

City of Cincinnati
Recovery Plan

**State and Local Fiscal Recovery
Funds**

2021 Report



City of Cincinnati
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GENERAL OVERVIEW

Executive Summary

The American Rescue Plan Act of 2021 (“ARP”) was signed by President Joe Biden on March 11, 2021. Section 9901 of the ARP establishes a new program to be administered by the United States Department of the Treasury (“Treasury”) known as the Coronavirus Local Fiscal Recovery Fund (“LFRF” or “recovery funds”). This program will provide significant stimulus and recovery funding to local governments throughout the United States.

The purpose of the recovery funds is to mitigate the fiscal effects stemming from the COVID-19 public health emergency. Broadly, recovery funds allocated to the City of Cincinnati will be utilized for costs incurred by the City to respond to COVID-19, including negative economic impacts; to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency; to pay for government services to the extent of revenue reductions due to COVID-19; and to make necessary investments in water, sewer, or broadband infrastructure. Further, the City will deploy ARP LFRF resources to directly counter negative impacts within the City such as lost revenues and income stemming from the pandemic, its related emergency orders and regulations, or resulting economic conditions; improvements to civic and outdoor spaces that create safe gathering opportunities for the public; and programs focused on ameliorating the ongoing health, welfare, and social impacts of the pandemic.

The recovery funds present an extraordinary opportunity to catalyze economic recovery and growth in sectors that have been devastated by the impacts of COVID-19. The funding priorities set forth below are targeted to provide both immediate impact and long-term public benefits, in order to ensure that this dramatic public investment continues to provide returns far beyond the actual expenditures. These expenditures are subject to Council approval and appropriation:

Fiscal Stability & Lost Revenue

The Administration’s top priority is to stabilize the City’s fiscal position. This includes covering operating budget deficits from Fiscal Year (“FY”) 2021 and projected deficits for FY 2022 and FY 2023 and creating an income tax contingency fund to protect City operations from the risk of reduced income tax revenue. Such is result of State legislation that restricts the City’s ability to tax income accrued through remote work. Income tax receipts account for approximately 70% of the City’s general fund revenues. Further, the City will restore all lost revenue to various restricted funds to account for revenue reductions caused by the pandemic and reserving sufficient funding to address operational needs of the Cincinnati Public Health Department for continued pandemic response work, including efforts to achieve equity in vaccine distribution and continued contact tracing and testing.

Job Creation, Economic Growth, and Housing Stability

The COVID-19 pandemic has caused substantial unemployment or underemployment and reduced earnings for many citizens, disproportionately impacting lower income households. The City Administration’s plan provides funding support programs that address the economic impacts of COVID-19 by creating job opportunities and encouraging economic growth. This includes public investments to stabilize existing job-creating enterprises and support for enterprises that grow new businesses and job opportunities. Finally, the economic impacts of COVID-19 have led to

greater housing instability for many moderate- and lower-income City residents; therefore, the Administration is increasing investments in affordable housing options and economic stability for these impacted City residents.

Critical Financial Support for Cultural Institutions, Small Business, and Community Partners

Our cultural institutions and small businesses are the engines for the City's vitality and energy, and mission-driven community partner organizations provide a sense of community and hope. These organizations have faced tremendous financial difficulties in the past year and have taken on debt, cut staff and expenses, or reduced operations. In order to retain the character that is uniquely Cincinnati, energize our local economy, and restore the public benefits they provide to our region, the Administration's plan includes a meaningful investment to stabilize these organizations.

Safe Activation of Civic Spaces and Community Building in Neighborhoods

Once safe, a critical element of restoring the vibrancy of our City will be to bring life back to our civic spaces throughout the City and to conduct community building activities in our neighborhoods. The goal of these public investments is to repair the community fabric and relationships that have been dormant due to COVID-19 restrictions and encourage our City's residents to safely engage with their neighbors and friends.

Hazard Pay (Premium Pay)

Included in the Administration's plan for use of American Rescue Plan (ARP) funds is the designation of funds for hazard pay for City employees. It is the intent of the City of Cincinnati to provide additional compensation to those City employees who have been negatively impacted by the COVID-19 pandemic. Providing funds for additional compensation to City employees improves the economic and general well-being of the employees of the City, which is necessary due to the impacts of the COVID-19 pandemic.

The City of Cincinnati is currently in the beginning phases of development of these new programs and contractual agreements with outside agencies that will assist with implementation of these programs, ensuring that they are in line with the guidelines and eligible uses provided by the Treasury. As of July 31, 2021, we have obligated approximately \$11,030,000 in signed contractual agreements, with additional contracts being negotiated. The goal of the City is to distribute these economic relief funds throughout the community as soon as possible in order to provide assistance to the most vulnerable and economically challenged as well as assisting struggling businesses within the city limits. Each agency will have reporting requirements to provide the City with information related to progress on outcomes, challenges, and opportunities.

Uses of Funds

A. Public Health (EC 1)

- The Funding for Health Centers allocation is a grant project for the Cincinnati Health Department to prevent, mitigate and respond to the COVID-19 pandemic while providing enhanced health care services and possible infrastructure enhancements. This project will also provide equitable access to vaccinations, testing, and treatment for COVID-19 as well

as current and anticipated COVID-19 and primary health care needs within the most vulnerable communities.

B. Negative Economic Impacts (EC 2)

The City of Cincinnati has several projects in place to mitigate negative economic impacts and support businesses negatively impacted by the COVID-19 virus.

- Performing Arts Support Grants are for the purpose of providing grant programs to support various performing arts groups, including theaters and musical organizations. These grants will also provide for public performances around the City. Support for the local performing arts organizations will contribute to the region's cultural, community and economic vitality.
- ARP funding will provide the second phase for supporting local restaurant and drinking establishments which have experienced substantial losses in revenue and suffered substantial economic hardship. These grants will provide an economic stimulus plan for affected businesses.
- To further support local restaurant and drinking establishments, the City has created a project to improve outdoor dining and pedestrian safety. This project will provide resources for the design and construction of right-of-way improvements including, but not limited to, sidewalks, streets, and parklets, that facilitate outdoor dining and enhance pedestrian safety in the urban core.
- The Minority Business Accelerator/Ascend project was created for the purpose of providing funds to Ascent*Cincy, a partnership among the City, the Urban League, the Greater Cincinnati African American Chamber of Commerce, and the Minority Business Accelerator, to provide staffing, accounting, human resources, financial coaching, and other assistance to Black-owned Businesses.
- ARP funding is targeted to support Minority Business Partnerships through the Urban League, support for a Women Business Program through Main Street Ventures, the flywheel Business Equity Initiative, economic advancement initiatives in various communities, and to provide support grants for neighborhood business districts.
- ARP funding is supporting other economically impacted sectors of the economy such as travel and tourism by providing direct support to the Cincinnati USA Convention & Visitors Bureau (CVB), the Clifton Cultural Arts Center, and support to public museums in the City.

C. Services to Disproportionately Impacted Communities (EC 3)

- COVID-19 negatively impacted FY 2020 human services and violence prevention funding recipients, whereas many of these recipients returned 25% of their original appropriations to the City at the end of FY 2020. The Social Services Operational Grants program is established to address this direct budgetary hardship sustained by FY 2020 human service and violence prevention funding recipients.
- The City of Cincinnati is leveraging the work and relationships in social services and the business community for outreach and programming to serve residents experiencing COVID-19 related hardship. The City intends to enter into contractual agreements, with various Ohio non-profit and for-profit corporations, to provide the following public services:
 - Address the educational disparities by providing educational services and practices that address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs

- Promote healthy childhood environments by providing new or expanded high-quality childcare to provide safe and supportive care for children
- Address homelessness and food insecurities by providing assistance to local food banks and homeless shelters.
- Address youth employment by providing assistance to various initiatives designed to enhance the readiness of youth to enter the labor market.
- Provide additional recreational activities in underserved communities.
- Various programs are provided funding to support victims of crime, to target youth who are vulnerable to criminal activity, and support for youth suicide prevention.
- Affordable Housing initiatives through the Port Authority of Greater Cincinnati are being supported with ARP funds.
- Projects that would provide increased health care opportunities in various communities are supported including the expansion of Children’s Hospital in College Hill, an EMS Canopy for the UC Medical Center

Within City Departments, funds have been allocated for the following purposes:

- Cincinnati Recreation Commission (CRC) – Funds were provided to provide extended hours at various CRC facilities to provide additional opportunities for youth in the City.
- Cincinnati Police Department (CPD) – Funds were provided to the Place Based Investigations of Violent Offender Territories (PIVOT) program which will focus on areas of the City where crime has spiked during the pandemic.
- Enterprise Technology Solutions (ETS) – Funds were provided for network upgrades and cybersecurity initiatives.

As of the current reporting period, the City has entered into a contractual agreement with, in the amount of \$30,000, with The Christ Temple Baptist Church, Inc., an Ohio non-profit corporation, to provide a summer camp to economically disadvantaged youth residing in the Evanston community, with additional contracts with various other organizations in the pipeline.

D. Premium Pay

- Providing funds for additional compensation to City employees improves the economic and general well-being of the employees of the City, which is necessary due to the impacts of the COVID-19 pandemic. The City is working to identify the affected classifications of employees who may be eligible for premium pay and has begun negotiations with the various employee bargaining units.

E. Water, Sewer and Broadband Infrastructure

While no projects are currently planned, the City continues to evaluate the utilization of ARP resources for this category.

F. Revenue Replacement (EC 6)

The City of Cincinnati has identified approximately \$34,834,200 in loss of revenue within various City funds and intend to use SLFRF grant for the purpose of providing fiscal stability funds to reimburse various funds for lost revenue. As of July 31, 2021, a total of \$6,404,198 has been approved for uses and expenses out of the grant. Funds that have experienced lost revenue include Parking System Facilities, Convention Center, Parking Meter, Sawyer Point, Recreation Special Activities, Park Donations/Special Activities, Cincinnati Riverfront Park, Krohn

Conservatory, Hazard Abatement, Solid Waste Disposal Control, Food Service License Fees, and Health Network.

Emergency Rental Assistance

- The City received Emergency Rental Assistance funding through the Coronavirus Response and Relief Supplemental Appropriations Act to create an Emergency Rental Assistance program (ERA1). The City has developed a partnership with the Cincinnati-Hamilton County Community Action Agency to deploy ERA1 funds to all eligible renters and landlords to prevent or deter eviction and utility disconnections. The program serves residents citywide, and uniquely allows for payment of rental and utility arrearages.
- With funding received through the American Rescue Plan the City has created a second Emergency Rental Assistance program (ERA2) to assist needy families that are unable to pay rent and utilities due to the COVID-19 pandemic.

Promoting Equitable Outcomes

While the COVID-19 pandemic has created hardships for residents and businesses in every City neighborhood, and with implications across diverse socioeconomic characteristics, the pandemic has had a disproportionate impact on the City's most vulnerable and marginalized residents. Consistent with Federal policy direction, the City will advance racial equity and provide support for underserved and marginalized communities through deployment of its ARP LFRF programs.

Across all current and intended ARP-supported programs, access to transformative programming is focused on supporting our most vulnerable populations. This will be accomplished, in part, through the strategic partnerships the City is leveraging with community-based organizations, local Health Department and Hospital resources, and social service agencies to aid in outreach, driving beneficiary utilization, and increasing awareness of the resources. In addition, the City will align LFRF program distribution and outreach to its Neighborhood Revitalization Strategy Areas (NRSAs), as defined for utilization in HUD entitlement programs, which encompass portions of neighborhoods in the City's most distressed areas. These areas aid in the rapid identification of Qualified Census Tracts, meeting the threshold for low- to moderate- income (LMI) residents, and are also primarily residential.

The City will continue to design and pursue investments that advance the equity goals, and strive to accomplish associated outcomes, as stated below:

- Reversing negative pandemic-related trends and closing gaps in health, economic, and housing outcomes; positioning disproportionately impacted groups and neighborhoods for improved future outcomes.
- Building capacity within local government, creating a shared understanding of and commitment to equity, and developing tools and practices to support equity-centered solutions.
- Measuring racial and ethnic disparities in health, economic, social, and environmental outcomes so that pandemic recovery plays a role in the long-term remediation of systemic harms to populations of color.
- Monitoring investment across the entire program to ensure the overall portfolio is reaching populations and neighborhoods most impacted by the pandemic.

The City is prioritizing economic and racial equity throughout LFRF deployment in multiple ways, including program design, partner engagement and selection, and strategically deploying resources proximate to locally designated NRSAs. In future reporting periods, the City will provide data regarding the number of programs/projects delivered to meet the equity goals, amounts of funding dedicated to those purposes, details regarding the population served, and whether the investments impact vulnerable residents of a City NRSA (indicating the geographic distribution of funds to marginalized and vulnerable populations).

As requested, the City will also report which services or programs are offered in the following Expenditure Categories:

- a. Negative Economic Impacts (EC 2): assistance to households, small businesses, and non-profits to address impacts of the pandemic, which have been most severe among low-income populations. This includes assistance with food, housing, and other needs; employment programs for people with barriers to employment who faced negative economic impacts from the pandemic (such as residents of low-income neighborhoods, minorities, disconnected youth, the unemployed, formerly incarcerated people, veterans, and people with disabilities); and other strategies that provide disadvantaged groups with access to education, jobs, and opportunity.
- b. Services to Disproportionately Impacted Communities (EC 3): services to address health disparities and the social determinants of health, build stronger neighborhoods and communities (e.g., affordable housing), address educational disparities (e.g., evidence-based tutoring, community schools, and academic, social-emotional, and mental health supports for high poverty schools), and promote healthy childhood environments (e.g., home visiting, childcare).

Currently, the City's LFRF resources are supporting one (1) program in Expenditure Category 3.6 Healthy Childhood Environments: Child Care. The program is described further in the Uses of Funds and Table of Expenditures Sections of this report. Equitable Outcomes data are being collected at this time and will be tabulated and furnished in the next reporting period.

As the City undertakes additional program development, the following strategies will be applied:

- Capital investments oriented toward/prioritizing low-income residents and communities
- Investments in broadband focus on bridging the digital divide so important to the education, employment, health, and wellbeing of so many who have struggled during COVID-19
- Support to small businesses prioritizes funding for minority, women, individuals with disability, and veteran-owned businesses
- Investing in and addressing the public health crisis, paramount for under-resourced communities that have been disproportionately impacted by the pandemic
- Expanding and modernizing data systems to improve our ability to capture, analyze, and act on existing and future public health risks and health disparities
- Investing in health systems, programs, and private providers that administer much needed health and social services to our most vulnerable
- Removing financial barriers and enhancing support pathways in higher education making these opportunities more accessible to disadvantaged students

- Education programing focused on those most impacted by the pandemic including students with disabilities, English learners, students experiencing homelessness, disengaged youth, or those with barriers to remote learning
- Early childhood support aimed at alleviating the strains COVID-19 has placed on our most vulnerable and disadvantaged parents enabling them to engage in the workforce and, by way, provide for their families
- Focusing on promoting fairness and safety in our criminal justice system with the aim of diverting a disproportionately minority population from unnecessary incarceration, reducing violence, and preparing formerly incarcerated individuals for jobs in high-demand industries
- Rental assistance is critical for families of color, who are twice as likely to rent rather than to own their home

Community Engagement

The City of Cincinnati’s plan for the use of the ARP funds was vetted publicly at several public hearings, Budget and Finance Committee Meetings, and City Council Meetings. Residents were given the opportunity to provide written comments to Council at any time and oral comments either in person or via Zoom during the public hearings and the public comment session at the Council and committee meetings held on the dates below:

3/29/2021	Public Hearing and Budget and Finance Committee Meeting
4/5/2021	Budget and Finance Committee Meeting
4/7/2021	City Council Meeting
4/12/2021	City Manager recommended Public Hearing American Rescue Plan
4/14/2021	City Council Meeting
4/19/2021	City Manager recommended Public Hearing American Rescue Plan
4/21/2021	City Council Meeting
4/26/2021	Public Hearing and Budget and Finance Committee Meeting
4/28/2021	City Council Meeting
5/3/2021	Budget and Finance Committee Meeting
5/5/2021	Budget and Finance Committee Meeting

The City Manager sent the attached FYI Memo to the Mayor and City Council on March 24, 2021. The memo provided a summary of the funding priorities and a breakdown of the recommended uses of the ARP dollars. The priorities included:

- stabilizing the City’s fiscal position,
- job creation for lower income households and to stimulate economic growth,
- housing stability for moderate- and lower-income residents,
- financial support of cultural institutions, small business, and community partners,
- safe activation of civic spaces and community building in neighborhoods; and
- Capital investment to Improve City services and quality of life.

On March 29, 2021, the Administration made a public presentation to City Council about the guidelines for the use of the ARP dollars and the Administration’s priorities for the use of the

dollars. The City was eligible to receive two tranches of funds, 50% in May 2021 and 50% in May 2022.

The attached FYI Memo to the Mayor and City Council dated April 8, 2021, provided additional details for each item contained on the original proposed funding list. The subsequent attached FYI Memo dated April 30, 2021, was sent to update the recommended uses of the ARP funding as a result of new income tax projections provided by the UC Economics Center. The memo also provided supplemental support program descriptions for programs needed to provide rapid relief to persons, communities and organizations that had been hardest hit by the pandemic.

At the City Council meeting on April 14, 2021, City Council established Fund 469 “Local Fiscal Recovery” for the receipt of the funds from the American Rescue Plan. The administration recommended that City Council approve the funding for the first tranche prior to the approval of the FY 2022 Budget which was to be finalized by June 30, 2021.

On May 5, 2021, City Council approved and appropriated the funding of a majority of the recommendations made by the Administration. On May 19, 2021, the remaining dollars in the first tranche of ARP funding were appropriated for various projects and programs.

Labor Practices

The City’s planned usage of the SLFRF Grant, currently does not include any infrastructure projects and therefore, the prevailing wage and equitable labor and contractual requirements are not applicable to the City at this time.

Use of Evidence

Currently, the City does not have any projects being used for evidence-based interventions and therefore the Use of Evidence section of this report is not applicable to the City.

Table of Expenses by Expenditure Category

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
6	Expenditure Category: Revenue Replacement		
6.1	Provision of Government Services	6,404,198	6,404,198

Project Inventory

Project ARP002: Restaurant Grants Phase II

Funding amount: \$4,000,000

Project Expenditure Category: 2.11, Aid to Tourism, Travel, or Hospitality

Project overview

- COVID-19 forced permanent closure of many restaurants and has significantly reduced revenues for those that remained open, with many establishments experiencing reported decreased revenues of 20% - 70% in 2020. In order to respond to these negative economic impacts, the intention of this program is to support eligible establishments by providing operating grants to provide financial assistance in safe reopening and maintaining of business operations and recovery of employment opportunities in this industry. Compensation provided by the City shall be provided and expended only within City limits of the City of Cincinnati.
- The City of Cincinnati has entered into a contractual agreement with the Cincinnati USA Regional Chamber Foundation (Service Provider), an Ohio non-profit corporation, to provide the grant administration services, in a satisfactory and proper manner as determined by the City. The service provider shall ensure that the services are provided only to beneficiaries located within the City that meet the criteria set forth within the agreement.
- Funding for this grant program was authorized by City Council on May 5, 2021, with applications for the program due by June 30, 2021. The Service Provider shall provide the services ending upon August 31, 2021, unless this agreement is sooner terminated as provided in the agreement, provided that the Service Provider and the City acknowledge that the Service Provider has certain reporting requirements that extend past the term date, whereas the Service Provider shall perform those obligations after the term date.
- There are four qualifying categories that applicants can choose from:
 - i. Grants for full-service restaurants that offer dinner service: Expected \$10,000 grants
 - ii. Grants for limited-service restaurants that serve only breakfast or lunch: Expected \$5,000 grants
 - iii. Grants for bars with limited or pre-packaged food service: Expected \$5,000 grants
 - iv. Grants for restaurants/food vendors that are (1) walk-up windows or to-go windows, (2) located at Findlay Market, (3) food trucks: Expected \$2,500 grants.
- Based on eligible applications received, the Service Provider and the City will make a final determination on the total number of grants and recommended grant amounts for each.
- As of July 31, 2021, no grants have been awarded.

Project ARP071: SCLC Rites of Passage Summer Camp

Funding amount: \$30,000

Project Expenditure Category: 3.6, Healthy Childhood Environments: Child Care

Project overview

- The latest information from the American Community Survey reported that 40.4% of children living in the City of Cincinnati were living in poverty, more than twice the national average. The SCLC Rites of Passage Summer Day Camp ("Day Camp") is a community-based, free summer day camp that supports youth in the Evanston neighborhood of Cincinnati, Ohio where 88.4% of the children live at or below poverty level and have been disproportionately impacted by the COVID-19 pandemic. The City now requires a service

provider to assist the vulnerable youth in the community who are most impacted by the COVID-19 pandemic by providing academic, social, and emotional support.

- The City of Cincinnati has entered into a contractual agreement with The Christ Temple Baptist Church, Inc. (Service Provider), an Ohio non-profit corporation, to provide these services. The Service Provider shall provide the following public services:
 - i.* Address the educational disparities by providing educational services and practices that address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs.
 - ii.* Promote healthy childhood environments by providing new or expanded high-quality childcare to provide safe and supportive care for children.
- The Day Camp will serve 30 local youth during a 9-week program starting on June 8, 2021. Most youth attending the Day Camp live in the Evanston neighborhood, and within walking distance of the Day Camp program. 100% of the children attending the Day Camp come from low-income households and the majority are African American.
- The agreement with the Service Provider will end on August 31, 2021, unless this agreement is sooner terminated, provided that the Service Provider and the City acknowledge that the Service Provider has certain reporting requirements that extend past the Term, and the Service provider shall perform those obligations after the term.

Project ARP004: Performing Arts Support Grants

Funding amount: \$7,000,000

Project Expenditure Category: 2.11, Aid to Tourism, Travel, or Hospitality

Project overview

- The COVID-19 pandemic has greatly impacted non-profit arts organizations throughout the City, which constitute an important part of our region's cultural attractions. These impacts have led to venue closures, loss of revenue, and reduction in employment. These organizations have been especially economically disadvantaged and impacted by COVID-19 due to government restrictions on operations and public health concerns arising from persons congregating indoors, which is central to their operations. To mitigate the effects of COVID-19 on non-profit arts organizations, the City has entered into a contractual agreement with ArtsWave (Service Provider), an Ohio non-profit corporation, to design and carry out two distinct support grant programs: Operating Relief Grants to Arts Organizations and Public Performance/Events Grants.
- Funding for these grant programs was authorized by City Council on May 5, 2021, with all grant monies for operating relief to be distributed by August 31, 2021. Grant funding for performances will be distributed in two rounds with all funds disbursed by December 31, 2021.
- The process for determining relief for economic hardship will be based on FY19 revenues on a sliding scale. The awards for performances and events will be score based. ArtsWave will ensure that a variety of neighborhoods, audiences, art forms, artists and dates are served through these programs. For both programs, ArtsWave will provide the City a list of grantees, amounts awarded to each and the current number of employees for each recipient.
- <https://www.artswave.org/apply-for-funding>

Performance Report

Healthy Childhood Environments (EC 3.6-3.9):

- The City of Cincinnati entered into a contractual agreement with The Christ Temple Baptist Church, Inc. to provide funding for the SCLC Rites of Passage Summer Day Camp. The day camp serviced approximately 30 youth, in the Evanston area, one of the City's disadvantaged populations.