

MEMORANDUM

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

THRU: CITY MANAGER J. CRYSTAL DYCHES
DEPUTY CITY MANAGER ROBERT NILLES

FROM: GRANTS AND SPECIAL PROGRAMS ADMINISTRATOR AUTUMN GROOMS

SUBJECT: AMERICAN RESCUE PLAN ACT FUNDING DISCUSSION

DATE: AUGUST 8, 2021

Coronavirus (COVID-19) has impacted all aspects of life since January 2020 from business closures and remote learning to social distancing and reduced travel. Our neighbors faced food and housing insecurity while businesses confronted revenue declines with some losing their livelihood. As of April 2021, there were still 8.2 million fewer jobs than before the pandemic (Department of the Treasury, 2021).

During the past 18 months, the City of El Mirage has responded to this public health emergency and its negative economic impacts while maintaining City services. 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 provided to states, counties, municipalities, territories, and tribal governments to respond to the COVID-19 emergency and bring back jobs. The State of Arizona will receive \$4.8 billion.

The City of El Mirage will receive approximately \$11.9 million in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) from the ARP Act, according to updated guidance from the Treasury Department. The City received its first payment in June 2021 and will receive the second installment in June 2022.

The objectives of the CSLFRF are to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control,
- Replace lost revenue for eligible state, local, territorial, and tribal governments to strengthen support for vital public services and help retain jobs,
- Support immediate economic stabilization for households and businesses, and
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic.

The legislation outlines eligible uses of these funds that include public health and economic impacts, COVID-19 mitigation, assistance to households and businesses, identified infrastructure projects, revenue replacement, and premium pay for essential workers. Using these funds to pay down pension liability or to lower taxes is specifically prohibited by the legislation.

Staff has worked to meet the objectives of the ARP funds in the list provided below. Through an analysis of the allowable uses, community needs and Council feedback, these proposed projects leverage eligible projects already in the CIP and support City residents by building on existing partnerships – and leveraging new ones.

Further, CSLFRF allows Cities to replace lost public sector revenue and provide government services to the extent of the reduction (U.S. Department of the Treasury, 2021). The City's Revenue Reduction is: \$6,160,155. Staff have applied these funds to the Northern Parkway and the Roadway Drainage projects.

While the addition of non-budgeted positions with grant funding is typically not recommended by staff, the positions included below do have the opportunity to be advertised as grant-funded positions that can be budgeted, realigned, or cut based on outcomes.

PUBLIC SAFETY

NET Team: \$1.647 million for a community policing team to respond that will respond to El Mirage neighborhoods due to increased gun violence because of the pandemic. This Neighborhood Enforcement Team will have three officers and the costs include vehicles and other equipment. The team will include:

- Police Sgt: \$149,000 x 3 years = \$447,000
- Police Officers: \$100,000 x 3 years x 3 positions = \$900,000
- Police Vehicles and Equipment: \$75,000 x 4 = \$300,000

Officer Attrition: \$1,392,000 to maintain staffing levels at the El Mirage Police Department due to pandemic retirements and increased gun violence.

- Police Officer: \$100,000 x 3 positions x 3 years = \$900,000
- Police Lieutenant: \$164,000 x 1 position x 3 years = \$492,000

Paramedics/Firefighters Staffing: \$606,000 for firefighter/paramedics to work 40-hour weeks to increase staffing at the El Mirage Fire Department. These firefighter/paramedics will be able to administer vaccines and assist with the public health emergency due to the pandemic.

- Firefighter/Paramedic: \$101,000 x 2 positions x 3 years = \$606,000

Emergency Operations Center: \$60,000 for the Emergency Operations Center remodel at the fire station. This will help to provide safe operations should we need to better communicate during pandemic.

CIP PROJECTS

Northern Parkway: \$5,974,750 to pay the City's share of the project. This will be qualified with the calculated revenue loss.

Roadway Drainage: \$185,250 to fund the roadway drainage improvements at 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 to best 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.

HUMAN SERVICES

Resident Assistance Programs

Utilities, Rent and Mortgage Assistance: \$700,000 for residential rental, mortgage and utility assistance including power 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 ARPA dollars. 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 residents as eviction and utility moratoriums come to an end. The funding allocation will also include a split staff position with the City of Surprise to help administer the funding. There are currently 1,022 delinquent residential water/sewer accounts. The average amount owed on residential accounts is \$365. Disconnections resume September 2021.

Home Repair: \$165,000 to be distributed through a home repair and weatherization program. The City will look for a partner organization for this program. The City of Tolleson has a successful program that uses a similar model. The Community Services Manager and Community Development Director will work together to organize this program with the new Community Services Navigator position serving as the City's point of contact with support from Code Enforcement.

To be eligible for the program residents:

- Must own a single-family home in the City of El Mirage's Redevelopment Area (to be determined) and live in the home as their principal residence.
- Must meet income eligibility.
- Must be current on mortgage payments, property taxes, and property insurance.
- Must have one or more hazardous conditions in the home that threaten the health and safety of the occupants.
- For these specific funds, the applicants must also demonstrate need due to the pandemic.

Homeless Services Programs

I-HELP: \$15,000 (\$5,000 x 3 years) to continue supporting the program that has served the homeless population during the pandemic. This program has proven to aid residents experiencing homelessness by finding them permanent housing. During 2020 and 2021, I-HELP operated at a reduced capacity to keep participants safe and was still able to place significant numbers in stable housing.

Phoenix Rescue Mission: \$60,000 (\$30,000 for FY22 and FY23) 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 City of Surprise has Phoenix Rescue Mission come one day a week to work with their homeless population and assist in helping those experiencing homelessness transition into housing and with other services. The program has been beneficial for the homeless and has assisted the police and human services departments in serving people they serve. Peoria is also using the services of Phoenix Rescue Mission in a similar capacity.

Senior Services

Senior Meals: \$91,000 (\$30,333 X 3 years) to continue providing free meals to seniors in El Mirage. These meals will be served at the El Mirage Senior Center when it opens Aug. 23. This meets the funding criteria of responding to the negative economic impacts of the public health emergency by assisting with food.

Transit: \$375,000 for 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, these dollars could also be used to purchase a new bus. No additional operational costs were included for the new bus as this would add to City's fleet and the old bus would be used by the YMCA for its youth programming.

- Dial-a-Ride: \$100,000 x 3 years = \$300,000
- Bus: \$75,000

Community Services

Navigator: \$345,000 to serve as a public benefits navigator (two years) and help El Mirage residents and business effected by the pandemic navigate government programs and services available. This person would be housed at the El Mirage Senior Center and also provide Community Education Classes (such as resume writing, interviewing, budgeting) to businesses and residents and engage with the community. Programs this navigator could help identify include the Department of Economic Security, Community Action Program, available grants, Workforce Development, area food pantries and more.

- \$115,000 x 1 position x 3 years = \$345,000

Navigator Budget for Programming: \$60,000 (\$20,000 x 3 years) for classes and outreach.

ECONOMIC DEVELOPMENT

Business Relief Grants: \$200,000 to be made available to El Mirage businesses and nonprofit organizations who were affected by the pandemic through a competitive grant award process. There will be a maximum grant award amount of \$10,000 for applicants with an estimated 30 business and nonprofit organizations that would receive awards depending on funding award amounts; these applications can be for rent, mortgage, utilities (including City utilities, power, gas), and payroll. This amount also includes a 10 percent administrative fee for the Arizona Community Foundation to administer the program. There are currently 15 delinquent city commercial water/sewer accounts. The average owed on delinquent commercial accounts is \$568. Disconnections resume September 2021.

- Arizona Community Foundation: \$12,500
- Grant Awards: \$187,500 (Maximum: \$10,000 per grant)

Business Hazard Mitigation: \$60,000 to mitigate a public health hazard.

PUBLIC SAFETY COMMITTEE IDENTIFIED PROJECTS

K-9 Officer and Equipment

K-9 Officer and Equipment: Funding for officers under this legislation as discussed in the Interim Final Rule must specifically be focused on advancing community policing strategies. A K-9 Officer and Equipment does not meet this strategy. Specifically cited in the Rule, uses of CSFRF/CLFRF funds that respond to an identified harm must be related and reasonably proportional to the extent and type of harm experienced; uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses.

Police and Fire Liaison/Community Service Position

Public Safety Community Service Staff: Funding for officers under this legislation as discussed in the Interim Final Rule must specifically be focused on advancing community policing strategies. A Police and Fire Liaison/Community Service Position does not meet this strategy. Specifically cited in the Rule, uses of CSFRF/CLFRF funds that respond to an identified harm must be related and reasonably proportional to the extent and type of harm experienced; uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses.