



State and Local Fiscal Recovery Funds

2021 Recovery Plan Performance Report

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City of Chicago
2021 Recovery Plan Performance Report

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General Overview

Executive Summary

The City of Chicago is grateful for the funding allocated via the Local Fiscal Recovery Fund (“LFRF”) as well as other programs within the American Rescue Plan Act of 2021 (“ARPA”) and the opportunity to share the City’s progress in working towards an equitable recovery from the coronavirus pandemic.

The City has yet to introduce the fiscal 2022 budget and accompanying LFRF initiatives to City Council for the appropriations process and passage, which are expected to occur in the fourth quarter of 2021. Therefore, many sections of the 2021 Recovery Plan contained herein will reference that these funds have yet to be appropriated or expended. Given the landmark nature and magnitude of the ARPA and its potential to accelerate the City’s equitable recovery from the pandemic, the City considers it prudent to plan carefully for use of the funding. As the City develops plans for the LFRF funds, the City and its partners continue to execute the response to the pandemic, leveraging the Coronavirus Aid, Relief, and Economic Security Act of 2020 (“CARES”), subsequent relief packages, and other funding streams contained in ARPA.

Thus, this initial Recovery Plan report focuses on Chicago’s framework for an equitable recovery from the pandemic and associated economic hardships, including those underlying systemic economic inequalities exacerbated by the pandemic. Where appropriate, it also includes reference to existing policies and campaigns relevant to the guidance for this report and spirit of the LFRF’s purposes.

This framework includes three key pillars that will guide the City’s investments via the LFRF, as determined as part of the community engagement process: Youth & Families, Hardest-Hit Communities and Chicago’s Vitality.

Uses of Funds

The City of Chicago will provide more details about the planned use of LFRF funds after the City’s budget is approved by City Council. Approval is expected in the fourth quarter of 2021. To date, as noted, the City has outlined three high-level priorities and principles to guide a strong and equitable recovery from the COVID-19 pandemic:

- (1) Youth and Families: The City plans to leverage LFRF funds to invest in meaningful opportunities for youth and families to thrive, from the cradle to career and beyond. These investments will seek to complement existing programs, including the newly expanded child tax credit, additional child-care grants, nutrition programs and student supports such as Chicago Connected, which provides students with broadband internet access.
- (2) Hardest-Hit Communities: The City plans to invest in communities hardest hit by the health, safety, and economic impacts of the pandemic, as well as those that may not have

benefited from previous rounds of public support. This could include, for example, support for disproportionately impacted neighborhoods across the City, ongoing support to residents who cannot afford to pay for basic needs, or those experiencing homelessness.

- (3) Chicago's Vitality: The City plans to continue to make investments in essential government services and operations to meet the needs of residents, and to rebuild a stronger economy with a focus on sectors hardest hit by the pandemic.

While the specific funding items for these priorities are still being finalized, the City is concurrently developing metrics for measuring impact. The City expects these investments will drive three positive outcomes: (a) broad and inclusive recovery of the City's economy and residents' well-being; (b) improved access to opportunity for youth, families, and disproportionately impacted residents; and (c) a reduction in crime and violence.

The complete accounting for specific funding items and project-level details will be provided within 60 days of appropriation, as allowed for by U.S. Department of the Treasury guidance.

Promoting equitable outcomes

Under the leadership of Mayor Lori E. Lightfoot, the City of Chicago established an Office of Equity & Racial Justice ("OERJ") in 2019 and hired the first Chief Equity Officer. In doing so, Chicago became the largest jurisdiction to both name a Chief Equity Officer and to explicitly identify racial justice as a key focus area of the Mayor's Office.

The Mission Statement of the OERJ is as follows: *The Office of Equity and Racial Justice (OERJ) seeks to advance institutional change that results in an equitable transformation of how we do business across the City of Chicago enterprise. This includes the City's service delivery, resource distribution, policy creation, and decision-making.*

The City of Chicago defines equity as both **an outcome and a process**.

As an outcome, equity results in fair and just access to opportunity and resources that provide everyone the ability to thrive. Acknowledging the present and historical inequality that persist in our society, equity is a future state we strive to create where identity and social status no longer predestine life outcomes.

As a process, equity requires a new way of doing business: one that (1) prioritizes access and opportunities for groups who have the greatest need; (2) methodically evaluates benefits and burdens produced by seemingly neutral systems and practices; and (3) engages those most impacted by the problems we seek to address as experts in their own experiences, strategists in co-creating solutions, and evaluators of success.

The City of Chicago's planned use of LFRF funds will incorporate the OERJ's framework and existing methodology, as well as new metrics developed for the purpose of an equitable economic recovery from the pandemic.

For further reference, the OERJ drafted [Chicago's Equity Statement of Principles](#), available on the City's website.

Community Engagement

As discussed in prior sections, the City of Chicago has integrated the LFRF project identification process with the 2022 budget appropriations process, including community outreach and engagement to create a holistic approach to addressing the impacts from the pandemic and addressing resident priorities.

The Mayor's Office of Community Engagement and Chicago's Office of Budget and Management engaged the University of Illinois at Chicago's Neighborhoods Initiative ("UICNI") at the Great Cities Institute to assist in designing the internal and external budget engagement activities as part of the 2022 budget engagement process. The process was designed to solicit engagement regarding the 2022 budget and deployment of LFRF.

The goal for community engagement was to capture meaningful input from residents and other city stakeholders that would result in a data-driven report that documents the process and findings from the internal and external engagement.

One of the main priorities of the 2022 budget engagement was to design a process that allows for the incorporation of useful community input and feedback into the internal processes of budget decision-making.

The first phase of the 2022 budget engagement process took place from June to July 2021 and included four internal focus groups with City of Chicago Commissioners, four meetings with citywide leaders, and six regional roundtables with community-based and neighborhood-based organizations. Meetings with citywide leaders included open dialogue with participants that asked them to identify priority programs and services for new investments and investments to improve the City of Chicago's effectiveness in the delivery of programs and services.

Regional roundtables included the far south, south, southwest, west, northwest, and north regions of the city. Participants were asked to complete a budget worksheet and specify which programs and services they would prioritize for new investment across six budget categories including public safety, arts and culture, neighborhood development, community services, infrastructure, and regulatory services. Participants were also asked to identify investments that will improve the City's effectiveness in the delivery of programs and services.

The City also hosted three focus groups in July with labor leaders, faith leaders, and members of the City's advisory and engagement equity councils. These conversations also presented the early findings of community engagement efforts to receive additional feedback.

The second phase of community engagement included three public forums that were held across the city in August 2021 on the southside, westside, and northside of Chicago. All meetings were physically accessible, provided Spanish translation services, American Sign Language interpreters, and live closed captions for the presentations.

Nearly 400 community-based organizations, labor organizations, faith leaders, equity leaders, and other city stakeholders, along with more than 260 residents, both in-person and online, participated in engagement efforts between June and August 2021.

The full community engagement report and data, as well as a report outlining how the City incorporated community engagement into the 2022 budget including LFRF, will be made available on the City's website at chicago.gov/2022budget.

Labor Practices

As noted in preceding sections of this report, the City of Chicago has yet to appropriate LFRF funds for any specific projects or proposals. Once the appropriations process is complete, the City will pursue any related infrastructure projects according to existing labor agreements and practices that make Chicago a regional leader in strong employment opportunities and worker protections.

City and state policies relevant to any forthcoming infrastructure projects include the following:

- [City of Chicago Local Hiring Ordinance](#): Chicago's Local Hiring Ordinance states that City construction projects over \$100,000 in contract value require at least 50 percent of project hours to be worked by City residents and at least 7.5 percent of project hours to be worked by Project Area residents.
- [City of Chicago Multi-Project Labor Agreement \(PLA\)](#): the prevailing PLA dictates that any City construction, demolition, rehabilitation, or renovation project over \$25,000 in contract value will adhere to all relevant, area-wide union labor agreements and collective bargaining agreements.
- [State of Illinois Prevailing Wage Act](#): Requires contractor and subcontractor to pay laborers, workers, and mechanics employed on public works projects, no less than the general prevailing rate of wages (consisting of hourly cash wages plus fringe benefits) for work of similar character in the locality where the work is performed.

The net effect of the above-mentioned city and state prevailing labor practices is to ensure that Chicago's infrastructure projects maximize their collective local impact by promoting strong employment opportunities for city workers. Note that federal regulations take precedence over city and state policies, which will only be applied to federal contracts as allowable.

The City is dedicated to fostering a new generation of construction workers that is homegrown and diverse, and that City spending is creating sustainable wealth building opportunities for historically disadvantaged residents. In order to do this, the City is continuing to work with key unions, contractors, training organizations, philanthropic organizations and communities to build a comprehensive pipeline to employment that grows union membership and opens doors for historically disadvantaged people including those facing barriers to union participation and employment. The City is planning to participate in upcoming convenings around this specific topic that can inform the City of Chicago's execution of any forthcoming infrastructure investments funded by the ARPA and LFRF.

Use of Evidence

Each proposed intervention funded by LFRF expenditures will consider evidence and data to both establish the need and further develop funded programs. As part of the proposal consideration process, assessments of impact based on available research and strategies from existing planning documents will be brought forward. Proposals will also consider stakeholder engagement and priorities.

Once the appropriation of funds is finalized and execution of projects commences, the City will periodically review the impact of each project through assessment of performance against expected outcomes and through discussion with elected officials, community stakeholders, City staff and relevant experts. Through these ongoing performance assessments, the City will foster a culture of continuous learning and improvement.

Table of Expenses by Expenditure Category

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Project Inventory

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