



SEATTLE CITY COUNCIL
CENTRAL STAFF

Federal COVID Response Funding

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FINANCE AND HOUSING COMMITTEE | MAY 18, 2021

Presentation Overview

- American Rescue Plan Act (ARPA) – updated guidance on Coronavirus Local Fiscal Recovery Funds (CLFR = direct aid to cities)
- Highlights of proposed county and state appropriations organized to show areas that overlap or complement spending priorities identified by Council in RES 31999
- Next steps

Direct Aid: CLFR Funds

Department of Treasury issued updated numbers for the allocation of direct aid to the City of Seattle on May 10th

- Direct Aid to Seattle: \$232M
 - Total allocation: \$232M (\$116M in 2021)
 - \$7M less than initial estimate discussed in April
- Direct Aid to King County: \$437M
- Direct Aid to WA State: \$4.42B

CLFR: Updated Federal Guidance on use of Direct Aid

- **Support public health expenditures by funding COVID-19 mitigation efforts**
(medical expenses, behavioral healthcare, and certain public health and safety staff)
- **Address negative economic impacts caused by the public health emergency**
(support workers, households, small businesses, impacted industries, and the public sector)
- **Replace lost public sector revenue, using this funding to provide government services**
(services to the extent of the reduction in revenue experienced due to the pandemic)
- **Provide premium pay for essential workers**
(those who have borne and will bear the greatest health risks because of their service)
- **Invest in water, sewer, and broadband infrastructure**
(improve access to clean drinking water, vital wastewater and stormwater infrastructure, and to expand access to broadband internet)

Guidance on use of Direct Aid

Addressing negative economic impacts

- Delivering assistance to workers and families, training, as well as aid to households facing food, housing, or other financial insecurity
- Supporting small businesses, to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, and technical assistance
 - loans, grants, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn
- Speeding the recovery of the tourism, travel, and hospitality sectors
- Rebuilding public sector capacity by rehiring public sector staff; and building internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations

Guidance on use of Direct Aid

Addressing negative economic impacts

Funding to serve the hardest-hit communities and families to:

- Address health disparities and the social determinants of health
- Invest in housing and neighborhoods
- Address educational disparities
- Promote healthy childhood environments

Funds may be used if they are provided:

- Within a Qualified Census Tract (a low-income area as designated by HUD)
- To families living in Qualified Census Tracts
- By a Tribal government
- To other populations, households, or geographic areas disproportionately impacted by the pandemic

Guidance on use of Direct Aid

Ineligible Uses

- To directly or indirectly offset a reduction in net tax revenue due to a change in law
- To make a deposit to a pension fund
- To fund debt service
- To pay for legal settlements or judgments
- To make deposits to rainy day funds or financial reserves
- To fund infrastructure projects outside of water, sewer, and broadband

Resolution 31999

Council's Spending Priorities by Categories

- Vaccines and testing
- Food assistance
- Immigrant and refugee support
- Homelessness and housing services (including rental assistance)
- Small businesses, worker assistance, and workforce recovery
- Child care
- Community wellbeing
- Transportation
- Revenue replacement and financial resilience

Highlights: County Spending Proposals*

- **Vaccines and testing**
 - \$112M: King County Vaccination Program
 - \$82.3M: Public Health COVID-19 Response (Testing, Contact Tracing, Care Coordination, I&Q Services, Strike and Mobile Assessment Teams, and Outbreak Testing)
- **Food assistance**
 - \$5M: Contracts with up to 20 CBOs to purchase, store and distribute culturally appropriate foods
 - \$1M: Funding to convert warehouse in SODO to co-packing space to support food security
- **Immigrant and refugee support**
 - \$4.9M: digital equity grants to CBOs
- **Homelessness and housing services**
 - \$100M: Rental assistance
 - \$50M: Homeless Response Fund (outreach, health and treatment services, housing or enhanced shelter, and economic and housing supports)
 - \$7.5M: Targeted Homeless Outreach and Shelter Program Procurement
 - \$6M: COVID Deintensification Shelters
 - \$40M: Coordinated Housing and Employment Recovery Program

**Note: KC Council is still considering the 2021 COVID appropriation bill, including potential amendments; numbers and categories of spending may change*

Highlights: County Spending Proposals*

- **Small businesses, worker assistance, and workforce recovery**

- \$20M Support for arts, culture, and science organizations
- \$1M to DCHS Communities of Opportunity's Commercial Affordability Pilot Project
- \$25.6M for a program to support BIPOC businesses and economic resiliency
- \$10.4M Apprenticeship and job training program
- \$40M for a new temporary jobs program for residents of DCHS's rapid rehousing program
- \$1.8M Safe Start Taverns and Restaurant Program

- **Child care**

- \$6M child care services and grant program and child care assistance

- **Community wellbeing**

- \$400k to deliver diapers throughout the county
- \$1.5M to support services for individuals and families experiencing domestic violence, sexual violence and gender-based violence
- \$10M+ behavior health services
- \$4M for services isolation and loneliness in youth and seniors

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Highlights: State Budget

- **Vaccines and testing**
 - \$1.1B COVID response and vaccine deployment
- **Food assistance**
 - \$14M: Emergency Food Reimbursements
- **Immigrant and refugee support**
 - \$340M Immigrant Relief Fund

- **Homelessness and housing services**
 - \$658M Rental Assistance
 - \$130.6M Housing & Emergency Needs (HEN)
 - \$58.4M for Operating, Maintenance and Services for PSH (on top of \$37M in base)
 - \$187M Foreclosure Prevention
 - \$175M Housing Trust Fund
 - \$120M Rapid Acquisition (including \$5M for the Clay Apartments and \$4M for Keiro Nursing Home in Seattle)
 - \$19.7M long-term vouchers
 - \$2M capital funds for tiny homes
 - \$222m Home Security Funds for unsheltered homelessness, RRH, etc.
 - \$4.6M Homeless Student Stability

Highlights: State Budget

- **Small businesses, worker assistance, and workforce recovery**
 - \$188M Small Business Assistance
- **Child care**
 - \$400M: Child Care Stabilization Grants (payroll, operating expenses, and other)
 - \$8M Professional development for child care providers
 - \$146M Working Connections Childcare and ECEAP Provider Rate Increases

- **Community wellbeing**
 - \$110.8M Behavioral health treatment and supports
 - \$10.7M Broadband accessibility / digital navigators
 - \$10.M Community-based organization grants to support access to federal resources

Next Steps

- **Introduce appropriations bill first week of June**
 - Will include accepting and authorizing spending of \$116M of CLFR funds and \$12.2M ARPA HOME Investment Partnerships Program
 - Other targeted aid to be considered in this bill or future appropriation bill depending on timing of award:
 - ~\$28M for rental assistance
 - TBD amount from the Older Americans Act to support seniors
- **Committee Schedule:**
 - June 4: Discuss appropriations bill and begin to identify potential amendments
 - June 15 or 16: Amendments and possible vote