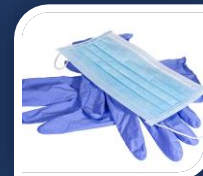
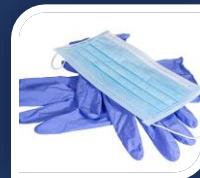


# Coronavirus Relief Fund Proposed Strategic Plan Version 2

City of Phoenix  
Policy Meeting  
May 5, 2020

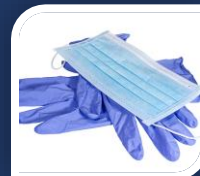


Coronavirus Relief Fund allocation to States, Counties & Cities  
over 500,000 in population: \$150 billion  
City of Phoenix allocation: \$293 million



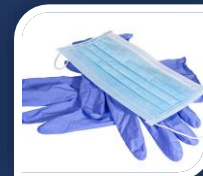
# Agenda

1. Overview of Federal Guidance and suggested guiding principles
2. Proposed Allocations
3. Testing
4. Utility Assistance
5. Business Assistance



# Guiding Principles

1. Respond to COVID-19 impacts
2. Prepare for audit by the federal Office of Inspector General
3. Allocate to one-time uses
4. Use existing processes and leverage other funds where possible
5. Preserve City services and City employees who provide them
6. Reduce the economic burden on residents and businesses
7. Identify opportunities for ongoing improvements for a post-COVID-19 economy



# Federal Guidance on Use of Funds

- Allowable Usage of Funds:
  - Costs are only covered if incurred for necessary expenditures related to COVID-19
  - Costs not accounted for in current approved budgets
  - Costs incurred between March 1 and December 30, 2020
  - Federal guidance being updated daily



# Proposed Strategic Plan & Allocation

<b>Community Investment</b>	<b>\$75 M</b>
<b>Business Assistance</b>	<b>\$10 M</b>
<b>Utility Assistance</b>	<b>\$22 M</b>

<b>City Operations</b>	<b>\$75 M</b>
<b>Employee Testing</b>	<b>\$6 M</b>

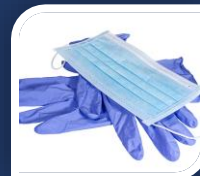
<b>Reserve to Preserve Vital Services</b>	<b>\$143 M</b>
Future Needs	
Estimated Revenue Loss	

# Coronavirus Relief Fund (CRF) Reserve

Through Dec. 30, 2020

## Why Create a Reserve?

- Any change in Federal Guidance on use for revenue replacement
- Potentially offset programmatic cuts to community programs
- Potential expenses from recurrence of COVID
- Available for re-assignment by the City Council to other COVID needs



# Coronavirus Relief Fund (CRF) Reserve

Through Dec. 30, 2020

## Estimated Revenue Loss\*

General Fund Sales Tax State  
Shared Revenue, User Fee

\$48 M – \$100 M

Other Tax – Public Safety, Parks,  
Transit, Sports Facility Fund,  
Convention Center

\$54 M – \$98 M

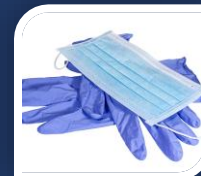
Total Estimated Revenue Loss

---

\$102 M – \$198 M

\*Reflects range of revenue loss over the next 9 months

Source: Budget & Research





# Coronavirus Relief Fund (CRF) Reserve

Through June 30, 2021

## U of A Model Compared to Proposed Budget\*

Optimistic Projection \$85 M

Baseline Projection \$135 M

Pessimistic Projection \$275 M

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Average Estimated Revenue Loss \$164 M

\*16 month GF revenue loss based on data from University of Arizona

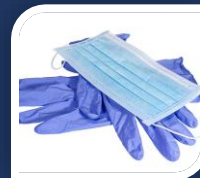
Source: Budget & Research



# Coronavirus Relief Fund (CRF) Reserve

## How Much to Set Aside?

Pessimistic GF Deficit	\$128 M
U of A Average Revenue Loss	\$164 M
Midpoint	<hr/> \$146 M



# Coronavirus Relief Fund (CRF) Reserve

Through Dec. 30, 2020

Recommend \$143 Million Reserve

- Reserve could allow us to preserve vital community programs by offsetting reductions in:
  - Parks
  - Library
  - Public Safety
- Available for City Council to address other COVID-related needs later in the year



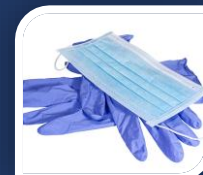
# Proposed Strategic Plan & Allocation

<b>Community Investment</b>	<b>\$75 M.</b>	<b>City Operations</b>	<b>\$75 M.</b>
Business Assistance	\$10 M.	Employment	<b>Reserve to Preserve Vital Services</b>
Utility Assistance	\$22 M.	PPE	
Distance Learning and Wi-Fi Access	\$1 M.	Medical	<b>Future Needs</b>
Mitigation and Care for Homeless Population		Medical	<b>Estimated Revenue Loss</b>
Food Delivery		Payment	\$5 M.
Better Health Outcomes and Community Testing		Recreation	\$19 M.
		Facility Retrofit	\$10 M.
		Telework/ E-Government	\$15 M.
			<b>\$143 M</b>

# Proposed Testing Program



Milton Dohoney  
Assistant City Manager



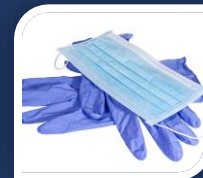
# Proposed Testing Program

## Testing Services

First Responders  
ASU

Other City  
Employees  
Banner Health

Community Testing  
Sonora Quest



# Proposed Testing Program

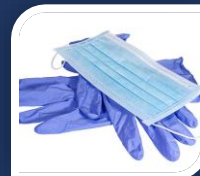


# Proposed Strategic Plan & Allocation

Community Investment	\$75 M.	<b>City Operations</b>	<b>\$75 M</b>	Reserve for Future Needs	\$143 M.
Business Assistance	\$10 M.	<b>Employee Testing</b>	<b>\$6 M</b>	Future Needs  Estimated Revenue Loss	
Utility Assistance	\$22 M.	PPE/ Clean/Sanitizing	\$20 M		
Distance Learning and Wi-Fi Access	\$1 M.	Medical/ Public Safety Measures	\$5 M		
Mitigation and Care for Homeless Population		Payroll Expense Reimbursement	\$19 M		
Food Delivery		Facility Retrofit	\$10 M		
Better Health Outcomes and Community Testing		Telework/ E-Government	\$15 M		

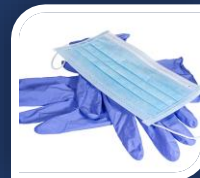


# COVID-19 Utility Assistance Program



# Agenda

- Community Partnership
- Residential Program
  - Program Design
  - Program Eligibility
  - Outreach
- Commercial Program
  - Program Design
  - Program Eligibility
  - Outreach
- Program Cost



# Community Partnership

- Established in 1967 to End Poverty in Arizona

- Advocate for Fair Practices

*wildfire*

*Igniting Community Action  
to End Poverty in Arizona*

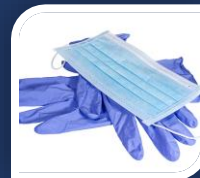
- Collaborate on Policy Issues

- Support Community Action Initiatives



# Wildfire's Utility Assistance Partnership

- Works with all Arizona utility companies to administer electric and gas bill assistance programs to eligible low-income Arizonans
- Contracts with 30+ community and faith based organizations statewide to conduct assistance appointments
  - 9 partners within City of Phoenix (including City of Phoenix Human Services Department)
- Provides database access to all partners to complete eligibility determinations and track applications
- In FY 2020 distributed \$4.5 million in assistance to partner organizations



# Eligible Services - Residential

## Utilities



## Rent/Mortgage



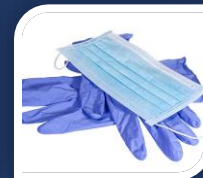
# Utility Monthly Payment



**\$300**

**3 month  
Period**

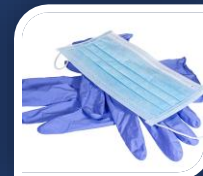
**\$600**



# Rent/Mortgage One-time Payment - Residential



**\$1,100**



# Program Design - Residential

Recommended  
by Staff

Customers Served	City Services	All Utilities	Rent/Mortgage + City Services	Rent/Mortgage + All Utilities
10,000	\$3,000,000 Admin Cost - \$600,000	\$9,000,000 Admin Cost - \$1,800,000	\$14,000,000 Admin Cost - \$2,800,000	\$20,000,000 Admin Cost - \$4,000,000
20,000	\$6,000,000 Admin Cost - \$1,200,000	\$18,000,000 Admin Cost - \$3,600,000	\$28,000,000 Admin Cost - \$5,600,000	\$40,000,000 Admin Cost - \$8,000,000

City Services = Water, Sewer and Trash

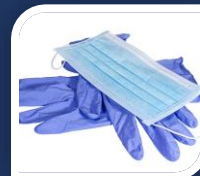
All Other Utilities = Power & Gas



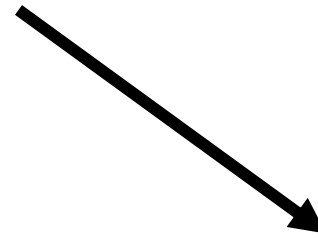
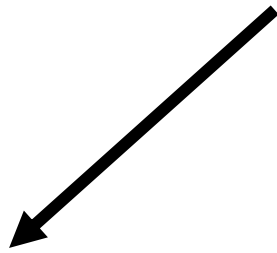


# Eligibility Determination - Residential

- COVID-19 Hardship
- City of Phoenix Resident
- Federal/State Required Proof of Citizenship
- Verify Identity of Applicant

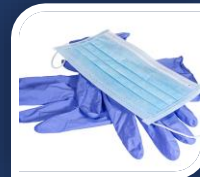


# Payment Process - Residential



## City Service

## Rent/Mortgage



# Outreach - Residential

## Step 1

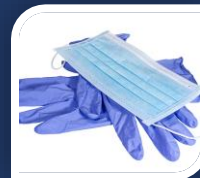
Engage customers currently enrolled in the Water Service Department Payment Deferral Program

## Step 2

Reach out to other delinquent, non-enrolled, customers

## Step 3

Advertise program to general public

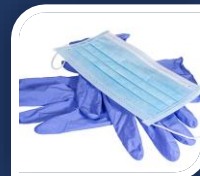


# Eligible Services - Commercial

## City of Phoenix Utility



\$5,000,000



# Determination of Eligibility - Commercial

- COVID-19 Hardship
- City of Phoenix Business
- Federal/State Required Proof of Citizenship – W-9 Form
- Verify Identity of Applicant



# Outreach - Commercial

## Step 1

Engage City-surveyed businesses which indicate need of utility assistance

## Step 2

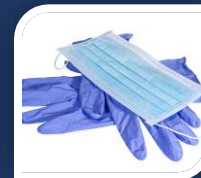
Reach out to general business community



# Program Cost

Eligible Households 10,000

Utility Assistance	\$300	\$ 3,000,000
Rent/Mortgage Assistance	\$1,100	\$ 11,000,000
Commercial Assistance		\$ 5,000,000
Program Administration	20% of Program	\$ 3,800,000
<b>Total Cost</b>		<hr/> <b>\$22,800,000</b>

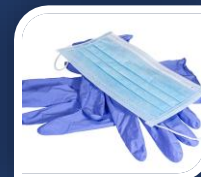


Recommended  
by Staff

Customers Served	City Services	All Utilities	Rent/Mortgage + City Services	Rent/Mortgage + All Utilities
10,000	\$3,000,000 Admin Cost - \$600,000	\$9,000,000 Admin Cost - \$1,800,000	\$14,000,000 Admin Cost - \$2,800,000	\$20,000,000 Admin Cost - \$4,000,000
20,000	\$6,000,000 Admin Cost - \$1,200,000	\$18,000,000 Admin Cost - \$3,600,000	\$28,000,000 Admin Cost - \$5,600,000	\$40,000,000 Admin Cost - \$8,000,000
Commercial	\$5,000,000			

City Services = Water, Sewer and Trash

All Other Utilities = Power & Gas





# Proposed Strategic Plan & Allocation

<b>Community Investment</b>	<b>\$75 M</b>	M.	Reserve for Future Needs	\$143 M.
<b>Business Assistance</b>	<b>\$10 M</b>	M.	Future Needs	
<b>Utility Assistance</b>	<b>\$22 M</b>	M.		
Distance Learning and Wi-Fi Access	\$1 M	M.	Estimated Revenue Loss	
Mitigation and Care for Vulnerable Populations	\$10 M	M.		
Food Delivery	\$5 M	M.		
Better Health Outcomes and Community Testing	\$5 M	M.		
Unallocated Funds	\$22 M			



# Small Business Relief

Christine Mackay  
Community and Economic Development

# CITY OF PHOENIX

Community and Economic Development Department

# Phoenix Small Business Grant Relief Programs

**Small Business  
Assistance  
Round II**

**Micro Business  
& Sole  
Proprietor**

**Sky Harbor  
Small Business**

**Restaurant  
Restart**

**COVID  
Guidelines for  
Business**

**Arts &  
Culture**

# Phoenix Small Business Relief Grant – Phase II

*Companies with less than 25 Employees*

## **\$5 million in grant funding**

- Up to \$10,000 per qualified business
- Qualified census tracts
- Small businesses with 25 or less employees
- No more than \$3 million in taxable receipts
- Physical establishment, including mobile vendors
- Loss of income due to COVID-19

# Phoenix Micro Businesses and Sole Proprietors

*Companies with less than 5 Employees*

## **\$1 million in grant funding**

- Up to \$5,000 per qualified business
- Micro businesses with 5 or less employees
- Sole Proprietors
- No more than \$1 million in taxable receipts
- Physical establishment, including mobile vendors
- Anywhere in Phoenix
- Loss of income due to COVID-19

Complement NSD \$2 million Micro Business program in Qualified Census Tracts

# Phoenix Restaurant Restart Assistance

## **\$1 million in grant funding**

- Restaurants shuttered quickly
- Some continued takeout after clarification
- Many have not reopened
- Back to operations
- Up to \$10,000 for each qualified restaurant for restart

## **\$1 million in grant funding, based on number of employees Pre-COVID**

- Small businesses with 50 or less employees
- No more than \$6.5 million in taxable receipts
- Physical establishment(s) at Phoenix Sky Harbor Airport
- Loss of income due to COVID-19

**In addition...**

## **Staff also recommends including**

- Small business with up to 150 employees if the business runs multiple locations or venues
- No more than \$15 million in taxable receipts if the business runs multiple locations or venues



## **\$100,000 Guidelines & Expertise**

Expertise to provide guidance on COVID-19 related issues

- Facilities
- Legal
- Staffing related
- Safety
- Licensing

Creation of guidelines “How to manual”

- Posted on City’s Website
- Provided to business organizations
- Provided to businesses
- Fluid document with ability to keep current and effective

# Next Steps

- Modifications to Arizona Community Foundation application and Website
- Partner on outreach
  - City Council
  - Traditional & social media
  - Small / Micro business organizations
  - Community organizations
  - International business organizations
  - Direct calls from City team

# Small Business Relief Programs

*Companies with less than 25 Employees*

- Move quickly – businesses are suffering
- Review grant program in real time and fund qualified applications as they come in
- Continue to be fluid and flexible based on business needs

# Phoenix Small Business Grant Relief Programs

**Small Business  
Assistance  
Round II  
\$5,000,000**

**Micro Business  
& Sole  
Proprietor  
\$1,000,000**

**Sky Harbor  
Small Business  
\$1,000,000**

**Restaurant  
Restart  
\$1,000,000**

**COVID  
Guidelines for  
Business  
\$100,000**

**Arts &  
Culture  
\$2,000,000**

**Small Business Total: \$8.1 million**

# Economic Development Recovery

*The greatest danger in turbulent times is to act with yesterday's logic*



**Resiliency**



**Recovery**



**Resurgence**



 **PHOENIX IS HOT**

# Proposed Strategic Plan & Allocation

<b>Community Investment</b>	<b>\$75 M</b>	<b>City Operations</b>	<b>\$75 M</b>	Reserve to Preserve Vital Services	<b>\$143 M</b>
<b>Business Assistance</b>	<b>\$10 M</b>	<b>Employee Testing</b>	<b>\$6 M</b>	Future Needs	
<b>Utility Assistance</b>	<b>\$22 M</b>	PPE/ Clean/Sanitizing	\$20 M	Estimated Revenue Loss	
Distance Learning and Wi-Fi Access	\$1 M	Medical/ Public Safety Measures	\$5 M		
Mitigation and Care for Vulnerable Populations	\$10 M	Payroll Expense Reimbursement	\$19 M		
Food Delivery	\$5 M	Facility Retrofit	\$10 M		
Better Health Outcomes and Community Testing	\$5 M	Telework/ E-Government	\$15 M		
Unallocated Funds	\$22 M				