

**CITY COUNCIL REGULAR SESSION**

Ordinance 1) authorizing execution of an interagency agreement with the Washington State Department of Commerce to accept \$4,359,000 in Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") funding for costs incurred due to the COVID-19 public health emergency; 2) amending the 2019-2020 Operating Grants and Donations Fund to increase the appropriation by \$4,359,000; 3) amending the 2019-2020 Human Services Fund to increase the appropriation by \$500,000; and 4) authorizing the use of CARES Act funding.

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**EXECUTIVE SUMMARY**

This Ordinance will authorize the execution of an interagency agreement with the Washington State Department of Commerce to accept \$4,359,000 in CARES Act funding, amend the 2019-2020 Operating Grants and Donations Fund to increase the appropriation by \$4,359,000, amend the 2019-2020 Human Services Fund to increase the appropriation by \$500,000, and authorize the use of CARES Act funding.

**RECOMMENDATION**

Move to adopt Ordinance No. 6523

**BACKGROUND/ANALYSIS**

On March 27, 2020, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The CARES Act established the Coronavirus Relief Fund (CRF) which allocated a total of \$150 billion to state and local governments. The Washington State Department of Commerce administers CRF dollars to local governments in the state. Under the CARES Act, these funds may be used to cover costs that 1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19, and 2) are not accounted for in the budget most recently approved as of March 27, 2020. Under the requirements set by the Department of Commerce, funds may only be used for costs incurred during the period of March 1, 2020 through October 31, 2020. All final requests for reimbursement must be received by the Department of Commerce no later than November 15, 2020.

The State of Washington was allocated approximately \$2.9 billion in CARES Act funds, \$785 million of which was assigned to eligible units of local government with populations greater than 500,000. On April 27, 2020, Governor Inslee set aside \$300 million for local jurisdictions within the State of Washington with populations under 500,000. Based on the funding formula developed by the Office of

Financial Management, the City of Bellevue was allocated \$4,359,000 in CARES Act funds. To access the funds, the City must enter into an interagency agreement with the Washington State Department of Commerce.

The intent of these funds is to help jurisdictions cover the immediate impacts of the COVID-19 emergency – both direct costs to the jurisdictions and costs to their communities. Since the passage of the CARES Act, the Treasury Department has issued additional guidance that expands the definition of eligible reimbursable expenses to allow for services that were budgeted yet have been substantially reallocated to COVID-19 response such as police, fire, and emergency operations.

The City will seek reimbursement for costs associated with the COVID-19 response of \$3.8 million. These costs include the public health and safety efforts to mitigate the impact of COVID-19. With the total grant award of \$4.3 million, an additional \$500,000 is available for human services costs associated with the COVID-19 response.

While the impacts of COVID-19 have generated a wide variety of needs, community members and human service agencies are identifying the needs tied to basic survival as the most urgent at this time: food and housing. If these critical needs are not immediately addressed, an increasing number of children and families may go without food, and an increasing number of residents may experience homelessness.

### Food Scarcity

Food scarcity has a disproportionate impact on several specific populations: low-income students and their families, older adults and low-income adults. As the pandemic continues and people are either still unemployed or just getting back to work, food scarcity has increased for these populations as many need to prioritize limited funds to pay for rent to keep a roof over their heads rather than buy food. A number of those accessing food programs are refugees and immigrants who may not be documented and fear going out in the community for services where there are large groups of people or where they perceive they may be asked for identification. For some there is an element of shame to ask for help. Data demonstrating the rising needs related to food scarcity is as follows:

Food scarcity and supplies for basic needs (i.e. hygiene, cleaning, etc.) for some families has been an ongoing issue reported by the Bellevue School District. During the 2019-2020 school year, 17 percent of students qualified for the free and reduced lunch program and many participated in programs that provide food in backpacks for students on weekends and school holidays. Family Connection Centers (FCCs) located in the Bellevue School District have traditionally maintained small food pantries during the school year to supplement food needs for families but since the pandemic closed schools in March, the demand for food, hygiene supplies and cleaning supplies has increased enormously. Between March 16-June 19, the number of families coming to the FCCs for this kind of assistance increased from roughly 250/week to about 600-650/week.

In addition, food banks in Bellevue report steady or increased numbers seeking food assistance, with some new participants who have never had to ask for help before. For example, the Bellevue Hopelink Food Bank distributed 66 percent more food in the second quarter of 2020 compared to the same quarter last year.

### Emergency Financial Assistance (i.e. rent assistance)

Recent estimates identify that as many as 20 percent of families in the region have been unable to pay at least one month's rent, with some families having accrued 3-4 months of unpaid rent. National data shows that evictions for Black and Latino households are disproportionately higher compared to white households, with one in eleven Black and Latino households facing eviction, compared to one in twenty white households. Emergency financial assistance programs not only provide funds for rent to maintain housing and avoid homelessness but also for other needs like medical bills and car repairs so people can maintain employment. While the City of Bellevue has made two allocations of funds towards emergency financial assistance since March, data collected by Bellevue Human Services staff from local non-profits indicates the need for additional funds, particularly to community-based organizations that serve specific populations. These populations may be hesitant to approach the mainstream agencies due to perceived lack of language interpretation or due to some agencies' requirements for documentation that would be difficult to obtain. There is also a need for emergency financial assistance grants to be dispersed to a wider number of agencies, as the community demand for assistance is taxing the workload capacity of the agencies currently funded.

Staff recommend that of the \$500,000 identified for human services costs related to the COVID-19 response, \$300,000 be allocated to address food scarcity and \$200,000 be allocated for emergency financial assistance to residents. Staff propose utilizing currently contracted agencies to distribute food assistance and agencies that the City may not be currently funding to provide emergency financial assistance.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

Bellevue City Code 4.28.200 requires Council approval to execute grant agreements in excess of \$90,000.

Recommendations for acceptance and use of the CARES Act funds are supported by the following goals and policies 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.

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 accept \$4,359,000 in CARES Act funds for reimbursement of necessary expenditures associated with responding to and mitigating the impacts of the public health emergency caused by COVID-19, to amend the 2019-2020 Operating Grants and Donations Fund to increase the appropriation by \$4,359,000, and to amend the 2019-2020 Human Services Fund to increase the appropriation by \$500,000. There is no funding match requirement.

### **OPTIONS**

1. Adopt the Ordinance Ordinance 1) authorizing execution of an interagency agreement with the Washington State Department of Commerce to accept \$4,359,000 in Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") funding for costs incurred due to the COVID-19 public health emergency; 2) amending the 2019-2020 Operating Grants and Donations Fund to increase the appropriation by \$4,359,000; 3) amending the 2019-2020 Human Services Fund to increase the appropriation by \$500,000; and 4) authorizing the use of CARES Act funding.
2. Do not adopt the Ordinance and provide alternative direction to staff.

### **ATTACHMENTS & AVAILABLE DOCUMENTS**

Proposed Ordinance No. 6523

### **AVAILABLE IN COUNCIL LIBRARY**

Interagency Agreement