City of Bloomington
Office of the Common Council

Questions from Councilmembers with Responses from City Staff

Regarding Appropriation Ordinance 20-03

22 July 2020

Advance Questions From City Council Members
Appropriation Ordinance 20-03

Appropriating a Portion of the Amount of Funds Reverted to Various City Funds at the End of 2019 for the Purpose of Assisting with Bloomington's Recovery Forward from the COVID-19 Pandemic During 2020

ECONOMIC AND SUSTAINABLE DEVELOPMENT

Energy Conservation Investments

- $250,000 is requested to subsidize energy conservation investments in homes, apartments, and businesses. This includes, but is not limited to, investments in insulation, solar panels, plumbing, and efficient appliances. This is the kind of thing that the city has been doing long before the economic crisis triggered by the pandemic. Why is this a priority now and for these particular funds? Why spend these monies here and not on some of the other line items, like emergency social service funding, or infrastructure that serves the general public and not private homeowners? *(Volan, Sgambelluri)*

  Alex Crowley: Regarding past efforts – those have traditionally been focused on participants that could self-finance energy improvements, with the exception of Solar for All, a grant program of the Center for Sustainable Living focused on solar for low-income residents. The structure of this proposed initiative, with the combination of grant and loan-based programs, will focus predominantly on investing in lower income populations.

  Regarding current priority – several impending events increase prioritization at this moment: 1) the moratorium on disconnections for non-payments will be expiring shortly; 2) IURC has approved a significant Duke Energy rate increase (albeit less than Duke's request; 3) this provides short-term relief and long term recovery at a moment when lower income households have been particularly hard hit; 4) this ties to public health as it will help households maintain critical utility services in a more affordable way, which further frees up household spending for other basic necessities.

  Regarding other funding sources – this program is designed to fill gaps in the current market of support, including Low Income Energy Assistance programs (SCAP) and township assistance.

  Regarding private homeowner vs. infrastructure support – It is a comprehensive plan to expand and sustain housing programs designed to serve the identified long-term housing affordability needs of extremely low-, low-, and moderate-income households. No single program can meet the needs of an entire community. To achieve maximum community benefit requires understanding gaps in coverage and reach underserved populations who are more likely to live in inefficient housing.

  Finally, we have identified another $200,000 for the Jack Hopkins fund and also have identified other public infrastructure improvement in other components of the requested funds.

- How will the energy conservation investments be administered (e.g., income-qualified grants)? Is there an anticipated breakdown of the $250,000 into the enumerated categories of insulation, solar panels, plumbing, and efficient appliances? *(Flaherty)*

  Alex Crowley: The administration of the program will tier according to income, providing grants at the lowest end of the spectrum and zero/low interest loans at the higher end. It will benefit both homeowners and renters. There is an estimated breakdown for the categories, which is preliminary at this point pending further evaluation. The majority of the monies will be allocated to weatherization grants and low income property manager loans, with smaller amounts allocated to bulk energy efficient retrofit purchases and microloans for structural/appliance work.

Farm Stop

- We don't want to duplicate efforts already happening in the private, non-profit sector but rather work in conjunction with these entities. Have such partnerships been specifically, proactively explored for the Farm Stop. If so, what is the status of those discussions? *(Piedmont-Smith, Sgambelluri)*

  Alex Crowley: Yes, the relationships between various stakeholders in the local food economy have been exhaustively researched over the past 15 months, led by the USDA Grant-funded Local Food Coordinator, Rachel Beyer. Rachel has interviewed growers, for profit and non-profit purchasers, and other stakeholders. This recommendation builds upon her research.

- Will it be city-run, or non-profit run? If city-run, what steps will we take to ensure that we don't encounter the same issue of exclusion as we have at the farmers market? How will we ensure that farmers with white supremacist beliefs do not receive City taxpayer support by becoming a member of the farm store? *(Rosenbarger, Piedmont-Smith)*

  Alex Crowley: The Farm Stop is anticipated to be run by an entity that is not the City. Whether that entity is itself a non-profit or agricultural cooperative or whether it operates as a project under an existing organization like Bloomingfoods, is to be determined. The intent of the structure is that it be grower led/owned in a cooperative format. The City's role would be to support the concept and help fund it. It would be the responsibility of the cooperative to manage its own membership.

- I was under the impression that launching a farm stop would cost around $200,000. Is that accurate? If so, where will the rest of the funding come from to make this a reality? *(Rosenbarger)*

  Alex Crowley: Current projections are that it would cost roughly $140,000 to launch an initial Farm Stop concept, with incremental costs associated with other amenities as required (e.g., coffee shop). ESD is evaluating several options simultaneously to address the discrepancy between the 2020 Stimulus support and the full cost, including 1) whether the concept can be launched in a 'beta' version at the smaller amount; 2) whether there is an opportunity to augment the funding line to $140,000; 3) whether the startup investment can be spread across 2020 and 2021 stimulus lines; 4) whether matching fundraising can be used to supplement the 2020 stimulus amount.

- Is there land already being considered for the farm stop? *(Rosenbarger)*

Alex Crowley: Yes, the City has focused its initial project plan on an unused portion of the RDC-owned 216 S. College avenue building (former Campus Costume location) to stage an initial test of the Farm Stop. This location is relatively central and accessible to the downtown employment base, which would be consumers of the product and accessible to nearby neighborhoods. The location will require further evaluation against other potential locations.

$5,000 Subsidy For Job Creation

- Beyond the $15+/hour wage, what other conditions would need to be in place for an employer to "claim" the subsidy? For example, would positions need to be full time? Would the employer need to guarantee that the position would exist for some minimum amount of time (e.g. three years)? *(Sgambelluri)*
  Alex Crowley: A number of qualifying conditions and/or priority scoring evaluations are currently being considered for an employer to "claim" the subsidy. These may include limiting benefits to locally-owned, small businesses; requiring full time employment with a commitment of position tenure; prioritizing MBE and WBE businesses and/or businesses within certain disadvantaged geographies in town; prioritizing applications that include hiring the hard-to-employ (including recently discharged military veterans, ex-offenders, long-term unemployed persons and public assistance recipients).

- How many local jobs would qualify an employer for this subsidy? Which employers or employment sector are the administration targeting? $325,000 is a lot of employers, if each one only gets $5,000. *(Rosenbarger)*
  Alex Crowley: Based on our anticipation that there will be tiers of incentive, we are currently estimating an average of $4,000/net new job, with a maximum of 5 incentivized jobs per eligible employer. This would equate to an average of approximately 32 employers ($325K/$4K/2.5 net new jobs), with an upper limit of approximately 80 employers.

- I have been skeptical of the efficacy of the $5,000 per new job incentive for local employers. I would very much like to hear from the small business community whether this would really make the difference between them hiring a new employee or not. Perhaps Alex can answer this, or we could hear from DBI or the Chamber. It just seems like $5K is not a lot of support to create a new job in these difficult economic times - a new job is a long-term investment I doubt most local businesses commit to at this time. *(Piedmont-Smith)*
  Alex Crowley: ESD is engaged with both the BEDC and Chamber and their respective memberships to gain their help in designing the program in a constructive way. These discussions will continue over the next several weeks. Once program guidelines have been finalized and vetted, ESD would be pleased to ask potentially incentivized employers to speak to Council about their needs and how the program will be designed to meet those needs.

Coding School

- Is this not something that can be learned at IU, Ivy Tech, or online? I'd rather see our funds devoted to more localized jobs and necessities, such as local food. *(Rosenbarger)*
  Alex Crowley: To some degree, but available programs currently are dispersed and not a focused, concentrated program to leverage significant and currently unfilled job opportunities in coding across the county. Led and supported by the Mill, with an on-the-ground support effort

via the Mill and IvyTech, this is designed to provide guided skill building and alignment to professional opportunities.

- To dig deeper into the above question, what *specifically* differentiates "Coding School" from existing training programs offered at IU, Ivy Tech, or elsewhere? *(Sgambelluri)*
See above.

- Who will administer the coding school? *(Flaherty)*
Alex Crowley: The Mill will administer the program via existing online coding resources, including for example Treehouse.

Life Sciences Support

- Please provide more details as to how the $50K will be used to "provide life science job support as well as support to other key local sectors." What will this "job support" include? What other sectors, and how will this support work? *(Flaherty, Piedmont-Smith, Sgambelluri)*
Alex Crowley: This program is currently in development. It will be aimed at helping residents become trained for advanced manufacturing jobs. The program will be a collaboration with DWD, Ivy Tech, BEDC, and Hoosier Hills with reporting from ROI, and will comprise employer-specific information (how to find a job at Catalent, for example or what it's like working the line at Cook), and sector specific readiness information (math refresher for manufacturing, gowning demonstration). Finally it will make available WorkKeys assessments, which are job-readiness tests that potential employees can include with their application materials. In aggregate, WorkKeys can also promote us as a community by showing our workforce readiness. The program will feature multiple COVID-safe avenues for training. Goals of this program are to raise up the Bloomington workforce by removing training/informational barriers of technology and transportation to extant resources and to have potential employees ready for higher-paying advanced manufacturing jobs. Participating in this training allows us to target the training in ways that will support Bloomington residents specifically with a focus on the traditionally hard to employ in key sectors with current job openings.

PUBLIC WORKS

- What I have very clearly heard is needed from BT is 1) more routes and 2) more frequent service. Spending money on bus stops seems like a lesser priority (although I know we have many unsafe and uncomfortable stops). *(Rosenbarger, Sgambelluri)*
Lew May: Bloomington Transit staff are certainly open to ideas that involve the improvement of service. Understand of course that a one-time infusion of funding to improve service would bring the challenge of how to continue to fund the service improvement on a recurring, year-to-year basis. Investing in ways that riders can more safely access the Transit system stops will help all riders but particularly those most dependent on Transit as their primary source of transportation.

- I have thought that improving bus stops could be a good opportunity for a public/private endeavor, with employers like Baxter, Catalent, One World sponsoring bus stops and purchasing 1) benches 2) overhead coverage 3) map w/timetable. Has any thought been given to this? *(Rosenbarger)*

Lew May: We have considered a variation on the suggestion whereby advertising could be placed at bus stops and use the revenues generated to make stop improvements. The challenge with such an idea is that we're limited in how selective we can be in terms of who we accept private sector sponsorships (advertising) from. In the past, the City has not been receptive to the idea of allowing advertising on public right-of-way.

- Who will decide which sidewalk projects and BT bus stop projects to pursue? What is the criteria for decision making? *(Flaherty)*
  Lew May: We did an inventory last summer that evaluated each stop, there are more than 500, in terms of accessibility, bus stop activity (ridership at the stop), and ease of repair at each specific stop. These factors were used to prioritize stops. We have a list of about 50 stops that are prioritized that I've attached. We don't know how many of these could be funded, but hopefully at least half of them could.

INFORMATION AND TECHNOLOGY SERVICES

- What is "digital equity"? *(Rosenbarger)*
  Rick Dietz: Digital Equity refers to the state of fairness in the distribution of the benefits of modern technology, in particular those benefits emerging from the internet. Factors that contribute to digital equity include access to the internet; the quality of internet service; the availability of quality computing devices; and one's training, comfort, and ability to effectively use computers and the internet.

  Digital equity disparities often track other societal equity gaps such as those related to income, race, age, gender, geographic location, etc. Action taken to mitigate the impacts of digital equity disparities is often referred to as digital inclusion. A term you may be more familiar with, digital divide, refers to the disparities in digital equity.

  Digital equity is the goal. Digital inclusion is the actions taken to remedy the equity gaps, aka, the digital divide.

- What will the program to promote digital equity do, specifically? *(Flaherty, Sgambelluri)*
  Rick Dietz: This program is envisioned to establish a grants fund to support and encourage local NFP organizations to develop and/or expand programs to address digital equity disparities in our community, in particular gaps identified by our Digital Equity Survey. These include...
    - 12% of low income respondents never interact with the internet.
    - The homework gap -- problems completing homework due to internet deficiencies -- is significant for lower bandwidth households.
    - Subsidy programs offered by internet service providers are available, but aren't being used by eligible residents.
    - Caregivers are concerned about risks and their ability to protect minor children from online harms.
    - Low income residents report a lack of desirable computing skills and are interested in training to improve their skills.

- The skills gap is pronounced for low income and older residents. 50% of respondents think they do not have the skills they need to be comfortable using the internet and to use it effectively.
- Fully half of respondents said their job now requires internet access at home. (This may be influenced by COVID).

Lastly, our survey revealed that there is broad support for the City doing more to address digital equity issues and to improve broadband in Bloomington. We will be developing a Digital Equity Strategic plan upon the data revealed in our survey to do just that. We plan to release the survey results within the next 2 weeks.

CITY COUNCIL (JACK HOPKINS FUNDING)
No Questions

Note that the administration believes that Council should have autonomy on determining the best way to allocate these funds.

PARKS AND RECREATION
No Questions

Note that these funds are intended to enhance and grow the existing partnership to employ Centerstone clients.

HOUSING AND NEIGHBORHOOD DEVELOPMENT
- Why is home ownership a priority right now, in this context? Down-payment assistance for someone making 120% of AMI seems much less important than the other items. *(Volan, Sgambelluri)* That's Area *Median* Income; I can't believe that someone making 120% of it is hurting like someone who has no job or needs social services. *(Volan)*

  Eric Sader: Increasing homeownership rates is essential for promoting Bloomington's long-term resiliency by virtue of economically stabilizing households. Housing wealth measures approximately 50% of net wealth in the United States, with primary residences representing 62% of median homeowner total assets. A greater share of households own a primary residence than hold a retirement account or similar financial product. Ownership likewise results in increased social interaction and involvement, a greater sense of control, and less overall stress. Households over the 80% AMI eligible for federal HUD funding through HAND do still face significant challenges to homeownership in the corporate City limits of Bloomington. Per Bloomington's recent Housing Study, "While households making between $50,000 and $75,000 are ready to purchase homes the market for them is dominated by rentals with fewer owner-occupied options." This unnecessary saturation of higher-income renters applies upward pressure on the rental rates and unit scarcity for lower-income households. Of those homes mid-SES range families are able to acquire in town, significant rehabilitation is not infrequently needed and/or homes are located in such areas as to be in violation of the H & T Index's expanded view of affordability; housing and transportation costs should constitute no more than 45% of household income. Importantly, programming will be CAPPED at 120% AMI but will in most instances be serving families below this income level. Current federal programming in Bloomington cannot serve a two-person household making more than $47,950 annually nor be

used to acquire a home with a purchase price in excess of $200,000. Greater flexibility is essential in meeting the broad needs of Bloomington's residents. Moreover, regardless of income, less than half of Americans would be able to cover a $1,000 emergency with savings; the pandemic is impacting a much wider swath of households than those traditionally served by welfare programs.

Moreover, HAND remains committed to addressing more immediate needs of low-income households in town through such efforts as recent infusion of COVID-specific social service funding to area agencies, with an additional funding round to be conducted in the coming months. Though such short-term efforts can be literally lifesaving, HAND seeks to shift households from a cycle of crisis to a lifetime of stability through our other efforts such as the homeownership initiative packaged in Recovery Forward.

- Someone at 120% of AMI who gets a second mortgage right now will use it to stay afloat; how will it "create permanently affordable homes"? Why are we helping people "build wealth" when we're putting out fires? *(Volan)*
  Eric Sader: As noted, HAND and City Administration believe residents would be best served by long-term stability over "firefighting" alone. Such residents will be situated to better fare in future times of unexpected troubles. Homeownership funds will not only expand HAND's present program consisting of a five-year forgiveness period for assisted families but more significantly will go into a new homeownership program based on shared equity. The new program results in permanent 99-year affordability of homes to serve generations of families living in these assisted properties. Funds assist families through the removal of private mortgage insurance and decrease in interest paid on a primary mortgage and then are recycled into the program or assumed by a new low-income family that follows. In short, we are not only helping families, but creating permanently affordable housing stock in town through the creation of the shared equity program.

CONTROLLER'S OFFICE
- How will the funds for the Controller's Office be used? Does this $114,250 cover additional staff time above and beyond normal work? Contract work? Something else? *(Flaherty, Sgambelluri)*
  Jeff Underwood: These funds will be used to administer the various programs by allowing us to contract for Project Management and temporary staffing where needed.

"META-QUESTIONS"
- At several points, the *Recovery Forward* plan mentions a special emphasis on "*hard-to-employ*", "*non-traditional*", and/or "*underrepresented*" individuals. Who is included in these categories for ESD projects? For HAND projects? Also, what specific strategies do we plan to use to ensure that our efforts *actually reach* these individuals. How will we measure our success in reaching these groups? Some specific examples would be helpful here. *(Sgambelluri)*
  Alex Crowley: ESD – included in these programs are minority populations, lower income individuals, recently discharged military veterans, ex-offenders, long-term unemployed persons and public assistance recipients. These groups have traditionally not been as successfully accessed by employers. Measurement of success will be monitored via reporting mechanisms

built into programs. So, for example, an employer leveraging the net new job incentive will be asked to submit compliance documentation supporting application commitments. Coding school efforts will evaluate its success in part on the diverse demographics of participants in the program.

Eric Sader: HAND maintains active relationships with area entities specifically geared to serve such marginalized populations. In promoting its new homeownership programming, HAND will reach out to such entities to best target and solicit applicants from these populations for participation. HAND recognizes the 10 to 1 white/Black wealth gap in America and likewise recognizes the historic gap between white and Black homeownership rates in the United States, at its highest level in 50 years with a 30.1 percentage point gap being even higher than it was when race-based discrimination against homebuyers was legal.

● The ideas outlined in *Recovery Forward* all have merit, but it's not entirely clear (to me, anyway) what makes them more than just a disconnected set of initiatives for which we're trying to assemble funds. Could you "connect the dots" for me? For example … Given the current environment and our access (or lack thereof) to federal/state/private resources, where are we most vulnerable? What critical gaps (in services or in funding) are addressed by *Recovery Forward*? How does this collection of programs fit in with other things we've done (e.g. Rapid Recovery Fund loans) and contribute to Bloomington's long-term resilience? *(Sgambelluri)*
Alex Crowley: ESD's perspective is that local funding alone can never support a local economy through this unprecedented economic downturn. The best use of local government funding is to seek out as surgically as possible opportunities for support that fall between the cracks of federal/state/private resources. The programs outlined in the 2020 stimulus are designed to do that in the same way the RRF loan program did not seek to stabilize local businesses for the duration of recovery, but rather simply as a stopgap pending outside funding (PPP, etc.) Therefore, it represents a continuation of what we have done thus far in response to the pandemic and previous programs, and by seeking to combine short-term relief with long-term benefits (whether economic, climate-related, etc.), the collection of programs is designed specifically for long-term resilience. Having noted the above, this is but one piece of a larger puzzle that will need to be considered over the coming months and years.