

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.

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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