

An aerial photograph of the Chicago skyline at sunset. The sun is low on the horizon, casting a golden glow on the buildings. The Willis Tower is the central focus, with its distinctive antenna spires. Other prominent buildings like the Aon Center and the Chicago Board of Trade Building are visible. A semi-transparent blue trapezoidal shape is overlaid on the top left, containing white text.

Chicago Recovery Plan

September 20, 2021



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Executive Summary



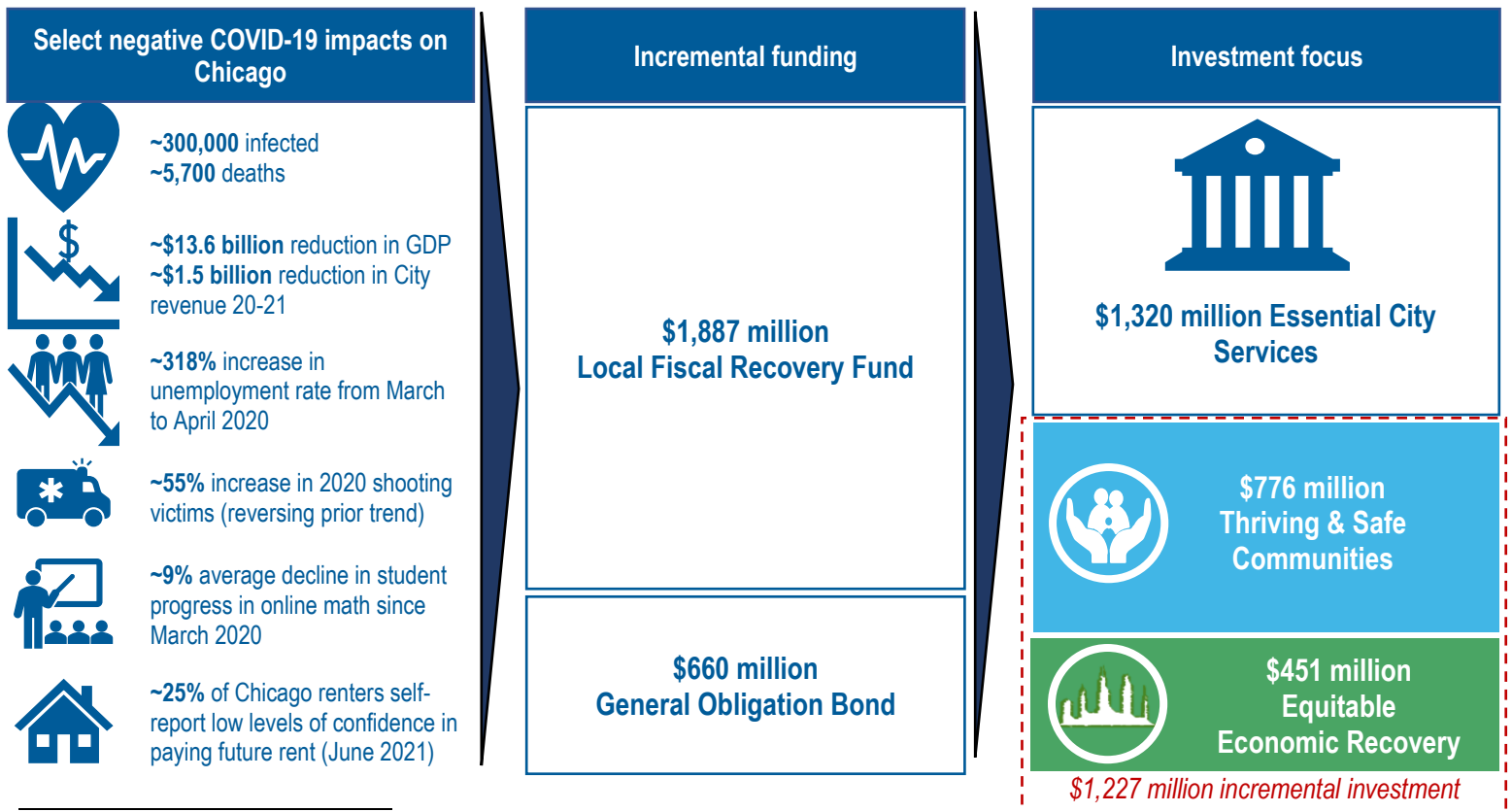
Executive Summary

In response to the negative impacts of the Coronavirus disease 2019 (“COVID-19”), Congress appropriated \$350 billion to the State and Local Fiscal Recovery Fund under the American Rescue Plan Act of 2021 (“ARP”).¹ The City of Chicago was allocated \$1.887 billion from the Local Fiscal Recovery Fund (“LFRF”) for expenditures incurred (subject to ARP criteria) beginning March 2021 thru December 2024.

Through an extensive process of community engagement, consultation and analysis, the City developed an integrated plan designed to drive transformational change. This plan invests in two key areas: (i) significant investments in the well-being of people and communities to allow them to thrive and collectively improve community safety and (ii) strategic investments to create an equitable economic recovery for Chicago’s neighborhoods and the communities hardest hit by the pandemic. In order to catalyze and accelerate the impact that these core investments will have, the City has proposed to issue a general obligation bond to fund further initiatives. The City’s plan also includes investments in ongoing essential City services to sustain Chicago’s operations and pandemic response in the face of severe COVID-19-induced revenue declines.

The ARP LFRF funding, amplified by the issuance of a general obligation bond, presents a once-in-a-lifetime opportunity for an equity-based investment strategy to catalyze a balanced economic recovery and long-term growth. The investments described in this document (the “Chicago Recovery Plan”) lay the foundation for this long-term growth and investment while meeting key needs of the City—providing direct relief for families, businesses and neighborhoods in urgent need of assistance as a result of the COVID-19 pandemic.

The City has proposed these investments to support an equitable recovery based on a whole-of-government response to community safety, urgent assistance to families in need, access to reliable city services and a wide set of new economic opportunities.



¹ American Rescue Plan Act of 2021 (ARP), sec. 9901, Public Law 117–2, codified at 42 U.S.C. 802



The \$1.227 billion of new investments proposed by the City will focus on two goals:

- i. “**Thriving & Safe Communities**” represents the City’s commitment to address the root causes of violence by investing in the core social and community supports needed for all Chicagoans to thrive.
- ii. “**Equitable Economic Recovery**” provides targeted economic relief and neighborhood development support to businesses and communities hardest hit by the pandemic and invests in Chicago’s businesses and commercial communities to drive economic recovery.

Thriving & Safe Communities	\$M	Equitable Economic Recovery	\$M
Affordable Housing	\$ 157.4	Arts & Culture	\$ 16.0
Assistance to Families	157.0	Community Climate Investments	101.3
City Priorities for Health & Wellness	108.0	Community Development	166.0
Violence Prevention	85.0	Parks & Infrastructure	60.6
Environmental Justice	86.8	Small Business & Workforce Support	87.0
Homelessness Support Services	117.0	Travel & Industry Support	20.0
Youth Opportunities	65.0		
Total	\$776.1	Total	\$450.9

The City’s initiatives in **Thriving & Safe Communities** will focus on providing (i) urgent financial support to families, (ii) access to summer and after-school programs for youth, (iii) public health services including mental health, maternal health and access to healthy food, (iv) increased access to educational opportunities for low-income youth and families, (v) violence reduction strategies and support for victims of violence, and (vi) housing support for those at-risk of homelessness. Investments in these areas seek to address the root causes of community violence to create safer communities and allow families to thrive.

As part of an **Equitable Economic Recovery**, these communities will receive support in the form of long-lasting investments through workforce support, place-based development, improvements to the city’s infrastructure and ability to deliver services to residents, and funding for arts and culture to drive economic growth and build wealth in historically underserved areas. Chicago’s arts and cultural institutions benefit all Chicago’s communities and represent a key area of recovery investments as well.

Lastly, the City has allocated funds for the **Essential City Services** that have proven vital during the pandemic and provided emergency services and relief to thousands of Chicago families as the worst of the pandemic-related shutdowns and economic fallout hit Chicago. These funds have been used to cover costs for City departments and programs for the provision of essential government services.



The City's investments seek to have a broad range of anticipated strategic impacts:

Figure 1 - Summary of Impacts

	Over 1,000,000 residents served through the expansion public safety and health support initiatives, including mental health services
	100,000+ residents connected to mental health services, improving long-term health outcomes and addressing one of the key root causes of community violence
	3,000+ vulnerable & homeless residents connected with housing and supportive services
	Over 45,000 households receiving financial assistance to improve financial stability in the wake of the coronavirus pandemic
	300,000+ residents provided access to additional broadband internet services
	5,000+ students receiving grants to support enrollment, attendance, and engagement in school
	4,000+ housing units created and upgraded to provide safe and affordable homes
	60,000+ small businesses & entrepreneurs supported
	Over 40,000 new jobs created or supported , with over 30,000 jobs as potential employment opportunities for Chicago youth
	75,000 new trees planted across the City over 5-years, the largest tree canopy program in the City's history
	Over 3,000 vacant lots prepared for sale and use
	Over 2,500 new public art projects & artists supported
	175+ new neighborhood amenities developed in communities including grocery stores, commercial spaces, recreation areas, and more – benefitting hundreds of thousands of Chicagoans



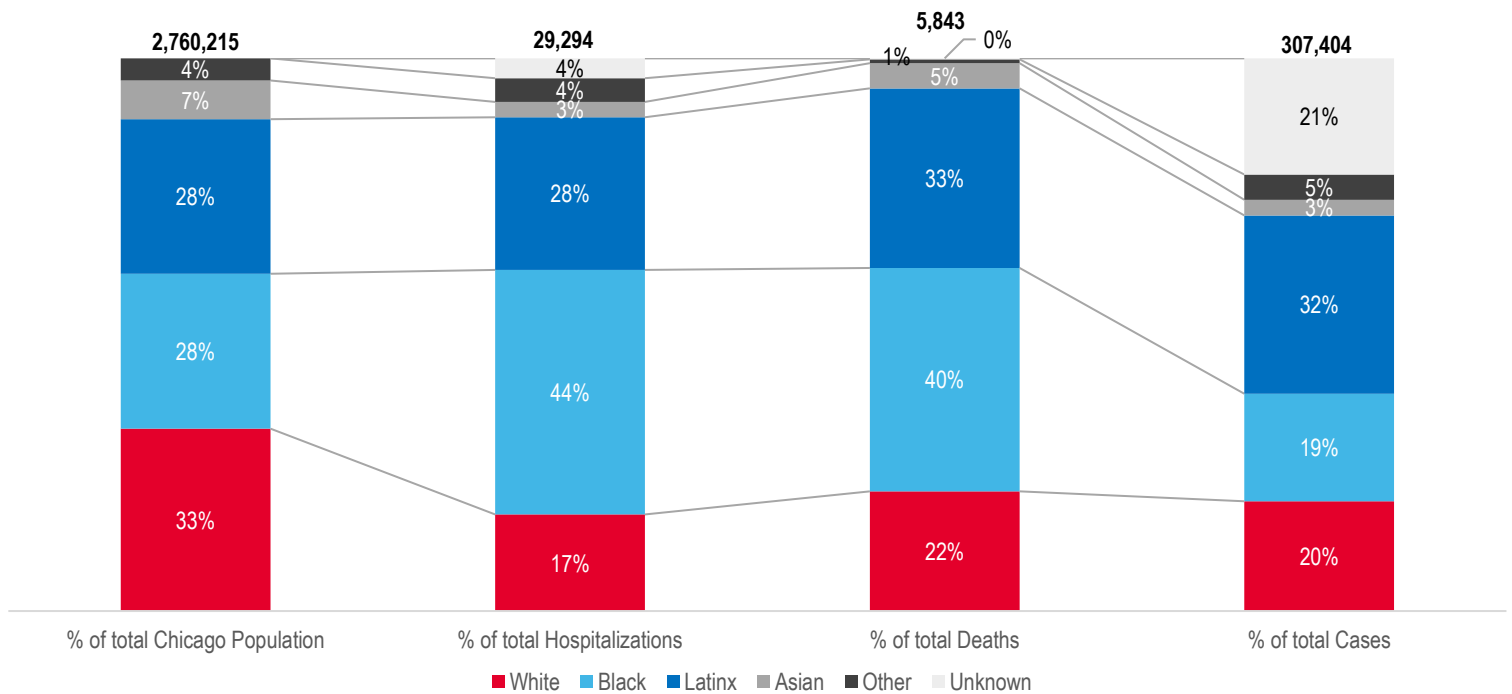
Background



Background

Since the first cases of COVID-19 were detected in the United States in January 2020, the virus has infected over 40 million and has been the cause of death for over 649,000 Americans.² Within the City of Chicago, over 300,000 Chicagoans have been infected and over 5,800 deaths have been attributed to COVID-19.³ The disease has not affected all communities equally; it has disproportionately hospitalized and killed Black and Latinx communities. As of September 7, 2021, Black and Latinx residents accounted for 40% and 33% of all Chicago COVID-19 deaths, respectively, while they each represent 28% of Chicago's total population.⁴

Figure 2 - Chicago population and COVID-19 data by race⁵



Economic Impacts

In addition to the severe loss of life and health, the disease has had a devastating impact on the national and Chicago economy. As infections spread, social distancing became a necessity, businesses shuttered, schools transitioned to remote learning and travel was drastically reduced. These measures, which were designed to preserve life, led to unemployment, food and housing insecurity, gaps in educational attainment and exacerbation of mental health issues. Again, as demonstrated below, these impacts were disproportionately felt by low-income, Black and Latinx populations.

Unemployment At the onset of the pandemic, the unemployment rate in the US and in Chicago grew substantially. Black and Hispanic unemployment were consistently higher than general population pre and post March 2020. The gap between US

² Source: Centers for Disease Control and Prevention: COVID Data Tracker. Accessed September 8, 2021 <https://covid.cdc.gov/covid-data-tracker/#datatracker-home>

³ Source: City of Chicago COVID-19 Dashboard. Accessed September 8, 2021. <https://www.chicago.gov/city/en/sites/covid-19/home/covid-dashboard.html>

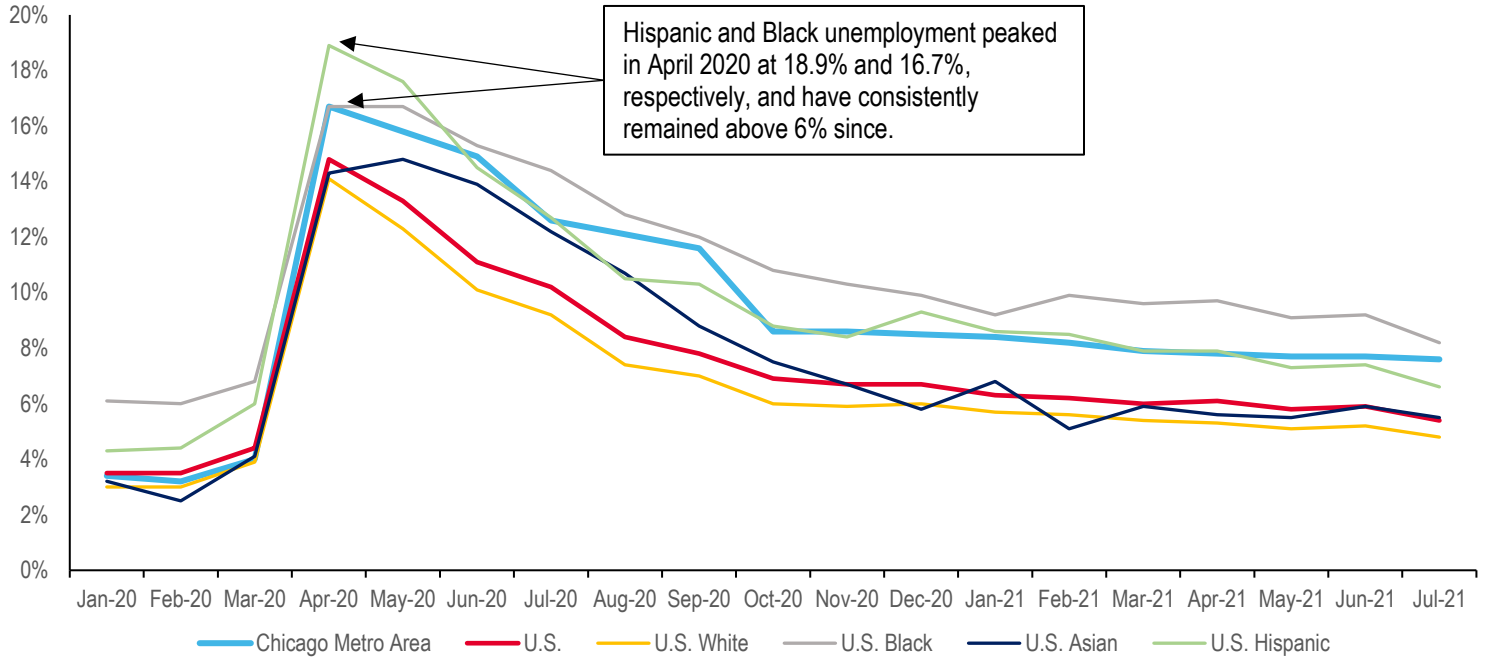
⁴ Source: City of Chicago COVID-19 Dashboard. Accessed September 8, 2021. <https://www.chicago.gov/city/en/sites/covid-19/home/covid-dashboard.html>

⁵ Source: U.S. Census Bureau American Community Survey 2018 - 5-year estimates (ZIP Code), 1-year estimates (Citywide); City of Chicago COVID-19 Dashboard accessed September 7, 2021.



unemployment and Hispanic unemployment January – March 2020 averaged 110 basis points, however, since April 2020 this gap peaked at 430 basis points and averages 240 basis points between April 2020 and July 2021. Similarly, the gap between US unemployment and Black unemployment January – March 2020 averaged 250 basis points, however, since April 2020 this gap peaked at 440 basis points and averages 350 basis points between April 2020 and July 2021.

Figure 3 - Unemployment rate, seasonally adjusted⁶

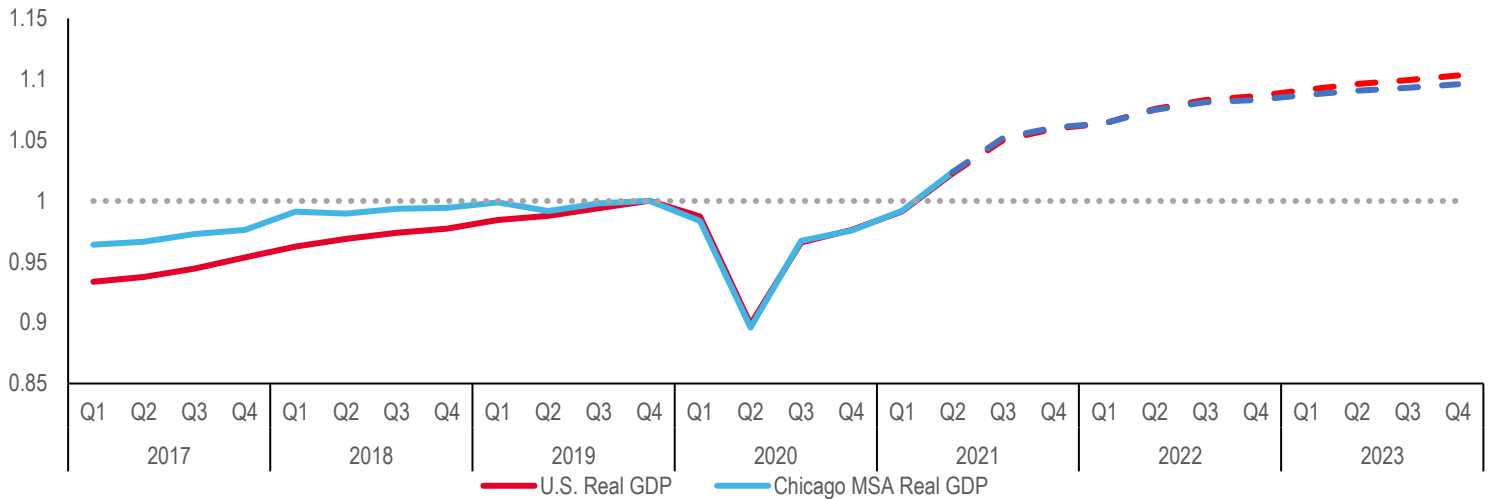


⁶ Source: Bureau of Labor Statistics, Federal Reserve Economic Data



GDP Gross domestic product, being a leading indicator of economic activity, hit a trough in the second quarter of 2020, dropping by an estimated \$13.6 billion between Q1 and Q2 2020⁷, and has seen a recovery since that period.

Figure 4 - Real GDP (in 2012 dollars), indexed to 2019 Q4⁸



City Government Impact All of the negative health, economic and social impacts of the pandemic have affected state and local governments. The City and its partners provided the following services during the pandemic:

1. Addressed and prevented the spread of the disease (including testing, tracing, vaccinations, expansion of care facilities);
2. Implemented safety measures in schools, care facilities for the aged, corrections facilities and other public facilities;
3. Provided greater behavioral health resources to respond to the declines in mental health and the increase in gender-based violence; and
4. Addressed the economic impacts of the pandemic via small business support, assistance with food, rent, mortgage and utilities, and internet access programs.

All of these actions and services have come at a significant cost. Further, the City has suffered substantial declines in revenue due to the changes in consumer behavior and the economic downturn brought on by the pandemic. The City has reported revenue decline of \$1.6 billion for 2020 and 2021 due to COVID-19⁹ and expects most revenue streams to return to pre-pandemic levels by 2023.

⁷ Oxford Economics. Starting from 2020, Chicago GDP is forecasted by Oxford Economics, which is subject to change when the actual data becomes available.

⁸ Source: Oxford Economics. Starting from 2020, Chicago GDP is forecasted by Oxford Economics and this is subject to change when the actual data becomes available.

⁹ City of Chicago: 2021 Budget Forecast and 2022 Budget Forecast. Accessed September 15, 2021.

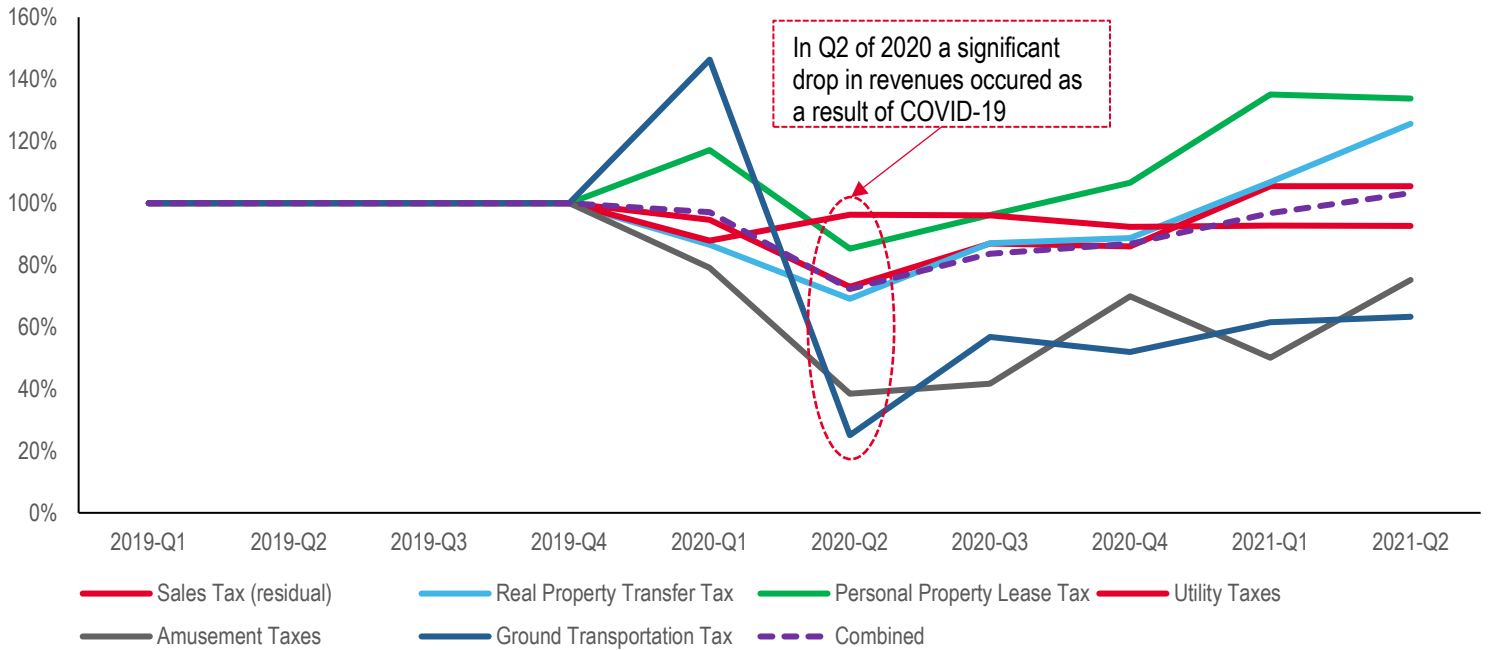
https://www.chicago.gov/content/dam/city/depts/obm/supp_info/2021Budget/2021BudgetForecastFinal.pdf

https://www.chicago.gov/content/dam/city/depts/obm/supp_info/2022Budget/2022BudgetForecastFINAL.pdf



Despite the diversity of Chicago's revenue profile, the pandemic had a severe impact on the City's financial position. The increase in pandemic related services and revenue declines has, in some cases, forced the City to reduce personnel costs. It has also forced the City to pause or slow down some of its planned programming, much of which is intended to be restarted as detailed in this report.

Figure 5 - % change in selected City of Chicago revenues indexed to 2019¹⁰



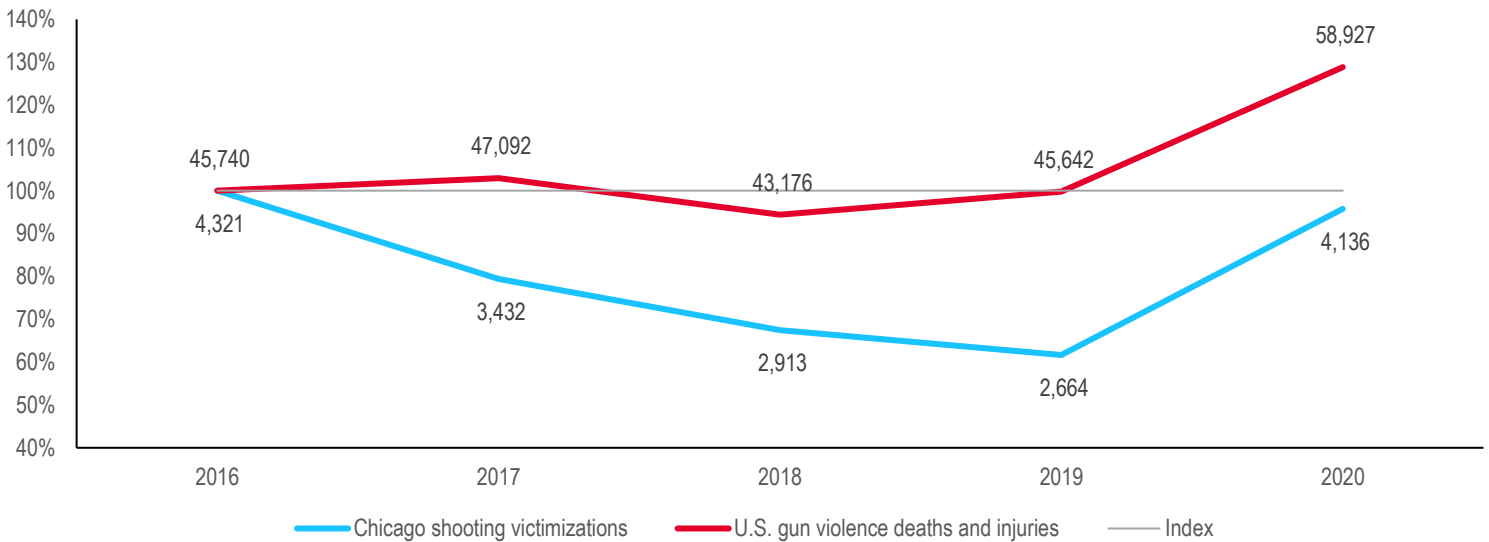
¹⁰ Sales tax data includes actuals through Q4 2020 and forecast thereafter. All other revenue streams represent cash collections through Q2 2021. 'Combined' represents all shown revenue streams combined. Data derived from the City's month revenue reports are for informational purposes only and does not reflect final audited figures. Source: City of Chicago



Social Impacts

Public Safety COVID-19 has intensified the risk of violent crime. Record increases in gun sales, economic distress, children homebound and social isolation due to COVID-19, put many people at increased risk for gun violence.¹¹ In the US, gun homicides and non-suicide-related shootings took approximately 19,300 lives in 2020, a 25% increase from 2019.¹¹ In Chicago, shooting victimizations increased 55.3% to 4,136 victimizations¹² in 2020.¹³

Figure 6 – US and Chicago % change in gun violence victims, indexed to 2016 (count of victims shown in label)¹⁴



Stay at home orders had negative impacts on victims of gender-based violence. Gender-based violence-related homicides in Chicago increased by 121% from 2019 to 2020¹⁵ (as compared with a 4% increase in domestic violence related shooting homicides from 2019 to 2020 nationwide¹⁶).

Education In an effort to slow the spread of COVID-19, Governor J.B. Pritzker ordered the closure of all public and private K-12 schools across the Illinois, including Chicago Public Schools (“CPS”), a sister agency of the City.¹⁷ CPS subsequently moved to a virtual learning format, and classrooms were closed. As a result of the transition to virtual learning, student performance in public

¹¹ Everytown for Gun Safety Support Fund. Gun Violence and COVID-19 in 2020: A Year of Colliding Crises. Accessed September 9, 2021.

<https://everytownresearch.org/report/gun-violence-and-covid-19-in-2020-a-year-of-colliding-crises/>

¹² Victimization is a unique event during which an individual becomes the victim of a crime. An individual may be victimized multiple times, and each of those events would be depicted in the data as distinct victimizations.

¹³ City of Chicago; Violence Reduction Dashboard. Accessed September 9, 2021. <https://www.chicago.gov/city/en/sites/vrd/home.html>

¹⁴ Chicago data sourced from City of Chicago, Violence Reduction Dashboard. Accessed September 9, 2021.

<https://www.chicago.gov/city/en/sites/vrd/home.html> U.S. data sourced from Gun Violence Archive. Accessed September 13, 2021.

<https://www.gunviolencearchive.org/past-tolls>

¹⁵ The Network. Measuring Safety: Gender based violence in Illinois 2020 report. Accessed September 10, 2021. https://the-network.org/wp-content/uploads/2021/06/BA-TheNetwork-2020-Annual-Report_06-2.pdf

https://the-network.org/wp-content/uploads/2021/06/BA-TheNetwork-2020-Annual-Report_06-2.pdf

¹⁶ A Handful of States Fueled a National Increase in Domestic Violence Shooting Deaths as COVID-19 Spread. Accessed September 13, 2021.

<https://www.pbs.org/wgbh/frontline/article/national-increase-domestic-violence-shooting-deaths-during-covid-19/>

¹⁷ “Governor Pritzker Orders Closure of All Illinois Schools, Including CPS, Over Coronavirus Concerns”, <https://news.wttw.com/2020/03/13/gov-pritzker-orders-closure-all-illinois-schools-including-cps-over-coronavirus-concerns>, Accessed September 8, 2021.

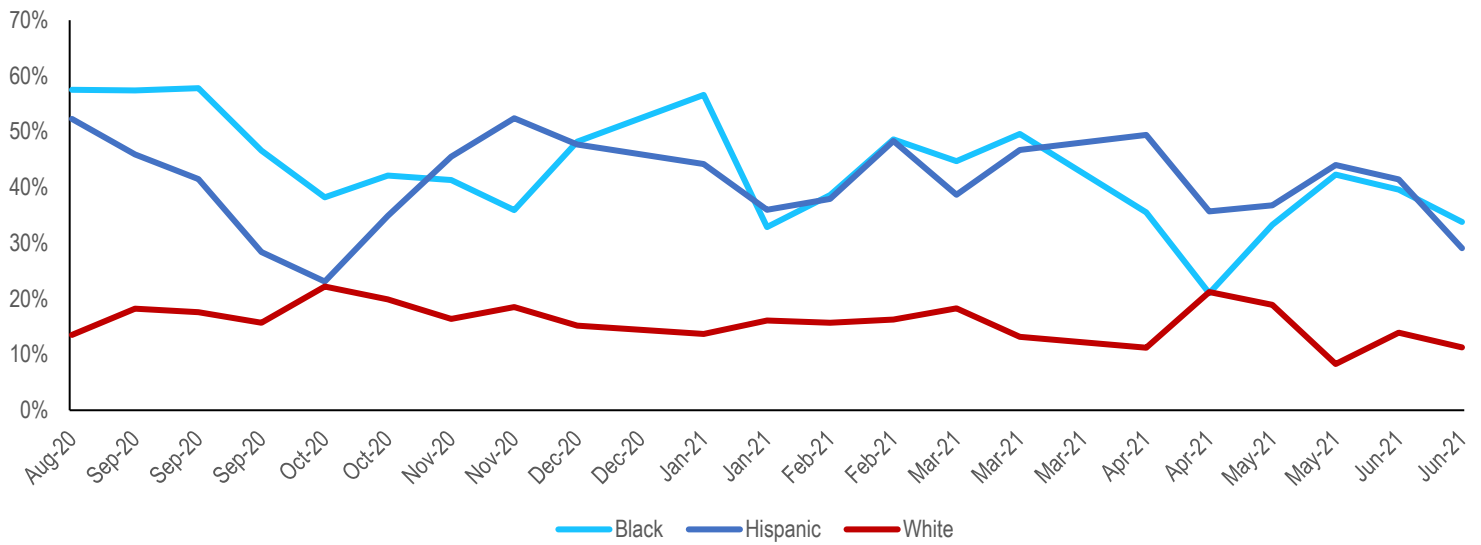


schools began to suffer. In Chicago, total student progress in online math coursework hit a low of -39.6% in March 2020 compared to January 2020 (the average performance decreased by 9.4% since March 17, 2020 as compared to January 2020).¹⁸

Housing The economic impacts of COVID-19 have exacerbated housing insecurity, particularly among people of color. As of June 2021, nearly one in four Chicago metro area renter households (23%) self-report low levels of confidence in paying future rent.¹⁹

Despite large variations over time, White respondents report being more confident in paying next month's rent than respondents of color (note that this survey began in April 2020, and consequently, pre-COVID-19 results are not available). While much needed eviction moratoriums have kept case filings artificially low for over a year since the beginning of the pandemic, recent estimates imply as many as 39% of Cook County renters are concerned about getting evicted in the next six months.²⁰

Figure 7 – Chicago MSA Renters: % with 'No' or 'Slight' Confidence in Next Month's Payment²¹



¹⁸ Opportunity Insights Economic Tracker. Accessed September 1, 2021. <https://tracktherecovery.org/>

¹⁹ University of Chicago Urban Labs: Chicago. Chicago Housing Stability Dashboard Quarterly Update: August 2021. Accessed September 9, 2021. <https://urbanlabs.uchicago.edu/attachments/779fefa89d7d20b5c47b70e84ae52f7fb53589f5/store/361c2176992dde2d3048b489719c12a259ed1ae62c9c5c54d0f0a4b40f7a/Quarterly+Update+-+August+2021+Key+Takeaways.pdf>

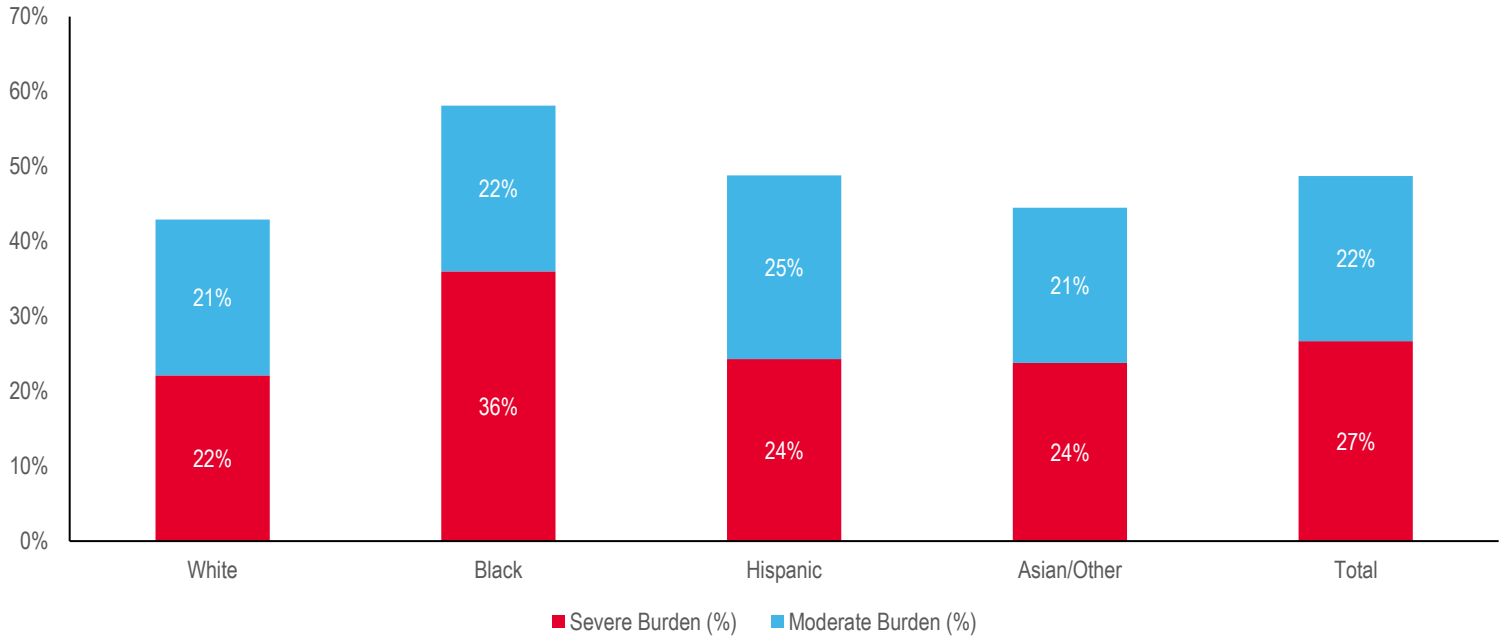
²⁰ Eviction modeling as the federal eviction moratorium is set to expire. Civis Analytics. (2021, July 29). Accessed September 13, 2021. <https://www.civisanalytics.com/covid-19-insights-center/eviction-modeling/>

²¹ University of Chicago Urban Labs: Chicago. Chicago Housing Stability Dashboard Household Pulse Survey Results: June 2021. Survey commenced in April 2020. Accessed September 10, 2021. https://urbanlabs.uchicago.edu/attachments/c1a9517d7c5e9c9a8e759d1a66246e48242d34bc/store/963c60c1e17e9a05bf3a6816de16fb8bda3839fe97859233415645f30382/FINAL_dashboard_20210826.html#household-pulse-survey



Cost-burdened renters—those with at least 30% of their household income going towards housing costs—and particularly those of color, are the most at-risk of eviction due to the increased likelihood of missed rent payments. People of color, who have faced higher rates of lost employment during the pandemic (see Figure 3 above), are disproportionately cost-burdened and at increased risk of eviction.²²

Figure 8 - Share of Renters with Cost Burden by Race/Ethnicity²³



²² Center for American Progress: The Pandemic Has Exacerbated Housing Instability for Renters of Color. Accessed September 8, 2021. <https://www.americanprogress.org/issues/poverty/reports/2020/10/30/492606/pandemic-exacerbated-housing-instability-renters-color/>

²³ Joint Center for Housing Studies of Harvard University, "Renter Cost Burdens By Race and Ethnicity (1B)," Accessed September 13, 2021, available at https://www.jchs.harvard.edu/ARH_2017_cost_burdens_by_race















Local Fiscal Recovery Fund (“LFRF”)

It is for this myriad of reasons that within ARP, Congress appropriated \$350 billion to the Local Fiscal Recovery Fund (“LFRF”).²⁴ As a metropolitan city, Chicago was allocated \$1.887 billion from the LFRF. Half of the LFRF was paid to the City in May 2021 and the balance will be delivered approximately 12 months later during fiscal year 2022.²⁵

In May 2021, the U.S. Department of Treasury issued an interim final rule to implement the LFRF. The interim final rule and certain provisions of ARP established the detailed permitted and restricted uses of the LFRF.²⁶ These uses are in Figure 9:

Figure 9 - LFRF Permitted Uses & Limitations²⁶

<p>Permitted uses</p> 	<p>Responding to the public health emergency or its negative economic impacts</p>  	<p>Providing premium pay to eligible essential workers</p>    	<p>Funding essential government services limited by reductions in recipient's general revenue</p>  	<p>Making necessary infrastructure investments addressing (i) water & sewer infrastructure & (ii) broadband</p>  
<p>Limitations on use</p> 	<ul style="list-style-type: none"> • The interim final rule explicitly prohibits the use of funds for deposit into any pension fund • Other ineligible uses include funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves • Funds can only be used for costs incurred during the period beginning March 3, 2021 and ending December 31, 2024 • A recipient must return any funds not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026 			

The City will employ further resources to respond to the negative impacts of COVID-19 and drive its economic recovery. In addition to the \$1.887 billion in LFRF, the City is planning to issue a general obligation bond in the amount of \$660 million which will fund certain initiatives focused on economic development, property improvements, homelessness shelter infrastructure, telecommunications infrastructure, information technology, parks, and climate mitigation infrastructure. These bond-funded initiatives will be predominantly comprised of capitalized costs to build physical infrastructure assets within the City.

In addition to LFRF, Chicago will benefit from federal funds from other programs within ARP, including emergency rental assistance, CDC funding for COVID-19 response, food security programs, education stabilization funding, transportation funding and many other urgently needed targeted assistance programs.

²⁴ American Rescue Plan Act of 2021 (ARP), sec. 9901, Public Law 117–2, codified at 42 U.S.C. 802

²⁵ U.S. Department of Treasury, Coronavirus State and Local Fiscal Recovery Funds. Accessed September 1, 2021. <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

²⁶ U.S. Department of Treasury, 86 FR 26786, Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule. Accessed September 1, 2021. <https://www.federalregister.gov/documents/2021/05/17/2021-10283/coronavirus-state-and-local-fiscal-recovery-funds>



Chicago Recovery Plan Funding Strategy

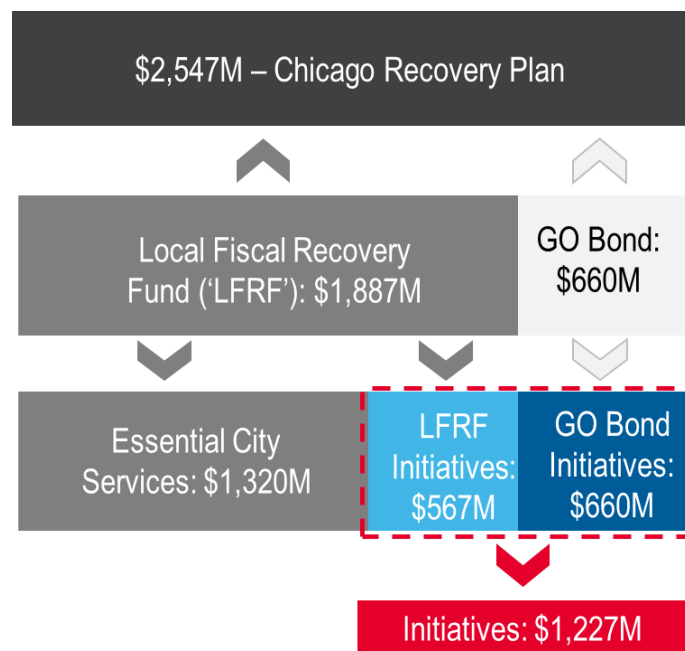


Chicago Recovery Plan Funding Strategy

The nature and magnitude of the federal relief funds awarded to the City are a significant opportunity to catalyze the City's recovery from the health, economic and social consequences of the pandemic. The graphic below illustrates how the LFRF and the General Obligation Bond ("GO Bond"), totaling \$2.5 billion, will be deployed into the City's recovery plan. Based on priorities identified during this process, including key insights from community engagement, it is worth noting that over **\$400 million** is allocated to priority investment areas identified by Chicago's violence reduction and community safety plan, "Our City, Our Safety," in addition to ongoing investments and efforts by the City of Chicago and its partners.

Chicago's allocation of LFRF and the proceeds of the proposed bond will provide the City with the opportunity over the next one to five years to address the acute impacts of COVID-19 and make sustained investments for long-term economic growth.

Figure 10 - The City's sources and uses of funds for the Chicago Recovery Plan



Essential City Services – The LFRF provides funding to maintain and expand core City services to meet the needs of existing residents and promote population and economic growth. These core services might otherwise have been cut in the absence of this funding. This portion of funding will focus spending on operations as the City emerges from one of the most challenging fiscal periods in its history, including personnel costs across a number of departments that sustained city operations during the height of the pandemic.

LFRF Initiatives and GO Bond Initiatives – Alongside funding for essential City services, the City developed an investment plan that seeks to meet its strategic criteria, and address residents' most urgent needs. This investment plan, which is the subject of the remainder of this document, aggregates to \$1.2 billion and includes initiatives that are split across its two strategic themes: (i) [Thriving & Safe Communities](#), and (ii) [Equitable Economic Recovery](#).



Chicago Recovery Plan Strategic Themes and Issues



Chicago Recovery Plan Strategic Themes and Issues

Thriving & Safe Communities



Emergency measures taken to mitigate COVID-19 unfortunately led to a sharp uptick in unemployment, food and housing insecurity, gaps in educational attainment, and exacerbation of mental health issues. These impacts were disproportionately experienced by low-income, Black and Latinx populations.²⁷ In response, the Chicago Recovery Plan will provide urgent assistance to families in need and invest in a broad array of approaches to public safety that address historical disinvestment and underlying causes of community violence.

Based on research and community feedback, there are several issues, further exacerbated by the pandemic, which the City aims to address:

- Based on 2014-2015 Average Annual Household Income data for the City of Chicago, children growing up on the South and West sides of the City are more likely to earn wages below the Chicago median of **\$44,000**²⁸
- ~20% of children in Chicago, equivalent to **~110,000 children**, lack access to broadband. This statistic is notably worse in certain neighborhoods – 46% of children in West Englewood, and 33% of children in Humboldt Park and Austin, respectively²⁹
- **40% of Chicago children experienced an increase in at least one mental or behavioral health symptom** during the pandemic versus before the pandemic³⁰
- Based on 2010 Census data, **46% of qualifying census tracts are considered very-low income**, which is up from 17% in 1970. Over the same time frame, very-high income tracts grew from 3% to 15%, indicating a substantial increase in income disparity between residents of the City³¹
- In 2020, **79% of homicide or non-fatal shooting victimizations were Black** and 15% were Latinx. In the majority of incidents in Chicago, the victims were male (84%) or under 30 years old (62%)³²
- According to the Chicago Coalition for the Homeless, as of 2019 (prior to pandemic), there were **at least 58,273 homeless individuals** in the City of Chicago, most of whom were temporarily staying with others rather than seeking shelter³¹
- **More than 90% of domestic workers are women** and over 50% of these women are black, Hispanic, or Asian American Islanders. These women enable labor force participation on behalf of others and represent a significant share of the jobs lost due to the pandemic³³

²⁷ Refer to Background section of this document for sources

²⁸ Opportunity Atlas using 2014-2015 average household income in Chicago. Accessed September 13, 2021

²⁹ Kids First Chicago, “Digital Equity in Education in the Coronavirus Era”, April 2020. Accessed September 13, 2021

³⁰ Stanley Manne Children’s Research Institute. Voice of Child Health in Chicago Report, March 2021. Accessed September 16, 2021.

³¹ Chicago Recovery Task Force, “Forward Together Building a Stronger Chicago,” July 2020. Accessed September 13, 2021

³² City of Chicago Violence Reduction Dashboard. <https://www.chicago.gov/city/en/sites/vrd/html>, September 2021. Accessed September 13, 2021

³³ Economic Policy Institute, “Domestic Workers Chartbook,” May 2020. Accessed September 13, 2021



Equitable Economic Recovery



The South and West sides of Chicago suffered from population decline, joblessness, and store closures even before the damaging effects of COVID-19. COVID-19 hit these neighborhoods particularly hard, and in contrast to majority white neighborhoods, many businesses in majority black and brown neighborhoods had difficulty securing federal funding in the first year of the pandemic. Joblessness in the City's black and brown communities has remained considerably higher than the national average, and delays in support threaten to further widen the racial wealth gap.³⁴ The Chicago Recovery Plan will invest holistically in the communities and industries hardest hit by the health, safety and economic impacts of the pandemic to support a more equitable economic recovery across the City.

Based on research and community feedback, there are several issues, further exacerbated by the pandemic, which the City aims to address:

- Small business' cash buffer in Chicago is 16 days; however, there are clear differences for minority businesses – **94% of Black owned and 89% of Hispanic owned business have <14-day buffer**³⁵
- During 2020, nearly 100 trade shows were cancelled at McCormick Place which is estimated to have **cost Chicago ~\$1.4 billion in hotel, restaurant, and entertainment expenses**. Additionally, hotel demand was **estimated to decline ~74% and hotel occupancy rate declined ~84% from the previous year**. Lastly, overseas tourism showed a ~80% change in visitation numbers³⁶
- Between April and July 2020, the **creative industries in Chicago lost more than 86,000 jobs**. Many of these lost jobs were in the performing arts, which suffered a significant talent drain as artists left their profession during the pandemic³⁷
- **Over 60% of the City's applications** are underpinned by **aging or unsustainable technologies** and several critical systems are in the retirement phase of their life cycle. The expense to maintain these older systems diverts money from improving resident facing systems³⁸

³⁴ Late Covid Loans Hurt Recovery in Chicago's Minority Neighborhoods. August 10, 2021. Accessed September 13, 2021.

<https://www.bloomberg.com/graphics/2021-chicago-ppp-loans-economic-recovery/>

³⁵ JP Morgan Institute for Chicago MSA 2019. Accessed September 13, 2021

³⁶ The Red Line Project: The Fall and Recovery of Chicago Tourism During COVID-19; <https://www.redlineproject.org/tourism2021.php>. Accessed September 13, 2021

³⁷ Brookings Institute, "Lost Art: Measuring COVID-19s devastating impact on America's Creative Economy" August 2020, Chicago Tribune, "Artistic Chicago is hemorrhaging jobs: 'We are looking at the decimation of an industry'" July 2020. Accessed September 13, 2021

³⁸ Gartner Report, "2020 Chicago IT Strategic Plan"



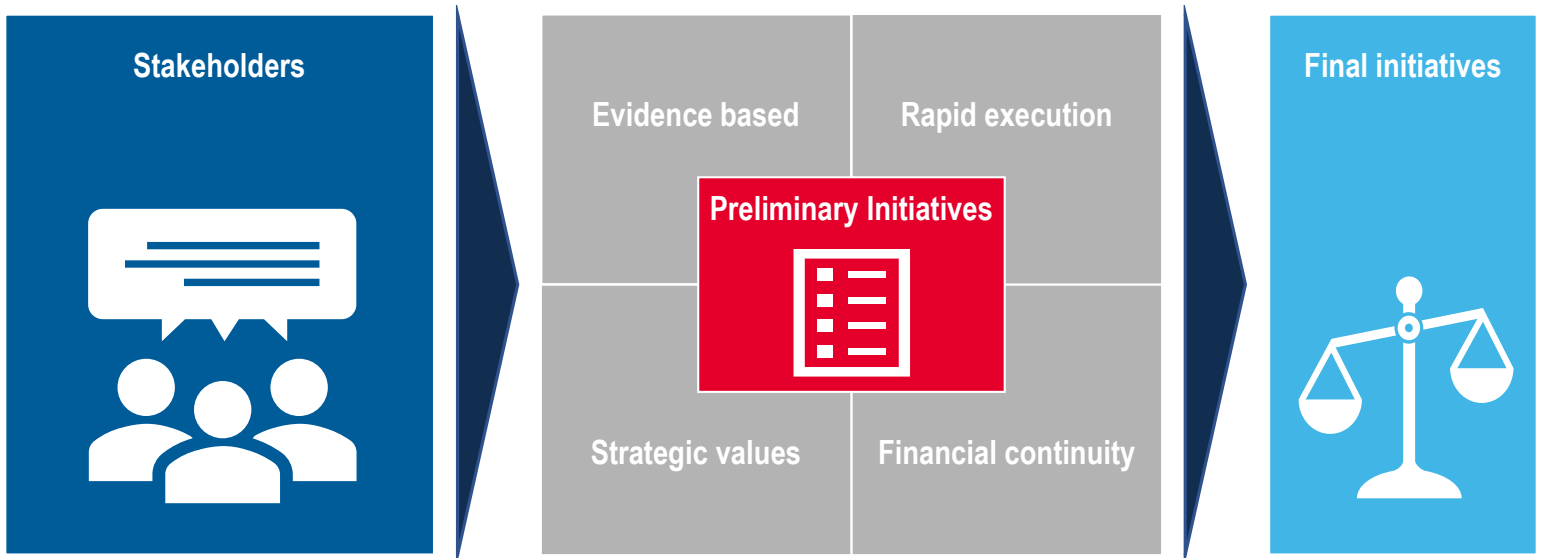
Initiative Selection Methodology & Approach



Initiative Selection Methodology & Approach

In developing the Chicago Recovery Plan, the City undertook several phases of assessment and engagement with a wide spectrum of community leaders in order to ensure funded initiatives addressed residents' most critical needs. The key steps in this process involved soliciting initiative ideas from community leaders and engagement forums, and engaging departments and other community experts on the most impactful and innovative programs in their fields and neighborhoods. These ideas, in conjunction with independent evidence, served as a basis for determining the City's strategic priorities to enhance the City's post pandemic recovery, while stabilizing the City's long-term well-being.

Figure 11 - City of Chicago's initiative selection methodology



During the initial stages of the 2022 budget development process, a concerted effort was made to drive community engagement including convening four meetings with citywide leaders, six regional roundtables with community-based and neighborhood-based organizations, and four internal focus groups with City of Chicago Commissioners. Meetings with leaders included open dialogues with participants in which they were asked to identify new investment priority programs and services to improve the City's effectiveness in program delivery and public services. Roundtables were conducted in six regions of the City which included: far south, south, southwest, west, northwest, and north. During these roundtables, 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.

Concurrent with the above meetings, the City also hosted focus groups with labor and faith leaders, as well as members of the City's advisory and engagement equity councils. The City also hosted three Budget Forums to give residents the opportunity to provide feedback. During these conversations, the City presented the early findings of community engagement efforts and solicited additional feedback. In all, the City engaged with 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, in engagement efforts.

As a result of the above community engagement efforts as well as input provided by various City departments, a needs assessment and evidence-based research, the City developed a list of over 65 strategically relevant initiatives. Over several months, this population of initiatives was reviewed, refined and prioritized based on its feasibility and strategic relevance. The final list of selected initiatives and the associated strategic priorities are described later in this document.



Performance Management Plan



Performance Management Plan

Performance management is critical to achieving the scale of change that the Chicago Recovery Plan seeks to deliver to transform the City. Given the number of initiatives that will be underway, mechanisms must be in place to assess each initiative's impact on the City's vitality while meeting compliance requirements. As part of this effort, the City will be tracking initiative performance and impact, led in part by a dedicated Program Management Office ("PMO"). This effort aims to allow stakeholders to have access to publicly reported information on expenditures, performance, and delivery in order to be transparent with the community and hold the City accountable to results and continuous improvement.

The LFRF sets forth requirements related to building a culture of performance through informed policy making and continuous assessment that had previously applied solely to Federal agencies. The Foundations for Evidence-Based Policymaking Act of 2018 ("Evidence Act") provided a new statutory framework for Federal agencies to strategically plan and organize evidence-building, data management, and data access. Within the Evidence Act, Federal agencies were required to establish "learning agendas". Learning agendas require governments to put in place systems to link their strategic plan with policy actions. These agendas support asking challenging questions about the lives of citizens, delivery of services, robustness of the business community and potentially many others. The creation of a learning agenda requires governments to identify and set priorities for evidence building to measure impacts, in consultation with various stakeholders.³⁹ Government should continually improve program performance by applying existing evidence of what works, generating new knowledge, and using experimentation and innovation to test new approaches.⁴⁰

For the Chicago Recovery Plan, the learning agenda focuses on answering how does Chicago deliver **Thriving & Safe Communities** and **Equitable Economic Recovery**?

The Chicago Recovery Plan learning agenda and performance management capability is consistent with the evidence-based selection criteria applied to identify the initiatives. Selected initiatives have delivered positive outcomes either in Chicago or in other communities that can be adapted to meet Chicago's unique requirements. Therefore, the selected initiatives have a demonstrated track record of success to draw upon which will improve outcomes, invest funds effectively, and better manage risks. Based upon evidence, each initiative will establish performance measures to track progress, impacts and outcomes. Furthermore, it will be important to monitor the timing of these funds as they are one-time in nature. As initiatives are further developed and implemented, there will be rigorous timelines and schedules to ensure initiatives are one-time uses, or to the extent that they are ongoing programs, transition plans will need to be developed and implemented.

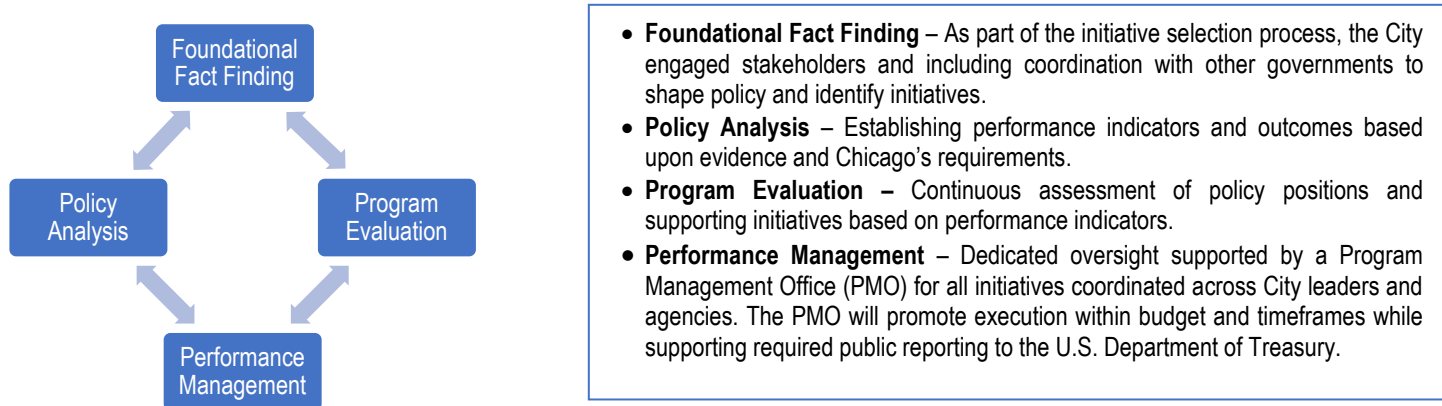
Chicago's approach to implementing a performance culture is supported by four key elements: foundational fact finding, policy analysis, program evaluation, and performance management. As indicated, foundational fact finding, and policy analysis have been underway as part of the initiative development, design, and selection. Each element is defined further below:

³⁹2018. U.S. Office of Management and Budget. Phase 1 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Learning Agendas, Personnel, and Planning Guidance.

⁴⁰ 2017. Implementing a Learning Agenda Approach. USAID Learning Lab https://usaidearninglab.org/sites/default/files/resource/files/defining_a_learning_agenda.pdf. Accessed September 13, 2021



Figure 12 - Delivering a Performance Culture



Compliance and reporting requirements set forth for LFRF funds drive continuous performance review of initiatives related to program funding and program outcomes stressing equitable recovery. The table below highlights some of the reporting requirements which align with the City’s performance management approach and will be supported by the PMO.

Excerpted US Department of Treasury Reporting Requirements for LFRF Recipients⁴¹

Use of Evidence	For initiatives which specifically include interventions and planned validation of the impacts as well as highlighting projects which focus on Public Health, Negative Economic Impacts, and Services to Disproportionately Impacted Communities.
Project Inventory	Tracking details of each initiative by expenditure level, timelines, delivery approach, partners, and outcomes.
Performance Report	Key performance indicators for the major LFRF funded initiatives including both output and outcome measures.

A dedicated PMO is being established to work collaboratively with each initiative to develop implementation plans with clear outcomes, milestones, and performance measures. The PMO will engage with the City’s initiative leaders and a leadership Steering Committee to ensure its effectiveness. The role of the PMO

- Capture meaningful progress and provide clear updates to allow the Mayor to inform the general public and other stakeholders.
- Coordinate resources to enable initiative execution
- Monitor and escalate implementation risks and issues to troubleshoot progress challenges
- Coordinate program evaluation of initiatives and provide feedback in support of ongoing policy analysis, continuous improvement and learning
- Support compliant funds management and reporting requirements set forth by the U.S. Department of Treasury
- Maintain publicly accessible performance reporting
- Provide insights to the learning agenda for the Chicago Recovery Plan to support ongoing assessment of the City’s transformation

⁴¹ U.S. Department of Treasury. Coronavirus State and Local Fiscal Recovery Funds Guidance on Recipient Compliance and Reporting Responsibilities.



Chicago Recovery Plan Initiative Summary



Chicago Recovery Plan Initiative Summary

Thriving & Safe Communities

Affordable Housing



Invest in new housing units and existing homes to provide affordable housing opportunities – including investments in mixed-use development, supporting families that seek to remain in their home, helping residents become homeowners, lead paint abatement and other owner-occupied repairs

\$157.4M

Program	Description	Allocation (\$Millions)
Development of mixed-use housing	Create mixed-use, multi-family housing developments in neighborhoods hardest-hit by COVID-19 through expanded investment and incentives programs	75.1
Household lead abatement program	Fund the removal of lead and other hazards to increase safety and health outcomes in homes with young children	47.3
Owner-occupied repair grants	Provide forgivable loans and grants to qualified homeowners for rehab and repair services that will help them safely remain in their homes	18.0
Acquisition rehab program for small/mid-sized buildings	Identify and restore troubled and abandoned homes and buildings in priority neighborhoods to support community investment	12.0
Direct homebuyer assistance program	Program to provide forgivable loans and grants to homebuyers in neighborhoods most acutely affected by the COVID-19 pandemic to expand homeownership	5.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City's approach to this key priority of new investment initiatives:



Affordable Housing for Families and Neighborhoods - New York City, NY⁴²

The initiative is aimed at improving the conditions of low-income communities and revitalize hundreds of once-downtrodden neighborhoods. Since 1980, The Federal Low-Income Housing Tax Credit (LIHTC) has built about **2 million high-quality units** that rent for amounts working families can afford to pay. Some of the key observations were:

- i) Families paying affordable rents <~\$500/month than market have doubled family's discretionary income, enabling them to buy health insurance, pay down debt, or amass savings to pay for education or buy a home.
- ii) Residents paid an average **\$525 per month** in rent, which over the course of the first year came to about **\$6,300, compared with the \$12,300** they would have paid on the market. This helped them in increasing their discretionary income by \$500 per month helping them in moving out of financial stress.
- iii) Estimated **purchasing power was boosted by more than 33%** contributing significantly to an increase in retail vitality, which in turn increased in property values and reduced the difference in **property values by ~6% the first year and 10% within 5 years**

The Potential of Down Payment Assistance for Increasing Homeownership Among Minority and Low-Income Households⁴³

Research has consistently found that a lack of wealth is among the most important factors limiting households from becoming homeowners. A study was performed to understand the impact of potential down payment assistance for increasing homeownership both overall and among minority and low-income households. **The results of the study confirm that liquid financial assets (e.g., amounts held in savings or checking accounts, certificates of deposits, mutual funds, etc.) are statistically significant predictors of homeownership.** The largest impact on the probability of homeownership was associated with savings between \$0 and \$1,000. This suggests that small amounts of down payment assistance can be very effective at stimulating fairly large numbers of renter households to become homeowners. Down payment assistance of as little as \$1,000 is simulated to entice **700,000 additional low-income households to purchase a home, a 19% increase from the baseline estimate of the number of homebuyers absent any assistance**

⁴² LISC – “Affordable Housing for Families and Neighborhoods”

⁴³ US Department of Housing and Urban Development – “The Potential of Down payment Assistance for Increasing Homeownership Among Minority and Low-Income Households”



Assistance to Families



Understand families' needs and connect them with critical resources to improve health outcomes and increase opportunity, including cash grants, legal assistance, broadband and water accessibility, workforce development, and navigation to services for families, students, and underserved populations.

\$157.0M

Program	Description	Allocation (\$Millions)
Targeted financial and legal assistance for underserved residents	Create immediate financial assistance programs for underserved communities such as undocumented residents, domestic workers, and small community-based nonprofits providing safety net services; pilot a monthly cash assistance program for hard-hit, low-income households in need of additional economic stability; expand legal assistance programs through the Legal Protection Fund and Community Justice Initiative	71.0
Aid for Chicago's vulnerable students	Provide flexible grants for Chicago students/households to cover school supplies, food and other essentials that are required for student support;	20.0
Increasing access to broadband internet connection	Expand Chicago Connected by funding neighborhood-scale broadband, which leverage City assets to increase broadband affordability and accessibility in communities	28.0
Access and awareness for public support services	Provide community-based navigation resources to ensure residents are aware of public services and can gain access, including the creation of a 211 system	15.0
Water reconnection program	Complete plumbing and water reconnection repairs for households unable to make repairs necessary to access clean municipal water source	13.0
Workforce development program	Provide workforce development programming, including apprenticeship, career services and other wrap-around support for those entering the workforce or new industries	10.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City's approach to this key priority of new investment initiatives:



Philadelphia Worker Relief Fund – Philadelphia, PA⁴⁴

In partnership with the National Domestic Workers Alliance, local and national philanthropic partners, and trusted community-based organizations, the City of Philadelphia set up the Philadelphia Workers Relief Fund to deliver financial relief to Philadelphia workers who were left out of federal and state COVID-19 relief programs. The fund distributed over \$1.7 million in emergency direct cash assistance to 2,162 workers. The funds were distributed using prepaid cards through which the City was able to track how recipients spent the money. **The data indicated that funds spent directly from the cards were predominantly used at merchants selling goods for basic needs, such as food and clothing, with 38.1% going towards groceries.**

United Way Worldwide Rationale for establishing a 211 Program⁴⁵

In mid-July 2021, United Way Worldwide helped launch a 211 public service advertising campaign, aiming to connect more people in need to local available resources through 211. Across the U.S. and Canada, 211 has made a difference during COVID-19 largely in providing reliable information about the pandemic, testing or vaccination sites, or helping people stay in their homes, put food on the table and pay bills. **The 211 network made 27.8 million connections to critical services and help last year, up nearly 100% from 2019. In addition, call specialists have fielded a 150% increase in connections to food programs.**

Water and the COVID-19 Pandemic: Equity Dimensions of Utility Disconnections in the U.S.⁴⁶

The U.S. Census Bureau's nationally representative 2017 American Housing Survey (AHS) included questions investigating general trends on household disconnections and evictions by income, race, and housing type. In 2017, an estimated 3 million people across 1.2 million households experienced a utility disconnection in the 3 months prior to being surveyed. Black, Native American, and mixed-race households are disproportionately impacted by utility disconnections compared to other races. **Although Black and White households receive notices at similar rates, Black households are disconnected more frequently. By contrast, White households represent 78 % of the housing stock, but only experience 61 % of the disconnections.**

Chicago Connected Phase 1 – Chicago, IL⁴⁷

Chicago Connected Phase 1 aimed to provide a free high-speed internet service to Chicago Public School students. **In its first year, the program served 64,000 students.** Per a participant survey, 27% of participants reported no internet service prior to Chicago Connected and 82% of participants reported being neutral/satisfied/very satisfied with their overall internet service and experience. The program is meeting its goal of serving the highest need families in the City, with 93% of participants designated as economically disadvantaged. The program is also associated with higher remote school attendance, with an attendance rate of 91.2% among participants – 0.5% higher than the overall district attendance rate at that time.

⁴⁴ City of Philadelphia - "Final Report Philadelphia Worker Relief Fund"

⁴⁵ United Way – "211"

⁴⁶ Pacific Institute – "Equity Dimensions of Utility Disconnections in the U.S."

⁴⁷ Chicago Connected 2021 Program Impact Report



City Priorities for Health & Wellness



Address root causes of health issues through extensive public health investments, including investments in family, maternal, and mental health, and support for victims of gender-based violence, as well as holistic health priorities like environmental justice and food equity

\$108.0M

Program	Description	Allocation (\$Millions)
Family Connects program	Expand supportive in-home healthcare services to new moms to improve maternal health outcomes of mothers and infants	25.0
Gender-based violence reduction	Assist survivors of gender-based violence through emergency funds, legal assistance, prevention education, housing and other care coordination services	25.0
Mental health equity initiative	Strengthen mental health care citywide through trauma-informed centers of care, mobile team-based care, specialized services such as early-childhood mental health and mental health services for children with developmental disabilities, and residential or intensive outpatient treatment for persons with co-occurring mental health and substance use disorders	20.0
911 alternative response	Improve the City's response to 911 calls by piloting new approaches to 911 call diversion, alternate response models, and establishing alternate destinations for patient transport	15.0
Food equity program	Increase equitable community access to healthy foods and support local food businesses through entrepreneurship, public-private partnerships and an urban agriculture initiative	10.0
COVID-19 emergency response	Additional funding for Chicago's emergency response to the COVID-19 pandemic	8.0
Sobering center	Create a new facility to enhance public safety and health outcomes by providing an alternative to emergency room/jail for publicly intoxicated individuals to initiate recovery	5.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City's approach to this key priority of new investment initiatives:



Mental Illness and Drug Dependency – King County, WA⁴⁸

In 2008, King County passed a 0.1% sales tax to fund investments in behavioral health services through the Mental Illness and Drug Dependency (MIDD) program. The investments funded prevention, early intervention, crisis diversion, community re-entry, treatment, and recovery mental health and substance use disorder services. Three years after receiving MIDD services, **psychiatric hospital admissions fell 29%, jail bookings fell 35%, and emergency department admissions fell 53%** among participants in the program. For participants served by investments in substance use disorder treatment, **37% (161 people) had reductions in their substance use.**

California FreshWorks – California⁴⁹

In 2011, The California Endowment (TCE) launched the California FreshWorks program. FreshWorks is a financing initiative designed to bring grocery stores and markets that offer fresh produce and other innovative forms of healthy food retail to underserved communities. As of year-end 2015, FreshWorks had **deployed debt capital to 15 fresh food retail sites and intermediary organizations**, developing **435,000 square feet of retail space**, increasing access to **fresh food for over 800,000 people** across the state, and creating an **estimated 1,284 jobs.**

Measuring the Economic Impact of COVID-19 on Survivors of Color⁵⁰

Up to 60% of survivors of intimate partner violence lose their jobs and 77% report that their harm-doer has interfered with their employment. Results of the study find that financial insecurity is greatest among Black and Brown women survivors and **survivors who lack financial resources are at greater risk of returning to a harm-doer.**

Legal Aid⁵¹

In 2012, Colorado's LSC-funded legal aid closed 8,150 legal matters related to domestic violence, child abuse, and for elderly clients facing a loss of income or housing, which resulted in approximately **\$12.6 million in immediate financial benefits** and approximately **\$8.96 million in long-term financial benefits.**

The National Network to End Domestic Violence conducted a census of their 1,762 shelters and found that domestic violence survivors without legal representation are frequently further victimized and endangered (National Network to End Domestic Violence, 11th Annual Domestic Violence Courts report).

⁴⁸ King County MIDD 2017 Annual Report

⁴⁹ Mission Investors Exchange - "A Case Study Examining the Development and Implementation of FreshWorks"

⁵⁰ Me Too Movement – "Measuring the Economic Impact of COVID-19 on Survivors of Color"

⁵¹ Brynes, 2013



Violence Prevention



Investments to reduce violence through outreach, diversion, victim support, and intervention services as well as improve City coordination strategies and response methods which address root causes such as mental health or lack of employment opportunities

\$85.0M

Program	Description	Allocation (\$Millions)
Resources for community safety initiatives and violence reduction interventions	Fund a comprehensive set of programs including operational support and staffing for the CSCC, communications and marketing for violence prevention and reduction, expansion of resources for violence intervention programming and support for community groups	45.0
Youth intervention programs	Expand interventions for young people with violence involvement--both victims and perpetrators--that will include case management and services such as mental health, employment support and other wraparound services	20.0
Youth justice diversion program	Implementation of a new youth deflection and diversion model in Chicago, including facility/space needs and social services	10.0
Victim support funding	Services and supports for victims of violent crime and their families, including mental health supports, crisis intervention, support with accessing Crime Victim Compensation, housing, food, and more	10.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City's approach to this key priority of new investment initiatives:

Adolescent Diversion Project (Michigan State University) - Ingham County, MI⁵²

The Adolescent Diversion Project (ADP) is a strengths-based, university-led program that diverts arrested youth from formal processing in the juvenile justice system and provides them with community-based services. The intervention covers an 18-week period during which the caseworkers spend 6–8 hours per week with the juveniles in their home, school, and community. The caseworkers work one-on-one with juveniles in order to provide them with services tailored to their specific needs. Caseworkers focus on improving juveniles' skills in several areas, including family relationships, school issues, employment, and free-time activities. A study on the program found that **participants receiving services had a lower rate of officially recorded delinquency recidivism as compared with participants who received juvenile justice processing.** This difference was statistically significant. In addition, a cost analysis found that serving 144 youths in ADP versus traditional juvenile court results in a **savings of approximately \$1.8 million per year.**

⁵² National Institute of Justice – “Program Profile: Adolescent Diversion Project (Michigan State University)”



San Francisco's Street Crisis Response Team – San Francisco, CA⁵³

The San Francisco's Street Crisis Response Team (SCRT) program was launched in November 2020 as a partnership between the city's Department of Public Health and Fire Department. The team is dedicated to responding to 911 and 311 calls for residents having mental health crises. The program is a part of the Mayor's ongoing efforts to create non-law enforcement alternatives for non-violent emergency calls. Through the program, 911 dispatchers can send teams of community paramedics, behavioral health clinicians, and peer specialists in response to calls for service related to mental health and substance use concerns. By the end of April 2021, the program had already **responded to more than 1,000 calls incl. 20% of all the calls that 911 center labelled "mental health calls"**.

Choose to Change – Chicago, IL⁵⁴

Systemic racism, segregation and disinvestment have created fundamental disparities in safety, schooling and economic opportunity that continue to impact communities of color across the country and in Chicago. Research has shown that mental and behavioral health supports can make meaningful differences for youth by providing them with tools to navigate these challenging environments. But organizations providing these supports often find it challenging to engage youth disconnected from traditional institutions likely to provide social services, such as schools, or who have needs that prevent them from fully engaging in programming. Children's Home & Aid and Youth Advocate Programs (YAP), Inc. created Choose to Change: Your Mind, Your Game to help fill this gap in services and reach an underserved youth population. Since its launch in 2015 following a citywide call to action to address youth violence, Choose to Change has served hundreds of youths across the South and West Sides of Chicago. The evaluation of the program found that compared to their control peers, the youth who were a part of the program attended **an additional 7 days of school** in the year after starting the program, had **32% fewer misconduct incidents** in school, and by the end of the program, had **48% fewer violent-crime arrests** and **continued to have 38% fewer violent crime arrests** in the year and a half after the program was concluded.

⁵³ CBS Local – "San Francisco's Street Crisis Response Team Responds to Mental Health Calls"

⁵⁴ Urban Labs – "Choose to Change"



Environmental Justice



Make historic new investments in environmental justice, including flood mitigation and green alleys in low-income neighborhoods, 'tree equity' to improve canopy coverage and foliage, and expand opportunities for environmental education and assessment within communities

\$86.8M

Program	Description	Allocation (\$Millions)
Tree canopy equity expansion program	Expand canopy coverage by 15k trees annually (a 300% increase) for 5 years, creating job opportunities for planting and maintenance	46.0
Neighborhood climate resiliency projects	Expand green infrastructure and install new site-specific flood mitigation approaches to benefit underserved and overburdened communities; Build 20 Space to Grow projects on Chicago Public Schools property, providing ecosystem benefits and creating organic learning opportunities for local youth; Expand the acclaimed green alley program citywide.	25.8
Environmental justice/hazard reduction program	Invest in impact assessment capabilities for pollution, residential and industrial hazards in communities that drive inequitable health outcomes for residents	9.0
Environmental Reviews	Provide environmental assessments, soil testing and remediation efforts to prepare impacted lots/land for further development	6.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City's approach to this key priority of new investment initiatives:

U.S. Department of Agriculture/Forest Service – Air Pollution Removal by Urban Trees and Shrubs in the United States⁵⁵

A modeling study using hourly meteorological and pollution concentration data from across the coterminous United States demonstrates that **urban trees remove large amounts of air pollution that consequently improve urban air quality**. Pollution removal (O3, PM10, NO2, SO2, CO) varied among cities with total annual air pollution removal by US urban trees estimated at 711,000 metric tons (\$3.8 billion value). Pollution removal is only one of various ways that urban trees affect air quality. **Integrated studies of tree effects on air pollution reveal that management of urban tree canopy cover could be a viable strategy to improve air quality and help meet clean air standards.**

⁵⁵ Urban Forestry and Urban Greening Journal – “Air pollution removal by urban trees and shrubs in the United States”



Schroud Site Inspection – Chicago, IL⁵⁶

In May 2016 the Office of Site Evaluation conducted a site inspection of the Schroud site. The site was used as a steel mill slag landfill from at least 1971 to 1977. Per the inspection, there was no fencing or gate that restricted access across the access road, nor were there signs indicating "No Trespassing," making the site accessible to trespassers. The inspectors saw evidence of trespassing. **In samples gathered from the site during the inspection, there were 22 metals detected at or above the U.S. EPA's removal level.** Lead, chromium, and hexavalent had high levels of contamination. Samples were also collected from Indian Creek, which runs through the site. There were **20 metals detected above the removal level in the sediments.** These samples had high concentrations of lead, chromium, and hexavalent chromium as well. These substances are associated with negative long-term health outcomes. Through remediation of the site, residents in the community would likely see improved long term health outcomes and the risk of further release of hazardous substances to the surrounding area would be minimized.

⁵⁶ Illinois Environmental Protection Agency - "Supplement to Schroud Realty Group Site Inspection"



Homelessness Support Services



Offer essential housing services for people experiencing homelessness to create stability with the goal of ending chronic homelessness in Chicago, including increasing permanent supportive housing units and establishing high utilizer diversion housing.

\$117.0M

Program	Description	Allocation (\$Millions)
Permanent supportive housing	Create new units for permanent supportive housing across newly rehabilitated housing buildings	35.0
Non-congregate housing program	Expand program to utilize former hotel and lodging buildings for use as permanent supportive housing	30.0
Rapid rehousing program	Ensure those at-risk of homelessness, including those at risk of domestic violence, can access rehousing services and wraparound services en route to permanent housing solutions	20.0
Shelter infrastructure investments	Repair and make critical renovations to Chicago's homeless shelters, including conversion into non-congregate housing	20.0
High utilizer diversion housing	Provide behavioral health services to support stable housing for high utilizers of emergency services	12.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City's approach to this key priority of new investment initiatives:

Permanent Supportive Housing – New York City, NY⁵⁷

People with mental illness and other severe disabilities are more likely than others to be incarcerated or to enter long-term health care institutions like nursing homes or psychiatric hospitals, or to cycle between institutionalization and homelessness. Many studies show that supportive housing successfully interrupts this cycle — people with histories of incarceration or institutionalization significantly reduce their use of those systems after moving into supportive housing. One of the largest studies to date that documents these reductions, conducted in New York City, found that individuals placed in supportive housing spent, on average, **115 fewer days per person in homeless shelters, 75 fewer days in state-run psychiatric hospitals, and almost 8 fewer days in prison or in jails**, in the 2 years after entering supportive housing, compared to a similar group without supportive housing. The study also found that reductions in use of institutions such as shelters and health care systems offset about 95% of the cost of the supportive housing.

⁵⁷ Center on Budget and Policy Priorities - "Supportive Housing Helps Vulnerable People Live and Thrive in the Community"



Impact of Hotels as Non-Congregate Emergency Shelters – King County, WA⁵⁸

In April 2020, in response to the COVID-19 pandemic, King County moved more than 700 people out of high-density congregate emergency shelters and into hotel rooms. In addition to **limiting the spread of COVID-19**, this intervention also found additional favorable outcomes including **increased feelings of stability, improved health and well-being, reduced interpersonal conflicts** evidenced by a **decrease in emergency 911 calls, more time to think about and take steps towards future goals** such as securing permanent housing, a job, or additional education, and higher exists to permanent housing. The key features of the hotel intervention that helped to produce the favorable health and well-being outcomes outlined above include designated personal space (private bed and bath), security procedures designed to keep guests safe, consistent access to food, consistent storage of personal belongings, and increased time and autonomy associated with 24/7 shelter access.

Short-term Impacts from the Family Options Study and Supportive Services for Veteran Families⁵⁹

In July 2015, the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Veterans Affairs (VA) released data on the impacts of rapid re-housing. The data showed a number of benefits. Families that were enrolled in the rapid re-housing program **exited shelter in an average of 2 months, 3.2 months faster** than those families that were referred to rapid re-housing but did not enroll. **77% of the families that enrolled in rapid re-housing did not return to shelter**. Monthly incomes for rapidly re-housed veterans increased 12% from program entry to exit. 5 families can be rapidly re-housed (\$6,578 per family) for what it costs to house one family via transitional housing (\$32,557 per family) and the cost was much lower as compared to emergency shelter stays (\$16,829).

⁵⁸ Impact of Hotels as Non-Congregate Emergency Shelters, King County Regional Homeless Authority

⁵⁹ Recent Rapid Re-Housing Research, National Alliance to End Homelessness



Youth Opportunities



Create opportunities for Chicago’s youth to access employment and out-of-school programming, with an emphasis on workforce development in early-stage careers and other educational opportunities

\$65.0M

Program	Description	Allocation (\$Millions)
Youth programs	Create and expand a comprehensive portfolio of programs to connect Chicago youth with early career opportunities, as well as an expansion of the popular My CHI. My Future. program to increase opportunities for out-of-school programming and education	65.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City’s approach to this key priority of new investment initiatives:

Understanding the Potential of Summer Jobs Programs for Youth in Philadelphia – Philadelphia, PA⁶⁰

WorkReady program run by the Philadelphia Youth Network (PYN) helps teenagers and adults to engage in a meaningful summer employment. The program provides incentives-based programs targeted towards people within the age group of 12-24 with little to no previous work experience. The program offers opportunities for career exploration and engages participants in hourly work-based experiences. As per a PYN survey, about 21% of the participants never had a job and about 65% of the participants were unemployed prior to enrolling in WorkReady program. A research paper from NBER⁶¹, which studied Philadelphia’s WorkReady program for the summers of 2017 and 2018, reported that participation in WorkReady generated **a 65 % decline in arrests relative to the control complier mean** (the implied mean outcome for those in the control group who would have accepted the treatment if it had been offered to them)

New York City Summer Youth Employment Program (SYEP) – New York City, NY⁶¹

The program was administered by the New York City Department of Youth and Community Development (DYCD) and was designed to improve school attendance, academic achievement, and employment of low-income youth between the ages of 12 – 24. Youths who were selected for the SYEP program were offered two main services: minimum-wage entry jobs with private/ public employers and educational services. A study by Erin Valentine and colleagues, conducted in 2017, suggested that there was a difference in total employment, with 72.3% of the SYEP participants being employed during the application summer vs. 18.5% of the control group. There was a statistically significant difference in total earnings, **with SYEP participants earning an average of \$580 more than the control group.**

⁶⁰ Abdul Latif Poverty Action Lab - “Understanding the Potential of Summer Jobs Programs for Youth in Philadelphia”; National Bureau of Economic Research – “When Scale and Replication Work: Learning from Summer Youth Employment Experiment”

⁶¹ National Institute of Justice – “New York City Summer Youth Employment Program (SYEP)”



One Summer Chicago Plus – Chicago, IL ⁶²

Researchers at the University of Chicago Urban Labs (Chicago) announced the results of a study of One Summer Chicago Plus, a summer jobs program designed to reduce violence and prepare youth for living in some of the City's highest violence neighborhoods. The study was carried out over the summer and provided a 6-week minimum wage job for 25 hours / week. **The study concluded that youth summer job program participants' violent crime arrests dropped by 30%+ over the subsequent year.**

⁶² University of Chicago - "Chicago jobs program reduces youth violence, Urban Labs study shows"



Equitable Economic Recovery

Arts & Culture



Investment in arts-based organizations and artists in Chicago that drive cultural opportunities, neighborhood beautification initiatives and opportunities to elevate diverse voices and experiences

\$16.0M

Program	Description	Allocation (\$Millions)
Artist relief and works fund	Targeted relief for individual artists and cultural organizations not eligible for other federal relief programs	10.0
Together We Heal place-making grants	Support for projects that utilize community engagement to produce cultural projects including community-led public art installations, historical walking tours, neighborhood and educational websites, pop-up galleries, and other cultural activations	6.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City's approach to this key priority of new investment initiatives:

Artist relief – Across the US⁶³

Artist Relief is an emergency initiative founded in 2020 by a coalition of national arts Grantmakers to offer financial and informational resources to artists across the United States in response to the COVID-19 pandemic. The initiative was organized by the Academy of American Poets, Artadia, Creative Capital, Foundation for Contemporary Arts, MAP Fund, National YoungArts Foundation, and United States Artists—all mid-sized national arts Grantmakers—to distribute **\$5,000 grants** to artists facing dire financial emergencies. In total, Artist Relief distributed close to **\$23.4 million** in emergency grants to **4,680 artists over a period of 15 months**.

Arts – Cleveland, OH⁶⁴

Research has been conducted in **Cleveland, OH**, which found that the arts in the city contributed to 3 major public benefits: 1). Individual Development 2). Quality of Life - development of social capital and improve public safety 3). Economic Impact - **"arts annually contribute \$1.3 billion to the regional Cuyahoga County economy**.

⁶³ Artist relief- "To support artists during the COVID-19 crisis..."

⁶⁴ Cuyahoga Arts & Culture - "The Public Benefits and Value of Arts & Culture"



Community Climate Investments



Make historic new investments in climate resilience infrastructure, including decarbonization of city buildings and vehicle fleets, as well as installation of solar projects and other community-based renewable energy sources

\$101.3M

Program	Description	Allocation (\$Millions)
Climate-related infrastructure investments	Expand trail networks, create new waste diversion programs, execute public facility and fleet decarbonization, fund low carbon mobility infrastructure, mitigate waterway pollution, and remediate swathes of contaminated land	60.3
Energy efficiency and renewable energy projects to advance climate justice	Create energy investments in low and moderate income (LMI) homes, neighborhood anchor buildings and city-owned buildings; Execute retrofits and renewable energy projects to cornerstone neighborhood institutions (e.g., community centers and libraries), improving their long-term environmental and economic sustainability; pilot industrial energy efficiency and renewable energy projects	41.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City's approach to this key priority of new investment initiatives:

International Energy Agency - Spreading the Net: The Multiple Benefits of Energy Efficiency Improvements⁶⁵

Improving energy efficiency has long been advocated to increase the productivity and sustainability of society, primarily through the delivery of energy savings. The impact of energy efficiency measures can go far beyond energy savings, and energy efficiency improvements can be an important contributor to economic growth and social development. Benefits attributed to the implementation of energy efficiency measures range from localized benefits, such as energy affordability, improved health, wellbeing, and social development, to sectoral benefits, such as industrial productivity, improved asset values and reduced environmental damage. A specific example of improved health and wellbeing is an estimate that reducing black carbon by **replacing traditional cookstoves with energy efficient ones will reduce the incidence of child pneumonia by 50%**. An example of energy affordability and poverty alleviation can be found via the Warm Front home energy efficiency scheme in the United Kingdom. This program delivered a **potential \$952 million reduction in energy bills for ~128,000 targeted households as well as improved energy performance ratings**.

⁶⁵ International Energy Agency White Paper - "Spreading the Net: The Multiple Benefits of Energy Efficiency Improvements"



Renewable Energy Journal – Energy efficiency measures in affordable zero net energy housing: A case study of the UC Davis 2015 Solar Decathlon home⁶⁶

The 2015 UC Davis Solar Decathlon Team designed and constructed an affordable zero net energy prototype home for California (CA) farmworkers. The prototype was modeled with BEopt and Microsoft Excel® for year-round operation under the Davis, CA climate. Each major energy-efficient feature of the home was separately analyzed to gauge its energy savings impact. The construction strategy of in-line framing, low window to wall ratio, and thermal mass in the floor, **annually saved 810 kWh** in space conditioning. The appliance scoring methodology evaluated appliances based on water efficiency, energy efficiency, and affordability—this methodology led to the adoption of appliances that yielded an annual energy **savings exceeding 400 kWh**. A graywater heat recovery system selected for the project, the Nexus, **saved roughly 3500 kWh annually of electricity compared to an electric resistance water heater**. The combined radiant/night sky system reduced the space conditioning energy of the home by nearly 1400 kWh. Over a full year, the **UC Davis Solar Decathlon home is anticipated to be 12.9% net energy positive and consume 43.8% less energy than a conventional home**, with the same floor plan, exposed to the Davis climate.

⁶⁶ Renewable Energy Journal – “Energy efficiency measures in affordable zero net energy housing: A case study of the UC Davis 2015 Solar Decathlon home”



Community Development



Spur community-led development in disinvested neighborhoods and create community wealth by creating and expanding business and housing opportunities, including vacant lot clean up, vacant building rehab, ETOD investments and other community wealth building strategies.

\$166.0M

Program	Description	Allocation (\$Millions)
Vacant lot reduction strategy	Reactivate vacant city-owned land and build community wealth by streamlining environmental reviews and transferring ownership to neighborhood residents for community benefit.	87.0
Vacant buildings rehabilitation program	Rehabilitate vacant commercial and mixed-use buildings in neighborhood corridors for use by residents and business owners, emphasizing areas identified as key violence reduction areas	54.0
Community wealth building pilot	Create a new economic development program to promote local, democratic, and shared ownership and control of community assets; pilot investments in shared-equity models (e.g., worker cooperatives, housing cooperatives, community land trusts), giving historically disinvested communities more accessible and sustainable pathways to building wealth	15.0
Equitable Transit-Oriented Development (ETOD) program	Advance local housing, public health, climate resiliency and economic recovery goals by supporting community-driven development near transit to foster healthy, walkable, affordable, and accessible communities	10.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City’s approach to this key priority of new investment initiatives:

How to Reduce Crime and Gun Violence and Stabilize Neighborhoods: A Randomized Controlled Study – Philadelphia, PA⁶⁷

Research conducted at Columbia University’s Mailman School of Public Health announced the results of a study around the impact that cleaning vacant land can have on crime reduction. The study randomly selected 541 vacant lots that were assigned to receive restoration or as control sites. Crime data was then reviewed via police reports and 445 residents living nearby the studied lots were interviewed. Findings included: **29% reduction in gun violence, 22% decrease in burglaries, and 30% reduction in nuisance crimes (i.e., vandalism, noise complaints, etc.).** Additionally, **58% of residents reported reduced safety concerns and >75% increased use of outdoor spaces.**

⁶⁷ “How to Reduce Crime and Gun Violence and Stabilize Neighborhoods: A Randomized Controlled Study” – Columbia University, 2018



Mastercard Pro Bono Data Analysis for Chicago 2020⁶⁸

A \$4.5m investment was made to re-open a long-shuttered auditorium, now known as the Kehrein Center for the Arts in the Austin neighborhood of Chicago. Mastercard's data driven insights indicate the reopening in 2019 may have led to more visitors and associated spend in Austin. Analysis showed a **12% increase in spending across Austin**, an **18% increase in spending in census tracts adjacent to the Arts Center**, **9.8% increase in number of transactions**, and **2.6% more active businesses** in Austin.

Summary of Current Equitable Transit Oriented Development (“ETOD”) Policy - Data Analysis⁶⁹

Research shows that residents who live in transit-oriented communities walk and use transit more which contributes to better health outcomes and reduced greenhouse gas emissions. ETOD also contributes to the local and regional economy through increased land values, more efficient cost to provide services, and through reducing the amount that individuals spend on transportation. One Chicago study estimated that every **1% reduction in the private cost** of transportation **would free \$1 billion annually** to meet family needs and improve the job-creating health of businesses. Households in areas with TOD project activity have, on average, transit access to **1.73 times more jobs than households in areas without TOD project activity**. TOD projects created an estimated **75,533 new jobs in the City between 2016-2019** (from city analysis).

Portland Community Investment Trust – Portland, OR⁷⁰

Portland Community Investment Trust offers a solution which allows residents to grow their wealth in assets with a focus on assets located in their neighborhoods. Residents had an opportunity to purchase equity shares in commercial real estate (strip mall) for \$10-\$100/month (backed by a no-loss guarantee). There have been over **300 investors among more than 160 families** in the highest poverty census tract in the state. During the first two years of the program, **68% of the investors are first time investors**; **59% of investors are from minority groups**; **54% of households made \$40K or less** and **53% of investors are renters**. This has allowed residents to take an ownership position in their community assets.

⁶⁸ Mastercard pro bono data analysis for Chicago 2020

⁶⁹ “Summary of Current ETOD Policy - Data Analysis”

⁷⁰ Case Study: The Community Investment Trust, InvestCit



Parks & Infrastructure



City infrastructure spans both the digital and physical space and requires key upgrades to meet residents' needs in the 21st century. The City plans to make key investments to improve the City's ability to deliver services that residents need and invest in spaces, such as parks, for them to enjoy, work and live.

\$60.6M

Program	Description	Allocation (\$Millions)
Neighborhood parks improvements	Investments in neighborhood park improvements, including beautification, expansion of recreation and accessibility	27.6
Updates to City digital services	Investments in IT and digital service delivery teams to improve the effectiveness of relief and support programs addressing negative economic impacts exacerbated by the pandemic	25.0
Park infrastructure improvements	Investment in public broadband network at field houses for use by community residents	8.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City's approach to this key priority of new investment initiatives:

The Power of Parks – Chicago, IL⁷¹

2014 study showed that almost 600 Chicago parks – using a conservative approach – **added at least \$900 million (1.5% of total) to the property value of residential properties located within 0.15 miles of a park** (roughly one and a half blocks). In other words, residential properties within 2 blocks of a park – 43% of all residential properties in Chicago – experience on average 1.5% higher property values directly attributable to their proximity to a functioning park with updated amenities.

Nearly 80 parks, public places now offer free Wi-Fi across Kent County – Kent, MI⁷²

This was an initiative by Kent County leaders to provide short-term internet connection solutions to residents who are learning or working from home, may lack internet access to complete their tasks and education. The county realized much of its citizens went to remote learning in terms of education at all levels and many people had their offices and workplaces closed and therefore, required access to Wi-Fi from urban to suburban to rural areas. Through this initiative they were able to provide free Wi-F across **80 parks and public places with a connection radius of about 900 feet.**

Colorado Digital Service - Colorado⁷³

The initiative was started in 2019, by Governor's Office of Information Technology by partnering with state agencies to develop and improve human-centered solutions to Colorado's most pressing technical challenges. The aim of the initiative is to enhance the delivery of digital services for every person in Colorado. Digital services are the technology products that enable public services for

⁷¹ The Power of Parks – An Assessment of Economic Impact on Chicago's Parks – CCA and Global Economics Group

⁷² "Nearly 80 parks, public places now offer free Wi-Fi across Kent County, Grand Rapids"

⁷³ "Colorado Digital Service: 2021 Is the Year of Civic Tech" Government Technology



the people of Colorado. This can include websites and supporting applications that may or may not have external facing components. Some of the outcomes of the program were:

- i) Implementation of exposure notifications with Apple and Google **helped more than 1 million Coloradans to stop the spread of COVID-19.**
- ii) Reduced juvenile involvement in the criminal justice system and support victim service programs by **distributing over \$60 million to more than 300 grantees across Colorado.**



Small Business & Workforce Support



Expand economic opportunity and catalyze growth in the hardest-hit neighborhoods and industries, by supporting small businesses and entrepreneurs, connecting residents with jobs, and increasing the vibrancy of commercial corridors

\$87.0M

Program	Description	Allocation (\$Millions)
Commercial corridors and responsive neighborhood activation investments	Provide grants and business support services to revitalize commercial corridors, support new small business owners, local artists involved in beautification projects; also includes community programs to drive local participation in the planning process and workforce participation in community-driven development projects	67.0
Street ambassador program	Create workforce opportunities for engagement along corridors to ensure safety, cleanliness and local participation in commercial development processes	10.0
Re-entry workforce program	Expand workforce training opportunities for formerly incarcerated individuals to attain employment and other stabilization services	10.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City’s approach to this key priority of new investment initiatives:

Center for Employment Opportunities (CEO) - Philadelphia, PA⁷⁴

In partnership with the CEO, the City of Philadelphia implemented a four-phase program, which included (i) workforce readiness training, (ii) transitional employment with daily pay, (iii) job coaching and placement, and (iv) a year of job retention support. Participants work up to 4 days a week on a CEO work crew thereby gaining the knowledge, experience, and training to become permanently employed. Once per week, participants attend one-on-one job coaching and development programs. The program has served over 800 Philadelphians and placed nearly 440 men in permanent, unsubsidized jobs with an average wage of nearly \$12 per hour. Through the program, participants have had a **25% reduction in incarceration for new crimes, 48% increase in employment** after 36 months, and a **16% lower recidivism rate**.

Activation of Vacant Storefronts – Pittsburgh, PA & Portland, OR⁷⁵

Project Pop Up in Pittsburgh, PA provided 6-12-month leases for 11 art/retail pop ups per year. These pop-up shops consisted of art, shops, and food. This resulted in **increased occupancy** of all but one of the lots with renovation plans in the works for the vacant lot. PDX Pop-Up shops in Portland OR provided 4 pop-ups per year on 2-month leases which consist of high-end curated shops downtown. **This resulted in 19 spaces being leased out long-term.**

⁷⁴ Results for America – “Increasing Employment and Reducing Recidivism for Formerly Incarcerated Results in Philadelphia”

⁷⁵ Tiebout 2017, DowntownPittsburgh.com. Accessed September 13, 2021



Pullman Historic District: A Partnership in place-based investment – Chicago, IL⁷⁶

The Pullman neighborhood on Chicago's southside went into a steady decline after the Second World War due to the reduction in industrial activity. This led to a significant loss of jobs and disinvestment and by 2000 28% of residents were below the poverty line. Listening to the community's desire for economic development and need of items such as healthy and affordable after the financial crisis, several entities partnered to invest into the Pullman neighborhood. Companies such as Method, Walmart, and Whole Foods established locations and hired residents from the Pullman neighborhoods. Additionally, U.S. Bank along with donations from several others aided in opening the Pullman Community Center – which offered residents a 135,000 square foot recreation and education facility. This place-based investment with high levels of community engagement and responsiveness saw the following improvements **16% increase of average income, 20% increase in property values, and 52% reduction in violent crime.**

⁷⁶ Community Desk Chicago - Community Wealth Building: Strengthening Chicago's Ecosystem. Breakout Session: Community Wealth Building via Commercial Real Estate. July 29, 2021



Tourism & Industry Support



Support for Chicago's 'back to business' campaign, tourism/travel industry and promotion of new Chicago recreational and commercial opportunities

\$20.0M

Program	Description	Allocation (\$Millions)
Promote Chicago via marketing efforts and signature events to drive business and attract tourism	Drive tourism and business support by showcasing key destinations in neighborhood hubs via marketing, media, and events/programming. Program will also emphasize stories of real Chicagoans to target communications to businesses that highlight the diversity of Chicago's economy and human capital	20.0

Extensive research, case studies, and evidence about related investments were gathered from other similarly undertaken interventions, both in Chicago and elsewhere. This research yielded the following examples which are indicative of the City's approach to this key priority of new investment initiatives:

North Dakota⁷⁷

Tourism marketing has been shown to generate significant economic impact by driving visitation. North Dakota provides a good case study with a decade long campaign that has been successful in connecting the state to potential travelers in an emotional and authentic manner. The most recent return on investment research shows that North Dakota's U.S. campaign generated over \$100 in visitor spending for every dollar spent on advertising. Additionally, survey results from the firm Longwoods International show that viewers were more positive in viewing North Dakota as a place to live, to start a career, to start a business, to attend college, to purchase a second home, and to retire. **Survey results for the advertising campaigns of North Carolina, Michigan, Minnesota, Ohio, and Wisconsin were consistent. These results show the potential of tourism marketing to not only drive visitation, but to create long-term benefits through economic development.**

Columbus, OH – Challenges of City Branding⁷⁸

Via collaborative leadership, work done by the city's Economic Development Organization (EDO) and Destination Marketing Organization (DMO), as well as community engagement the *Smart and Open* brand was created. Via this brand and collaboration, Columbus saw **growth of 36% in visitor spending and 21% growth in room nights from 2012 to 2016.**

Tourism Advertising Impact Studies – U.S. News⁷⁹

Impact studies were conducted on the success of California and Colorado's tourism advertising campaigns. Studies show that the "Visit California" campaign resulted in \$369 generated for every advertising dollar spent. Colorado's "Come to Life" campaign has generated \$546 spending for every advertising dollar spent, which is one of the highest ROIs in the country.

⁷⁷ Forbes – "Why Tourism Advertising Is More Powerful Than You Think". Accessed September 13, 2021

⁷⁸ "How Columbus broke through the challenges of city branding- "Align 2 Market. <https://align2market.com/how-columbus-broke-through-the-challenges-of-city-branding/>. Accessed September 13, 2021

⁷⁹ Is Pure Michigan a Clear Success? – U.S. News & World Report. <https://www.usnews.com/news/best-states/articles/2018-10-22/the-impact-of-the-pure-michigan-tourism-campaign>. Accessed September 13, 2021



Essential City Services



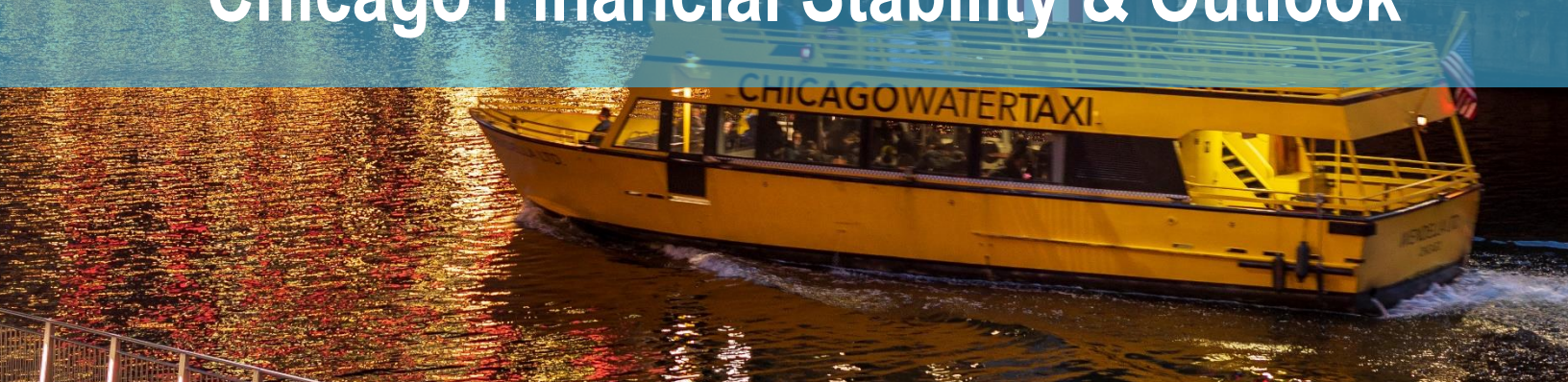
The U.S. Treasury Department gave municipal recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. Government services can include, but are not limited to, health services, environmental remediation, the provision of essential city services that entail the provision of services to citizens. Costs that are ineligible include the payment of interest or principal on outstanding debt, replenishing rainy day or other reserve funds, or paying settlements or judgements.

\$1,319.6M

Program	Description	Allocation (\$Millions)
Essential City Services	<p>The City is allocating a portion of revenue replacement funding, as calculated using audited financial numbers for 2020 to fund essential government services. The actual calculation will be finalized after the 2021 fiscal year is completed, but based on current expenditures, the City is proposing to fund \$782.2 million of eligible estimated department personnel and contractual services costs from the second through fourth quarter of 2021. These costs include the Department of Assets, Information and Services, Department of Family and Support Services, Department of Business Affairs and Consumer Protection, Chicago Fire Department, Chicago Animal Care and Control, Department of Buildings, Department of Streets and Sanitation, and Chicago Department of Transportation.</p> <p>For 2022, the City is proposing to fund the following essential existing and new programs and services with \$385 million of revenue replacement funding. In the 2022 budget, the City has provided increased resources and staffing totaling more than \$17 million to more than 11 departments including the Department of Streets and Sanitation and Department of Buildings. There are also another \$56.3 million in additional investments including the new Community Commission for Public Safety and Accountability and funding for arts and culture grants.</p> <p>More than \$100 million is included in the 2022 budget to support existing investments ranging from the Flexible Housing Pool to violence prevention initiatives. The additional funding will support other essential operations including the Chicago Fire Department and the Department of Business Affairs and Consumer Protection, among others.</p> <p>The City is also projecting the use of \$152.4 million for the 2023 budget. The final amount and expenditures will be determined during the 2023 Budget process.</p>	1,319.6



Chicago Financial Stability & Outlook



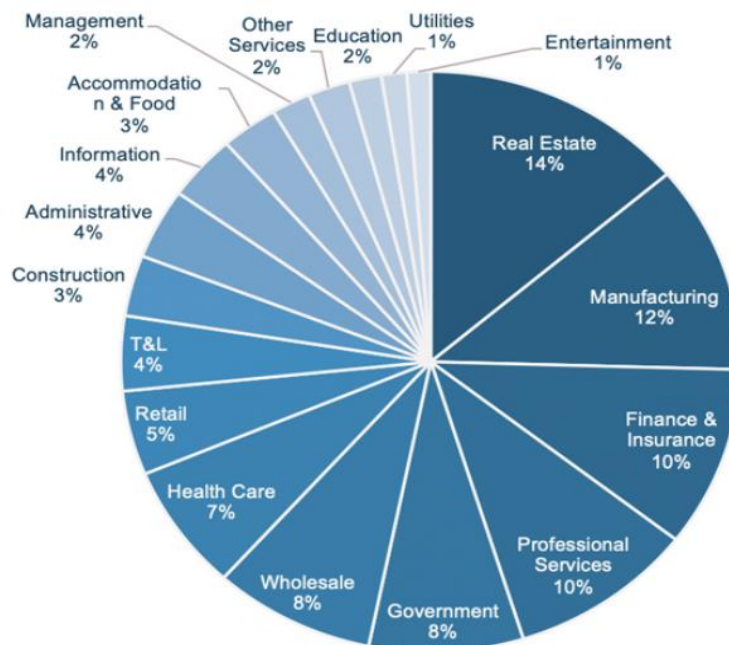


Note on Chicago's Financial Stability & Outlook

In the development of the Chicago Recovery Plan, the City's recommendation for the use of the ARP funds strikes a delicate balance of financial responsibility, affordability and stability, and making critical investments in the City of Chicago. These two goals are not mutually exclusive and are in fact mutually beneficial to supporting each other. A strategic investment in the City of Chicago is critical to expediting the recovery of the City's most powerful economic engine, the metropolitan area's over \$700 billion GDP. This outcome is critical not just for the City of Chicago, but also for the State overall since the Chicago economy is the economic engine of the State and the Chicago metropolitan area represents 82% of the State's overall GDP in 2019⁸⁰. The City also needs to ensure overall structural balance in its financial outlook in order to ensure a stable and rational taxing policy and stimulus plan for economy growth. The objective of financial stability allows residents and businesses to experience relative stability and affordability when it comes to taxing policy (e.g., property taxes and other City taxes), but also to experience growth in jobs, improved City services and overall improvement in quality of life around the City.

Investments. The City of Chicago has an extremely diverse economy with no one industry making up more than 14% of the City's economy (see Figure 13 below).

Figure 13 – Chicago Gross Domestic Product⁸¹



This economic diversity has served the City well in the economic downturn that resulted from COVID-19, but also will serve the City well in the economic recovery that has already been realized in recent revenue collections. Many revenue streams are exceeding or nearing their pre-COVID-19 levels including sales taxes, income taxes, personal property lease tax, and real property transfer tax (as noted in Figure 5 in the prior sections).

However, this recovery has not been experienced by all and a critical goal of the City's full economic recovery plan is ensuring that all parts of the City experience this recovery. Based on economic research conducted by the U.S. Bureau of Labor Statistics, the

⁸⁰ St. Louis Federal Reserve Data. Accessed September 14, 2021 <https://fred.stlouis.org>.

⁸¹ World Business Chicago. Accessed September 14, 2021. <http://www.worldbusinesschicago.com/economy/>



entities paying the lowest wages and the lowest wage workers saw the steepest initial declines in employment at the beginning of COVID-19 and also experienced the slowest recovery in employment. Additionally, from April 2020 to May 2021, between 23% and 46% of the drop in employment among lowest wage entities was within-industry changes⁸². This K-shaped recovery provides further evidence to historical inequities being exacerbated by COVID-19 (as discussed in the Background section of this document). We also know that the cost of segregation has been significant for Chicago. According to research conducted by the Metropolitan Planning Council of Chicago, Chicago has the fifth highest combined racial and economic segregation versus comparable cities. This segregation has caused lost income, lost lives, and lost potential. If Chicago is able to reduce economic segregation to the national median it could potentially save in billions in GDP gains and millions in cost reduction.⁸³

The manifestations of these costs are plentiful, by way of crime, mental health challenges, homelessness, health outcomes, life expectancy, educational attainment, and wage gaps. Further, these costs are not just social costs, but they are financial costs. Direct costs per homicide are estimated to equate to \$1.6 million which is comprised of \$55,000 in victim costs (including trauma/ER/long-term disability), \$400,000 in prosecution costs, and \$1.1 million in incarceration costs. Direct costs per non-fatal shootings are estimated to equate to \$1.1 million which is comprised of \$774,000 in victim costs (defined above), \$315,000 prosecution costs, and \$35,000 in incarceration costs.⁸⁴ Investments in vacant lot clean-up and vacant store front rehab has been shown to have a 13% reduction in crime, a 29% reduction in gun violence, and a 76% increase in the use of outside spaces for relaxing and socializing.⁸⁵ Investments in parks, playlots and trees have historically been shown to improve property tax values by 1.5%.⁸⁶ Investments in lead abatement reduce social costs associated with childhood neurological health costs. Equitable investments are a core value and tenant of not just the Mayor's social policies, but also economic policy. The investments proposed drive social outcomes which allows the City to either reduce social costs that end up as expenses in the City's budget. These investments also boost future economic growth that supports a faster recovery out of COVID-19 and support the City's revenues. Both of these outcomes are direct impacts to the City's bottom line, whether by way of reduced expenses or improved revenues.

The amount of the investments has also been tailored to meet specific needs identified across the City but also importantly are appropriate as compared to investments made by other cities in the midst of COVID-19 with their ARP dollars proportionate to population. The Chicago Recovery Plan will closely monitor these outcomes and their longer lasting social, financial and economic impacts on the City going forward. The outcomes, referenced in Figure 1 above, will make for a stronger and better Chicago and we expect will provide catalytic change that will not just address near-term emergency needs, but leverage up the City's ability to address key policy goals of thriving and safe communities and an equitable economic recovery.

Within the Chicago Recovery Plan, the City also will be ensuring that the immediate investments are made permanent through much needed capital infrastructure to support the increased capacity of the ARP investments. Investments to create new affordable housing units and improve existing affordable housing units will support homeownership and preserve Chicago's place as one of the most affordable cities in the country⁸⁷. The City's whole-of-government community safety approach includes a comprehensive vacant lot strategy which in and of itself has demonstrated results in reducing criminal activity, but also magnify and leverage the efficacy of all the other investments in this space. Now is the time for all these investments to come together at once in order to ensure that the City is making the most of its dollars.

⁸² U.S. Bureau of Labor Statistics. The K-Shaped Recovery: Examining the Diverging Fortunes of Workers for the Recovery from the COVID-19 Pandemic using Business and Household Microdata

⁸³ Metro Planning Council. The Cost of Segregation. Accessed September 14, 2021. <https://www.metroplanning.org/costofsegregation/cost.aspx>

⁸⁴ Crain's Chicago Business. Hidden Costs Push Price of City's Gun Violence into the Billions. Accessed September 14, 2021. <https://www.chicagobusiness.com/craains-forum-gun-violence/hidden-costs-push-price-citys-gun-violence-billions>

⁸⁵ Columbia University. How to Reduce Crime and Gun Violence and Stabilize Neighborhoods: A Randomized Controlled Study. 2018

⁸⁶ CCA and Global Economics Group. The Power of Parks – An Assessment of Economic Impact on Chicago's Parks

⁸⁷ CBRE. Chicago Among Top Cities for Tech Talent Growth – Ranking #3 on CBRE's Annual List of Momentum Markets. Accessed on 9/14/21. <https://www.cbre.us/people-and-offices/corporate-offices/chicago/chicago-market-media-center/chicago-among-top-cities-for-tech-talent-growth>



These investments have been developed with the explicit understanding that the dollars funding these investments are one-time in nature. Within the Chicago Recovery Plan project management process, departments and program managers will be required to provide a plan for the transition out of federal dollars and all grant agreements will explicitly carve out the end of the federal dollars and an annual budget. Many of the projects are crafted to be one-time in nature to provide much needed emergency support in the midst of COVID-19. Other investments have been developed with a three to five-year time horizon or have been leveraged up through philanthropic, private and other external funding in order to extend the duration of the program. Lastly, outcomes for all of these investments will be tracked closely, as was noted in the project management section.

Financial Stability. At the beginning of Mayor Lightfoot's administration, the City faced a \$1 billion pension ramp (2020-2022) and a \$250 million scoop and toss ramp. In Fiscal Year⁸⁸ ("FY") 2022, the City will climb both of these ramps in full in the midst of the worst economic downturn since the Great Depression due to COVID-19 and \$1.5 billion in revenue loss in FY2020 and FY2021. Further, in FY2020 and FY2021, the City has generated nearly \$1 billion in structural savings to help address this pension gap. The City has taken the arduous but important steps toward achieving structural balance in the City's finances.

In FY2020 and FY2021, the City suffered the loss of \$1.5 billion in City revenues due to COVID-19 which represented \$886 million in FY2020 and \$573 million in FY2021. This loss of revenues would have required that the City either increase taxes or reduce government services, both of which are counter-stimulative actions and would have hampered the economic recovery and the creation of jobs. Fortunately, federal funding was passed which provided the City \$1.9 billion in LFRF funds most of which can be used toward revenue replacement. The City intends to use \$1.3 billion toward this revenue replacement for 2020 – 2023 when the City projects that revenues in aggregate will recover to pre-COVID-19 levels. The application of these federal dollars will allow the City to build a bridge to the economic recovery while still allowing for a sizeable investment in the future of the City of Chicago.

Conclusion. Through the COVID crisis, the City's has struck a delicate balance of ensuring financial stability and making catalytic investments to create a Chicago Recovery Plan which will transform Chicago into an even more competitive and attractive City for residents and businesses post COVID. The Chicago Recovery plan weaves approximately \$1.2 billion in total investments into a broad-based strategy for creating Thriving and Safe Communities as well as supporting an Equitable Economic Recovery out of COVID. This strategy is informed by research, national precedents and Chicago's experience with prior investments. These investments represent a comprehensive strategy, propelling the City into a better Chicago than where it started entering into COVID.

⁸⁸ The City's fiscal year ends December 31.