



City of Racine, Wisconsin

COMMON COUNCIL AGENDA BRIEFING MEMORANDUM (ABM)

COMMITTEE: Finance Committee

LEGISLATION ITEM #:

AGENDA DATE: November 8, 2021 Finance and Personnel

November 16, 2021 Common Council

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Reviewed by: Finance Director Kathleen Fischer

Approved by: City Administrator Paul Vornholt

SUBJECT:

Communication from Mayor Mason requesting allocation and expenditure of \$28,596,465 in American Rescue Plan Act (ARPA) funding for Home Ownership and Neighborhood Revitalization; Workforce Opportunities; Community Resiliency; Employee Recruitment and Retention; Sustainability and Smart Cities; and Budget Stabilization

BACKGROUND AND ANALYSIS

The City has been allocated \$46,246,465.00 from the federal government in the American Rescue Plan Act. The purpose of these funds is to help local governments recover, stabilize and restart the local economy and city budget that has been negatively affected by the COVID-19 pandemic. Furthermore, it is also recommended that these funds be targeted to address distressed communities disproportionately affected by the pandemic. The funding also aligns with the City's goals of addressing inequities and disparities and ensuring a strong and thriving community.

This proposal is an intentional investment in our residents and neighborhoods that have been hit hardest by COVID and is intended as a response to the inequities in our community that have been laid bare by the pandemic.

To position the City to address the areas listed above and be prepared to apply for current and future funding opportunities, Mayor Mason requests allocations of ARPA dollars in 6 significant categories: **Home Ownership and Neighborhood Revitalization; Workforce Opportunities; Community Resiliency; Employee Recruitment and Retention; Sustainability and Smart Cities; and Budget Stabilization** for the term of allowable use as stipulated by the federal government.

Every effort will be made to leverage these funds into matching grants (public or private) or reinvestment to extend the scope and longevity of these funds and their ability to build back a better Racine.

HOME OWNERSHIP AND NEIGHBORHOOD REVITALIZATION

Contribution to the Community Development Authority (CDA): \$6,000,000:

Funding intended to catalyze land banking and other property revitalization throughout the City, as well as support potential infrastructure improvements. Funding will enable the CDA to hire LTE or contracted services to administer the work and programs of the CDA; including the new ARPA-funded home ownership down payment assistance; land banking, including but not limited to the costs of acquiring properties; reviewing applications for programs such as home ownership down payment assistance; and administering and monitoring these programs. If home ownership down payment assistance program is successful, these funds will also allow the CDA to direct additional resources towards that program.

WORKFORCE OPPORTUNITIES

Youth Jobs Program: \$1,400,000:

Funding will create more opportunities to hire youths who are City residents, with a focus on those who are at risk, to get real world experience with jobs in the City, especially during the summer months. Funding would provide stipends for at least 50 summer youth jobs, starting in summer of 2022. The program, while not limited PRCS and DPW, would focus on departments like Parks, Recreation, and Cultural Services and the Department of Public Works and would focus on getting City youth experience in street maintenance, forestry, recreation programs, etc. This funding allocation covers the costs of youth stipends for these summer experiences, administrative costs. This program would be overseen and promoted by Youth Employment Specialist LTE (maximum 4 years, described below).

Youth Employment Specialist (4 Year LTE or Contracted Professional Services): \$600,000

Limited term or contracted services to oversee, promote, promote, and monitor all aspects of our summer youth employment program, and create opportunities throughout City departments for City youth to gain meaningful work experience.

Catalyzing Residents' Careers in the Trades: \$510,000

Funding will be utilized to provide scholarships to support up to 250 adult City residents in completing local pre-apprenticeship training to launch family-supporting careers in the trades. Racine is fortunate to have both WRTP/Big Step and First Choice Pre-Apprenticeship active locally, providing pre-apprenticeship training and pathways into the trades for our residents. However, both programs are currently serving relatively small numbers of City residents - despite great demand from construction trades for workers. Both programs report challenges enrolling new residents, and a competitive labor market increases those challenges: workers who are already working full-time have a hard time envisioning how they can fit training into full schedules, and doing unpaid training instead of work is not

feasible when bills must be paid. Behavioral insights and evaluations of other similar programs from other communities indicate that financial supports to participants can increase enrollment and completion rates. ARPA funding provides a once-in-a-generation opportunity to invest in City residents and help them access training for family supporting jobs and careers in the trades. Providing scholarships for City residents going through WRTP/Big Step or First Choice's programs will enable higher participation and completion rates, and enable learners to focus on their training. This scholarship program will be managed by the City's Manager of Strategic Initiatives and Community Partnerships, in partnership with the proposed Workforce Specialist, and details will be designed in conjunction with the WRTP/Big Step, First Choice, and the proposed funding includes a small amount for Higher Expectations for Racine County to evaluate the effectiveness of this pilot program

Workforce Opportunities Specialist (4 Year LTE or Contracted Professional Services): \$600,000

Limited Term or Contracted individual responsible for overseeing, promoting, and strengthening our efforts to connect City residents to careers in the trades and other family-supporting job opportunities. The position duties can be found on the last pages of the ABM.

COMMUNITY RESILIENCY

Capital Costs for Racine Community Health Center: \$10,000,000

These funds will be allocated for the build out the Racine Community Health Center at in the Lincoln King neighborhood. Planning has been done with support from the Smith Group and other stakeholders. The City is now leading the effort to fund the build out of the \$51 million clinic and community center. The City would use a variety of funding sources to build a capital stack to fund the project including ARPA, CIP allocations, other federal fund, grants, and private donations.

Meeting Underserved Community Needs: \$800,000

This funding would be allocated to the CDBG Advisory Council to support local nonprofits serving City residents in need of services and programs. The funding would be more flexible than the current federal CDBG dollars the City receives, and the CDBG Advisory Board, with approval of the Council, would be able to design funding priorities and the application process to allocate said funds.

Sustaining the Racine Financial Empowerment Center: \$600,000

In 2022, these funds will also allow the City to receive a \$100,000 matching grant from national partner, the Cities for Financial Empowerment Fund (CFE Fund). The Racine FEC is a City service, provided in partnership with nonprofit Housing Resources, Inc. (HRI). The Racine FEC provides free, confidential, one-on-one professional financial counseling to all City residents age 18+. Racine's FEC is part of a national movement of FEC's led by the CFE Fund, and Racine's FEC is the first and only in Wisconsin. Since opening in December 2020, the FEC's two professionally trained financial counselors have already counseled more than 150 City residents. Residents receiving FEC services achieve measurable outcomes and already, the FEC has helped City residents reduce more than \$133,000 in debts, increase their savings by more than \$75,000, reduce nearly 70 delinquent accounts from credit reports, and helped 21 residents improve their credit scores by more than 35 points. The Racine FEC is managed by the City's Manager of Strategic Initiatives and Community Partnerships, who, with HRI, has raised more than \$140,000 in private funds to support the FEC. Efforts will continue to bring in private and philanthropic

contributions to support and expand the FEC, but ARPA funding is necessary to continue this successful and important new City service in its early years.

Catalyzing Adult Residents High School Degree Attainment: \$475,000

Funding will be utilized to provide scholarships to support up to 250 adult City residents in attaining their high school diplomas or equivalency degrees. Nearly 10,000 adult City residents lack a high school diploma or the equivalent; leaving them without a key credential needed for entry into family-supporting jobs or continuing career training and education. Since 2019, the City has partnered with the YWCA Southeast WI to promote and scale up the YWCA's highly successful free HSED (high school equivalency degree) program, which has graduation rates of 80+%. The YWCA now has capacity to serve many more City residents - in both English and Spanish - and the program is offered at no cost to participants, but it does require considerable time: the program is approximately 12-16 hours/week for 16 weeks. For residents who are already balancing jobs and caregiving responsibilities, adding schooling to that poses significant challenges, and for those facing tradeoffs between investing in school and earning additional income, taking time out of work for schooling may not be feasible. For other residents, education was not initially a positive experience, and re-enrolling to obtain a high school diploma or equivalency may be fraught with apprehension and intimidation. Behavioral insights and evaluations of other similar programs from other communities indicate that financial supports to participants can increase enrollment and completion rates. ARPA funding provides a once-in-a-generation opportunity to pilot this direct financial support to residents to catalyze their attainment of high school diplomas or equivalent, serves as a direct investment in our City's residents, and sends a strong and tangible message that we believe in their futures. Scholarships from the City will also help address both the practical, financial, and motivational barriers that currently exist to enrolling and create this temporary form of innovative support. This scholarship program will be managed by the City's Manager of Strategic Initiatives and Community Partnerships, details will be designed in conjunction with the YWCA of SE Wisconsin, and proposed funding includes a small amount for evaluation of this pilot program by Higher Expectations for Racine County.

Outreach and Communications Manager: No Fiscal Impact

This position was already approved by the Common Council in a previous round of ARPA funding. However, the previous resolution approved by Council mistakenly did not allow for contracted services. Allowing for contracted services makes us more competitive and attractive for these limited term positions and thus we are requesting that option now.

EMPLOYEE RECRUITMENT AND RETENTION

Student Loan Repayment Program: \$1,300,000

To enhance the City of Racine's competitiveness in recruiting and retaining an excellent, diverse workforce, create a pilot program with ARPA funds to provide student loan repayment assistance as a benefit for full-time City employees. Proposed allocation of \$325,000/year for 4 years to fund this new employee benefit.

Details:

- In creating this benefit, Racine would be the first municipality in the state to offer this benefit to employees. Increasingly, private companies are offering student loan repayment assistance to employees, but Racine would be an innovator in creating this benefit for municipal employees.
- Human Resources staff are excited about this possibility and believe it would significantly assist with recruitment and retention of talented employees.
- The CARES Act included provisions making employer-sponsored student loan repayment assistance tax-free for employees, enhancing the value of this benefit for employees.
- We do not yet know how many existing City employees have student loans, but are planning for enrollment of approximately 130-150 employees/year.
- As initially envisioned, the maximum benefit per year for full-time City employees who are City residents would be \$200/month, and maximum benefit of \$100/month for full-time City employees who are not City residents.
- City would contract out program development, oversight, and management to ease administrative burden and simplify enrollment and payment processes for eligible employees.
- Contracted services will also include program assessment in year two of usage and effectiveness in recruitment and retention.

INVESTING IN SUSTAINABILITY AND SMART CITIES

Sustainability Director (4 Year LTE or Contracted Professional Services): \$600,000

This position currently exists and is vacant. This proposal changes the funding source from the Water Utility to ARPA. The position duties can be found on the last pages of the ABM.

Smart Cities Director (4 Year LTE or Contracted Professional Services): \$600,000

This position was previous titled Chief Innovation Officer. The position was funded through the Intergovernmental Revenue budget and is currently vacant. This proposal changes the funding source from IG to ARPA. The position duties can be found on the last pages of the ABM.

Energy and Carbon Reduction Projects: \$1,000,000

Funding will be used to support effort to meet federal climate action goals of reducing 50 percent of emissions by the year 2030 and reaching net zero emission by the year 2050. This would include investing in more electric city vehicles as fleets need replacement, funding electric alternatives to other capital equipment used by city departments, adding solar technologies like EV charging stations for City and public use, and adding solar capabilities to city buildings and properties.

BUDGET STABILIZATION

Lost Revenue/Budget Stabilization: \$4,111,465

The City is permitted to calculate the extent of reduction in revenue as of four points in time December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023 using 2019 as our base year. The lost revenue calculation has been performed for 2020 and \$8M has been provided to the general fund, and classified by authorization fo the Common Council, as Budget Stabilization Reserves. The

calculation for the 2021 year will be done by the Finance Director in mid 2022 and is expected to exceed the number above.

TOTAL INVESTMENT: \$28,596,465

RECOMMENDED ACTION:

Recommendation of the Finance and Personnel Committee on 11/8/2021: That the request from Mayor Mason to allocate and expend \$28,596,465 in American Rescue Plan Act (ARPA) funding for Limited Term Employees, Contracted/Professional Services, Developing Policies and Programs for **Home Ownership and Neighborhood Revitalization; Workforce Opportunities; Community Resiliency; Employee Recruitment and Retention; Sustainability and Smart Cities; and Budget Stabilization** be approved.

Staff has reviewed and confirmed all applicable ARPA rules to verify that all uses are allowable.

Fiscal Note: Total American Rescue Plan Act (ARPA) funding allocated not to exceed \$28,596,465. The ARPA funds are currently uncommitted and require no City match.

LTE PROJECT POSITION DUTIES

Proposed Duties of City of Racine Workforce Opportunities Specialist (4 Year LTE or Contracted Professional Services)

1. Serve as the City staff person responsible for overseeing, promoting, and strengthening our efforts to connect City residents to careers in the trades and other family-supporting job opportunities
2. Be responsible for oversight, reporting, and accountability for the Racine Works Program, including contract and programmatic oversight of entities contracted to certify residents under the Racine Works Program
3. Work with local pre-apprenticeship training providers to promote their programs to City residents
4. With the Manager of Strategic Initiatives & Community Partnerships, oversee the deployment of ARPA funds for scholarships to City residents participating in qualified local pre-apprenticeship programs
5. With the City's Outreach & Communications Manager or similar assistance, design materials and details for both residents and contractors on the Racine Works Program, and serve as a central hub for questions from both groups about pathways into pre-apprenticeship training
6. Partner with local community groups and other key stakeholders (Gateway Technical College, Racine Unified School District, Racine County Workforce Solutions) to reach their participants and create a pipeline into pre-apprenticeship training opportunities
7. Determine the type(s) of supportive services City residents need for successful participation in pre-apprenticeship training and connect them to resources and supports as available
8. Participate in regional, statewide, and national workforce learning opportunities and collaborations to coordinate workforce opportunities, and identify and bring best practices and innovations to the City of Racine.
9. Identify and assist in the preparation of workforce-related grants to bring in additional resources to strengthen the City's workforce efforts.
10. Coordinate and implement strategies across City departments to provide City residents with meaningful work experience and create a pipeline of City residents for City jobs through mentoring, job shadowing, internships, and apprenticeships

Proposed Duties of City of Racine Youth Employment Specialist (4 Year LTE or Contracted Professional Services)

1. Responsible for growing, promoting, and monitoring all aspects of our summer youth employment program, and creating opportunities throughout City departments for City youth to gain meaningful work experience.
2. Work with City departments to find and create supervised summer youth employment placements.
3. With the City's Outreach & Communications Manager or similar assistance, design and distribute outreach materials promoting the City's summer youth employment opportunities.
4. Forge connections and partnerships with local youth-serving organizations to encourage their participants to apply for the City's summer youth placements.

5. Recruit, interview, and oversee selection of candidates; oversee payroll and accounting for all youth employees.
6. Manage the ARPA funds proposed for youth summer job stipends.
7. Work with the Human Resources Department and other Departments as necessary to connect City youth jobs participants and other City youth into City jobs pipelines.
8. Identify and assist in the preparation of youth employment grants to bring in additional resources to strengthen these City efforts.
9. Participate in regional, statewide, and national youth employment learning opportunities and collaborations to identify and bring best practices and innovations to the City of Racine.
10. With the proposed Workforce Opportunities Specialist, work with all City Departments to create and promote internships, mentoring, job shadowing, and other opportunities for the City's youth to experience the wide array of career paths possible with the City of Racine.

Proposed Duties of Sustainability Director (4 Year LTE or Contracted Professional Services)

1. Assists departments in identifying and implementing best practices in sustainable operations by acting as a resource to and directing staff activities with the public, City Departments and other organizations on programs and policies related to sustainability as directed by the Mayor
2. Develop and pass an Equitable Climate Action plan that will put the City on course to meet federal climate action goals of reducing 50 percent of emissions by the year 2030 and reaching net zero emission by the year 2050
3. Researches, and applies for, applicable grants in order to further develop and improve sustainable City initiatives.
4. Administers and manages grants if received to improve City sustainability efforts or conversation efforts.
5. Develops criteria, policies, procedures for sustainable programs. Administers training and outreach to City personnel for the development, adoption and implementation of sustainable practices in City operations.
6. Strengthens existing partnerships with community organizations and expands networks and partnerships.
7. Identifies potential energy savings and greenhouse gas reduction projects and evaluates such projects in terms of feasibility.
8. Represents the City at external meetings, and as a member of external organizations and committees. May make presentations to City Council and/or represent the City at meetings of City Boards and Commissions and civic or professional groups.
9. Serves as the primary staff person responsible for reporting on efforts towards the Leadership in Energy and Environmental Design (LEED) community rating framework.
10. Directs the preparation of reports, documents and correspondence.

Smart Cities Initiatives Director (4 Year LTE or Contracted Professional Services)

Duties:

1. Understand the city's goal for implementing smart city initiatives and ensures all selected projects and initiatives are bringing the city closer to its goals

2. Oversee strategic planning in defining next steps regarding current and future initiatives, including vision, prioritization, and roadmap creation
3. Ensure complete data collection, analysis, and reporting on potential cost, partners, risk, positive and negative impact, etc. regarding each aspect of smart city initiatives
4. Collaborate and coordinate with all city departments to understand current and future involvement and needs regarding smart city initiatives
5. Fully assess the needs of the different city constituents (civic, educational, business, citizen, etc.) and use data to guide prioritization of future initiatives; this includes providing a forum for exchange of information and identification of opportunities for collaboration
6. Learn and share information on best practices from other similarly-situated communities and participate in learning communities with regional and national organizations focused on aspects of smart cities
7. Evaluate and provide input into the selection of public-private partnership that will best support the city's smart city priorities
8. Research new and standard funding opportunities, provide explanation regarding pros and cons of each/combined for each initiatives, as well as manage the acquisition of funding
9. Manage the RFP process, contracts, public-private partnerships, memorandum of understanding, etc. as needed
10. Represents the City at external meetings, and as a member of external organizations and committees. May make presentations to City Council and/or represent the City at meetings of City Boards and Commissions and civic or professional groups.
11. Oversee the technical planning of solutions, bringing in any and all partners needed within and outside of the city
12. Oversee and monitor the implementation, risk assessment and mitigation, quality management, communication plan, etc. for all projects associated with smart city initiatives