



# **ARPA Planning**

**May 10, 2022**

**Stephanie Hirsch, City Manager**



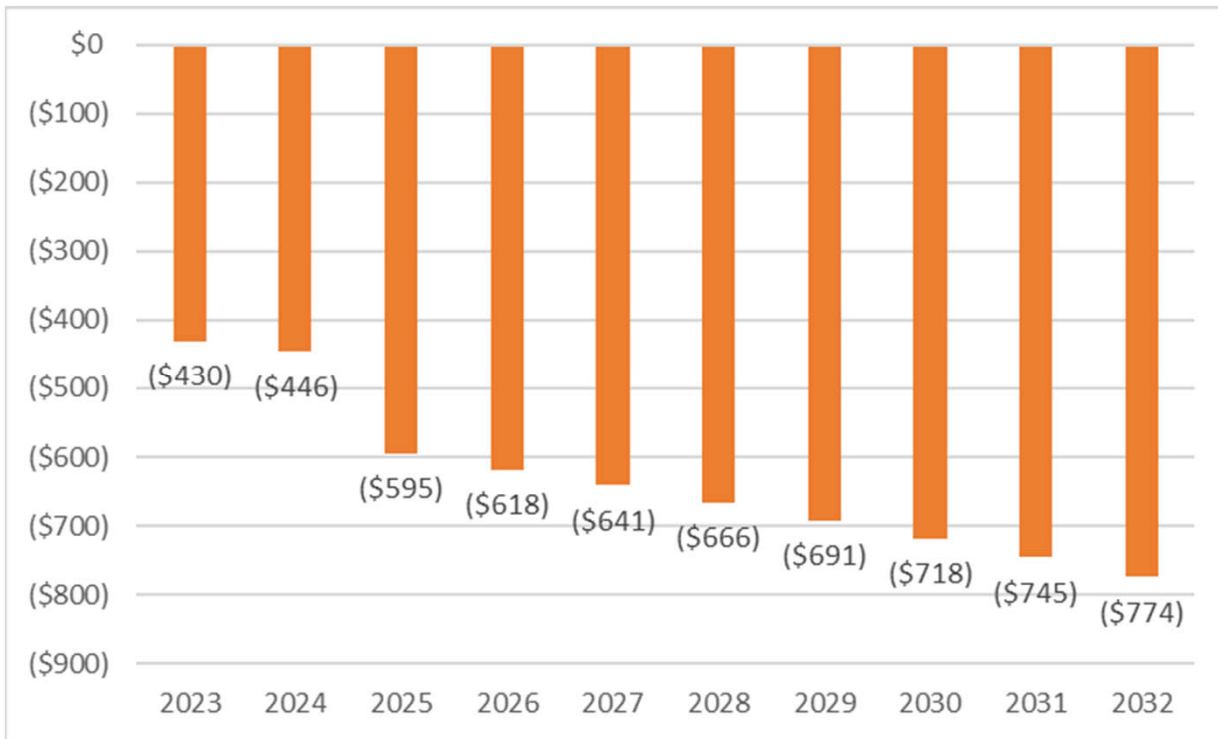
## ARPA: Activities to date and planned

- September, 2021: Listening Session
- Sept-Oct., 2021: Public Budget Exercise (394 responses)
- Fall 2021: Randomized Survey
  - Invitations mailed to 1,200 properties
  - Needed about 250 responses, Received 49 responses
- May 10, 2022: Work Session #1: Recommendations on Approach
- May 16, 2022: County ARPA proposals due
- June 14, 2022: Work Session #2:
  - City Manager recommends specific programs for funding
  - City Council revises, approves, and appropriates funds (if prepared at that time)
- June 28, 2022: Work Session #3 (if needed):
  - City Council revises, approves, and appropriates funds
- Summer/Fall, 2022: Create systems of coordination, planning, and distribution.



# City Finances: The gap will grow & require cuts.

Projected Growing Structural Deficit (in \$1,000s)



## Likely Scenario with No Change to Revenue

We will forgo new spending, such as...

- Adding maintenance for new parks
- Increasing fire, police, and paramedic service to match growing population.
- Adding inspections staffing to avoid delays in permit issuance.
- Staffing for maintenance of Fairfax and Hobbs.

We will cut current service levels, such as...

- Longer Police response times for some call types.
- Closing Library on Saturdays.
- Eliminating City subsidy to bus service.
- Defer certain building plan review and/or inspections to the State.



# City Finances: Where does revenue growth come from?

- Citywide taxes increased from \$44,745,073 in 2020 to \$46,693,238 in 2021 (or \$1,948,165), including residential and commercial.
- This increase is allowed based on our “net new construction”, which is, in turn, tied to permits for new construction or renovation.
- Median tax increase was \$87.36/year (Mean was \$81) or \$7.26/month.

## Average Tax Changes '20-'21 by Neighborhood

- Neighborhood codes that begins with a “2” contains commercial parcels.
- Neighborhood codes 275/285 are multi-family neighborhoods.

Neighborhood	Count of Parcel ID	Avg City Change	Avg Overall Change
All Parcels	23,933	\$81	\$127
117 - NORTH OTHER	2,994	\$107	\$205
113 - WEST LOWER	1,550	\$122	\$266
112 - WEST UPPER	1,452	\$152	\$329
105 - PUTNAM HTS	1,441	\$90	\$177
106 - EAST HILL	1,416	\$43	\$70
114 - NORTH LOWER	1,358	\$96	\$208
900 - EXEMPT PCL	1,049	(\$26)	(\$64)
109 - UNIVERSITY	986	\$95	\$192
103 - MEADOWVIEW	938	\$113	\$215
104 - SOUTH CENTRL	926	\$130	\$265
111 - WEST OTHER	703	\$132	\$274
115 - NORTH EAST	678	\$65	\$130
108 - CENTRAL	676	\$75	\$152
107 - THIRD WARD	638	\$251	\$554
102 - OKWD / HUDS	575	\$105	\$191
118 - AIRPORT	499	\$98	(\$20)
275 - MF SOUTH	397	\$463	\$1,001
120 - NORTH WEST	391	\$125	\$253
116 - PRINCETON	382	\$114	\$224
110 - SHAWTOWN	364	\$88	\$186
101 - SOUTH EAST	351	\$56	\$77
123 - WEST CREEK	184	\$134	\$272
255 - CLAIREMONT N	166	(\$28)	(\$294)
119 - RIVER	149	\$70	(\$139)
230 - OAKWOOD	142	(\$1,819)	(\$4,943)
285 - MF WEST OTH	139	410	832
363 - JEFFERS ROAD TOWNHOMES	132	271	610
200 - CBD	130	(245)	(733)
327 - ROBIN MEAD	120	135	295
358 - ASPEN MEADOW	102	177	82
228 - SOUTH - OTHR	100	(933)	(2,564)



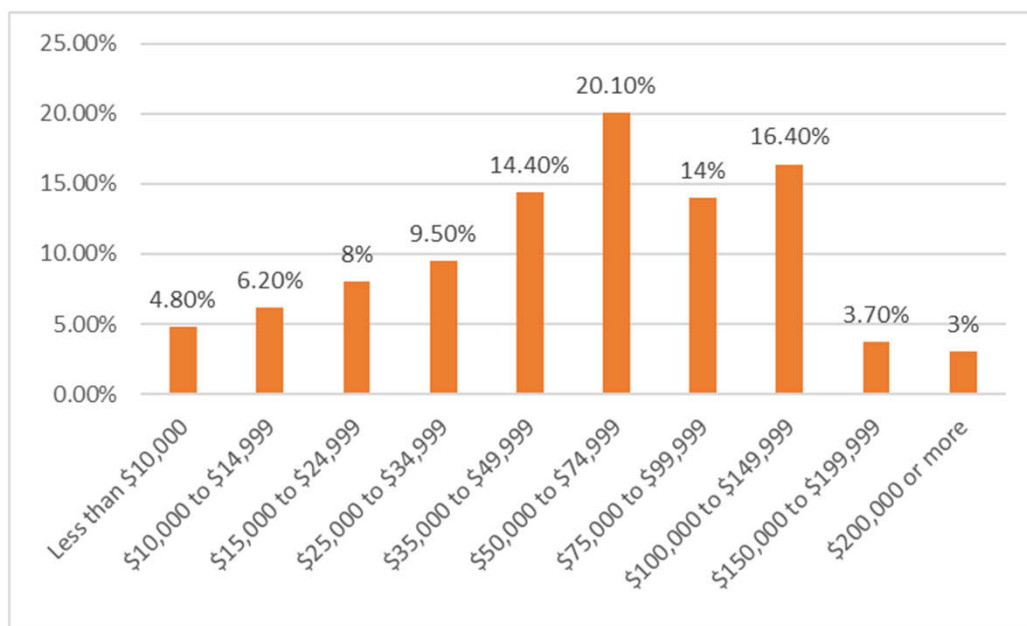
## City Finances: Large developments add growth

<u>TID #</u>	<u>Location</u>	<u>Created</u>	<u>Status</u>	<u>Base Value</u>	<u>Close/Current Value</u>	<u>Increment Value</u>
2	300-400 Blocks Graham	1983	Closed 1998	\$ -	\$ 6,220,800	\$ 6,220,800
3	Oakwood Hills	1984	Closed 1998	203,700	39,667,600	39,463,900
4	Gateway West Business Park	1992	Closed 2003	255,700	74,602,100	74,346,400
5	Gateway Northwest Business Park	1997	Open, closing 1/1/2018	999,700	61,460,500	60,460,800
6	Northeast Industrial Area	1997	Closed 2010	985,900	12,368,400	11,382,500
7	Soo Line Development Area	1997	Open	329,100	6,928,300	6,599,200
8	North Barstow	2002	Open	12,418,400	76,740,400	64,322,000
9	Gateway Northwest Business Park	2008	Open	11,238,900	14,383,900	3,145,000
10	Confluence	2015	Open	9,794,200	40,984,500	31,190,300
11	South Farwell	2015	Open	16,625,200	31,661,000	15,035,800
12	Water Street	2017	Open			-
				\$ 52,850,800	\$ 365,017,500	\$ 312,166,700



# City Finances: Households are also struggling.

Household Income in Past 12 Months in City of Eau Claire  
2020: ACS 5-Year Estimates Subject Tables



Median Household Income: \$59,705  
Persons in Poverty: 15.5%  
% of Residents with Bachelors Degree: 33.3%

ALICE Household Survival Budget  
Household with two adults, two children  
Eau Claire County, Wisconsin, 2018

<https://www.unitedforalice.org/household-budgets-mobile/wisconsin>

Housing	\$783
Child Care	\$1,348
Food	\$807
Transportation	\$795
Health Care	\$699
Technology	\$75
Miscellaneous	\$529
Taxes	\$783
Monthly Total	\$5,819
Annual Total	\$69,828
Hourly Wage	\$34.91



## ARPA: GFOA Guiding Principles

- ARPA funds should fund non-recurring expenditures.
- Total available funding is \$13,529,002.
- Funds must be obligated by December 31, 2024 and spent by December 31, 2026
- Spending should address public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality



## ARPA: Eligible Uses & Activities

- ✓ **Business:** Help small business, unemployed workers.
- ✓ **Charity:** Relieve impacts to non-profits.
- ✓ **Common good:** Address public health outcomes, behavioral health, homelessness.
- **Health:** Support public health needs related to COVID-19, safety measures in key congregate settings.
- ✓ **Home/family:** Impacts to households, Affordable housing development, Healthy childhood environments.
- **Infrastructure:** Capital investments in public facilities.
- **Leisure/tourism:** Address impacts to tourism-related entities.
- **Premium pay for essential workers**
- **Adjust for lost revenue for government service delivery:** Infrastructure, cybersecurity, health services, environmental remediation, public safety. (estimated \$15.14 million in lost revenue).
- ✓ **Targeted Infrastructure:** To make necessary investments in water, sewer, or broadband infrastructure.





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# ARPA: Resident Priorities

Address impacts to small businesses	105
Behavioral health care (mental health/substance abuse/domestic violence)	85
Make necessary investments in broadband infrastructure	74
Affordable housing development	63
Make necessary investments in water infrastructure	46
Services to address homelessness	46
Address impacts to non-profits	45
Public health needs related to COVID-19	43
Address impacts to households	42
Address educational disparities	39
Premium pay for eligible health care workers	32
Promote healthy childhood environments	26
Capital investments in public facilities to meet pandemic operational needs	23
Address disparities in public health outcomes	22
Make necessary investments in sanitary sewer infrastructure	22
Make necessary investments in storm sewer infrastructure	21
Premium pay for eligible municipal employees	15
Address impacts to tourism-related entities	14
Address impacts to hospitality industry	10
Address impacts to unemployed workers	10
Premium pay for eligible third-party workers	10
Safety measures in key congregate settings/workplaces	7

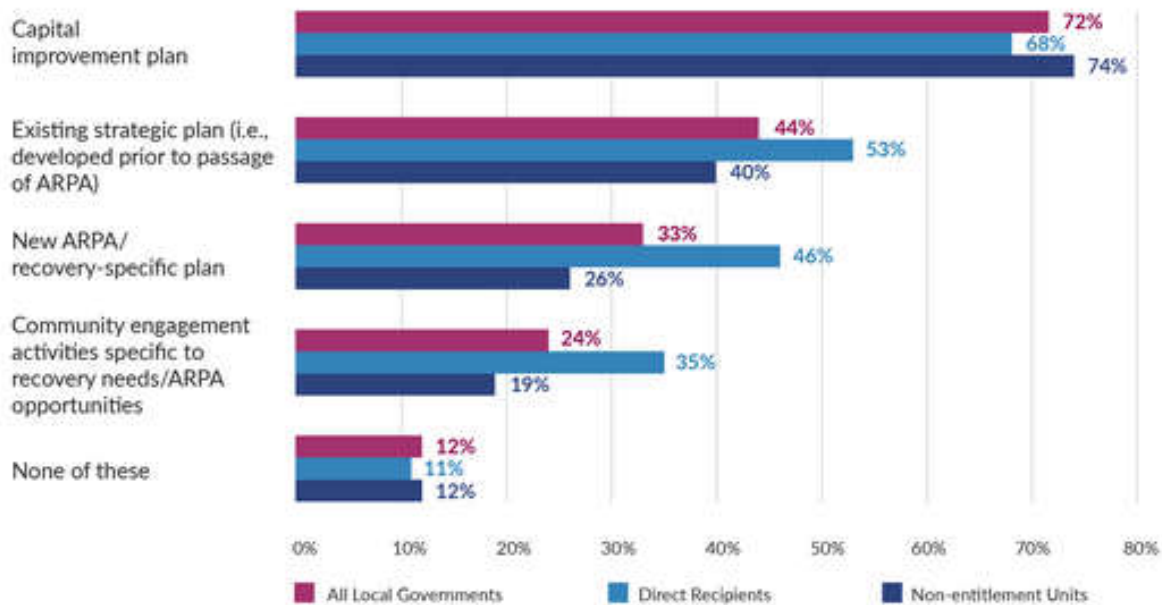


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## ARPA: National Perspective

ICMA Survey – 530 City and Town Managers responded

Is your local government using any of the following tools/approaches in planning for use of fiscal recovery funds?





## ARPA: Current Recommended Approach

- Focus on allowed areas that were also identified as priorities by Council and residents.
- Fill known, unfunded gaps (Transfer Center, Well, Paramedic Training, Warming Center)
- Fund transformative projects that will facilitate meaningful progress on City's biggest challenges of housing and equity, diversity, and inclusion.
- Add sufficient project management support to convene stakeholders, articulate a theory of change, identify targeted funding uses, identify a committee to make funding recommendations to Council, and support coordinated progress monitoring.
- Apply for matching County funds for some projects.



# ARPA: Existing capital, pandemic, and otherwise allowed expenses

Project	Amount Requested	Justification
Construction of new well	\$1,000,000	The City has been dealing with PFAS in our drinking water, and there is a prediction in the industry that regulations will become much stricter in the future. There are areas in the City's wellfield not impacted by PFAS that allow for new wells to be drilled. New wells also support community growth and benefit every member of the community.
Training of paramedics	\$100,000	Due to challenges with hiring, which the pandemic has intensified, Eau Claire Fire Department has reduced entry level hiring requirements to firefighter/EMT-Basic. Funding for training allows these EMT-Basic staff to become paramedics.
Transfer Station Gap	\$5,000,000	Due to construction inflation, in part caused by the pandemic, the planned units of workforce housing above the Transfer Station can only be built if the City is able to fund the project gap. The Council has already approved this spending.



# ARPA: Coordinated service delivery to vulnerable populations

Project	Amount Requested	Justification
ARPA Coordinator	\$319,239	The Coordinator will facilitate initiatives across the community, support data sharing and metric development, and solicit grants to sustain work.
Creation of Children’s Cabinet	\$1,636,500	Eau Claire City and County see significant disparities in life outcomes for young people and adults tied to demographics. The Children’s Cabinet will convene stakeholders across sectors to identify sources of disparity from pre-natal care to adulthood. The Cabinet will map out a theory of change and then award grants for coordinated service delivery, with strategies monitored for success over time.
Neighborhood Connection Fund	\$30,000	A small pool of funding will allow neighborhood associations to submit proposals for insurance and permits to host events that help reduce isolation among seniors, youth, and otherwise vulnerable adults.
Housing Initiatives for Unhoused	\$1,679,239	Funding will support a Project Coordinator who will facilitate planning among community stakeholders, refinement of a plan, and distribution of funding to providers for coordinated service delivery, with strategies monitored for success.
Business Development Fund	\$1,355,000	Funding will support a part-time Coordinator who will work with Economic Development Partners to develop a technical assistance and loan program, particularly for retaining and attracting businesses owned by members of under-represented communities in the Chippewa Valley.



# ARPA: Transformative Initiatives to Address Housing and City Revenue

Project	Amount Requested	Justification
Regional housing needs assessment	\$60,000	The needs assessment will help identify the region's housing gap for all income levels, so that planning efforts are driven by a goal for needed housing units.
Update 1990 Zoning Code (Title 18) and Subdivision Code (Title 17), incorporating CNU/LWM Zoning Guide, form-based codes, design standards	\$500,000	An updated Zoning and Subdivision Code are the enabling tools for designing and developing affordable housing and addressing inequity and sustainability, as well as for creating permit-ready sites that generate higher revenue which can, in turn, pay for services for residents.
Purchase vacant/underused building with access to transit for pilot limited equity cooperative (serving veterans and/or seniors)	\$500,000	The initiative will pilot best-practice idea to allow residents to achieve ownership at a condo/unit level.
Purchase vacant/underused motel/church to convert to transitional housing units	\$500,000	The initiative will deliver a solution for key gap in reducing chronic homelessness.
Technical assistance for formation of Community Land Trust (\$60K/year for three years) and Seed funding for Community Land Trust	\$880,000	Initiative ensures the availability of permanently affordable housing and enables public entity to capture property appreciation in a rising housing market.