

ARPA/CRED

2024 BUDGET
PROPOSAL

Memorandum

TO: Members of the City of Bloomington Common Council
FROM: Larry Allen, Deputy Mayor; Jeffrey Underwood, Controller
Date: September 6, 2023 (Revised September 19, 2023)

Executive Summary

As part of the 2024 City of Bloomington Budget recommendation, the Administration is proposing nearly \$20 million dollars in transformative one-time investments in our community with funds from the American Rescue Plan Act (ARPA) and the former Community Revitalization Enhancement Districts (CRED). These investments fall into five categories of proposed investment:

- Infrastructure
- Housing
- Jobs and Climate
- Diversity, Equity, Inclusion, and Belonging
- Public Health

During the past three years, Bloomington has been making investments like these to help us “build back better” as we emerge from the pandemic and economic collapse, and to leverage additional investment from other sources. This memo details additional proposed projects and programs to continue our strong progress toward a more welcoming, resilient, and thriving community. Continued review and analysis from outside counsel will determine the allocation of project costs between ARPA and CRED funds, to be shared in detail as soon as possible.

Background

ARPA

In March, 2021, President Joe Biden signed into law the American Rescue Plan Act of 2021 (ARPA). The City was awarded \$22.3 million in ARPA funds, for which the City established a dedicated ARPA account and adopted a plan for its spending, in compliance with guidance from the Indiana State Board of Accounts.

The federal government adopted a rule and guidance about the purpose of ARPA and how recipients could use the money, including requiring that the City encumber its ARPA funds by December 31, 2024, and expend the funds by the end of 2026. The permitted uses were divided into the following categories:

- Support for public health and addressing the negative economic impacts caused by COVID-19
- Lost revenue
- Premium pay for essential workers
- Infrastructure for water, sewer, and broadband extension.

To date, the City has expended and encumbered approximately \$12.3 million of the appropriated ARPA funds. By the end of 2023 the City expects to expend and encumber another \$1.7 million of ARPA funds. The City will have the remaining \$8+ million of ARPA funds available for the administration's 2024 proposal. For 2024, the administration would allocate these remaining ARPA funds to the proposed projects outlined below.

CRED

In 1997, the Common Council created the Bloomington Industrial Development Fund and the Bloomington Industrial Development Advisory Commission (BIDAC). Council created the BIDAC to administer allocation area funds of two Community Revitalization Enhancement Districts (CRED): the Thomson and Downtown CREDs. CRED funds comprised state retail, use, and income tax and a portion of the County Option Income Tax (COIT) (prior to its repeal and consolidation). Funds from the CREDs were used to promote development at the former Thomson site, which included building infrastructure and awarding incentives to Cook Pharmica (now Catalent), and throughout the main downtown corridor, including assistance for the relocation of Envisage Technologies to downtown Bloomington.

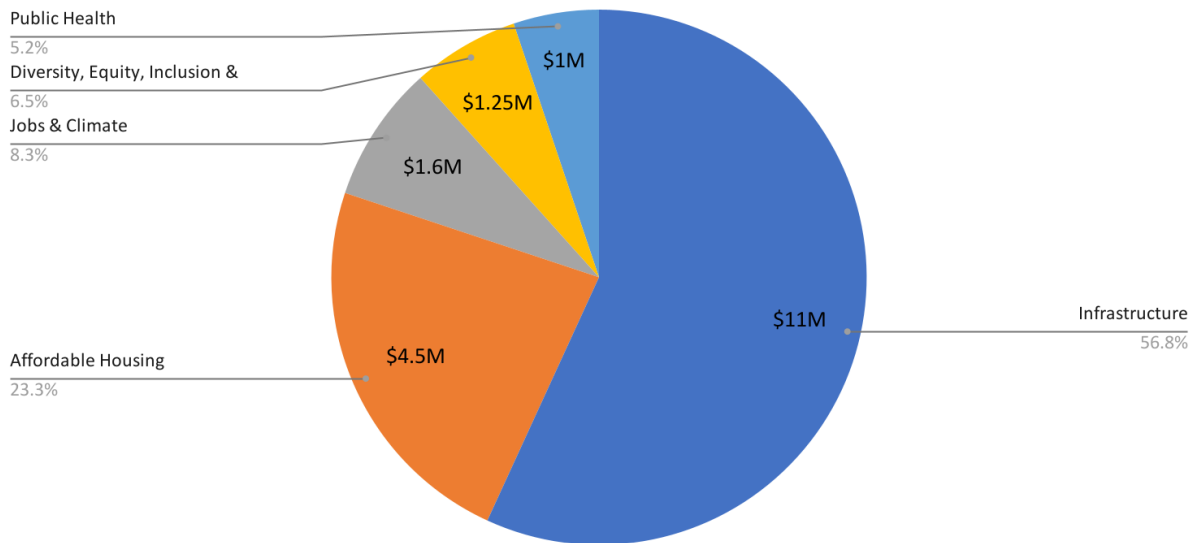
As of the end of 2022, the fund had the following balance from the respective CREDs totaling \$17.2 million, comprising \$6.4 million for the Thomson CRED and \$10.8 million for the Downtown CRED. By state statute each of the CREDs had terminated 15 years after the first incremental amount was allocated to the districts. In Resolution 23-01, the BIDAC declared that the district had terminated and it dissolved itself pursuant to Indiana law. The balance of the CRED funds were deposited into the City’s general fund in accordance with Indiana Code § 36-7-13-19.

Of the remaining \$17 million of CRED funds, this 2024 proposal would allocate just over \$11 million dollars for the projects outlined below. The remaining funds would be available for future uses.

Proposed Allocation for 2024

Proposed Allocation of ARPA/CRED Among Categories			
Category	ARPA	CRED	Total Amount
Infrastructure	\$1,000,000	\$10,000,00	\$11,000,000
Affordable Housing	\$3,500,000	\$1,000,000	\$4,500,000
Jobs and Climate	\$525,000	\$1,075,000	\$1,600,000
Diversity, Equity, Inclusion & Belonging	\$1,250,000	-	\$1,250,000
Public Health	\$1,000,000	-	\$1,000,000
Total Proposed Funding	\$7,275,000	\$12,075,000	\$19,350,000

City of Bloomington
ARPA/CRED Potential Funding Levels



Infrastructure - \$11,000,000

Infrastructure investments make up the majority of proposed spending. Of the total \$11 million, \$10 million will come from CRED funds and \$1 million will come from ARPA. We are proposing the following list of critical projects, more fully described below:

- Sidewalk improvements and expansions
- Safe Streets for All investment
- Street maintenance targeting routes for buses and bicycles
- Greenways
- Traffic signal modernization and replacement
- Downtown activation and maintenance

Sidewalk Improvements and Expansions (\$1.0M) (ARPA)

Sidewalk Improvements and Expansions will include sidewalk saw-cutting to remove trip hazards, repairs to damaged panels caused by City owned trees, and expansions where gaps exist. We will utilize the condition indices and equity lens to identify optimal areas for investments. These factors would also align with those qualifying factors under the federal government’s final rule governing the use of ARPA funds. *Assigned to Public Works and Engineering Departments.*

Safe Streets for All (\$2.0M) (CRED)

Matching local funds for federal \$10M to \$15M transportation safety investment project(s) that will be identified during updates to the Transportation Plan. In 2022, Safe Streets for All (SS4A) Implementation Awards ranged from approximately \$2M to \$30M in both rural and urban areas. One potential project is implementing any recommendations from the forthcoming College and Walnut corridor study. Other projects could flow from the Transportation Plan's goals and could focus on reducing fatal and serious injuries from vehicular crashes and addressing DEIB by improving the safety of people walking, biking, public transit users, and persons with disabilities. *Assigned to Planning & Transportation Department*

Street Maintenance for Buses and Bikes (\$2.0 M) (CRED)

Pavement maintenance of street segments that have low ratings in our pavement condition index (PCI) and have high usage by Bloomington Transit (BT) routes and/or segments with bike lanes. *Assigned to Public Works Street Department*

Greenways (\$1.2M) (CRED)

Funding to design and construct two new neighborhood greenways, locations to be determined consistent with the Transportation Plan and Planning & Transportation processes. *Assigned to Engineering Department.*

Traffic Signal Modernization and Replacement (\$2.7M) (CRED)

Project to enable Bloomington's traffic signals to be controlled better to manage traffic flow, including preemption ability to prioritize flow of public safety and/or transit vehicles. \$2M for Signal replacement and \$500k for technology upgrades for traffic management and preemption abilities. \$200k for intersection design of significant upgrades at two old signalized intersections (locations TBD per Engineering, Public Works, and Planning & Transportation). *Assigned to Public Works and Engineering Departments.*

Downtown Activation and Maintenance (\$2.1M) (CRED)

Investments in downtown arts, lighting, safety, activation and beautification. Majority of the funding is for needed repairs and capital improvements for the Walnut and Morton Street parking garages including replacing both garages' elevators, which are at the end of their useful lives and very expensive to maintain (funds replace revenue lost from pandemic impacts). Additional funding will support downtown lighting, safety improvements, arts, and activation / beautification. *Assigned to Public Works Parking and Economic and Sustainable Development Departments.*

Affordable Housing - \$4,500,000

Access to affordable, quality housing continues to be very challenging for many Bloomington residents. We have made great progress in increasing affordable housing supply, but know the need continues; thus we propose continuing to invest substantial recovery resources in improving housing access to residents across the income spectrum.

Homeless and Very-Low-Income Housing Support (\$0.5M) (ARPA)

Funds will be assigned to the Housing and Neighborhood Development (HAND) department to provide support to housing and related services serving our homeless and very-low-income residents (below 60% of Area Median Income (AMI)), including directly or through partnerships with Heading Home / Housing Security Group and partner organizations. *Assigned to Housing and Neighborhood Development Department.*

Workforce Rental Housing Support (\$2.0M) (ARPA)

Funds will be assigned to the HAND department to supplement support for rental housing that serves workforce housing needs for households from 60 to 120% of AMI, including support directly to projects and to partners developing or serving such projects. With assumption of approximately \$25k to \$35k subsidy per unit, these funds should support from 60 to 80 additional long-term affordable units. *Assigned to Housing and Neighborhood Development Department.*

Affordable Home Ownership Support (\$2.0M) (\$1.0M ARPA; \$1.0M CRED)

Funds will be assigned to the HAND department to supplement efforts to increase home ownership opportunities to resident households with income less than 120% of AMI, including through downpayment assistance, acquisition, or with partners such as the Summit Hill CDC land trust. With assumption of approximately \$65k to \$85k subsidy per unit, these funds should support from 24 to 31 additional permanently affordable homes. ARPA funds would be used for those projects that fully qualify under the federal guidelines for affordability and groups disproportionately impacted by COVID-19, as defined in ARPA final governing rules. *Assigned to Housing and Neighborhood Development Department.*

Jobs & Climate - \$1,600,000

Bloomington's recovery from the pandemic and related economic collapse has been strengthened by investing in the growth of employment opportunities and by continuing to "build back better" by investing in climate and sustainability at the same time. The following

investments seek to sustain that progress and momentum, which help assure the long-term health of our economic base.

Job Supports & Growth / Economic Development (\$800K) (\$325K ARPA; \$475K CRED)

Funds will support continued and new job training and expansion programs with partners such as Ivy Tech, IU, The Mill, Small Business Development Center, and the Bloomington Economic Development Corporation, as well support internal capacities with needed new software and grant applications and administration. *Assigned to Economic & Sustainable Development Department.*

Solar PV Deployment (\$575K) (\$200K ARPA; \$375K CRED)

Funds will support the operations and maintenance for city-deployed solar photovoltaic systems (CRED), expand the Solar, Energy Efficiency, & Lighting (SEEL) program for non-profits to acquire and deploy solar and a variety of energy efficiency upgrades to their facilities (CRED), and support the Bloomington Housing Authority (BHA) to install Solar on its units (with city Panel Contribution) (ARPA). *Assigned to Economic & Sustainable Development Department.*

Downtown Activation (\$225K) (CRED)

Funds will support local arts organizations, downtown amenities and activation, and cultural economic development initiatives. *Assigned to Economic & Sustainable Development Department.*

Diversity, Equity, Inclusion, and Belonging - \$1,250,000

Bloomington is committed to advancing diversity, equity, inclusion, and belonging (DEIB) in all we do, and these investments help accelerate progress in tangible ways throughout city government and our community.

Parks Accessibility and Equipment (\$600K) (ARPA)

Acquire various vehicles/equipment to increase accessibility of city parks, including:

- A minibus not requiring a specialized license with capacity for multiple individuals using wheelchairs and 12 participants not using a wheelchair, for use at Kid City, Banneker, and Natural Resources programs.
- Accessible push-button doors at various facilities: Twin Lakes Rec Center, Frank Southern Ice Arena, Banneker Center gym, Cascades GC, and Allison-Jukebox Building

- Improved ADA-compliant battery-powered portable lifts at both city pools, requiring no anchor, moveable and easy to operate.
- Implementing upcoming Master Plan improvements to make Building & Trades Park more accessible, updated, and ready for potential increased use from Hopewell development, including a new N-S accessible route from Howe to 2nd St (eliminating the non-compliant boardwalk), replacing the aging picnic shelter with an accessible shelter, and other accessibility repairs as budget allows.
- Two all-terrain wheelchairs for use for park programs or checkout by public for use
- Accessible golf cart at Switchyard Park, allowing staff to offer people with mobility issues tours and ability to reach different locations in the park
- Tactile map(s) to help blind or partially sighted people to navigate outdoor spaces.
- 8-10 raised garden beds added at Willie Streeter and Butler Gardens and upgraded steps and railing at Butler Gardens to improve accessibility
- Repairing concrete cracks and improving accessibility at Winslow Sports concession area.
- Add a new accessible uphill path at RCA Park to connect the new, more centrally located shelter to the parking lot, restrooms and playground.

Assigned to Parks & Recreation Department.

Digital Equity and ITS Accessibility (\$325K) (ARPA)

Improve digital access and equity:

- Conduct follow-up to 2020 digital equity survey to establish a new post-COVID pre-Meridian baseline and continue to measure progress on digital equity initiatives
- Revise the 2020 City Digital Equity Plan to identify progress made since the plan and the impact of Covid-19 and the Meridian project, and to sync with the emerging State Digital Equity Plan, including preparing for applications for state and federal grants in 2024 and 2025 for additional digital equity funding
- Assess current status and develop organizational strategic plan to improve City compliance with governmental accessibility standards such as ADA, WCAG and more, building on the work of the accessibility working group and employing that group as a steering committee
- Promote awareness of and enrollment in the Federal Communication Commission's (FCC) Affordable Connectivity Program that provides subsidy support for residential broadband expenses for income-qualifying households
- Evaluate and deploy more public Wi-Fi at additional City parks as recommended in the Digital Equity Strategic Plan, from priority list of RCA, Highland Village, Broadview, and Building Trades (adding to existing service at Peoples, 3rd, Butler, and Crestmont parks). *Assigned to Information and Technology Support Department.*

Diversity Equity Inclusion and Belonging Culture (\$325K) (ARPA)

Improve DEIB culture and impact with employee recruitment tools and trainings, community events, consultants, surveys, as well as tools to measure progress. Establish a Marginalized Community-Owned Business (MCOB) Loan Fund through a partnership with CDFI Friendly Bloomington. *Assigned to Community & Family Resources and Human Resources departments.*

Public Health - \$1,000,000

Mental Health and Substance Use Disorder Supports (ARPA)

Funds will be available to support improved public health services in the community, particularly focused on mental health services and substance use disorder responses, including expansion of Centerstone 988 services and preventative care to reduce potential demand in institutional settings like the criminal justice or hospital systems. It is intended these city funds should leverage substantial additional funds from other public and nonprofit sources to be coordinated and applied to address the serious public health impacts evident in our community. *Assigned to Community & Family Resources Department.*

Conclusion

Bloomington has successfully weathered the pandemic and economic downturn in part by investing “countercyclically” – increasing public investments while private investments are decreasing. The federal government has directly supported this approach with CARES and ARPA funding among other programs, and we have leveraged those funds with additional local public dollars to “Recover Forward.” The proposed 2024 investments of our remaining ARPA resources as well as the local CRED funds allow us to continue that momentum in our community.