

CITY COUNCIL REGULAR SESSION

Ordinance 1) authorizing execution of an amendment to the interagency agreement with the Washington State Department of Commerce to accept \$2,179,500 in additional 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 \$2,179,500; 3) amending the 2019-2020 Human Services Fund to increase the appropriation by \$1,079,500; and 4) authorizing the use of CARES Act funding.

Nathan McCommon, Deputy City Manager, 452-4194
City Manager's Office

Michael Shiosaki, Director, 452-5377
Toni Esparza, Assistant Director, 452-5379
Parks and Community Services

Jesse Canedo, Chief Economic Development Officer, 452-5236
Community Development

EXECUTIVE SUMMARY

This Ordinance will authorize the execution of an amendment to the interagency agreement with the Washington State Department of Commerce to accept \$2,179,500 in additional CARES Act funding, amend the 2019-2020 Operating Grants and Donations Fund to increase the appropriation by \$2,179,500, amend the 2019-2020 Human Services Fund to increase the appropriation by \$1,079,500, and authorize the use of CARES Act funding.

RECOMMENDATION

Move to adopt Ordinance No. 6537

BACKGROUND/ANALYSIS

On March 27, 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 in the state. On August 31, Governor Inslee announced that the total CRF distribution to cities, towns, and counties would be increased by \$125 million for a total of \$420 million. The City of Bellevue was allocated an additional \$2,179,500 in funds above the original \$4,359,000 initially allocated. The Washington State Department of Commerce, which administers the CRF, subsequently announced that it was extending the deadlines for local governments to incur expenses and file for reimbursement by one month.

To access the additional funds, the City must amend the original interagency agreement with the Department of Commerce. The amendment (1) increases the funds the City will receive by \$2,179,500 for a total of \$6,538,500, (2) extends the deadline by which costs must be incurred from October 31 to November 30, and (3) extends the deadline for seeking reimbursement from November 15 to December 15.

The intent of these funds remains the same: to help jurisdictions address the immediate impacts of the COVID-19 emergency, both direct costs to the jurisdictions and costs to their communities. With the additional funding, the City will seek reimbursement for costs associated with the COVID-19 response in the amount of \$625,000. These costs include the public health and safety efforts to mitigate the impact of COVID-19, as well as administrative costs to comply with new regulations. The additional \$1,554,500 will be used to provide economic support to small businesses, community organizations, and human service agencies impacted by COVID-19.

Economic Development: \$475,000

| Program | Budget | Details |
|--|--------|--|
| Relief Grant Expansion | \$375K | Expands the program approved in August with an additional 75 grants to local businesses and non-profit arts organizations. This will support the retention of an additional 225 jobs citywide and meet 32% of the demonstrated need. |
| Community Organization Sustainability Grants | \$100K | Provides relief grants to community organizations impacted by COVID-19 that provide technical assistance and other development services to small businesses. |

These two funding programs place an emphasis on preservation of jobs at the lowest end of the income spectrum, support continued operation of our essential business and artist support organizations, and help reduce immediate job losses. As with housing, keeping someone employed is less resource-intensive and provides better outcomes than the path of mitigating unemployment once it occurs. This funding aims to mitigate the economic impacts of COVID and limit strain on the region's human services infrastructure via retention of jobs. It would also provide for a more equitable economic recovery in Bellevue in the long-term.

Bellevue's current Relief Grant program has validated the significant need present in Bellevue's small business community to address the economic impacts of COVID-19. The City received 296 applications for the 37 grants available. This number of applications represents at least \$1,160,000 in unmet need. Business owners who have applied have sustained an average revenue drop of 70 percent. The additional cash grants will support small businesses that have sustained a significant loss of revenue as a result of COVID-19 within the program's priority sectors - arts, accommodation, food services, retail, entertainment, recreation, healthcare and social assistance (Including childcare), educational services, and personal services.

To amplify an equitable reach to businesses, Community Organization Sustainability Grants will provide cash grants to community organizations impacted by COVID-19 that provide technical assistance, marketing, and other business development services to small businesses and arts organizations in Bellevue. The City's partner organizations, including those representing diverse communities and "mom-and-pop" businesses, have critical needs resulting from the COVID-19 pandemic. Preserving and enhancing their capacity is essential to maintaining a well-rounded economy and ensuring local

businesses and cultural groups have equitable access to the support structure they need to thrive through the pandemic and beyond. This resiliency and sustainability funding will help partners continue operations and service delivery, and ensure Bellevue maintains its small business and cultural sector together with associated employment.

Human Services: \$1,079,500

Human service agencies across the spectrum are facing significant unbudgeted expenses related to COVID-19 response. Agencies have been forced to quickly absorb the costs of increased demand for services as well as costs associated with implementing COVID-19 safety procedures including expenses associated with social distancing, cleaning supplies, and personal protective equipment. Many agencies are also experiencing simultaneous income deficits due to a decline in donations. It is critical that the human services network is sustained so that these agencies are able to continue to provide essential services to the public during the current public health emergency.

Staff recommend that \$1,079,500 be disbursed as cash grants to human service agencies currently under contract with the City of Bellevue. These agencies have already been initially vetted by staff and the Human Services Commission, thus enabling the rapid disbursement of funds to meet the agency need and the deadlines tied to these funds. Agencies will be asked to complete a short application and provide documentation of the costs they have incurred due to the COVID-19 public health emergency that have not been covered through another funding source. Staff will review all applications and distribute funding to all currently contracted agencies who meet the eligibility criteria.

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.

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, 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 accept \$2,179,500 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 \$2,179,500, and to amend the 2019-2020 Human Services Fund to increase the appropriation by \$1,079,500. There is no funding match requirement for this grant.

OPTIONS

1. Adopt the Ordinance 1) authorizing execution of an amendment to the interagency agreement with the Washington State Department of Commerce to accept \$2,179,500 in additional 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 \$2,179,500; 3) amending the 2019-2020 Human Services Fund to increase the appropriation by \$1,079,500; 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. 6537

AVAILABLE IN COUNCIL LIBRARY

Amendment to interagency agreement