

CITY COUNCIL REGULAR SESSION

Ordinance to facilitate the disbursement of American Rescue Plan Act (ARPA) funding by (1) amending Ordinance 6557, adopted December 14, 2020, as previously amended, to increase the appropriation to the 2021-2022 Operating Grants, Donations, and Special Reserves Fund in an amount of \$8,000,000; and (2) authorizing the City Manager or his designee to execute and implement all agreements necessary to disburse said funds for residential eviction prevention and rent/mortgage relief, workforce programming and resource navigation, and rent assistance for small businesses and nonprofits, including execution of agreements with nonprofits and community organizations to provide the services, in accordance with the requirements of the Act and the direction of the City Council.

Toni Call, Director, 452-7863
Finance & Asset Management

Toni Esparza, Assistant Director 452-5379
Parks and Community Services

Jesse Canedo, Assistant Director 452-5236
Community Development

EXECUTIVE SUMMARY

As directed by Council on July 26, this Ordinance will amend the 2021-2022 Operating Grants, Donations, and Special Reserves Fund by \$8,000,000 – \$500,000 for the provision of workforce assistance, \$500,000 for small business rent relief, and \$7,000,000 for the provision of eviction prevention and rent/mortgage relief. This Ordinance will also delegate authority to the City Manager or his designee to sign and implement contracts with nonprofit and community organizations for the provision of services authorized by Council on July 26 and authorize the use of American Rescue Plan Act funding. The Ordinance directs the City Manager or his designee to establish criteria to target assistance to households and businesses that have experienced economic harm as a result of the pandemic, including increased housing and financial insecurity, taking into account economic conditions in Bellevue and business data.

RECOMMENDATION

Move to adopt Ordinance No. 6592.

BACKGROUND/ANALYSIS**Background**

On March 11, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. This legislation allocated \$1.9 trillion in aid across a variety of programs intended to address the impacts of COVID-19. Over 70 percent of the ARPA funding went towards direct individual economic impact payments (\$1,400 one-time checks for individuals with less than \$75,000 in income), providing enhanced unemployment insurance (\$300 per week in additional unemployment payments), expansion of business and individual tax credit programs, and direct funding for education and pension systems. In addition, there was substantial funding for economic development and small business relief (\$40

billion), relief for children and families (\$15 billion), housing and utility assistance (\$47 billion), food assistance programs (\$8 billion), disaster relief (\$50 billion), and state and local government fiscal aid (\$350 billion), of which Bellevue receives \$20.1 million in funding. The funding will be disbursed directly from the United States Treasury Department to the City in two \$10 million tranches – the first tranche has been received, and the second will be received in mid-2022.

On June 7, Council directed staff to return with a Resolution authorizing the acceptance of coronavirus state and local fiscal recovery funds (CLFR) authorized by ARPA; and on June 14, Council adopted Resolution No. 9953 authorizing the acceptance of the grant funding and the execution of the CLFR agreement. Since that time, the agreement with the Treasury Department has been executed, and the City has received the first tranche of \$10 million in funding.

On July 26, Council directed staff to return on August 2 with legislation needed including a budget amendment and authorization to implement \$8 million in programs to assist in establishing stability in housing and workforce. The funding is split between \$7 million for housing/rent eviction, \$500,000 for Workforce Program and Resource Navigator, and \$500,000 for small business rent relief. All of these programs respond to the COVID-19 pandemic and assist the community in recovering from the negative economic impacts of the COVID-19 pandemic. See Attachment A for additional information.

ARPA Guidelines

Per the Treasury Department's Interim Final Rule (IFR) – the federal guidance governing this program – the legislative intent of the funds is to “provide support to state, local, and tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents and businesses.” The guidance identifies the following broad categories as eligible uses of funds:

- Responding to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.
- Providing premium pay to eligible essential workers employed by local governments, or by providing grants to eligible employers that have eligible workers who perform essential work.
- For the provision of government services to the extent of the reduction in revenue relative to revenues collected in the most recent full fiscal year prior to the emergency, factoring in growth.
- To make necessary investments in water, sewer, or broadband infrastructure.

The Treasury Department interprets the requirements laid out in ARPA that eligible costs “be incurred” by December 31, 2024, to require only that recipients have obligated the funds by December 31, 2024. Funds may be spent to cover such obligations through December 31, 2026. Per the IFR, the City of Bellevue will be required to provide quarterly monitoring reports through the end of 2026 to the Treasury Department regarding the use of these funds.

As described in the Ordinance, the COVID-19 pandemic and the related public health measures necessitated by the pandemic, have caused and continue to cause very significant negative economic impacts on Bellevue residents and businesses. The programs proposed to be funded (housing/rent eviction, Workforce Program and Resource Navigator and small business rent relief) respond to the COVID-19 pandemic and its negative economic impact. The workforce assistance program is expected

to focus on navigator services through a pilot program. The small business rent relief program is planned to provide current and past due rent assistance (including utilities and other components of rent) to small businesses to help prevent closures and retain jobs. The residential eviction and rent relief program is expected to include current and past due rental, mortgage and/or move-in assistance, including utility assistance if included in rent and including past due rent that has been paid by credit card or loan. As described in the IFR, assistance to households or populations facing negative economic impacts due to COVID-19 is an eligible use for CLFR funds, and more specifically, that assistance may be provided in the form of rent or mortgage assistance to households that have experienced a negative economic impact from the pandemic, including households that have experienced unemployment or increased food or housing insecurity or are low- or moderate-income. Workforce programs and resource navigation facilitate access to resources for addressing the negative economic impacts of the pandemic. Assistance to small businesses facing financial insecurity, substantial declines in gross receipts, or other economic harm due to the pandemic, as well as businesses with less capacity to weather financial hardship, is an eligible use of CLFR funds that likewise addresses the negative economic impacts of the pandemic.

The City has completed extensive outreach to, and has completed four (4) Requests for Proposals for, nonprofit and other community partners to identify nonprofits and community organizations with demonstrated capacity to provide COVID-19 eviction prevention/rent assistance services to households and businesses. The four RFPs conducted since January 2020 specifically for eviction prevention/rent assistance services, include RFPs for the 2020-2021 Human Service Fund, CDBG CV 3, CARES 1, and 1590 funds.

As a result of these processes the City has identified nonprofits and community organizations with demonstrated capacity to comply with federal and other grant funding requirements as well as demonstrated ability to reach communities who have been most impacted by the pandemic including residents of color, immigrants and older adults. In light of the economic harm that Bellevue residents and businesses have experienced, and continue to experience, the City recognizes the importance of moving immediately and quickly to provide services to residents and businesses including by contract with these nonprofit and community organizations.

POLICY & FISCAL IMPACTS

Policy Impact

Washington State law (RCW 35A) and the City of Bellevue's Comprehensive Finance and Asset Management Policies and Procedures (VI. Budget Adjustment & Amendment Process) state that Council approval is necessary for budget amendments that will cause the existing appropriation level for a fund to change.

Recommendations for acceptance use of the ARPA funds are supported by the following goals and policies of the City of Bellevue Comprehensive Plan, Human Services Element:

HS-8. Make Bellevue a welcoming, safe and just community marked by fairness and equity provided to those disproportionately affected by poverty, discrimination and victimization.

HS-11. Encourage culturally competent service delivery that respects the dignity of individuals and families, and fosters self-determination and self-sufficiency.

HS-12. Support and actively coordinate with local, regional, and national efforts that address local human services needs to ensure local programs complement programs provided at the county, state and federal level.

HS-13. Encourage partnerships among public and private institutions, schools, human services providers, and others to collectively address needs of children and families using schools as a focal point for the community.

HS-18. Support an intentional local community response to homelessness with housing and supportive services provided to families, youth and single adults.

Recommendations for acceptance and use of the ARPA funds are supported by the following goals and policies of the City of Bellevue Comprehensive Plan, Economic Development Element:

ED-1. Maintain a business climate that supports the retention and expansion of the City's economic base.

ED-2. Promote local businesses and locally produced goods and services.

ED-17. Develop an environment that fosters respect for all individuals and groups and promotes equal opportunity.

ED-20. Recognize retail strength as an engine of economic activity and a magnet for visitors.

ED-21. Support economic development in the City's commercial areas.

ED-22. Support efforts that promote tourism, hotel, retail and arts businesses.

ED-37. As part of on-going Economic Development strategic planning, consider the use of organizational and financial tools or investments, including public-private partnerships where appropriate, to catalyze or leverage private sector and other resources to accomplish the City's economic development and land use vision.

Fiscal Impact

This action authorizes the City to amend the 2021-2022 Operating Grants, Donations, and Special Reserves Fund by \$8,000,000 – \$500,000 for the provision of workforce assistance, \$500,000 for small business rent relief, and \$7,000,000 for the provision of eviction prevention and rent/mortgage relief.

This Ordinance will also delegate authority to the City Manager or his designee to sign and implement contracts for the provision of services authorized by Council on July 26 and authorize the use of ARPA funding.

OPTIONS

1. Adopt the Ordinance to facilitate the disbursement of American Rescue Plan Act (ARPA) funding by (1) amending Ordinance 6557, adopted December 14, 2020, as previously amended, to increase the appropriation to the 2021-2022 Operating Grants, Donations, and Special Reserves Fund in an amount of \$8,000,000; and (2) authorizing the City Manager or his designee to execute and implement all agreements necessary to disburse said funds for residential eviction prevention and rent/mortgage relief, workforce programing and resource navigation, and rent assistance for small businesses and nonprofits, including execution of agreements with nonprofits and community organizations to provide the services, in accordance with the requirements of the Act and the direction of the City Council.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

A. Reprint of the July 26, 2021 Council packet for the ARPA Funding
Proposed Ordinance No. 6592

AVAILABLE IN COUNCIL LIBRARY

N/A

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 6592

AN ORDINANCE to facilitate the disbursement of American Rescue Plan Act (ARPA) funding by (1) amending Ordinance 6557, adopted December 14, 2020, as previously amended, to increase the appropriation to the 2021-2022 Operating Grants, Donations, and Special Reserves Fund in an amount of \$8,000,000; and (2) authorizing the City Manager or his designee to execute and implement all agreements necessary to disburse said funds for residential eviction prevention and rent/mortgage relief, workforce programing and resource navigation, and rent assistance for small businesses and nonprofits, including execution of agreements with nonprofits and community organizations to provide the services, in accordance with the requirements of the Act and the direction of the City Council.

WHEREAS, the COVID-19 pandemic has had severe and adverse economic impacts on the federal, state, and local economies, including the Bellevue economy; and

WHEREAS, within the City of Bellevue, as a consequence of the negative economic impact of the COVID-19 pandemic, households are experiencing increased housing insecurity; approximately 2,000 households are considered “very likely” to be evicted within the next two months; approximately 5,600 households are considered “somewhat likely” to be evicted within the next two months; the average rental arrearage is estimated to be between \$4,000 and \$11,000; and the current eviction moratorium (Emergency Proclamation 21-09) is set to expire on September 30, 2021, and upon its expiration the number of households experiencing housing insecurity is expected to increase significantly; and

WHEREAS, those residents who will be evicted upon expiration of the eviction moratorium, or who have self-evicted due to overwhelming debt, will face obstacles in securing new housing and other human services without financial assistance; and

WHEREAS, to help address this need, the City plans to contract with nonprofits and community organization partners to provide past due and current rent, mortgage assistance, and move-in cost relief to low- and moderate-income households whose housing stability has been impacted by the pandemic; and

WHEREAS, within the City of Bellevue, as a consequence of the negative economic impact of the COVID-19 pandemic, there are approximately 3,300 unemployed, job-seeking residents; and

WHEREAS, to help address this need, the City plans to contract with external partners in connection with a three-year pilot program focused on providing workforce programming and resource navigation services; and

WHEREAS, within the City of Bellevue, as a consequence of the negative economic impact of the COVID-19 pandemic, twenty-five percent of commercial tenants experiencing financial insecurity or other economic harm due to the pandemic are seeking rental assistance; as noted by the U.S. Department of the Treasury, small businesses can face greater hurdles in accessing credit and many small business were already financially fragile at the outset of the pandemic; non-profits, which provide vital services to the Bellevue community, have similarly faced economic and financial challenges due to the pandemic; and certain sectors have been particularly hard hit including the personal services, health/wellness, and creative economy sectors that depend on the volume of office workers and visitors to Bellevue; and

WHEREAS, unemployment in Bellevue continues to be approximately twice as high as unemployment before the pandemic, and the numbers of office workers and visitors to Bellevue are significantly lower than before the pandemic; and

WHEREAS, to help address this need, the City plans to contract with nonprofit and community organization partners to provide small business rent relief to help stabilize small businesses and nonprofits, particularly within the personal services, health/wellness, and creative economy sectors, to help prevent closures and job loss; and

WHEREAS, the City previously completed extensive outreach to, and has completed four (4), separate Requests for Proposals for, nonprofit and other community partners to identify nonprofits and community organizations with demonstrated capacity to provide eviction prevention / rent and mortgage assistance services to households and businesses, with capacity to comply with federal and other grant funding requirements, with demonstrated ability to reach communities who have been most impacted by the pandemic including residents of color, immigrants and older adults, and with demonstrated capacity to move immediately and quickly to provide services to residents and businesses that have suffered and continue to suffer economic harm as a result of the pandemic; and

WHEREAS, on March 11, 2021, President Joseph Biden signed into law the American Rescue Plan Act (ARPA); and

WHEREAS, ARPA allocated \$350 billion to state and local governments to respond to the public health emergency caused by COVID-19 and its negative economic impact; and

WHEREAS, on June 14, 2021, the City of Bellevue was awarded \$20.1 million in ARPA funds, and it has already received a first tranche of \$10 million; and

WHEREAS, an immediate disbursement of ARPA funds is necessary and appropriate to help individuals remain secure in their housing, to help commercial tenants keep their small businesses open and their current staff employed, and to help unemployed or underemployed individuals find jobs; and

WHEREAS, disbursing ARPA funds for the purposes of residential eviction prevention and rent/mortgage relief, small business rent relief, and workforce assistance is deemed to be an appropriate use of said funds under the Act and a necessary step to help individuals and the community recover from the negative economic impacts of the COVID-19 pandemic; now, therefore

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The City's 2021-2022 Operating Grants, Donations, and Special Reserve Fund appropriation adopted by Ordinance No. 6557 on December 14, 2020, as previously amended, is hereby further amended to increase the appropriation to said Fund in the amount of \$8,000,000.

Section 2. The City Manager or his designee is hereby authorized to execute and implement all agreements necessary to disburse the \$8,000,000 in ARPA funding as follows: \$7,000,000 for the provision of residential eviction prevention and rent/mortgage relief; \$500,000 for the provision of workforce program and resource navigation; and \$500,000 for the provision of rent relief for small businesses and nonprofits (focusing on personal services, health/wellness, and creative economy sectors). The City Manager or his designee is further authorized and directed to establish criteria to target assistance to households and businesses that have experienced economic harm as a result of the pandemic, including increased housing and financial insecurity, taking into account economic conditions in Bellevue and business data when establishing such criteria. The City Manager or his designee is further authorized to enter into agreements with nonprofit and other community organizations to provide the residential eviction prevention and rent/mortgage relief, workforce program and resource navigation, and rent assistance for small businesses and nonprofits authorized here, consistent with this criteria.

Section 3. The terms and conditions of any agreement shall ensure the City's funds are used for their intended purpose, consistent with the requirements of the American Rescue Plan Act and direction previously provided by the City Council on July 26, 2021.

Section 4. This ordinance shall take effect and be in force five (5) days after its passage and legal publication.

Passed by the City Council this _____ day of _____, 2021,
and signed in authentication of its passage this _____ day of _____,
2021.

(SEAL)

Lynne Robinson, Mayor

Approved as to form:
Kathryn L. Gerla, City Attorney

Brian Wendt, Assistant City Attorney

Attest:

Charmaine Arredondo, City Clerk

Published _____



07/26/2021

CITY COUNCIL STUDY SESSION

American Rescue Plan Act (ARPA) funding: gaps and recommendation for allocation of partial funding.

Toni Call, Director, 452-7863
Finance & Asset Management

Toni Esparza, Assistant Director, 452-5379
Parks and Community Services

Jesse Canedo, Assistant Director, 452-5236
Community Development

DIRECTION NEEDED FROM COUNCIL

DIRECTION

Staff returns with the most critical community needs for use of the American Rescue Plan Act (ARPA) funding, which includes \$20.1 million of direct federal funding for the City of Bellevue. Staff requests direction to bring back appropriate legislation including needed budget amendment(s) and authorization to use up to \$8 million of ARPA funding to implement Council direction, if received.

RECOMMENDATION

Direct staff to return on August 2 with appropriate legislation including budget amendments and authorization to implement Council direction including the use of up to \$8 million of ARPA funding.

BACKGROUND & ANALYSIS

Background

On March 11, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. This legislation allocated \$1.9 trillion in aid across a variety of programs intended to address the impacts of COVID-19. Over 70 percent of the ARPA funding went towards direct individual economic impact payments (\$1,400 one-time checks for individuals with less than \$75,000 in income), providing enhanced unemployment insurance (\$300 per week in additional unemployment payments), expansion of business and individual tax credit programs, and direct funding for education and pension systems. In addition, there was substantial funding for economic development and small business relief (\$40 billion), relief for children and families (\$15 billion), housing and utility assistance (\$47 billion), food assistance programs (\$8 billion), disaster relief (\$50 billion), and state and local government fiscal aid (\$350 billion), of which Bellevue receives \$20.1 million in funding to be distributed directly from the United States Treasury Department. The funding will be disbursed to the City in two \$10 million tranches – the first tranche has been received, and the second will be received in mid-2022.

On June 7, Council directed staff to return with a resolution authorizing the acceptance of coronavirus state and local fiscal recovery funds authorized by ARPA; and on June 14, Council adopted Resolution No. 9953 authorizing the acceptance of the grant funding and the execution of the Coronavirus Local

Fiscal Recovery Fund agreement. Since that time, the agreement has been executed, and the City has received the first tranche of \$10 million in funding.

Tonight, staff is presenting the most critical gaps in the community for consideration for the use of ARPA funding in response to COVID-19 and/or its negative economic impacts. If directed by Council, staff will return on August 2 with appropriate legislation for Council action.

ARPA Guidelines

Per the Treasury Department's Interim Final Rule (IFR) – the federal guidance governing this program – the legislative intent of the funds is to “provide support to state, local, and tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents and businesses.” The guidance identifies the following broad categories as eligible uses of funds:

- Responding to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.
- Providing premium pay to eligible essential workers employed by local governments, or by providing grants to eligible employers that have eligible workers who perform essential work.
- For the provision of government services to the extent of the reduction in revenue relative to revenues collected in the most recent full fiscal year prior to the emergency, factoring in growth.
- To make necessary investments in water, sewer, or broadband infrastructure.

The Treasury Department interprets the requirements laid out in ARPA that eligible costs “be incurred” by December 31, 2024, to require only that recipients have obligated the funds by December 31, 2024. Funds may be spent to cover such obligations through December 31, 2026. Per the IFR, the City of Bellevue will be required to provide quarterly monitoring reports through the end of 2026 to the Treasury Department regarding the use of these funds.

Most Critical Gaps and Recommendation for Allocation of ARPA

While the impacts and recovery of COVID-19 have generated a wide variety of needs, the most critical needs at this time include rent/eviction relief, workforce assistance, and small business rent assistance. The recommendation is to appropriate and implement programs for up to \$8 million of the total \$20.1 million of the City's ARPA funding allotment and reserve the additional \$2 million from the first tranche and the \$10 million from the second tranche until more information is known.

The up to \$8 million initial program includes:

- Human Services: Eviction/Rent Relief up to \$7 million
As a consequence of the COVID-19 pandemic, the data suggests that in the City of Bellevue, approximately 2,000 households are considered “very likely” to be evicted within the next two months, and approximately 5,600 households are considered “somewhat likely” to be evicted within the next two months (US Census Bureau Pulse Surveys, with overlay of Bellevue demographics). The average rental debt owed by these households ranges from \$4,000 (National Equity Atlas) - \$11,000 (King County Bar Association).

By investing in eviction/rent relief the goal will be to stabilize housing for those most impacted by COVID-19 and its negative economic impacts. The program would allow for up to \$7 million including administrative costs to assist approximately 1,000 households to be helped by clearing 100 percent of past rent due and assisting with an additional three months of rent going forward.

Housing First interventions focus on helping people achieve stability in housing first. This is often a critical precursor to other improvements in their lives. People with the foundation of a home are better positioned to take advantage of supportive services, and they have the stability in which to engage in a job search. Housing provides the platform they need to provide care and continuity for their young children. They have a place to store food, beyond their next meal. They have the safety that housing affords. They have a safe place to store medication and address their health and mental health needs. The absence of housing support makes attaining personal goals much harder to achieve. In addition, the cost to re-house an individual experiencing homelessness is significantly higher than the cost of maintaining housing for an individual or family in crisis (National Alliance to End Homelessness).

Other areas of significant need are better addressed when an individual or family has the safety and stability of housing. In addition, the other top community needs also have dedicated funding sources (i.e. dedicated Federal funding for food assistance programs, childcare support from the Best Start Kids levy and the Washington State Working Connections Childcare Program, and 1590 funds for behavioral health), and each of these top needs also received dollars from the City of Bellevue via various COVID-19 relief funds.

Other informative data points:

- In an average year, there are 17,000 evictions filed in the state. According to the King County Bar Association's Housing Justice Project, even a few thousand additional evictions could overwhelm the court system.
- The Northwest Justice Project estimates that roughly 60,000 to 140,000 people in Washington state are in danger of eviction or mortgage default. According to the most recent U.S. Census Bureau's Household Pulse Survey, 60 percent of all respondents in Washington (166,186 respondents) report it is very likely (30,571 respondents) or somewhat likely (67,826 respondents) they will have to leave their home due to eviction. That same survey suggested that across the Seattle metro area (which includes Bellevue), an estimated 89,475 households are currently behind on rent.
- King County estimates that nearly 50,000 households are at risk of eviction without rental assistance resources. In 2020, more than 25,000 households expressed a need for rental assistance from the King County Eviction Prevention and Rental Assistance Program (EPRAP). Bellevue residents represented only 4 percent (401 residents) of all households eligible for the individual tenant lottery and only 3 percent (169 residents) of those selected.
- Economic Development: Workforce Assistance and Small Business Rent Relief up to \$1 million
The full reopening of Washington state on June 30 has provided significant relief to the local economy as workers and tourists have begun to return. However, as a consequence of the pandemic, certain activities will continue to be significantly below normal levels for some time and the accelerated adoption of automation during the last 18 months means that certain jobs

Attachment A. Reprint of the July 26, 2021 Council study session packet for the ARPA Funding

will not return, especially lower-skilled jobs in the tourism and services sectors. Staff recommends two programs in response to COVID-19 and its negative economic impacts to help mitigate further closures and accelerate retraining for impacted workers.

- Workforce Program and Resource Navigator - \$500,000

The COVID-19 pandemic has caused many individuals to be unemployed or underemployed, there are approximately 3,300 unemployed, job-seeking residents in Bellevue. To connect these residents with employment and training opportunities, the program would support more than 2,100 Bellevue residents in making faster and clearer connections with existing upskilling and training resources. Additionally, the program would provide coordination between residents, employers, and training providers to reduce barriers and make for a better experience.

To drive this effort, the program would strive to have 100 business and 1,000 residents participating in a regional job board and have 20 businesses proving new internship or mentorship programs. Staff anticipates that this program will provide long-term benefits including:

- Reduced unemployment rate among residents
 - Higher labor force participation rate among residents
 - Increased share of Bellevue residents working in Bellevue.
 - Improved workforce participation rate for diverse communities
- Small Business Rent Relief - \$500,000
- Based on the best information available to staff, 25 percent of commercial tenants are seeking rental assistance. The most heavily impacted industries include personal services, health/wellness, and the creative economy which continue to struggle with burdensome debt loads, as a result of the pandemic. The program is intended to prevent additional small business closures and mitigate unemployment that could result. To that end, the program will target direct relief to landlords and property owners to pay down deferred or back rent for about 55 businesses and cultural nonprofits, focusing on personal services, health/wellness, and creative economy.

The impacts of COVID-19 and its recovery continue to evolve and as such there will be events and community needs that are not yet identified in addition to the COVID related needs identified above. As such, staff proposes that the remaining \$2 million from the first \$10 million tranche of the City's ARPA allotment be set aside and reserved to address needs that may arise which are not yet known as well as allocate and appropriate the second \$10 million tranche when the funding arrives, which is anticipated to be received in 2022. Staff will return to Council with additional information as the needs are determined.

POLICY & FISCAL IMPACTS

Policy Impact

Recommendations for acceptance and use of the ARPA funds are supported by the following goal of the City of Bellevue Comprehensive Plan, Human Services Element:

Human Services Vision: Bellevue is a community that cares. Every member of the community has the opportunity to achieve their potential and enhance their quality of life. A system of human services assists people in times of need and invests in the development of healthy individuals and families.

Additionally, the acceptance and use of the ARPA funds are supported by the desired outcomes in City of Bellevue Economic Development Plan including:

A resilient local economy that supports the City's ability to provide quality services to residents and business owners and enhances economic resiliency. Investment by businesses and individuals from many sectors and many countries contributes to the health and vitality of the Bellevue economy.

Employment opportunities and paths to prosperity for a wide range of residents and workers. Bellevue is a diverse community, encompassing residents employed by the world's most innovative technology companies as well as others who struggle to live in an increasingly expensive City. The City's economic development activities include programs that benefit residents and workers of all backgrounds and income levels. This includes helping individuals and families find the technical skills and entrepreneurial resources to advance their economic wellbeing.

Fiscal Impact

There is no fiscal impact. If Council directs and authorizes spending, staff will return with legislation that will provide to up to \$8 million in spending direction.

OPTIONS

1. Direct staff to return on August 2 with appropriate legislation including budget amendments and authorization to implement Council direction including the use of up to \$8 million of ARPA funding.
2. Provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

N/A

AVAILABLE IN COUNCIL LIBRARY

Economic Development Plan

American Rescue Plan Act

Presentation Subtitle

Toni Call, Finance & Asset Management
Toni Esparza, Parks & Community Services
Jesse Canedo, Community Development

July 26, 2021



Direction

Staff seeks direction to bring back appropriate legislation including needed budget amendment(s) and authorization to use up to \$8 million the ARPA funding.



Agenda

1. Overview of ARPA
2. Eviction/Rental Relief
3. Small Business
4. Direction



American Rescue Plan Act - \$1.9 Trillion

- Over 70 percent to individual economic impact payments, enhanced unemployment insurance, expansion of business and individual tax credit programs, and direct funding for education and pension systems.
- Leaving:
 - to economic development and small business relief (\$40 billion),
 - relief for children and families (\$15 billion),
 - housing and utility assistance (\$47 billion),
 - food assistance programs (\$8 billion),
 - disaster relief (\$50 billion), and
 - **state and local government fiscal aid (\$350 billion)**



City of Bellevue will receive \$20.1M (1/2 in 2021, 1/2 in 2022)

- Uses under the interim guidance is:
 - Responding to the public health emergency or its negative economic impacts
 - Providing premium pay to eligible essential workers
 - Reduction in revenue related to COVID-19
 - To make necessary investments in water, sewer, or broadband infrastructure.
- “be incurred” by December 31, 2024, spent by December 31, 2026.



Most Critical Immediate Needs

- Housing/Workforce Stability
 - Rent/eviction relief up to \$7M
 - Workforce assistance \$500,000
 - Small business rent assistance \$500,000
- Recommendation: Appropriate up to \$8M of the \$20.1M
- Reserve remaining \$12M funding until a later date



Rent/Eviction Up to \$7M



Current Data

- As a result of COVID-19, ~2,000 households are considered “very likely” to be evicted within the next two months, and ~5,600 households are considered “somewhat likely” to be evicted within the next two months.
- Housing First interventions focus on helping people achieve stability in housing first.
- Other areas of need, continue to have other funding options:
 - Food
 - Childcare
 - Behavioral Health



Recommendation

- \$7 million
 - Approximately 1,000 households to be helped by clearing 100% of past rent due and forward by 3 months.
- The average rental debt owed by these households ranges from \$4,000 - \$11,000.
- Existing eviction bridge proclamation requires renters to work with landlords or apply for rent relief or else the eviction process may begin by the end of the eviction bridge.



Small Business \$1M



Situation Analysis

As a result of COVID-19 and recovery

- approximately 3,300 unemployed, job-seeking Bellevuers
- 25% of commercial tenants are seeking rental assistance
- Personal services, health/wellness, and the creative economy impacted by low worker & visitor volumes



Workforce Program - \$500,000

- 3-year pilot program, in cooperation with external partners
- Support over 2,100 residents, help 20 businesses create internship programs
- Long-term goal is
 - lower unemployment rate,
 - improved workforce participation rate for diverse communities,
 - increased percentage of Bellevue residents working in the city



Small Business Rent Relief - \$500,000

- Intended to prevent further small business closures
- Targeted relief to pay down rental debt for about 55 businesses and cultural activity organizations.
- Helps preserve jobs at small businesses



Direction

Staff seeks direction to bring back appropriate legislation including needed budget amendment(s) and authorization to use up to \$8 million the ARPA funding.

