY OF PEORIA ECONOMIC DEVELOPMENT". At the bottom right, there is a "QUICK LINKS" section with links for "All City Meeting Videos", "2021 Budget Information", "Camera Registry", "Strategic Plan Page", and "Stormwater Info".

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CITIZEN SURVEY

- Survey open from July 14 to August 23
- Survey pushed on social media platforms
- Neighborhood association and business outreach
- One public meeting in person/ one virtual
- 884 responses

Engage Peoria--Coronavirus State and Local Fiscal Recovery Funds

Please provide your priorities on Coronavirus State and Local Fiscal Recovery Funds

The Federal Government has allocated \$350 Billion for state and local governments of the \$1.9 trillion American Rescue Plan. Over the next two years, the City of Peoria will receive \$47,089,970 in Coronavirus State and Local Fiscal Recovery Funds (FRF). Last month, the City received the first \$23,544,988. The City Council voted in June to use \$10,301,585 of the FRF to eliminate the need to issue working cash bonds in 2021 and to curtail furloughs for affected non-union employees. \$36,788,391 remains to be obligated by December 31, 2024. We look forward to learning more about your priorities on spending.

OK

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PRIORITY RANKING OF NEED

RANK	AVG	PRIORITY
1	2.5	Infrastructure -projects that Support the Public Health Response, Replace Public Sector Revenue Loss, support broadband, and water and sewer infrastructure
2	3.1	Neighborhood Revitalization -programs that would Support the Public Health Response and Address the Negative Economic Impacts.
3	3.5	Business Support -tied to addressing the Negative Economic Impacts of COVID-19
4	3.5	Equity-Focused Services -programs tied to the hardest hit qualified census tracts or address vulnerable populations.
5	3.8	Operations -funds that would Replace Public Sector Revenue Loss and restore certain operational funding.
6	4.0	Premium Pay for Essential Workers -funds that support low-income employees most at risk to COVID-19 exposure

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BIGGEST ISSUE FACING PEORIA DUE TO COVID-19

RESPONSES	PERCENT	ISSUE	AREA OF ELIGIBLE SPENDING
317	37%	Economy	Negative Economic Impacts
136	16%	Equity	Negative Economic Impacts
104	12%	Operations	Public Sector Revenue Loss
70	8%	Infrastructure	Infrastructure
56	7%	Public Safety	Public Sector Revenue Loss
54	6%	Health	Public Health
36	4%	Neighborhoods	Negative Economic Impacts
27	3%	Mental Health	Public Health
24	3%	Premium Pay	Premium Pay for Essential Workers
18	2%	Education	Negative Economic Impacts
15	2%	General	General

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RECOMMENDED SPENDING

RECOMMENDED SPENDING	2022	2023
INFRASTRUCTURE	\$3,160,000	\$3,160,000
NEIGHBORHOODS	\$2,500,000	\$2,500,000
ECONOMIC DEVELOPMENT	\$2,400,000	\$2,400,000
HEALTH EQUITY (MATCHED BY PEORIA COUNTY)	\$600,000	\$600,000
VIOLENCE REDUCTION	\$325,000	\$325,000
PROGRAM MARKETING/ FINANCE ADMINISTRATION	\$200,000	\$200,000
TOTAL	\$9,185,000	\$9,185,000

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INFRASTRUCTURE

- Sidewalks - \$870,000
- Street Lighting - \$700,000
- Smart Lighting Pilot - \$500,000
- Mill and Overlay - \$990,000
- Administration - \$100,000

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NEIGHBORHOOD REVITALIZATION

- Demolition/Lot Clearance - \$1,000,000
- Land Bank Operations - \$500,000
- Housing Rehabilitation - \$400,000
- Down Payment Assistance - \$250,000
- Neighborhood Mini Grants - \$100,000
- Administration - \$250,000

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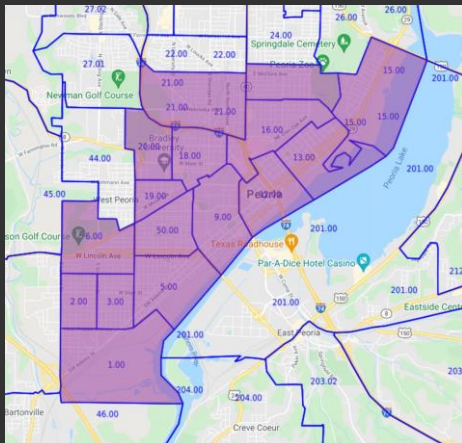
ECONOMIC DEVELOPMENT

- Façade Improvement - \$300,000
- Digital Main Street - \$300,000
- Business Innovation Grant - \$300,000
- Business Innovation Spark - \$300,000
- Workforce Training - \$200,000
- Small Scale Development - \$200,000
- City Revolving Loan - \$100,000
- Rent Reduction - \$100,000
- Master Lease Pop-Up - \$100,000
- Business Advancement & Artrepreneurship - \$100,000
- Distillery Labs - \$100,000
- ED Partners - \$100,000
- Administration - \$200,000

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EQUITY-FOCUSED SERVICES



Social Determinants of Health (with Peoria County) - \$600,000

Violence Reduction - \$325,000

75% of FRF funding to be spent in QCTs

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Prioritization

- Review community input and prioritize ideas and suggestions into issues.

Program Submission

- Submit proposed programs to address Covid-19 related issues.
- Projects and Programs will be proposed for funding to the City Council.

Council Decisions

- The Council will make decisions based upon community priorities.
- Selected projects and programs will be implemented by City Departments.

NEXT STEPS