



# Agenda

## City Council Policy Session

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Tuesday, September 7, 2021

2:30 PM

phoenix.gov

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### OPTIONS TO ACCESS THIS MEETING

#### *Request to speak at a meeting:*

- **Register online** by visiting the City Council Meetings page on phoenix.gov **at least 1 hour prior to the start of this meeting**. Then, click on this link at the time of the meeting and join the Webex to speak: <https://phoenixcitycouncil.webex.com/phoenixcitycouncil/onstage/g.php?MTID=ea5b730efc4fbc9d1425f02a4b18ed294>

- **Register via telephone** at 602-262-6001 **at least 1 hour prior to the start of this meeting**, noting the item number. Then, use the Call-in phone number and Meeting ID listed below at the time of the meeting to call-in and speak.

#### *At the time of the meeting:*

- **Watch** the meeting live streamed on phoenix.gov or Phoenix Channel 11 on Cox Cable, or using the Webex link provided above.

- **Call-in** to listen to the meeting. Dial 602-666-0783 and Enter Meeting ID 2556 124 3449# (for English) or 2551 095 1492# (for Spanish). Press # again when prompted for attendee ID.

#### *Para nuestros residentes de habla hispana:*

- **Para registrarse para hablar en español**, llame al 602-262-6001 **al menos 1 hora antes del inicio de esta reunión** e indique el número del tema. El día de la reunión, llame al 602-666-0783 e ingrese el número de identificación de la reunión 2551 095 1492#. El intérprete le indicará cuando sea su turno de hablar.

- **Para solamente escuchar la reunión en español**, llame a este mismo número el día de la reunión (602-666-0783; ingrese el número de identificación de la reunión 2551 095 1492#). Se proporciona interpretación simultánea para nuestros residentes durante todas las reuniones.

**CALL TO ORDER****COUNCIL INFORMATION AND FOLLOW-UP REQUESTS**

This item is scheduled to give City Council members an opportunity to publicly request information or follow up on issues of interest to the community. If the information is available, staff will immediately provide it to the City Council member. No decisions will be made or action taken.

**CONSENT ACTION**

This item is scheduled to allow the City Council to act on the Mayor's recommendations on the Consent Agenda. There was no Consent Agenda for this meeting.

**CALL FOR AN EXECUTIVE SESSION**

A vote may be held to call an Executive Session for a future date.

**REPORTS AND BUDGET UPDATES BY THE CITY MANAGER**

This item is scheduled to allow the City Manager to provide brief informational reports on topics of interest to the City Council. The City Council may discuss these reports but no action will be taken.

**DISCUSSION AND POSSIBLE ACTION (ITEMS 1-2)****1 Accelerated Pavement Maintenance Program Update**

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This report provides an update to the Council on the implementation of the Transportation 2050 five-year \$200 million Accelerated Pavement Maintenance Program. The report further requests Council approval to allocate and spend \$18 million in available Arizona Highway User Revenue Funds on local street pavement projects over the next two Fiscal Years (Fiscal Years 2021-23) to accelerate paving of local and residential streets and expand the program.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

**Responsible Department**

This item is submitted by Deputy City Manager Mario Paniagua and the Street Transportation Department.

**2 Emergency Rental Assistance Program/American Rescue Plan Act Rent and Utility Assistance Recommendations** Page 9

This report provides information regarding the City's past, current, and upcoming emergency rental and utility assistance efforts in response to the COVID-19 pandemic.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.****Responsible Department**

This item is submitted by Deputy City Managers Gina Montes and Karen Peters, and the Human Services, Housing, and Water Services departments.

**ADJOURN**

For further information or for reasonable accommodations, please call the Management Intern, City Manager's Office, at 602-262-4449 or Relay 7-1-1 as early as possible to coordinate needed arrangements.

Si necesita traducción en español, por favor llame a la oficina del gerente de la Ciudad de Phoenix, 602-262-4449 tres días antes de la fecha de la junta.





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## Accelerated Pavement Maintenance Program Update

This report provides an update to the Council on the implementation of the Transportation 2050 five-year \$200 million Accelerated Pavement Maintenance Program. The report further requests Council approval to allocate and spend \$18 million in available Arizona Highway User Revenue Funds on local street pavement projects over the next two Fiscal Years (Fiscal Years 2021-23) to accelerate paving of local and residential streets and expand the program.

### **THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

#### **Summary**

On Aug. 25, 2015, City of Phoenix voters approved the passage of Proposition 104 / Transportation 2050 (T2050), which provides a 0.3 percent increase in the transaction privilege and use tax rate to fund Citywide transportation projects, including the construction and maintenance of City streets. Collection of T2050 sales tax began on Jan. 1, 2016. The Street Transportation Department (Streets) receives 13.8 percent of annual T2050 revenues to support the construction and maintenance of City streets, improve mobility opportunities, and enhance technology on Phoenix's major street network.

On Oct. 3, 2018, the Council provided unanimous direction to Streets staff to develop a plan that advanced \$200 million in Streets T2050 funding over five years to accelerate pavement maintenance on arterial and major collector streets. The Council subsequently approved the Accelerated Pavement Maintenance Program (APMP), which focused on the acceleration of planned asphalt mill and overlay projects on arterial and major collector streets beginning in Fiscal Year (FY) 2018-19 and wrapping up in FY 2022-23.

To leverage the T2050-funded acceleration of arterial and major collector street paving projects, Streets also advanced planned asphalt mill and overlay projects on local and minor collector streets, using Arizona Highway User Revenue Funds (HURF). The HURF acceleration condensed five years (FYs 2018-23) of planned overlay projects into two years (FYs 2018-20). However, this acceleration of local and minor collector street paving work meant that these streets would not have any asphalt mill and

overlay projects for essentially three years (FYs 2020-23).

### Phoenix's Street Network

Phoenix has a comprehensive roadway network of more than 4,871 miles of public streets. The network is made up of arterial, collector, and local streets. Arterials are major streets, which are typically the major north/south and east/west transportation corridors spaced at each mile. Collectors are important mid-level transportation corridors, which are generally on the 1/2-mile north/south and east/west streets between the arterial streets. Local streets are typically in residential areas and provide connectivity between the collectors and arterials for local traffic. Pavement maintenance projects on arterial and major collector streets are primarily funded by T2050, while pavement maintenance projects on minor collector and local streets are funded primarily by HURF.

### APMP Implementation and Results to Date

With Council's direction, Streets staff undertook extensive community outreach to collect input from the public on what streets were most in need of being included in the APMP. That outreach included over 80 community meetings, reaching over 11,700 residents to explain and provide details about the APMP, and solicit feedback from the community. In addition, the outreach effort also included an interactive public input and pin-drop tool that highlighted areas of concern with City streets. Streets staff also focused a significant amount of time in coordination with the City's utility partners and right-of-way stakeholders.

Following this successful community engagement process, Streets staff sought to create a resource to provide comprehensive and updated information to the public about the APMP. This became an interactive pavement maintenance dashboard tool, which could easily be used by residents, businesses, elected officials, City staff, utility companies, developers, and anyone else. The web-based dashboard was launched in English and Spanish versions and in desktop or mobile-friendly versions. Built in-house by a team of Streets employees, the accelerated pavement maintenance dashboard became a critical, popular, and award-winning feature of the APMP, which has continued to help inform the public of upcoming paving work and shaped staff's approach to coordinating their paving work schedules.

As Streets moved into implementation of the APMP, their extensive coordination with industry and education partners, along with other City departments, utility companies, and right-of-way stakeholders has allowed Streets to complete approximately 80 percent of the planned APMP work in 60 percent of the planned time frame. Streets has emphasized communication over the past three years, providing ongoing regular updates to the Mayor's Office and Council offices through monthly reports that

highlighted paving progress in each Council District. To date, through the APMP, Streets has completed over 520 miles of mill and overlay projects on City streets, and we still have plenty more work to complete over the next two years.

In addition to smooth new pavement, APMP improvements have also included Americans with Disabilities Act (ADA) improvements and enhancements, with approximately 13,000 new or upgraded ADA curb ramps to date. The APMP has also contributed to the City's and T2050's mobility infrastructure goals through the creation of 83 new miles of bicycle lanes, including 35 miles of buffered bike lanes.

The APMP has also provided Streets with significant opportunities for innovation. Asphalt millings are a major byproduct produced during the asphalt mill and overlay process. Streets staff researched ways to recycle and reuse this material to reduce contributions to a landfill and hopefully achieve cost savings to the City. Streets now stores the recycled millings at City facilities and the City's paving contractors process the millings for use in the City's pavement maintenance program as Reclaimed Asphalt Pavement (RAP) or for alley dust proofing. Since the start of the APMP, over 9,500 tons of RAP have been used in slurry seal and micro surfacing pavement projects across the City.

Another key innovation that Streets has engaged in is the Cool Pavement Pilot program. Although not directly tied to the APMP, the Cool Pavement Pilot was implemented last Summer while Streets paved hundreds of miles through the APMP and in the midst of the COVID-19 pandemic, with the goal of reducing the daytime heating of the pavement, thereby leading to cooler night-time temperatures around the treated areas. The Cool Pavement Pilot Program is another innovative approach to pavement management. Currently, nine residential street quarter sections across the city have been treated with cool pavement sealant. Staff are finalizing their initial research and evaluation work with Arizona State University that is analyzing the benefits of using Cool Pavement technologies and evaluating the City's Cool Pavement Pilot Program.

As noted earlier, the APMP is an award-winning program, garnering both team and individual City of Phoenix Employee Excellence Awards, as well as an Award for Exemplary Systems in Government from the Urban and Regional Information Systems Association in 2021 for the creation and implementation of the public pavement maintenance dashboard.

#### Pavement Maintenance Goals and Budgets for Local Streets

Although the APMP has helped address pavement issues across many miles of City streets and reduced the number of pavement-related complaints and calls received

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from residents and businesses, the APMP would not have been possible or as successful without the leadership and unanimous support from the Mayor and Council. However, pavement maintenance is never finished; it is a continuous investment. APMP's focus has been on arterial and major street paving projects, with an initial and short-term advancement of local and minor street paving projects. Streets has received numerous requests for more paving of residential streets.

To address these requests, Streets staff requests Council approval to allocate and spend \$18 million in HURF on local street pavement projects over the next two fiscal years (FYs 2021-23) to accelerate paving of local and residential streets. This funding would equate to paving 18 residential street quarter sections over two years. Streets staff would work with the Mayor and each Council member to identify and select two residential street quarter sections each to receive asphalt mill and overlay treatments over the next two fiscal years. Potential quarter section options will be provided to the Mayor and Council based off data collected from the City's Pavement Management System.

#### **Concurrence/Previous Council Action**

The City Council directed staff to accelerate pavement maintenance on arterial and major collector streets by advancing \$200 million in Street Transportation Department T2050 revenues over the next five years on Oct. 3, 2018.

#### **Public Outreach**

Staff has conducted more than 80 public meetings, reaching over 11,700 residents to explain the program and listen to feedback from the community and conducted a social media campaign generating over 42,000 views.

#### **Responsible Department**

This item is submitted by Deputy City Manager Mario Paniagua and the Street Transportation Department.



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## **Emergency Rental Assistance Program/American Rescue Plan Act Rent and Utility Assistance Recommendations**

This report provides information regarding the City's past, current, and upcoming emergency rental and utility assistance efforts in response to the COVID-19 pandemic.

### **THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

#### **Summary**

In response to the COVID-19 pandemic, many jurisdictions, including the City of Phoenix, created or expanded emergency rental/mortgage and utility assistance programs to support individuals and families impacted by COVID-19, as many were unexpectedly facing eviction and homelessness. The following provides a summary of programs implemented by the City and the future expansion of the current Emergency Rental Assistance (ERA) Program.

#### Past and Current Programs

In 2020, the City Council approved more than \$29 million to provide emergency utility, rent and mortgage assistance services to Phoenix residents impacted by the COVID-19 pandemic. Approximately 6,200 households were assisted by the Human Services Department and Wildfire.

This amount came from the City's \$293 million Coronavirus Relief Fund (CRF) allocation from the 2020 CARES Act, enacted on March 27, 2020, and provided financial services to residents needing rent, mortgage, and utility assistance. The Neighborhood Services Department contracted with Wildfire, an experienced nonprofit corporation focused on ending poverty, to administer the program and disburse funds to residents. Wildfire partners with a large number of service providers locally, more than 20 nonprofit and community action agencies throughout Maricopa County.

In February 2021, the City Council approved \$51.1 million for the City's ERA 1.0 Program to provide financial services to residents needing rent and utility assistance. As of Aug. 30, the City's ERA Program has assisted 4,231 households and has disbursed approximately \$32.4 million, expending 70 percent of program funds.

Funding for this program came from the Consolidated Appropriations Act of 2021, enacted on Dec. 27, 2020. To best serve the community, the City agreed to administer \$26.1 million through the Human Services Department and the remaining \$25 million through Wildfire. The City's ERA Program launched on March 8, 2021, with the Human Services Department scheduling and completing appointments through its Central Intake Line (602) 534-AIDE (2433). On March 22, 2021, Wildfire opened its online application portal and has since been receiving and completing ERA applications through 11 subcontracted agencies. Deliverables to date are shown in **Attachment A**.

Eligible households for ERA funds must be at or below 80 percent Area Median Income (AMI), have one or more individuals who qualify for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due to COVID-19, and can demonstrate a risk of experiencing homelessness or housing instability. The Human Services Department prioritizes applications if the household is experiencing one of the following emergency scenarios: facing eviction or pending a 24-hour lockout; disconnected or pending 24-hour shut-off notice of utility services; no cooling/heating or water in the household; current domestic violence or crime victim; or facing homelessness.

### *Challenges and Improvements*

While the relief programs have provided millions of dollars of rent and utility assistance to households, program challenges have been identified: completeness of applications by residents and staff resources. These challenges are not unique to the City and programs nationwide are reporting the same issues. To address these challenges, the City has made a number of program improvements:

- In July, the City hired a contract ERA Administrator to oversee the ERA Program who mapped the application process from start to finish to identify program efficiencies. Staff noted nearly 80 percent of caseworker time was expended in the document collection phase. As a result, a Document Center has been created and several new staff were hired in August. Total new staff will be 58. This improvement will result in increased complete applications reaching caseworkers, leading to a more efficient process of disbursing funds to residents.
- Beginning in September, the Family Services Centers will extend hours of operation from 8 a.m. to 5 p.m. to 7 a.m. to 6 p.m. during the week and the same hours on Saturday. This will increase accessibility through more flexible appointment times for residents.
- Since July, Human Services staff has assisted Wildfire with completing online applications. As of Aug. 23, staff has assisted 91 households that applied through the online portal.

- The City partnered with Maricopa Association of Governments (MAG) and created an income proxy tool to assist caseworkers and residents in streamlining the ERA Program income eligibility requirement (**Attachment B**).
- Since the end of July, the City partnered with a landlord/tenant law firm to identify persons scheduled for a lockout from their home or eviction proceeding and offered expedited ERA Program assistance; 53 households were served, totaling \$414,792 in financial services.

## Upcoming Programs - ERA 2.0 and ARPA Program

### ERA 2.0 Program

Under the American Rescue Plan Act (ARPA) of 2021, the federal government allocated \$21.5 billion to continue the national emergency rental assistance program; this program is known as ERA 2.0. The City has been allocated a total of \$55.3 million in ERA 2.0 funding. Eligibility requirements are similar to ERA 1.0 and the U.S. Treasury has directed jurisdictions to implement this program consistently with ERA 1.0 to reduce administrative burdens for grantees.

Wildfire continues to process applications under ERA 1.0. Current discussions are underway with Wildfire regarding ERA 2.0 funding. Several options are being discussed for ERA 2.0 implementation. One option is for Wildfire to accept a certain allocation, similar to ERA 1.0, and continue processing online applications. The City would continue, as it does today, to assist and process online applications. The second option is for the City to pay Wildfire an administration fee to keep the online portal open for residents, and City staff will continue to process online applications. In this option, all applications, whether over the phone or online, would be completed by Human Services staff. One thing is certain - residents will experience no negative impact to applying no matter which path is taken. The City will continue to process applications without interruption to critical services to the community. Staff will provide City Council the final program contract later this fall.

### ARPA Program

On June 8, 2021, the City Council approved the City's ARPA Strategic Plan which outlined program summaries for the City's Coronavirus State and Local Fiscal Recovery Funds ARPA allocation. Included was \$10 million to provide additional rent and utility assistance to Phoenix residents that do not qualify for ERA assistance. The current ERA Program funding does not assist residents with rent and utility payments if the household income is above 80 percent of Area Median Income (AMI) resulting in an unmet need that ARPA funding can cover. It is recommended to use \$4 million to provide funding to applicants with a household income between 80 percent and 120

percent AMI to receive services under the same guidelines as the ERA Program.

*Deferred Payment Arrangement Recovery Program*

Included under this ARPA program is the allocation of \$5 million to the City's Deferred Payment Arrangement (DPA) Recovery Program. This program will assist City Services customers with a DPA by providing bill relief equal to two-thirds of their outstanding DPA balance as of Oct. 1, 2021.

DPAs were launched in March 2020 to assist customers facing financial hardship due to COVID-19. DPAs allowed residential customers to set aside any outstanding balance without being assessed late fees or the danger of service interruption. As of Aug. 30, the total outstanding residential delinquency was greater than \$10 million across more than 21,000 accounts.

DPAs will end on Sept. 30, 2021. At that point in time, any single-family residential customer who is enrolled in a DPA that meets the eligibility criteria will be enrolled into the DPA Recovery Program. Customers will be asked to pay one-third of their outstanding DPA balance as of Oct. 1, 2021, which can be paid in up to four consecutive monthly installments. Once one-third of the outstanding balance has been paid, ARPA funding will be directly applied to the remaining two-thirds.

*Landlord Incentive Program*

Additionally, \$1 million of funding will be used for the Housing Department's Landlord Incentive Program. The Landlord Incentive Program incentivizes Phoenix landlords to participate in the Section 8 program and make their properties available to Housing Choice Voucher (HCV) holders. The program offers a \$500 signing bonus for Phoenix landlords that execute a Section 8 Housing Assistance Payment (HAP) contract. This incentive is paid to landlords who manage regular HCV, Veterans Affairs Supportive Housing (VASH) vouchers, and mainstream vouchers, including landlords housing the homeless population. The incentive is per unit and an owner can be eligible for more than one incentive if the owner leases multiple units. The HAP contracts are valid for one year, which means that residents with housing vouchers will be assured a place to live for at least 12 months.

The Landlord Incentive Program was first launched on Sept. 1, 2020, using \$500,000 of Federal CARES Act funding as an innovative approach to combat the shrinking number of units and fewer affordable housing opportunities for Phoenix voucher holders. From September 2020 through August 2021, incentives were paid to 982 landlords, of which 127 were first-time Section 8 landlords. The original CARES Act funding allocation will soon be exhausted. The additional \$1 million ARPA Funding will double the original allocation of funds to allow the Landlord Incentive Program to

continue and help sustain/increase the affordable housing stock options in the community.

**Recommendations**

Staff seeks approval to implement the Utility and Rent Assistance ARPA Program as follows: \$4 million will provide households between 80 percent and 120 percent AMI financial services, \$5 million will fund the Deferred Payment Arrangement Recovery Plan, and \$1 million will fund the Landlord Incentive Program.

The City will implement ERA 2.0 and ARPA program funding seamlessly to the community and will bring back the Wildfire contract for City Council approval later this fall. Residents will continue to apply for assistance by scheduling an appointment or completing an online application. The addition of the Document Center will provide additional capacity to enhance efforts to proactively serve residents under imminent threat of eviction once the current moratorium is lifted. The additional staffing will provide expanded outreach and intervention strategies with landlords and other community stakeholders. As additional efficiencies are identified, staff will implement new procedures, ensuring residents are receiving as much assistance as possible, in the most efficient and timely manner.

**Concurrence/Previous Council Action**

The City Council approved:

- The Emergency Rental Assistance 1.0 (Ordinance S-47291) on Feb. 9, 2021, by a vote of 7-1; and
- The City's ARPA Strategic Plan on June 8, 2021, by a vote of 7-2.

**Responsible Department**

This item is submitted by Deputy City Managers Gina Montes and Karen Peters, and the Human Services, Housing, and Water Services departments.

Attachment A

Emergency Rental Assistance Data

<b>Program</b>	<b>Amount Disbursed</b>	<b>Households Served</b>
Coronavirus Relief Fund	\$29,000,000	6,200
Emergency Rental Assistance 1.0	\$32,361,552	4,231
<b>TOTAL</b>	<b>\$61,361,552</b>	<b>10,431</b>

Breakdown of ERA 1.0

<b>Disbursement by Service Type</b>	<b>Amount Disbursed</b>
Rent	\$28,364,809
Utilities	\$3,996,743
<b>TOTAL</b>	<b>\$32,361,552</b>

# Attachment B

## Area Median Income Tool

