

City of Mesa, Arizona

State and Local Fiscal Recovery Funds

2021 Report

Executive Summary

The City of Mesa, Arizona is a direct recipient of Coronavirus State and Local Fiscal Recovery funds. The City's first allocation of \$52,757,862 was received in May of 2021 with the same amount expected to be received in May of 2022. As of July 31st, the City has not expended any of the SLFR funds. In addition, through the date of this report, the City has not finalized its plan for its intended use of the funds. Through discussions with City Council and community partners, City staff has preliminarily identified eligible programs/purchases for SLFR use. The City will be focusing its efforts in the following categories:

- A. Public Health
- B. Negative Economic Impact
- C. Services to Disproportionately Impacted Community
- D. Premium Pay

The City will continue to reach out to community partners and members as programs are finalized. In addition, the City will identify areas for community engagement (i.e. individuals, families and small businesses) and efforts to promote equitable outcomes.

Uses of Funds

A. Public Health

The APRA authorizes the use of payments from the Fiscal Recovery Funds to respond to the public health emergency with respect to COVID-19. Within the Interim Final Rule (IFR), the U.S. Treasury says, "Mitigating the impact of COVID-19 including taking actions to control its spread and support hospitals and health care workers caring for the sick, continues to require a major public health response from State, local and Tribal governments."

In addition, the IFR lists many ways in which the Local Fiscal Recovery Funds can support communities working to reduce and respond to increased violence due to the pandemic. Some of the ways to respond to the pandemic related violence includes mental health services and investing in technology and equipment "to allow enforcement to more efficiently and effectively respond."

Programs that are in consideration for Public Health are as follows:

1. PD Real Time Crime Center (Technology and Equipment)
2. Behavioral Health Services
3. Purchase Ambulances
4. PD Body Scanner with Thermal Reader

B. Negative Economic Impact

The COVID-19 pandemic has had a severe impact on households and businesses. The IFR noted, "as businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost in March and April 2020." As the COVID-19 pandemic continues, the risk of long-term economic impacts due to the pandemic related recession continues to exist. This situation underscores the need for community support.

Programs that are being considered, which specifically assists those that have been negatively impacted by COVID are as follows:

1. Energy Commodity Costs
2. Acquire Food Distribution Center
3. Downtown District Revitalization
4. Wi-Fi and Mobile Broadband in Underserved Neighborhoods
5. Mesa's Small Business Learning Lab

C. Services to Disproportionately Impacted Community

Two of the eligible categories described in the IFR are "Building Stronger Communities through Investments in Housing and Neighborhoods" and "Addressing Educational Disparities." Services in the first category should "alleviate the immediate economic impacts of the COVID-19 pandemic on housing insecurity, while addressing conditions that contributed to poor public health and economic outcomes during the pandemic."

The IFR described the need for the second category as, "school closures and the transition to remote education raised particular challenges for lower-income students, potentially exacerbating educational disparities, while increases in economic hardship amount families could have long-lasting impacts on children's educational and economic prospects."

Programs that are being considered, which specifically provide services to those who live in communities that have been disproportionately impacted are as follows:

1. Homeless Solution
 - a. Local Program
 - b. Regional Partnership
2. Education and Enrichment Scholarships
3. Recreational Programming for K-6th Graders

D. Premium Pay

According to the IFR, "Fiscal Recovery Funds payments may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency.... Since the start of the COVID-19 public health emergency in January 2020, essential workers have put their physical wellbeing at risk to meet the daily needs of their communities and to provide care for others."

Next Steps

As mentioned previously in this report, the City has not finalized its list of intended use of SLFR funds. Many of these are new initiatives which will require additional time and resources to fully develop and deploy. City assigned staff will further investigate and develop the listed programs. Updated progress and spending will be reported in future Recovery Plan Performance Reports.