

## 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 \$2,400,000; 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, 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.

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*Finance & Asset Management*

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## EXECUTIVE SUMMARY

As directed by Council on October 3, this Ordinance will amend the 2021-2022 Operating Grants, Donations, and Special Reserves Fund by \$2,400,000 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 October 3 and authorize the use of ARPA funding.

## RECOMMENDATION

Move to adopt Ordinance No. 6681

## BACKGROUND/ANALYSIS

### Background

On March 11, President Biden signed the American Rescue Plan Act of 2021 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 received \$20.1 million in funding. The funding was disbursed directly from the United States Treasury Department to the City in two \$10 million tranches – the first tranche was received in August of 2021 and the second tranche was received in June of 2022.

On June 7, 2021, 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, 2021, 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 both tranches totaling \$20.1 million in funding.

On October 3, Council directed staff to return with legislation needed including a budget amendment and authorization to implement \$2,400,000 in programs to assist in establishing stability in housing. This program responds to the COVID-19 pandemic and assists the community in recovering from the negative economic impacts of the COVID-19 pandemic.

### **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. The housing/rent eviction program was established in 2021. Criteria were established at that time to target assistance to households that have experienced economic harm as a result of the pandemic, including increased housing and financial insecurity, taking into account economic conditions in Bellevue. This ongoing funding responds to the COVID-19 pandemic and its negative economic impact. The residential eviction and rent relief program will continue 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.

When the housing/rent eviction program was launched in 2021, the City 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. This additional \$2.4million will be used to continue this program. In light of the economic harm that Bellevue residents have experienced, and continue to experience, the City recognizes the importance of moving immediately and quickly to provide services to residents 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.

### **Fiscal Impact**

This action authorizes the City to amend the 2021-2022 Operating Grants, Donations, and Special Reserves Fund by \$2,400,000 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 October 3 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 \$2,400,000; 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, 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**

- A. Copy of the August 2, 2021 Council packet for the ARPA Funding Proposed Ordinance No. 6592  
Proposed Ordinance No. 6681

## **AVAILABLE IN COUNCIL LIBRARY**

N/A