

MEMORANDUM

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CITY MANAGER J. CRYSTAL DYCHES

SUBJECT: CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS (CSLFRF)

DATE: AUGUST 25, 2021

BACKGROUND: The American Rescue Plan (ARP) Act passed in March 2021 provides \$1.9 trillion in overall national spending to support relief and economic recovery efforts. A total of \$350 billion in assistance was allocated to local governments to respond to replenish lost revenue, cover increased expenditures, and mitigate economic harm from the COVID-19 pandemic.

The City of El Mirage will receive \$11,940,792 in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) from the ARP Act. In June, the City received a payment of \$5,970,395.91 and will receive an equal payment next year. The City may spend the funds through December 31, 2024. The City of El Mirage received funding as a Non-entitlement unit of local government (NEU), defined in section 603(g)(5) of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021, are local governments typically serving populations of less than 50,000.

At the August 17 Worksession, staff sought policy guidance on how to strategically distribute the Coronavirus State and Local Fiscal Recovery Funds. Based on City Council discussion, staff drafted Resolution R21-09-22 stating the intended uses of the Coronavirus State and Local Fiscal Recovery Funds allotment.

ELIGIBLE USE: REPLENISHMENT OF LOST REVENUE

The CSLFRF allows Cities to replace lost revenue to strengthen support for vital services, such as the maintenance or building of roads. Based on the revenue loss calculation, El Mirage's lost revenue is \$6,160,155. Staff recommends applying the lost revenue funds to the following:

Northern Parkway Corridor

The Northern Parkway project extends 12.5 miles between Loop 303 and US 60 in northwestern Maricopa County. When completed, Northern Parkway will be a high capacity, limited access roadway with overpasses at major intersections. The project is a partnership between Maricopa County, the Cities of El Mirage, Glendale and Peoria, and the Maricopa Association of Governments (MAG).

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$0	\$500,000	\$5,470,000		\$5,970,000

Roadway Drainage Improvements (1st Avenue)

This project would include a drainage area study of the west downtown area of El Mirage to determine the amount of runoff that is generated and how best to manage it. The project would also include the design and construction of a stormwater management system at the cul-de-sac of 1st Avenue and the adjacent Gentry Park.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$0	\$130,000	\$0	\$0	\$130,000

Roadway Drainage Improvements (Peoria and Dysart)

This project would include an area drainage study to determine the tributary area and stormwater flows that reach the intersection of Peoria Avenue and Dysart Road. The project would also include the design of the necessary infrastructure in order to route and store the runoff appropriately.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$0	\$60,000	\$0	\$0	\$60,000

ELIGIBLE USE: RESPONDING TO PUBLIC HEALTH & SAFETY NEEDS

The CSLFRF allows Cities to cover increased expenditures to address public health and safety. Recovery Funds can be used to support a public health response; and to address public safety, in communities where an increase in violence or increased difficulty in accessing or providing services to respond to or mitigate the effects of violence, is a result of the pandemic they may use funds to address that harm. Staff recommends applying \$3,673,292 of funding to the following:

Police Neighborhood Enforcement Team (NET)

The NET community policing team will be hired to directly respond to the ongoing gun violence emergency associated with the pandemic, and build a safer, healthier El Mirage community. Funding includes a Police Sergeant and three (3) Police Officers, along with four (4) police vehicles and equipment.

	FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
Vehicles	\$300,000	\$0	\$0	\$0	\$300,000
Personnel	\$310,846	\$414,462	\$414,462	\$207,230	\$1,347,000
				Total	\$1,647,000

Police Officer Attrition

This funding will maintain staffing levels at the El Mirage Police Department due to pandemic retirements and increased gun violence. Funding includes a Police Lieutenant position and three (3) Police Officer positions.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$321,230	\$428,308	\$428,308	\$214,154	\$1,392,000

Paramedic/Firefighter

These Firefighter/Paramedics will be able to administer vaccines and assist with the public health emergency due to the pandemic. This includes two (2) Firefighter/Paramedics positions to work a 40-hour week.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$108,140	\$186,461	\$186,461	\$93,230	\$574,292

Emergency Operations Center

This funding is for changing the audiovisual components in the Fire Station community room that also functions as the City's Emergency Operations Center (EOC). This communication project will assist in responding to specific pandemic-related public health needs.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$50,000	\$0	\$0	\$0	\$50,000

ELIGIBLE USE: RESPONDING TO NEGATIVE ECONOMIC IMPACTS FROM THE PANDEMIC

The CSLFRF allows for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. This includes the immediate economic stabilization for households and businesses. Staff recommends applying \$2,057,500 of funding to the following:

Utility, Rent and Mortgage Assistance

The COVID-19 pandemic is intensifying an already existing housing crisis. This would allow funding of emergency residential rental, mortgage and utility assistance, including electric and City utilities for those who do not qualify for the Emergency Rental Assistance Program (ERAP). The Community Action Program (CAP) Office will first use available CAP funding and then turn to CSLFRF funds. The City will use 80 to 100% Area Median Income (AMI) for these funds based on qualifications that were used during the pandemic to meet the needs of the most people. This will serve as homeless prevention and provide support to El Mirage residents as eviction and utility moratoriums come to an end. The funding allocation will also include a half-time staff position with the City of Surprise to help administer the funding that will work at the El Mirage CAP office.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$450,000	\$235,000	\$0	\$0	\$685,000

Home Repair Assistance and Weatherization Program

The City will partner with a not-for-profit organization to provide emergency assistance to households, who experienced economic harm as a result of the pandemic, for home repair and weatherization. This funding will support healthy living environments. Some of the funds will be used for administrative costs.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$0	\$165,000	\$165,000	\$0	\$330,000

Phoenix Rescue Mission

Funding will be used to address the housing or health needs of people experiencing homelessness. The City will seek to contract with Phoenix Rescue Mission for homeless outreach, navigation and wrap around support services for the City's homeless population including veterans and those with PTSD. The program will be beneficial for the homeless and will assist our Police Department and Community Services staff to meet the needs of those in our community experiencing homelessness, which has increased due to the pandemic.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$30,000	\$30,000	\$30,000	\$15,000	\$105,000

I-HELP

Interfaith Homeless Emergency Lodging Program (I-HELP). I-HELP provides a safe place to sleep and a hot meal for adults experiencing homelessness every night of the week. I-HELP also offers case management services to connect individuals to the vital resources needed to regain stability and break the vicious cycle of homelessness. In 2019, the City Council passed RESOLUTION R19-04-08 supporting the I-HELP model for the far Northwest Valley with the overall objective being that individuals experiencing homelessness can move into appropriate housing, leading to increased prosperity and improved health outcomes through the I-HELP program. The need for this program has increased throughout the pandemic.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$5,000	\$5,000	\$5,000	\$0	\$15,000

Senior Meals

Funding will provide approximately twenty-five (25) meals each day to seniors in El Mirage. These meals will be served at the El Mirage Senior Center. This meets the funding criteria of responding to the negative economic impacts of the public health emergency by assisting with food.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$35,000	\$35,000	\$35,000	\$17,500	\$122,500

Transit

The City has seen an increase in the use of paratransit and dial-a-ride as residents return from pandemic lifestyles and had used provided additional services with these funds during the pandemic to ensure our disabled and elderly residents were able to access to groceries, medical appointments, and work. As we transition, this has included ensuring access to vaccine appointments. To maintain social distancing, staff recommends funding the purchase a new bus.

	FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	
Dial-A-Ride	\$90,000	\$90,000	\$80,000	\$0	\$260,000
Bus	\$75,000	\$0	\$0	\$0	\$75,000
				Total	\$335,000

Library Expansion for Workforce Development

Funding will be used to add an addition (1,100 sq. ft.) to the El Mirage Library renovation. This addition will provide broadband and computer access to residents, specifically focusing on those who lost jobs due to the pandemic. The employment-focused computer and broadband community room will have stations that provide job site search engines, resume builders, free email sites, and access to popular online interview and meeting sites such as Zoom, Skype, and Microsoft Teams to increase access to these tools for community members. There will also be spaces available for quiet interviews for those who need to do online interviews but lack a home computer or the privacy. To meet the construction timeline, Council will need to authorize City Manager to engage with Architect for engineering immediately.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$475,000	\$0	\$0	\$0	\$475,000

Small Business Hazard Mitigation

Small Business Hazard Mitigation Program to mitigate public health hazards.

FY22 Allocation	FY23 Allocation	FY24 Allocation	FY25 Allocation	Total
\$40,000	\$0	\$0	\$0	\$40,000

SUMMATION: The City has received one-time resources through the American Rescue Plan Act. The resources will allow us to replenish lost revenue, cover increased expenditures, and respond to negative economic impacts from the pandemic. While certain of the expenses listed above are clearly eligible under the Interim Final Rule guidelines, some may need to be further reviewed. Staff is looking forward to having further City Council discussions regarding the strategic deployment of the Coronavirus State and Local Fiscal Recovery Funds as agreements, contracts and programs are brought forward for consideration.