

City of Flint

American Rescue Plan Act

Recovery Plan

DRAFT



Agenda

- ▶ About the Plan
- ▶ Introduction to ARPA
- ▶ COVID Impact
- ▶ Timeline
- ▶ Guiding Principles for Use of ARPA Funds
- ▶ Financial Blueprint
- ▶ Funding Priorities
- ▶ Summary / Call to Action

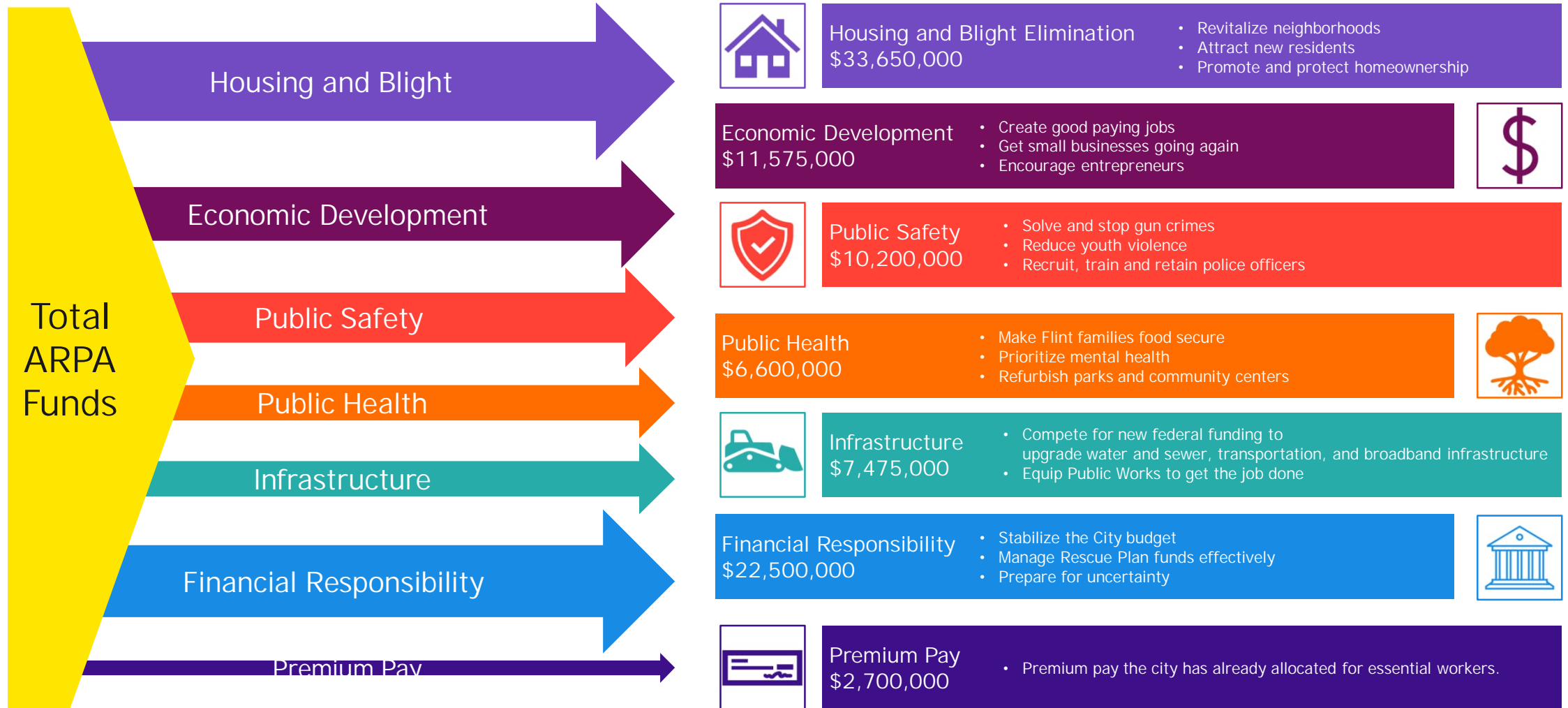


About the Plan

- ▶ After extensive community engagement, discussions with the City Council and key partners, and internal review, Mayor Neeley presents this plan for investment of Flint's \$94.7 million State and Local Fiscal Relief Fund (SLFRF) allocation.
- ▶ The plan is designed to direct funds to projects and initiatives that address community priorities, meet eligibility requirements, are backed by evidence of effectiveness, promote equitable outcomes, leverage other dollars, and are financially sustainable.
- ▶ The plan is organized around five community priorities and provides details about proposed projects and initiatives, including desired outcomes, measures of success, implementation strategy, and estimated costs.
- ▶ With the City Council's approval, this plan will serve as a framework for the appropriation of SLFRF funds to specific projects and initiatives.
- ▶ As a framework, the plan is flexible. It can be adjusted as we learn more about how the state will program its SLFRF funding and be responsive to new challenges and opportunities.



Summary of Flint's Recovery Plan



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Overview of the American Rescue Plan Act (ARPA)

- ▶ On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 ("ARPA") into law, providing \$1.9 trillion in aid to facilitate the nation's recovery from the Coronavirus pandemic
- ▶ In response to the significant negative impacts of COVID-19 at the local level, Congress appropriated \$350 billion to the State and Local Fiscal Recovery Fund ("SLFRF"), in what was the largest single investment in state, local, territorial, and tribal government in the last century.



Overview of ARPA State and Local Fiscal Recovery Funds (SLFRF)

- ▶ The City of Flint was allocated \$94.7 million from the State and Local Fiscal Recovery Fund (“SLFRF”)
- ▶ SLFRF funds must be obligated by December 31, 2024 and expended by December 31, 2026
- ▶ The U.S. Treasury Department’s final rule for the SLFRF program, which took effect April 1, 2022, encourages state, local, territorial, and tribal governments to invest in projects that promote equitable outcomes. SLFRF compliance and reporting guidance requires recipients to measure project outputs and outcomes and emphasizes the use of evidence in selecting projects.
- ▶ Flint is required to report quarterly to the U.S. Treasury Department on its funded projects and expenditures.
- ▶ Four eligible use categories were established by the U.S. Treasury Department:
 1. Respond to COVID-19 Public Health Emergency or Negative Economic Impacts
 2. Premium Pay for Essential Workers
 3. Water, Sewer and Broadband Infrastructure
 4. Government Services to the Extent the Pandemic Reduced Revenue



SLFRF Permitted Uses and Limitations

LFRF Permitted Uses & Limitations

Permitted uses



Responding to the public health emergency or its negative economic impacts



Providing premium pay to eligible essential workers



Funding essential government services limited by reductions in recipient's general revenue



Making necessary infrastructure investments addressing (i) clean water & (ii) broadband



Limitation on use



- The interim final rule explicitly prohibits the use of funds for deposit into any pension fund
- Other ineligible uses including funding debt services, legal settlements or judgments, and deposits to rainy day funds or financial reserves
- Funds can only be used for costs incurred during the period beginning March 3, 2021 and ending December 31, 2024
- A recipient must return any funds not obligated by December 31, 2024, or any funds not expended to cover such obligations by December 31, 2026



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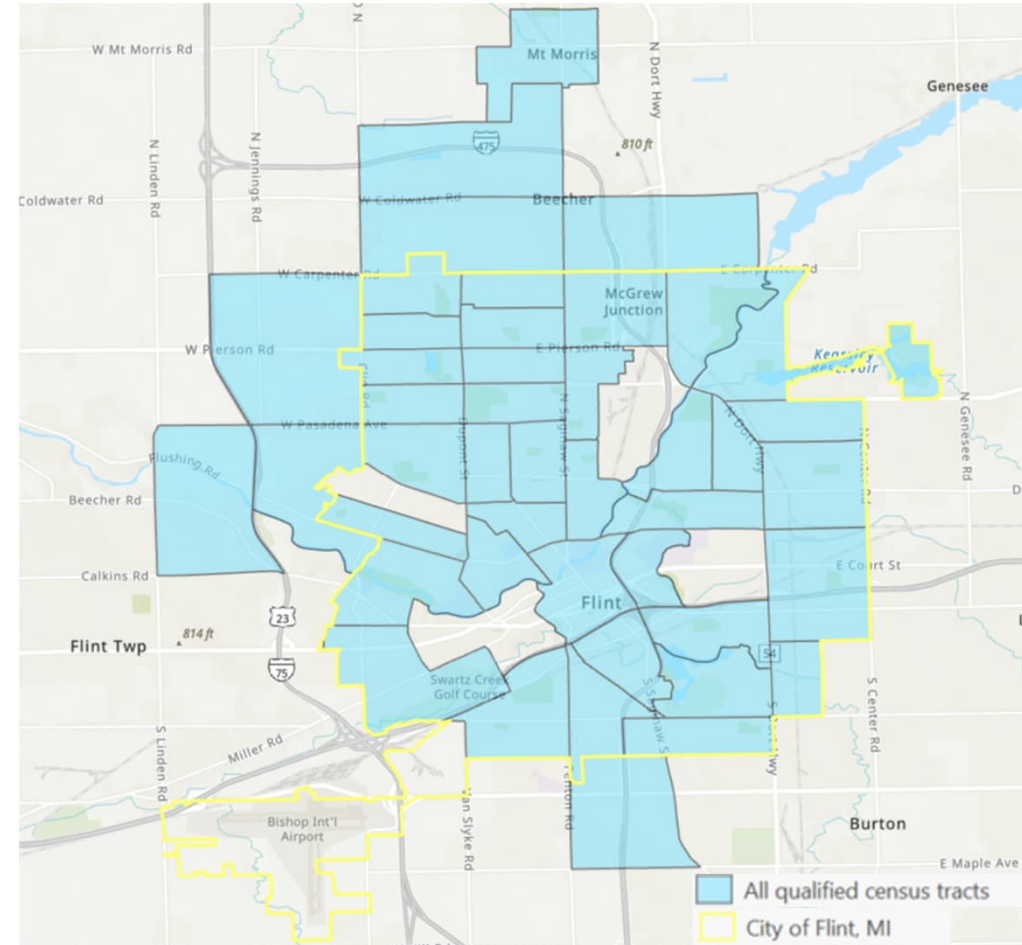
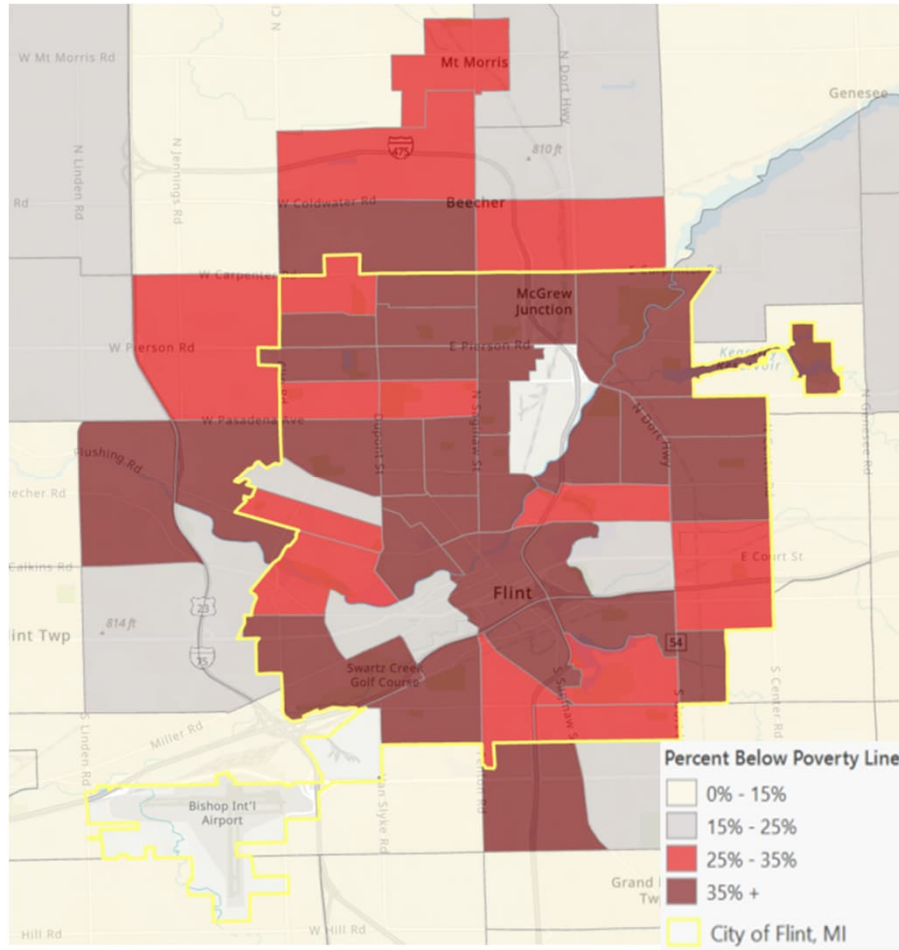


Impact of COVID-19 on Flint

- ▶ U.S. Treasury Department guidance for use of SLFRF funding provides the most flexibility to “disproportionately impacted communities.”
- ▶ Disproportionately impacted communities can use SLFRF funding for a wider range of projects than other communities, including lead abatement, blight elimination, community health workers, and educational programs.
- ▶ Disproportionately impacted communities are defined as Qualified Census Tracts (a federal designation of neighborhoods where household income is 60% or less than the Area Median Income or 25% or more households are in poverty) or “low income” communities based on other benchmarks.
- ▶ Communities that experienced an increase in violent crime during the pandemic can use SLFRF funds for victim assistance, violence intervention, and law enforcement efforts.
- ▶ As shown in the following slides, Flint is disproportionately impacted across multiple dimensions: income, poverty, employment, crime, and the toll of COVID-19.



Flint, MI Economic Analysis Mapping



The map on the left shows Flint's high concentration of poverty, with all but four Census tracts above 25% poverty. The map on the right shows that all but four of Flint's Census tracts are Qualified Census Tracts (QCTs, with income below 60% of AMI or poverty above 25%).



Unemployment Rate Trends



[Bureau of Labor Statistics Data \(bls.gov\)](https://www.bls.gov)



Crime Rates

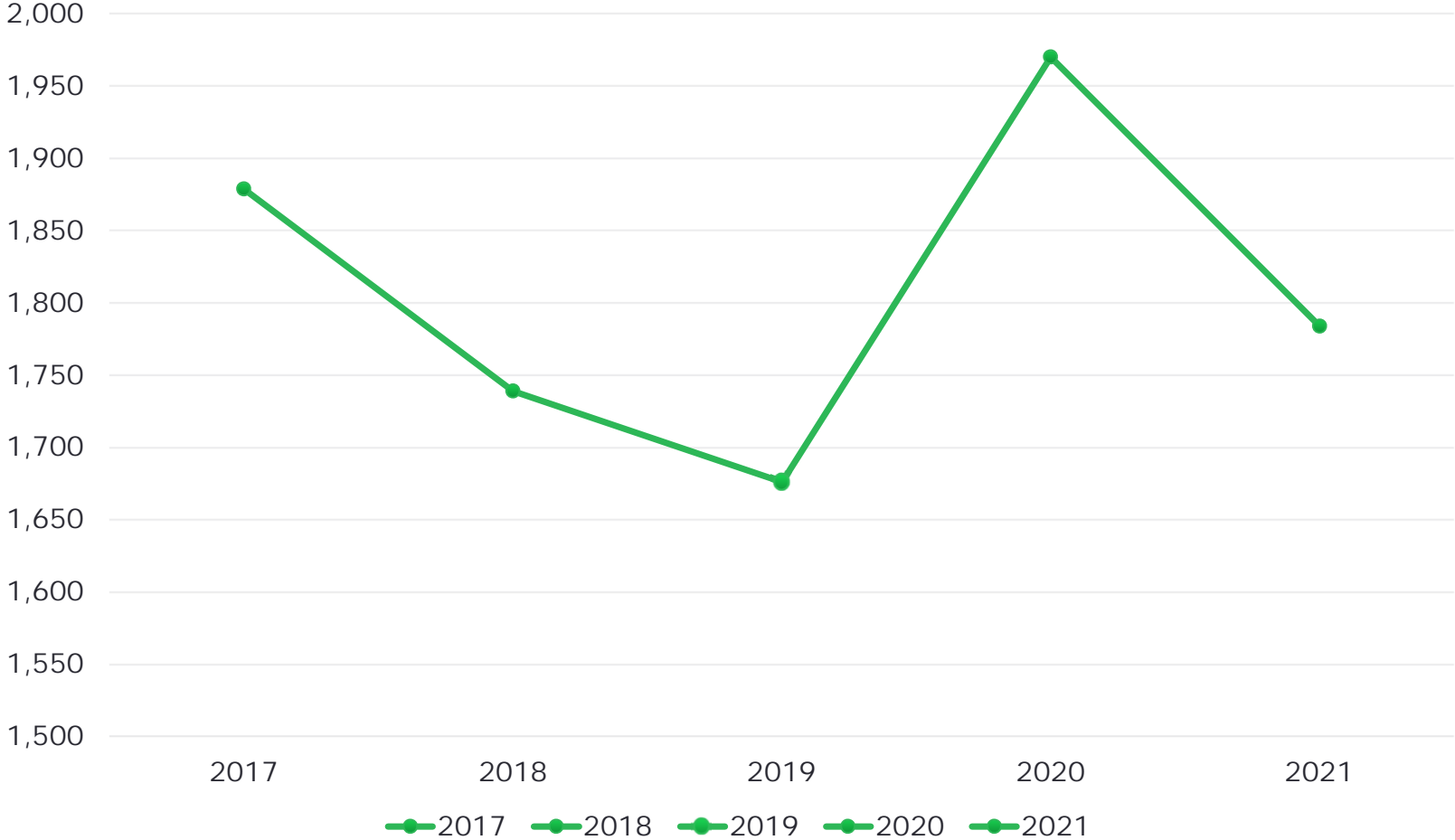


[Flint, MI Crime Rates and Statistics - NeighborhoodScout](#)



Violent Crime Trends

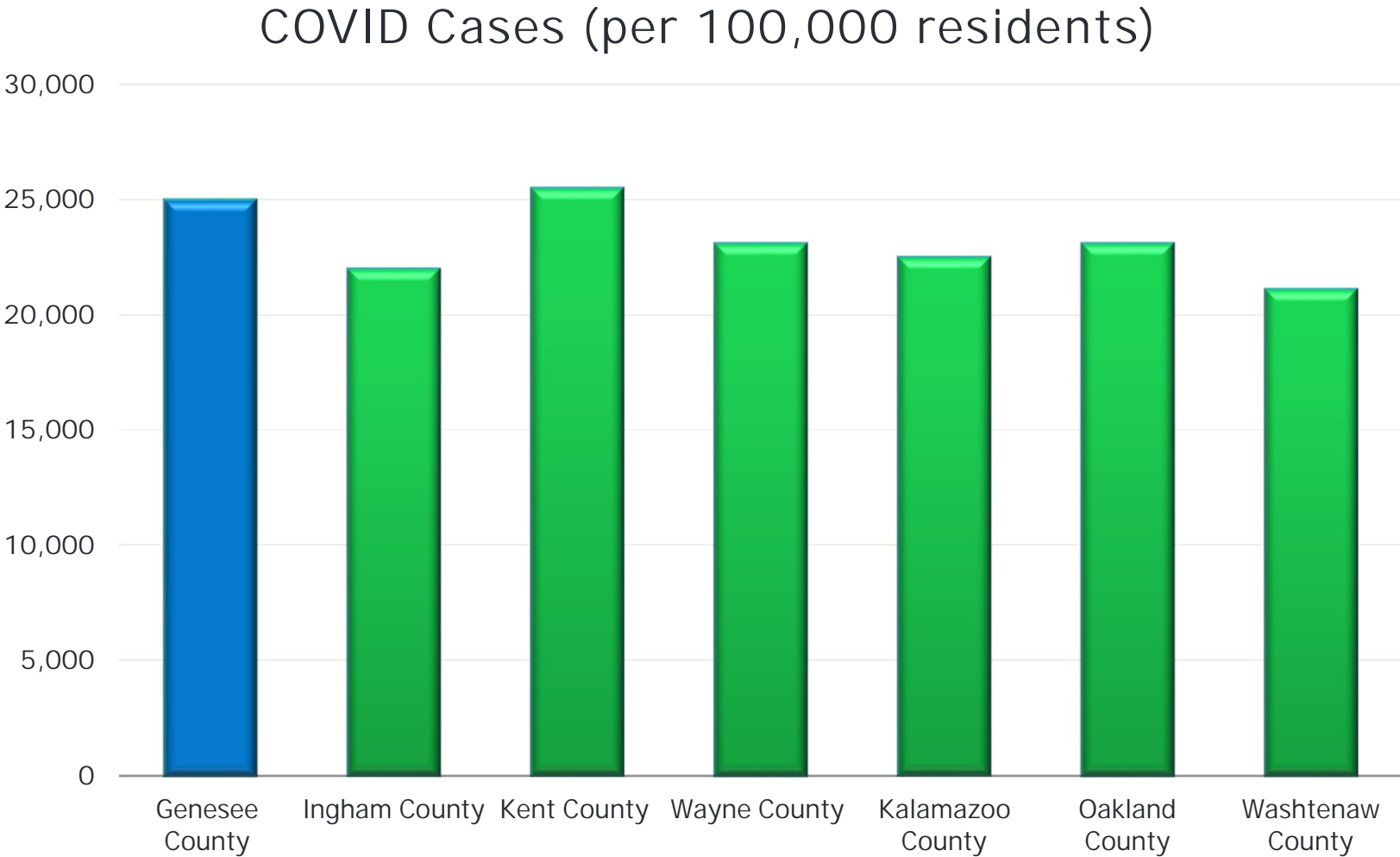
Violent Crime in Flint, Michigan



[FBI – Michigan](#); [FBI – Michigan](#); [City of Flint](#); [City of Flint](#)



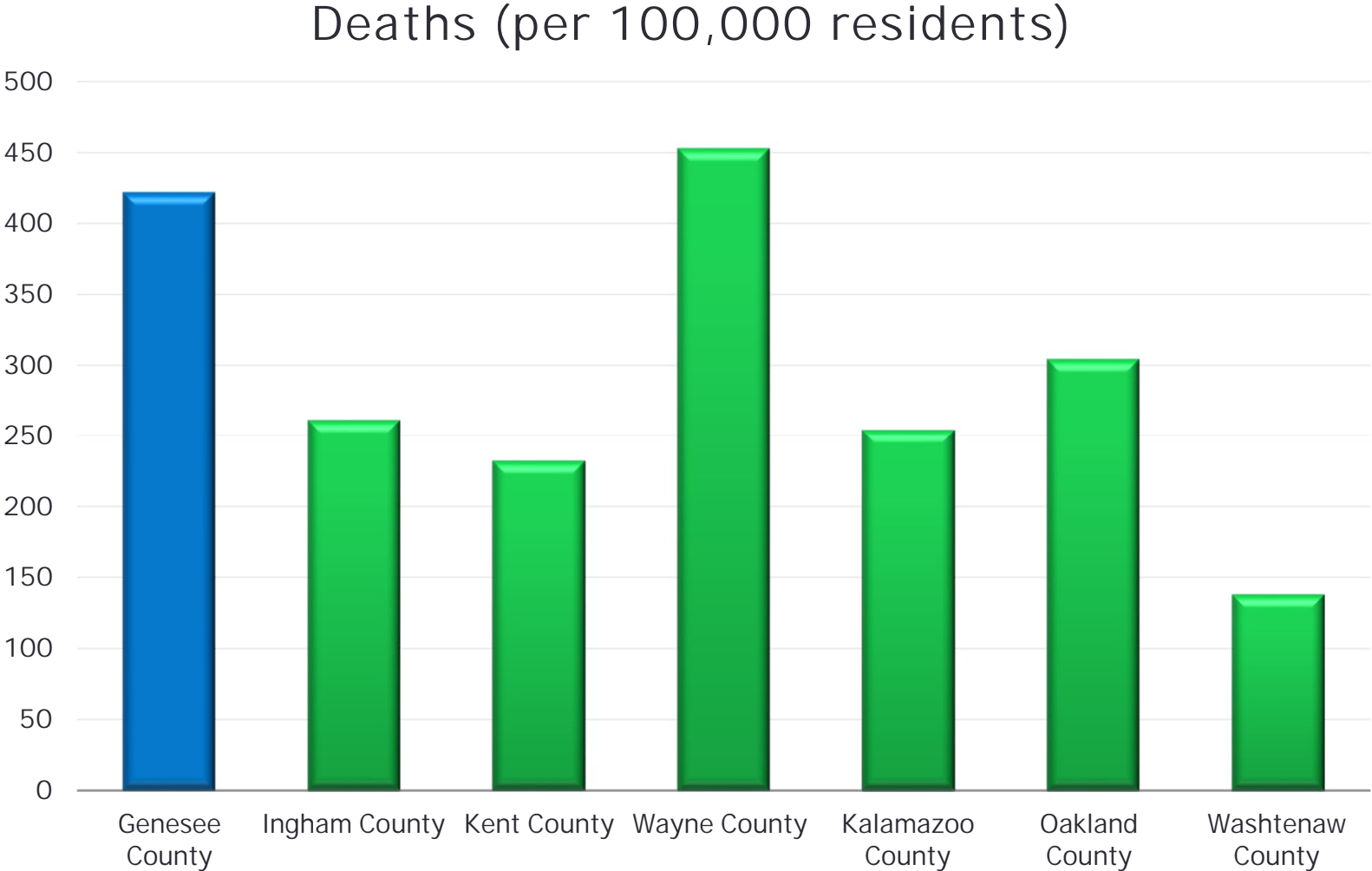
COVID Case Rates



[Michigan coronavirus cases and deaths | USAFacts](#)



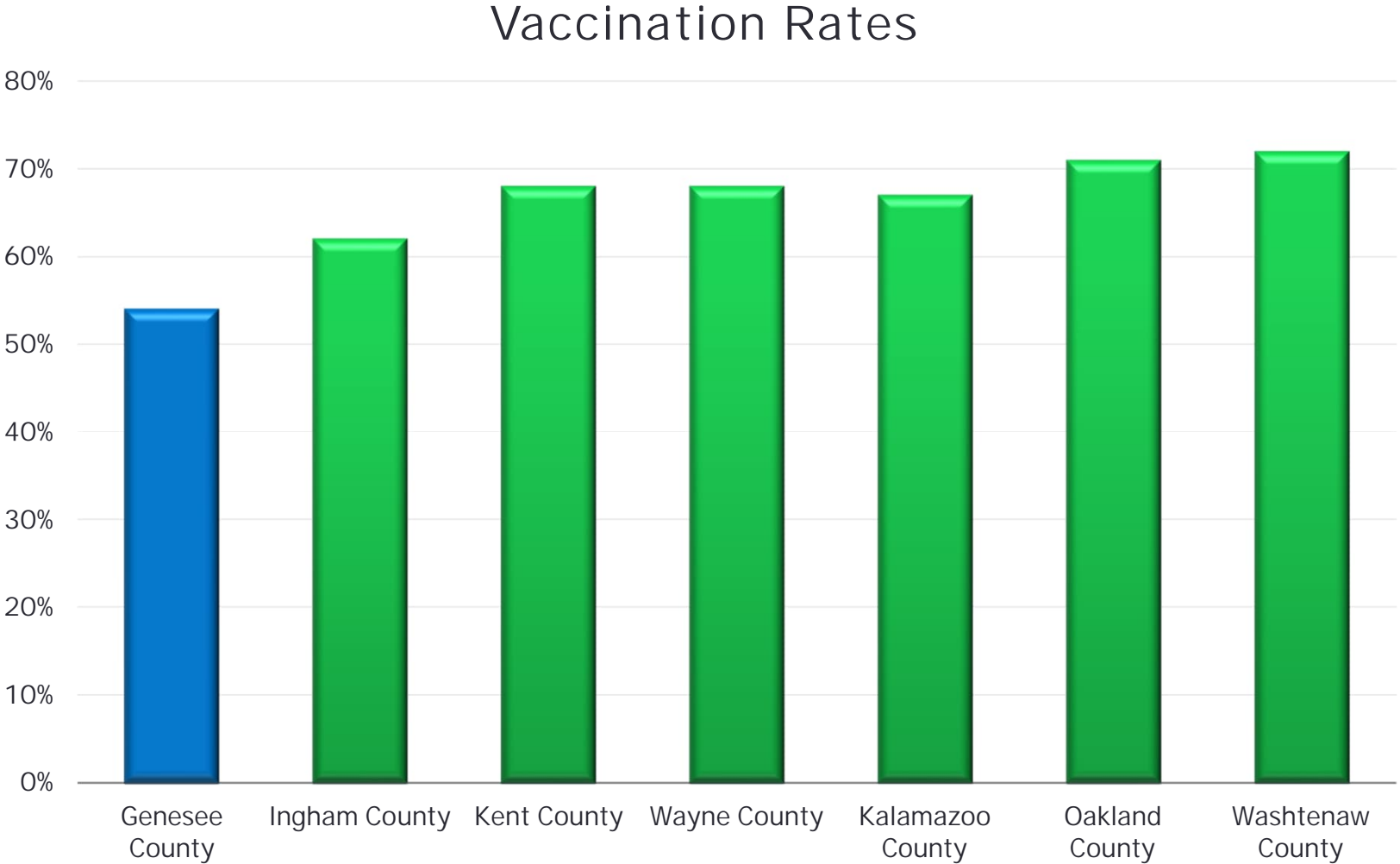
COVID Death Rates



[Michigan coronavirus cases and deaths | USAFacts](#)



COVID Vaccination Rates



These rates are based on “completed” vaccinations. Meaning, the individuals received either both doses of Moderna/Pfizer or one dose of Johnson & Johnson.

[Coronavirus in Michigan: Maps, charts and the latest reports \(mlive.com\)](https://www.mlive.com/coronavirus)

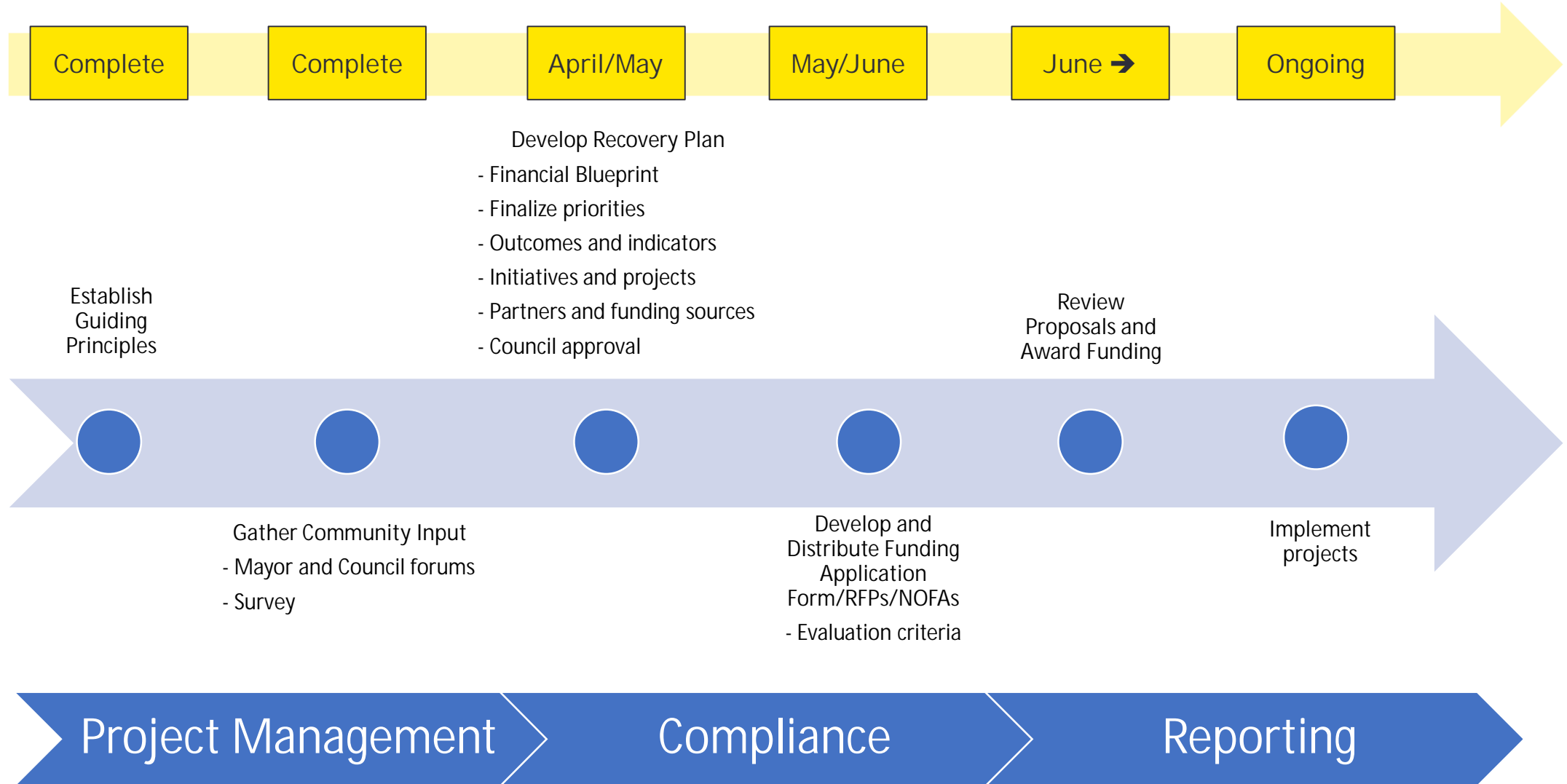


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Proposed Workplan



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Guiding Principles



Equity

Our recovery plan should reflect the voices of all residents and seek to reduce racial and other disparities.



Responsibility

American Rescue Plan funding is temporary. Our investments should lay the foundation for lasting change but not create future financial burdens for the City.



Sustainability

Our plan should combat environmental injustice and mitigate the long-term effects of climate change.



Compliance

We must ensure that every dollar is spent on eligible activities and is accounted for properly.



Transformation

The projects we fund should produce outcomes that make a measurable difference in people's lives. We will focus the dollars on long term impact.



Transparency

We pledge to make decisions openly, inform residents how the money is spent, and deliver the results.



Leverage

Our plan should prioritize investments that collaborate with other funders, help generate new revenue or cost savings, and recycle dollars to multiply their impact.



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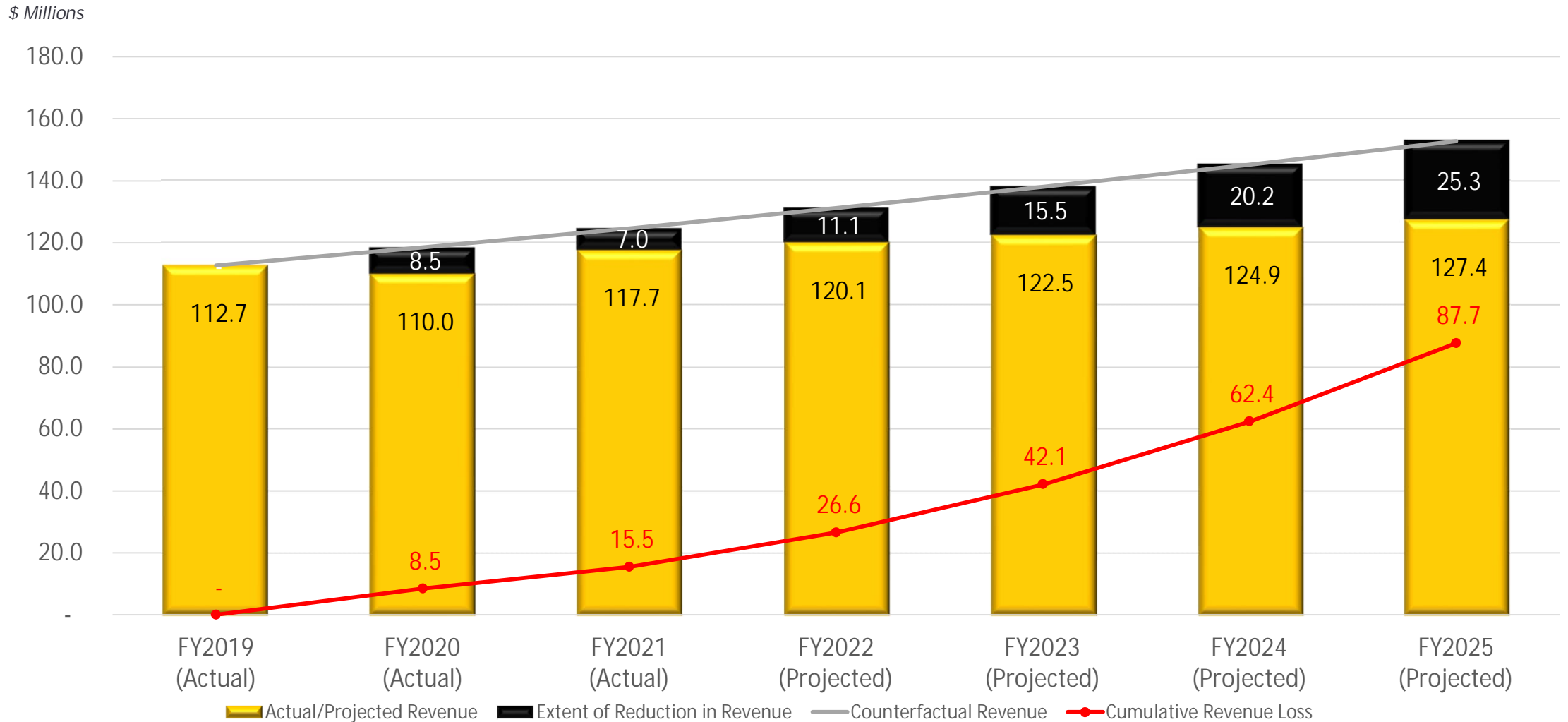


Financial Blueprint

- ▶ An important component of Flint's ARPA Plan is a Financial Blueprint
- ▶ The Financial Blueprint includes:
 1. A calculation of Flint's revenue loss due to the pandemic. This calculation is based on U.S. Treasury Department guidance and determines the amount of Flint's SLFRF allocation that can be spent for government services.
 2. A multi-year projection of General Fund revenue vs. the cost of maintaining current services, used to determine the amount of SLFRF funds needed to stabilize the City's budget.
 3. A proposed allocation of available SLFRF dollars to eligible use categories, administration, and contingency.

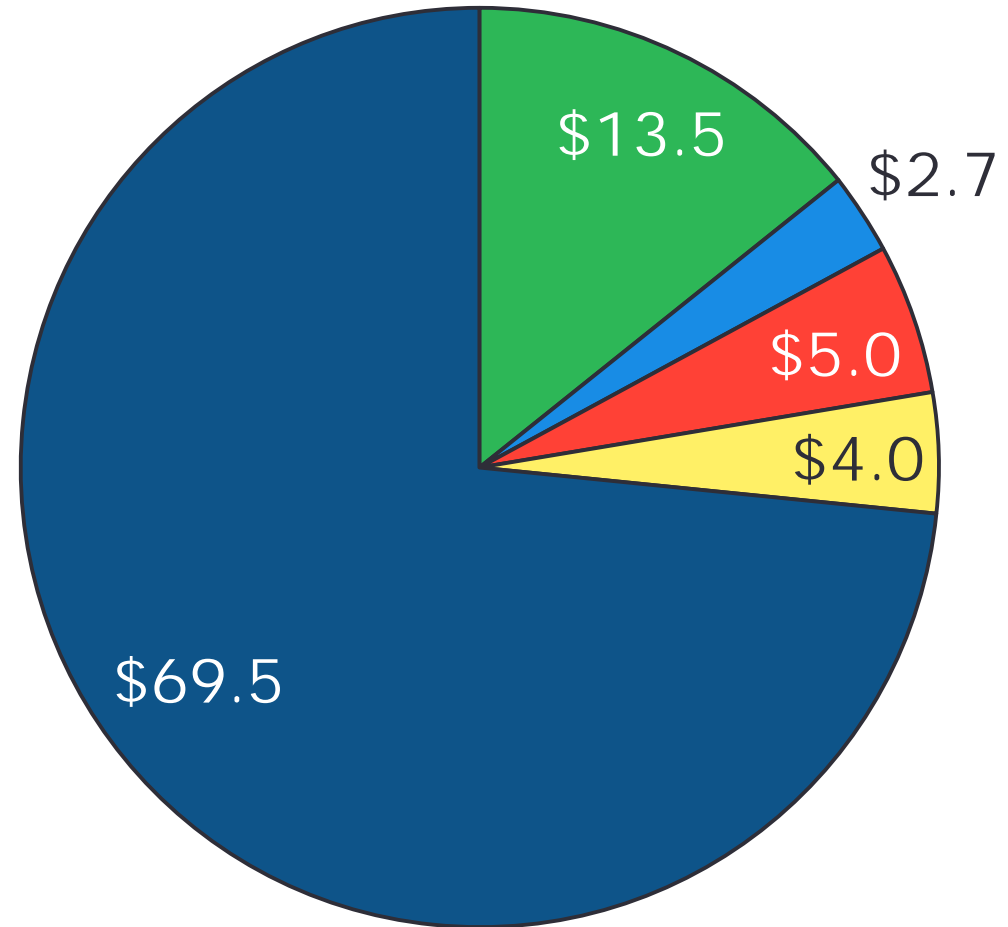


Projected Revenue Loss



Financial Blueprint

- Maintaining City Services
- Premium Pay
- COVID Response/Contingency
- Administration & Evaluation
- New Community Investments (Blight Elimination, Economic Development, Public Safety & Crime Prevention, Homeowners, Infrastructure, Public Health)



Blueprint Details

Maintaining City Services: This allocation of \$13.5 million replaces lost revenue to enable Flint to maintain core city services without reducing reserves below the policy level. The details of how this funding amount will be used are provided on page 28

Premium Pay: This allocation of \$2.7 million reflects funding that the City Council has appropriated for this purpose.

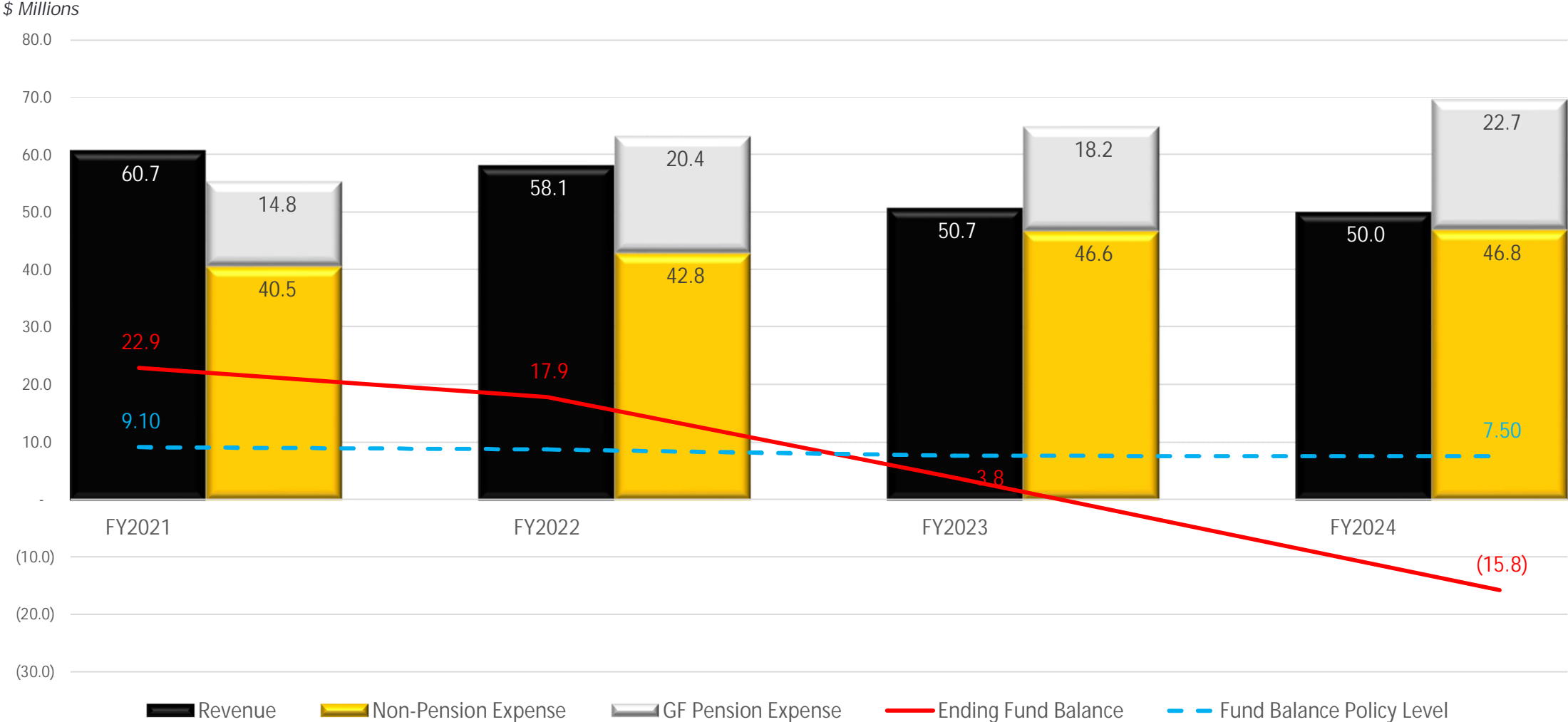
COVID Response/Contingency: This allocation of \$5 million ensures that funding is available for multiple potential contingencies, including a new COVID variant, an unforeseen cost or revenue loss impacting city services, a new SLFRF funding opportunity, additional investment in a successful and popular SLFRF project, etc.

Administration & Evaluation: This allocation of \$4 million covers the cost of the city's contract with EY for assistance with SLFRF planning, implementation, compliance, and reporting through calendar year 2026; the City's other costs of administering SLFRF funding, including staff time; and evaluation of SLFRF-funded projects and programs required by U.S. Treasury Department guidance.

Community Investments: This allocation of \$69.5 million is for projects and programs approved by the Mayor and City Council to advance Flint's COVID recovery priorities – Economic Development, Public Safety, Housing & Blight Elimination, Public Health, and Infrastructure. Proposed projects are detailed in the next section of the plan.



Multi-Year GF Budget Forecast



Budget Stabilization Plan

- ▶ The plan proposes \$13.5M of SLFRF revenue replacement funds for budget stabilization
 - SLFRF funds are not used to cover unsustainable pension costs.
 - The plan progressively reduces reliance on SLFRF funds in order to avoid a “fiscal cliff” when the funds expire.

- ▶ Breakdown of the \$13.5M:
 - FY 2023 - \$8.15M to maintain current services without reducing fund balance below the policy level
 - FY 2024 - \$3.6M to cover 66% of projected GF deficit
 - FY 2025 - \$1.8M to cover 33% of projected GF deficit

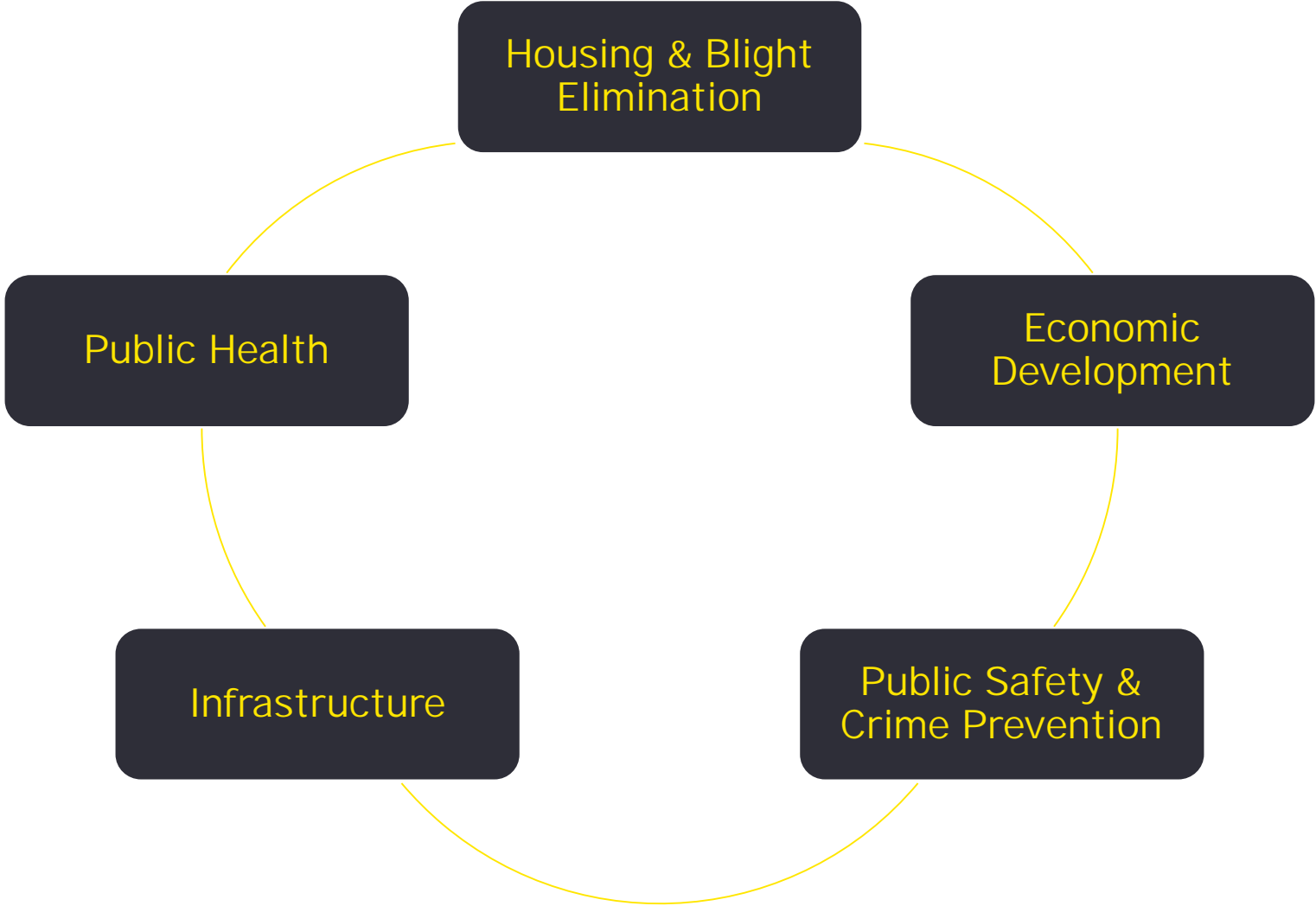


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ARPA Community Priorities



Public Engagement

The City of Flint provided residents with several opportunities to provide input on the priorities for use of American Rescue Plan funding.

The City conducted a resident survey

In addition, the Mayor hosted four public input sessions at various locations around the city:

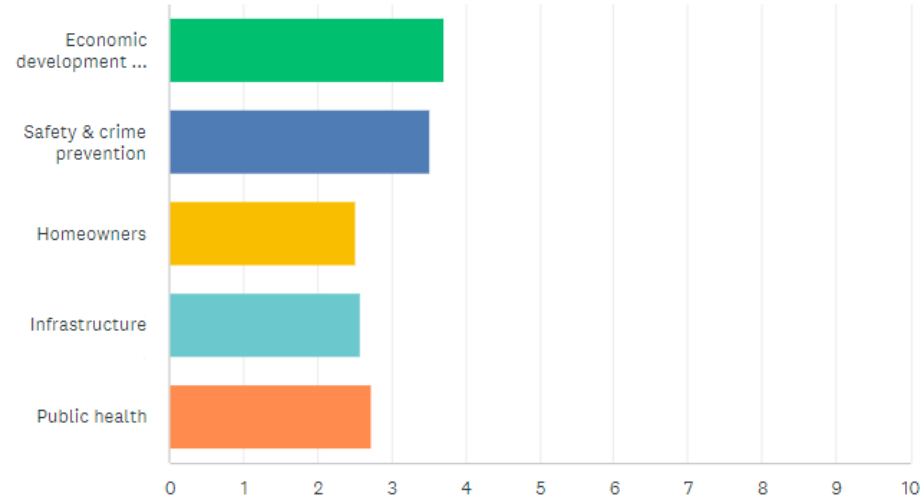
- 1.Thursday, February 17:** Mott Community College Event Center
- 2.Tuesday, February 22:** Sylvester Broome Empowerment Village
- 3.Thursday, March 3:** Accelerated Learning Academy (old Scott School)
- 4.Tuesday, March 8:** Insight Institute of Neurosurgery & Neuroscience (IINN)

The following slides show the survey results and summarize input received at the public sessions.



Resident Survey: Highest Priority Projects

Answered: 182 Skipped: 11



	1	2	3	4	5	TOTAL	SCORE
▼ Economic development & blight elimination	36.26% 62	27.49% 47	12.87% 22	16.37% 28	7.02% 12	171	3.70
▼ Safety & crime prevention	27.49% 47	31.58% 54	17.54% 30	11.70% 20	11.70% 20	171	3.51
▼ Homeowners	13.02% 22	8.88% 15	24.26% 41	24.85% 42	28.99% 49	169	2.52
▼ Infrastructure	6.59% 11	20.36% 34	22.16% 37	26.95% 45	23.95% 40	167	2.59
▼ Public health	18.34% 31	11.24% 19	23.08% 39	18.34% 31	28.99% 49	169	2.72



Community Input

Blight & Housing

- Improve neighborhood landscaping
- Renters are not getting sufficient support from their landlords when it comes to maintaining their homes
- Residents cannot afford the cost of necessary home repairs

Economic Development

- Improve residents access to childcare
- Aid at-risk youth and address issues that may have been exacerbated from the pandemic

Public Safety

- Hire additional police officers
- Increase policing and penalties on squatters and thieves who inhabit and steal from blighted structures
- Increased presence of security cameras
- Add speedbumps on highly trafficked streets



Community Input

Infrastructure




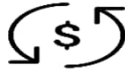




- Sidewalk repair and ADA compliant crossings
- Updated playgrounds
- Water and sewer infrastructure upgrades

Public Health

- Access to mental healthcare
- Expanded accessibility for individuals with disabilities
- Urban farming projects to increase public health and access to healthy food



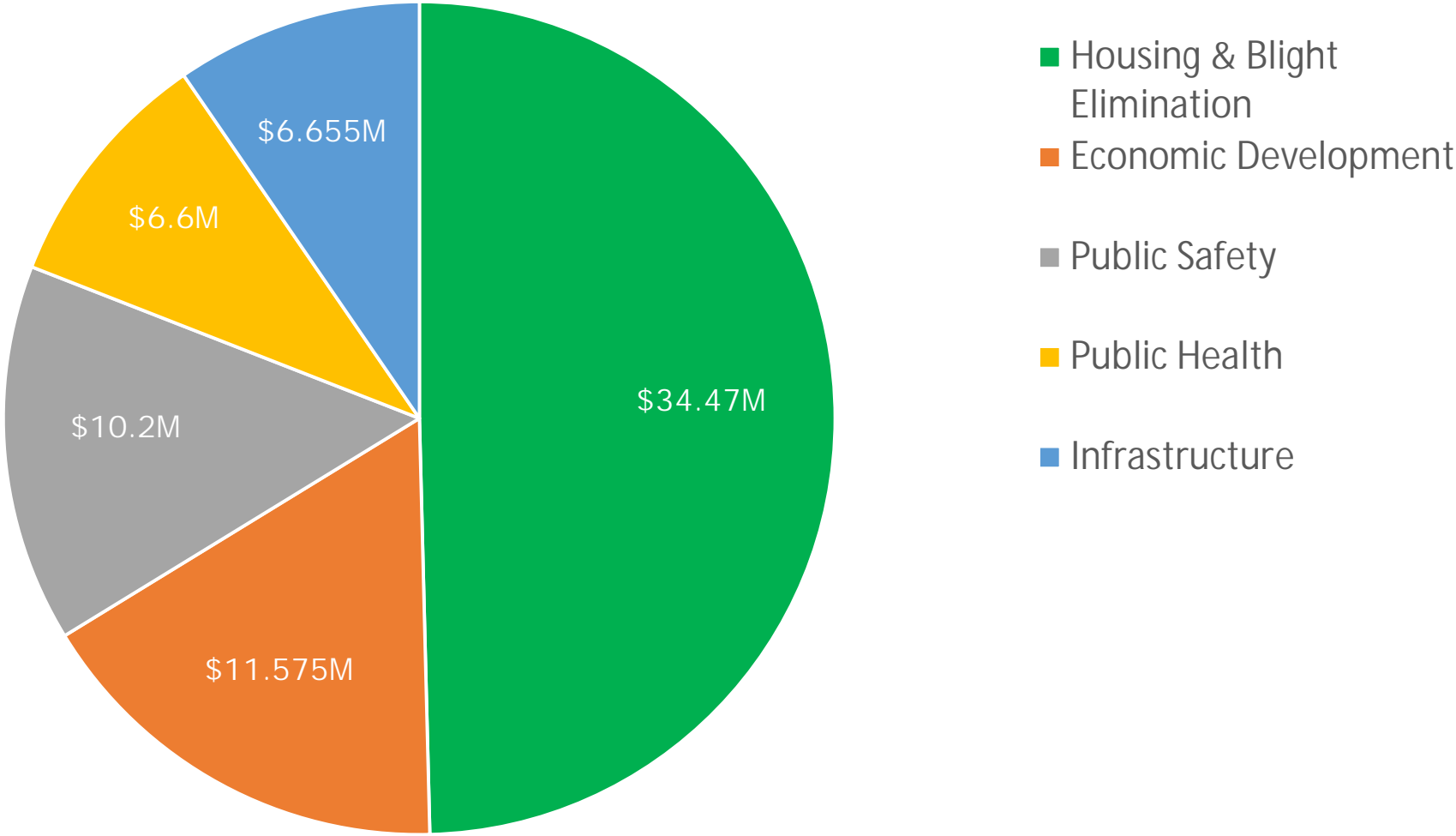
Project Evaluation Rubric

								
Score	Eligibility	Timeline/Feasibility	Alignment with Recovery Plan Goals	One-Time vs. Recurring Cost	Collaboration and Leverage	Sustainability	Equity	Outcomes/Evidence
Low	Does not meet ARPA guidelines	Low confidence that funds can be obligated by Dec. 2024 expended by Dec. 2026	The project does not align with Recovery Plan goals	Creates future financial obligations that are not offset	Leverage has not been secured	No impact or negative impact on the environment, climate change mitigation	Project does not promote equity or potentially exacerbates inequities	Outcomes of the project are not well defined or measurable
Medium	Likely meets ARPA guidelines; may require modifications	Medium confidence that funds can be obligated by Dec. 2024 expended by Dec. 2026	The project aligns moderately with at least one Recovery Plan goal	Pilot or other project that could create pressure on future budgets	Some leverage has been secured	Has potential positive impact on the environment, climate change mitigation	Project generally promotes equity, but does not achieve specific outcomes	Outcomes of the project are defined but not backed by strong evidence
High	Clearly meets ARPA Guidelines	High confidence that funds can be obligated by Dec. 2024 expended by Dec. 2026	The project aligns strongly with one or more Recovery Plan goals	One-time cost or project that will generate offsetting savings or revenue	Meets significant leverage (4-1 ratio)	Has positive and measurable impacts on the environment, climate change mitigation	Project promotes specific equitable outcomes	Outcomes of the project are clearly defined and backed by strong evidence



Breakdown of the New Community Investment Categories

\$69.5 Million



Housing & Blight Elimination

Desired Outcomes

- ▶ Decrease in blighted structures throughout the city
- ▶ Decreased migration out of Flint
- ▶ Increased property values
- ▶ More diverse housing options



Strategy

- ▶ Targeted demolition projects
- ▶ Incentivize residents and developers to develop and rehabilitate properties
- ▶ Improve coordination between planning process and project implementation
- ▶ Improve financial literacy among residents and developers
- ▶ Increase mixed use and affordable housing development
- ▶ Repurpose vacant lots for food production and other uses
- ▶ Reduce redevelopment obstacles for residents and developers



Measures of Success

- ▶ Population growth
- ▶ More available housing units at affordable and market rate price levels
- ▶ Increased property values
- ▶ Higher homeownership rates
- ▶ Decreased homelessness
- ▶ Reduced number of vacant and abandoned structures
- ▶ Increased number of community farms and gardens



Housing & Blight Elimination

Project	Cost
Demolition of condemned properties	\$16,000,000 * These funds have been approved by City Council.
City cleanup	\$2,820,000
Grants for alternative uses of vacant lots	\$500,000
Financial literacy training	\$50,000
Home repair & improvement grants	\$2,000,000
Gap Financing for residential and mixed-use projects	\$3,400,000
Foreclosure avoidance	\$1,000,000
Water bill relief	\$8,600,000
Planting street trees	\$100,000
Total	\$34,470,000



Economic Development

Desired Outcomes

- ▶ More viable commercial districts
- ▶ Increased employment opportunities, in particular in green technology, health technology, etc.
- ▶ More businesses locating and expanding in Flint
- ▶ Growing economy that improves quality of life for residents



Strategy

- ▶ Support small businesses
- ▶ Develop industrial sites
- ▶ Streamline development plans review process
- ▶ Enhance business districts
- ▶ Incubate business start-ups



Measures of Success

- ▶ Jobs created
- ▶ Private investment in the city
- ▶ Increased employment in living wage jobs
- ▶ Increased population
- ▶ Lower commercial vacancy rates
- ▶ Increase in labor force participation rate
- ▶ Number of new businesses created
- ▶ Increased property values



Economic Development

Project	Cost
Facade and building improvement grants	\$5,000,000
Small business improvement loan fund	\$375,000
Industrial site development	\$3,250,000
Property disposition	\$350,000
Streamline development plans review and permitting	\$600,000
Reactivate Oak Business Center	\$1,500,000
Small business grant program	\$500,000
Total	\$11,575,000



Public Safety & Crime Prevention

Desired Outcomes

- ▶ Lower crime rate
- ▶ Reduced gang activity
- ▶ Reduced juvenile crime
- ▶ Improved pedestrian safety



Strategy

- ▶ Fill police vacancies
- ▶ Gun reduction initiative
- ▶ Solve cold cases
- ▶ Youth enrichment programs
- ▶ Mediate neighborhood disputes to interrupt violence
- ▶ Improve street lighting
- ▶ Deter reckless driving habits



Measures of Success

- ▶ Reduction in gun-involved crimes
- ▶ Reduction in violent crime rate
- ▶ Decrease in juvenile crimes
- ▶ Decrease in pedestrian involved accidents
- ▶ Reduction in speeding complaints
- ▶ Police officer vacancy rate
- ▶ Increase in camera aided arrests
- ▶ Reduction of crime in highest crime areas
- ▶ Increase in clearance rate



Public Safety

Project	Cost
Police and Fire hiring bonuses	\$600,000
Police and Fire training	\$100,000
Additional surveillance cameras	\$300,000
Replace Police and Fire vehicles	\$450,000
Witness Protection Program	\$300,000
Cold case backlog	\$350,000
Street lighting	\$2,800,000
Youth enrichment pilot	\$3,500,000
Violence interrupter pilot	\$1,000,000
Gun bounty program	\$350,000
Pedestrian safety	\$200,000
911 Assessment	\$250,000
Total	\$10,200,000



Public Health

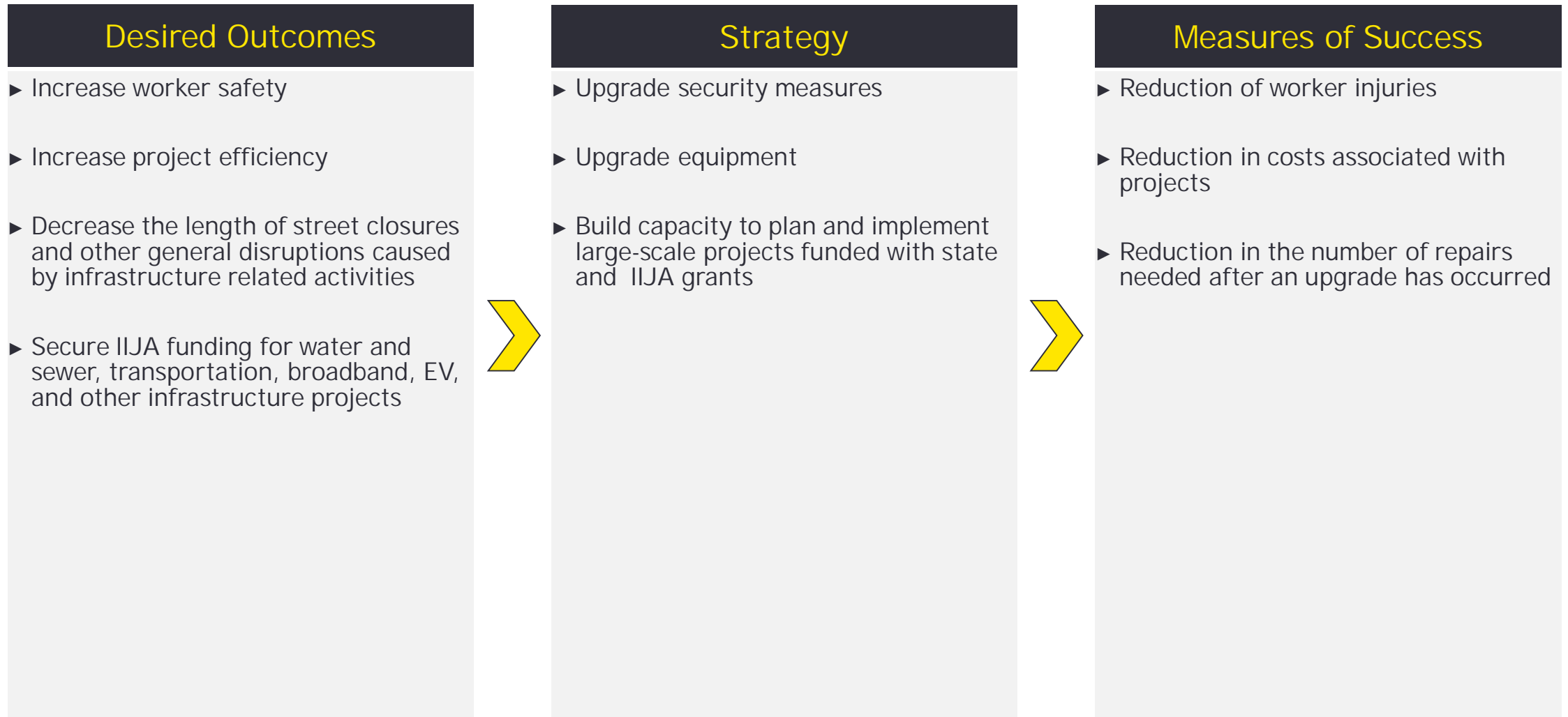


Public Health

Project	Cost
Ongoing support for the City Public Health Office	\$1,250,000
Improve community centers and city parks	\$2,900,000
Funding to extend water and food donation help centers	\$450,000
Increasing food access	\$1,000,000
Mental health referrals and services	\$1,000,000
Total	\$6,600,000



Infrastructure



Infrastructure

Project	Description	Cost
Increased Security	For all locations to put in a camera system outside the building to have recording if people break in.	\$285,000
Replace Water Main for Miller Road	Council has approved \$1,873,634. Remaining funds are awaiting engineering resolution.	\$2,200,000
Equipment for Storm Drain Repairs	John Deere Mini- Excavator with Ditch Bucket to get into tight spots in doing storm drain repairs and a trailer to move the excavator.	\$150,000
John Deere 332G Skid Steer	John Deere 332G Skid Steer with manhole remover with front Brush.	\$140,000
Improved Lighting	LED Lighting for Water Buildings including Holloway Dam, Cedar Street Reservoir, 8West side Reservoir, Water Treatment Plant, Kearsley Dam and at Water Pollution Center	\$170,000
Material Coverage	Structures to cover sand, stone and dirt at different City locations.	\$350,000
Cement Power Screener/Crusher	Power Screener/Crusher (mobile) to reuse our own cement and asphalt. By crushing them they can be reused and save the money to send to a landfill and then the City would buy less stone to be used.	\$370,000
Water Treatment Plant Roof Repairs	Repairs to the water treatment plant roof.	\$20,000
Excavator and Low Boy (Trailer)	For sewer department to do large jobs	\$320,000
Heavy Duty Dump Truck to pull excavator	For sewer department to do large jobs	\$150,000
Addition to Maintenance Shop	Addition to Maintenance Shop for more storage and update the building	\$1,500,000
Infrastructure Planning	Support for infrastructure planning and grant proposal development	\$1,000,000
Total		\$6,655,000



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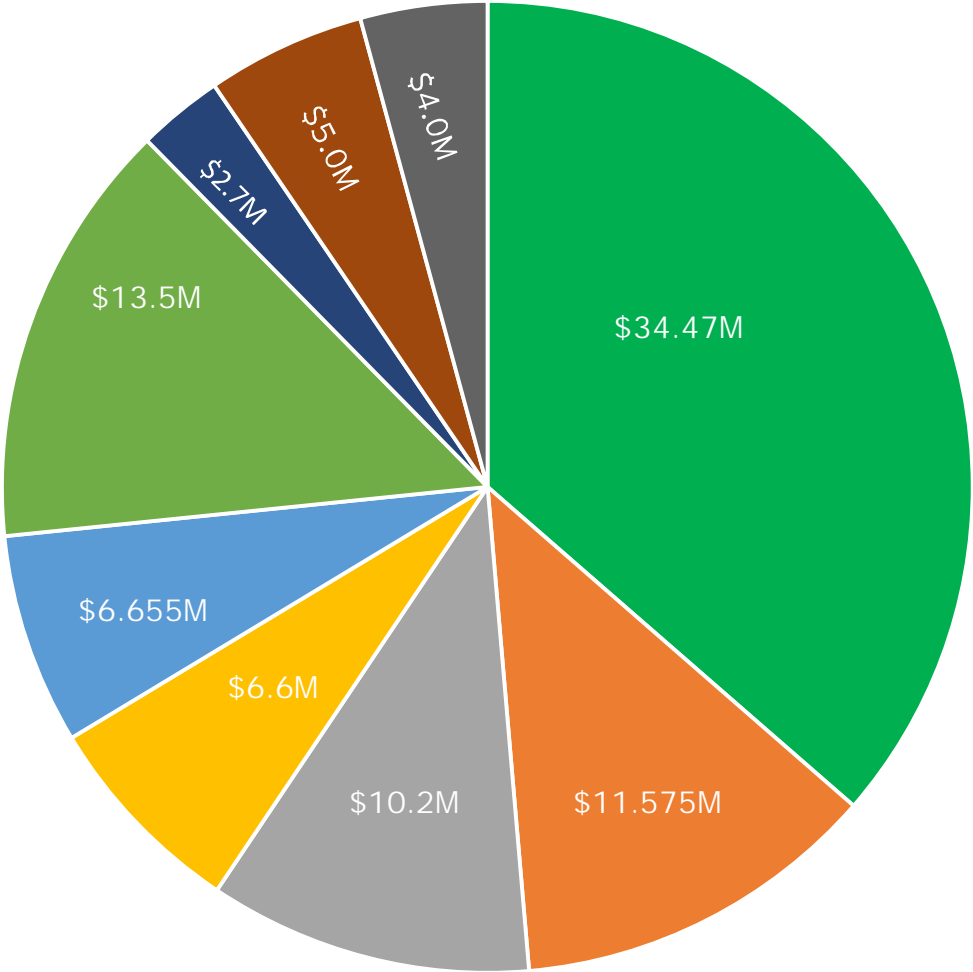
Summary/Call to Action

- ▶ If invested strategically, Flint's \$94.7 million SLFRF allocation can have a transformative impact on our community.
- ▶ This plan focuses funding on projects that promise to generate long-term positive outcomes, such as stronger neighborhoods, economic growth and jobs, safer streets, and healthier people.
- ▶ This plan will stabilize the City's budget, but because the SLFRF is temporary, we cannot rely on this funding to fix structural financial problems or increase ongoing programs.
- ▶ The Mayor looks forward to working collaboratively with the City Council to agree on a shared SLFRF plan that serves as a framework for specific funding resolutions going forward.
- ▶ Once a plan is adopted, the administration is ready to implement approved projects and will keep the Council informed about project status and performance results.



Financial Breakdown of the total \$94.7M

Financial Breakdown



- Housing & Blight Elimination
- Economic Development
- Public Safety
- Public Health
- Infrastructure
- Maintaining City Services
- Premium Pay
- COVID Response/Contingency
- Administration & Evaluation



Summary

Priority Area	Cost
Housing & Blight Elimination	\$34,470,000
Economic Development	\$11,575,000
Public Safety	\$10,200,000
Public Health	\$6,600,000
Infrastructure	\$6,655,000
Total	\$69,500,000

