

# COVID Response and Recovery

## 2022 Proposed Budget Overview

Ben Noble, Director, City Budget Office

Julie Dingley, Fiscal and Policy Manager, City Budget Office

Curry Mayer, Director, Office of Emergency Management

Emily Alvarado, Director, Office of Housing

Tanya Kim, Acting Director, Human Services Department

Seattle City Council Select Budget Committee

10/1/2021



**City of Seattle**

# Overview

---

FEMA Update

Seattle Rescue Plan 1 Implementation Update

Seattle Rescue Plan 2 Implementation Update

Seattle Rescue Plan 3: CLFR tranche 2

- How we arrived at this package
- Summary of package
- Racial Equity
- Itemized Slides

Lay of the federal funding land: more money coming

# FEMA Public Assistance Update

---

- As of September 23, 2021, overall we have received \$4.8m in funding approvals from the FEMA Public Assistance Program, with \$2.1m more in review with the State/FEMA, and \$13.2m in preparation for submittal by City Departments and the Office of Emergency Management. Additionally, departments have identified \$21.4m in estimated costs that may be eligible for submission.
- Through FEMA's Vaccine funding process, an additional \$10.5m is pending reimbursement via the King County contract for vaccination efforts.
- FEMA eligibility currently extends to December 31, 2021.
- The FEMA process is time consuming. Their review includes significant forensic accounting, which can take several years for a jurisdiction to receive reimbursement.
- Several unique factors contribute to overall increased uncertainty around reimbursement timelines for this disaster:
  - First use of FEMA Public Assistance Program for a Public Health Emergency
  - Dynamic policy changes
  - Duration of event, geographic reach and other simultaneous disasters
- FEMA funding for vaccine work will come through a contract with Public Health Seattle King County. A City team engaged in lengthy negotiations with the County to develop a contract to govern this novel funding situation. A contract extension to December 31, 2021 is expected.

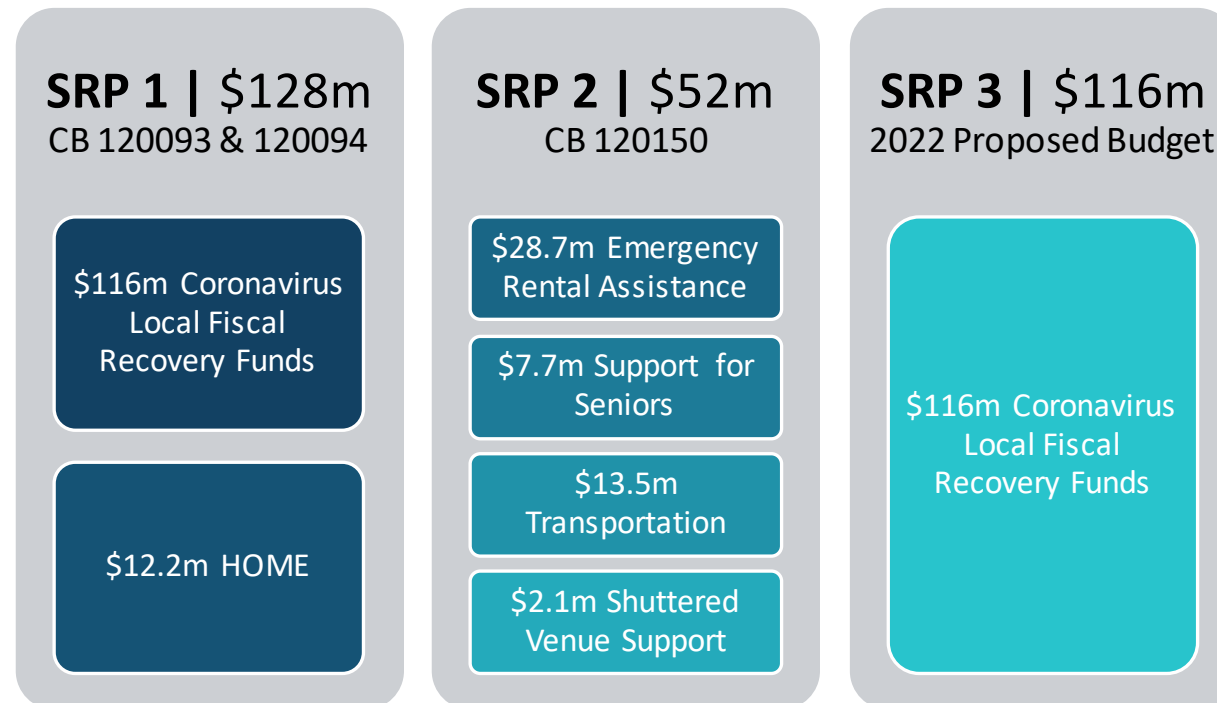
# FEMA Public Assistance Update

Estimated “Potentially Eligible Spend” by FEMA Project Status				
	Pending submission to OEM	In review with OEM	In review with State/FEMA	Funding Requests Approved
FAS	-	8.2 m	-	4.8 m
HSD	6.6 m	2.7 m	1.6 m	-
SFD	12.6 m	0.8 m	0.3 m	-
SPD	2.1 m	-	0.1 m	-
SPU	0.1 m	1.4 m	-	-
SDOT, SPL, OEM	0.1 m	0.0 m	0.1 m	-
<b>Grand Total</b>	<b>21.4 m</b>	<b>13.2 m</b>	<b>2.1 m</b>	<b>4.8 m</b>

- “Potentially Eligible Spend” estimates become more refined as FEMA projects make their way through the tiered review projects.
- FEMA Public Assistance reimbursement expectations reflected in the 2022 Proposed budget derive from current estimates of potentially eligible spend. Projects that are further in the review process are assumed to have a higher potential reimbursement rate and a shorter timeline for receipt.
- Revenue projections for the General Fund are heavily weighted towards 2023, whereas revenue projections for the FAS fund are more evenly spread across 2021, 2022 and 2023. Revenue is shown in the 6-year financial plans and contributes to the overall balancing of each fund.

# Seattle Rescue Plan (SRP) Summary

Seattle is receiving nearly \$300M of the \$1.9T total from the American Rescue Plan Act (ARPA), including \$232M in local direct aid (flexible funding from the Coronavirus Local Fiscal Recovery [CLFR] funds) and other targeted aid under the umbrella of the “Seattle Rescue Plan.”



# Seattle Rescue Plan 1 Implementation Update

---

*"Cities that got out of the gate with comprehensive plans bridging high -level goals with project-level details—such as Boston, Buffalo, St. Louis, and Seattle—offer models for how other cities can approach this historic opportunity."*

*-Brookings, 9/7/2021 ([link](#))*

# Seattle Rescue Plan 1

## Implementation Update: Process

---

With an unprecedented level of direct funding heading to all levels of government nationwide, the Treasury created a thorough and complex set of guidelines and use restrictions for CLFR dollars.

These guidelines took the form of an “Interim Final Rule,” which is a proposed regulation that governs how federal funds can be used. To address this complexity, CBO created and managed a review process for 51 programs to:

- **Ensure Eligibility.** Departments were asked establish eligibility under the IFR and produce documentation as back-up for eligibility. This work is crucial not only to set up proper accounting structures needed for tracking, monitoring, and reporting to Treasury – but for future audits so that the City can retain this funding long-term.
- **Analyze Racial Equity Impacts.** The pandemic has exacerbated already deep inequities in our city, and we want to make sure we’re doing our best to address them with the funding, and not exacerbate them. Departments were asked questions program-by-program that mirrored the City’s RET process: around racially equitable outcomes; benefits/burdens; and whether the program advanced opportunity/minimized harm.
- **Set-up Performance Evaluation.** SRP impact will be assessed with a comprehensive evaluation plan that looks at individual program performance as well as how programs work together to meet an individual, family, business, or neighborhood’s unique set of needs. Evaluation will include actionable qualitative and quantitative data so that program staff can make incremental improvements over time.

# Seattle Rescue Plan 1

## Implementation Update: Reporting

---

Treasury requires CLFR recipients submit two regular reports:

### Quarterly Project and Expenditure Report

- Technical report relying on accounting structures set up with departments with specific Treasury requirements.
- First Project and Expenditure Report due October 31, 2021.

### Annual Recovery Plan and Performance Report

- Provides a high-level look at the entire plan for CLFR looking forward, including spending and performance evaluation.
- First Recovery Plan and Performance Report was submitted on August 31, 2021, shared with Central Staff, published on CBO website, and linked from Council website.
- [Link](#)

**City Council will be receiving monthly update reports on Seattle Rescue Plan spending starting in October.**



# Seattle Rescue Plan 1

## Implementation Update: Highlights

---

### Affordable Housing Rapid Acquisitions (OH): \$28.5 million

- The Office of Housing recently announced the investment to purchase of three new multifamily buildings with 165 units total, with half of the funds coming from a matching grant from the State, totaling \$50m.
- One award is pending to historically-rooted non-profit to purchase a nursing home for short-term shelter/long-term affordable housing redevelopment.
- The units and shelter beds will be open for occupancy in 2021. OH secured 100% match from the State to support this work. The NOFA is rolling subject to funding availability.

### Cash Assistance (OIRA/HSD): \$25 million

#### **Phase 1:** Recertification applications in progress (\$8 million)

- Launched on August 30. Approximately 80% (2,975) applications recertified. Scholarship Junkies is making phone calls to reach the remaining 20% and get towards full recertification. Awards \$1k-3k based on household size.
- \$4.9 million disbursed so far.

#### **Phase 2:** Aiming to launch Seattle Rescue Fund application for assistance on October 25 (\$15 million)

- OIRA and HSD convened four community sessions to receive feedback on priority areas and is contracting with 42 community-based organizations to do direct outreach and in-language application assistance.
- Notifications and award disbursement expected to begin in early December, with 95% of awardees receiving funds within 1-2 weeks of disbursement. \$14m will be distributed with awards of \$1k-3k.
- \$750k to community-based organizations for contracted outreach

# Seattle Rescue Plan 2 Implementation Update

---

Select program updates:

## Emergency Rental Assistance (ERA) 1 and 2

ERA1 (\$22.7m):

- 93% obligated, including to 16 Community Based Organizations who are presently working with tenants
- 67% spent, including full spend down by United Way King County (UWKC) & publicly subsidized housing providers

ERA2 (\$28.7m):

- Over 35% obligated, including contract renewal with UWKC
- 11% spent by UWKC & publicly subsidized housing providers

## Older Americans Act (OAA)

- \$2.8 million available to spend in 2021 of \$7.7m total
  - Still waiting on final plan from the State. Overall will meet growing service demands in OAA-funded services
    - Services include: elder abuse case mgmt., transit subsidies, caregiver counseling, and nutrition/meals
  - Maintain or scale existing covid relief efforts, which includes alleviating negative health effects of social isolation

# Seattle Rescue Plan 3

---

CORONAVIRUS LOCAL FISCAL RECOVERY FUND (CLFR) TRANCHE 2

# How we arrived at this package

---

Much of SRP3's funding allocations were pre-determined due to funding commitments approved by Council in SRP1 and the Coronavirus Relief Fund (CRF) Reappropriation bill earlier in 2021.

With the remainder, SRP3 focuses funding around three larger themes arising from the shared priorities and community input gathered for SRP1 and the Equitable Communities Initiative:

- 1. Focus investment in affordable housing**
- 2. Transition to post-pandemic operations that build upon lessons learned during the pandemic**
- 3. Invest in economic inclusion**

# Summary of SRP3 Package

---



**Housing/  
Homelessness**

*\$72.8M*



**Community  
Well-being**

*\$13.9M*



**Recovery**

*\$18.3M*



**Supporting City  
Workers & Reopening**

*\$11.6M*

# Racial Equity

---

**Focus on Equity Analysis and Community Feedback** . The SRP3 package follows in the path laid down by Council and the Executive in developing SRP1 and the Equitable Communities Initiative, relying on the equity analyses and community feedback gathered earlier this year.

**Help those most harmed by the pandemic.** In targeting aid to groups and geographies disproportionately impacted by COVID-19, SRP investments target groups that are also disproportionately BIPOC. Programs also prioritize outreach to BIPOC groups in an effort to ensure equitable outcomes in client bases.

New investments reflect the some of the highest priority affordability and livability challenges facing Seattle and our communities of color and constitute the bulk of SRP3.

## Examples of New investments:

- Affordable housing capital
- Transition homeless shelters to post-pandemic operations
- Establish a small business ownership fund prioritizing neighborhoods with the greatest risk of displacement
- Workforce development programs prioritizing outreach to BIPOC groups
- Childcare stabilization grants

# SRP3 Programs

---

Housing/Homelessness:  
\$72.8 million

---



# Affordable Housing Capital: \$50.5 million

---

**Duration :** 2022-2024

**Description :** Over \$50 million in CLFR funds are included in an overall new investment in the 2022 Proposed Budget of \$89.5m to expand capital resources for affordable multifamily rental housing. The demand for capital investment far outstrips available resources from existing fund sources; for example, OH's fall 2021 solicitation advertised \$35 million in available funds while funding requests are expected to total \$100 million.

Funding is intentionally flexible to take advantage of favorable market conditions. Funds can be used for:

- Annual NOFA
- Rapid Acquisition Loans
- Reinvestment

**Prior COVID-19 funding:** \$28.5m from CLFR and HOME in SRP1; Council intent to reach \$60m overall. SRP3 exceeds that goal, reaching \$79m total across the Seattle Rescue Plans alone.

# Emergency Shelters: \$22.3 million

---

**Duration :** 2022-2024

**Description :** Funding for COVID mitigation efforts in shelters through 2022 and Salvation Army-SODO and Keiro non-congregate enhanced shelters through 2023 and 2024, respectively. The below investments are one part of the overall proposed homelessness budget in 2022 and will be implemented by the King County Regional Homelessness Authority (KCRHA).

- One-year ramp down funding for COVID Mitigation in Shelters: \$3.7m
- Maintain Salvation Army-SODO Enhanced Shelter units (241 units): \$12m
- Maintain Keiro Enhanced Shelter Units (125 units): \$6.6m

**Prior COVID-19 funding:** \$18.7m CLFR in SRP1 for diversion, capacity building, outreach and shelter, rapid rehousing, RV Safe Lot/Safe Storage, and Tiny Home Villages

Recovery: \$18.3 million

---

# Small Business Ownership Fund: \$7.6 million

---

**Duration:** Funding through 2023

**Description:**

- Creation of a Small Business Ownership Fund will finance small businesses to acquire ownership of ground floor commercial space for providing a public benefit. The CDFI National Development Council is providing a matching amount of funds as loan capital to small businesses.
- OED will prioritize outreach to BIPOC owned small businesses located in high displacement risk areas (based on the Displacement Risk Index in the Seattle 2035 Growth and Equity Analysis).
- This item will be funded with the City's General Fund made available from CLFR revenue replacement.

**Prior COVID-19 Funding:** This is a new program; however, \$20.3m CLFR was provided to OED in SRP1 for a variety of economic recovery programs, including: direct assistance to businesses, technical assistance, downtown and neighborhood recovery, job training, commercial affordability, and digital equity.

# Workforce Development Package: \$4.5 million

---

## **Duration:** Funding

**Description:** This workforce development package seeks to create strong pathways to middle wage jobs and more wealth-generating businesses in industries that will thrive in the future. Investments in economic inclusion will help Seattle recover from the pandemic and position our local economy for continued equitable growth. Items will be funded with the City's General Fund made available from CLFR revenue replacement.

The workforce development items are:

- Individual Artist Relief and Workforce Development(Arts): \$1.5M
- Priority Hire (FAS): \$500K
- Maritime Workforce Development (OED): \$500K
- Affordable Housing and Homeless Service Providers Workforce Development (OH): \$750K
- Re-employment pathways for immigrants and refugees (OIRA): \$250K
- Clean Energy Pre-Apprenticeship Scholarships (OSE): \$1M

**Prior COVID Funding:** \$1.5 million in 2021 CLFR

# Clean City Initiative Continuation 2022: \$6.2 million

---

**Duration:** This funding continues the temporary expansion of Clean City Initiative through August 2022.

**Description:**

- Four teams comprising staff/contracted workers from SPR, SDOT, and SPU provide an efficient, coordinated response to address illegal dumping, graffiti, and trash in public ROW, parks, natural areas, and around encampments.
- Each of the four teams contain 6-8 staff members who are fully dedicated to providing 40 hours per week in a dedicated quadrant of the City. The joint effort is informed by Find It, Fix It and other departmental data sources to provide a coordinated, rapid response to address hotspots throughout the city.
- In addition, SPU will continue to operate Community Litter Routes addressing trash and illegal dumping along certain routes and Graffiti Ranger teams cleaning up graffiti in 2022.

SDOT: \$2.8 million

SPR: \$2.8 million

SPU: \$0.6 million

**Prior COVID-19 funding:** \$5.82m CRF Reappropriation (April through December).

Community Well-Being:  
\$13.9 million

---

# Childcare Stabilization Grants Expansion: \$2.4 million

---

**Duration :** Funding for 2022

**Description :** This is a critical component of economic recovery and returning parents to the workforce. This item expands the childcare stabilization grant program that began in 2020. These funds will be used to address the economic hardship childcare providers and their employees experienced due to a loss of income, layoffs, and reduced work hours because of the COVID-19 crisis. Two populations are defined for assistance:

- 1) licensed childcare providers (both centers and family childcare homes); and
- 2) family, friend, and neighbor (FFN) providers.

**Prior COVID-19 funding:** \$3m for childcare workers and \$5m for childcare facilities, both from CLFR in SRP1. \$600k in CRF Reappropriation for childcare operator stabilization.



# Transition pandemic-related food programs: \$2.5M

---

**Duration :** Funding for 2022

**Description :** This item provides one-time funding to ramp down COVID-19 pandemic-related food support programs back to previous levels. HSD intends to utilize the funding as follows: \$220,000 for Ethnic Grocery Bags, \$1 million for meals in permanent supportive housing and emergency shelters and \$1.28 million for food banks. Individualized food delivery services will decrease as compared to pandemic-related delivery levels.

**Prior COVID-19 funding:** \$8.8m in CRF Reappropriation

# Affordable Seattle Unified Portal: \$2.3 million

---

**Duration :** Funding through 2024

**Description :** This program will improve efficacy of City aid programs addressing negative economic impacts by streamlining access to City benefit programs via a unified application portal.

Components of this item:

- ITD: \$1.4M for IT professionals needed to provide development, QA/QC, technical assistance, and web hosting costs
- Innovation and Performance: \$0.8M for Affordable Seattle program lead and community outreach costs

**Prior COVID-19 funding:** \$225k CLFR to Seattle IT in SRP1; \$125k CLFR to CBO in SRP1; (both partial year funding)

# Seattle Promise Additional Support: \$6.7 million

---

**Duration:** Funding through 2023

**Description:** SRP3 continues funding in 2022 and 2023 for enhanced programming and support that began in 2021. In total, \$10.7 million in CLFR funding (between SRP1 and SRP3) is allocated to expand Seattle Promise. Specifically, investments will:

- Address impacts on students during COVID-19 and to support new partnerships with the University of Washington and extended tuition and program supports at Seattle Colleges.
- Offer additional college preparation and persistence support for recent public high school graduates, particularly students of color, participating in the program.
- Bolster Promise scholar pathways to college completion through a new partnership with the University of Washington and extended tuition and program supports at Seattle Colleges.
- Address educational equity toward three key program outcomes: student preparation for college-level coursework, retention in college, and completion of certificate, credential, degree or transfer to four-year institution.

**Prior COVID-19 funding:** \$4m CLFR funding to DEEL provided in SRP1

# Supporting City Workers and Reopening: \$11.6 million

---

# Federal Funds Impact Evaluation: \$930K

---

**Duration :** Funding through 2024

**Description :** Measure and evaluate the impacts of the City's recovery investments

- Prioritize racial equity in investment strategies, program development, and impact assessment
- Identify best practices to deepen the impact of City recovery investments
- Work with partners to set citywide best practices for disaggregating data in line with City data privacy principles
- Report on lessons learned and policy implications for application to a broader range of City programs and departments

**Prior COVID-19 funding:** \$150k CLFR to CBO in SRP1 (partial year funding)

# Federal Funds Project Staffing: \$3.8 million

---

**Duration:** Funding through 2024

**Description:** The Treasury has very strict requirements that the City must follow in order to keep these funds. Adequate capacity is critically needed to administer the hundreds of millions of federal grant dollars Seattle has and will receive, including producing required reporting to the U.S. Treasury and competently managing the funds to avoid future clawback. These funds, which will be spent over the next three years, support staffing needed for City-wide coordination across 17+ departments on proposed spending, legislation, implementation, transparency, compliance, accounting, and reporting required for nearly \$300 million in federal funds that the City has received so far.

Departments receiving funding:

- CBO: \$2.1M (total for 2022-2024)
- FAS: \$1.4M (total for 2022-2024)
- OEM: \$0.3M (2022)

**Prior COVID-19 funding:** \$800k in CRF Reappropriation

# Critical IT Infrastructure Needs: \$4 million

---

**Duration :** Funding for 2022

**Description :** Seattle IT provides the IT infrastructure and staffing underpinning all the services that the City provides to our communities. This CLFR item extends the funding for critical IT resources identified in 2021. As a result of the COVID-19 pandemic, customer department demand has increased across all of Seattle IT's lines of business. This funding will provide staffing across the most in-demand lines of business such as the solution desk and cybersecurity.

**Prior COVID-19 funding:** The \$2.3M appropriated for a half-year's costs in 2021 is extended here to allow for a full twelve months of work for approximately 20.0 FTEs.

# Additional Funding to Support Hybrid Workplace: \$500K

---

**Duration :** Funding for 2022

**Description :** In response to the continuing public health crisis, Seattle IT will continue to support all City employees by providing them equipment to support a hybrid work model. This item provides additional funding to support upgrading desktop computers to laptops and staffing for the PC Replacement Program in 2022. This funding will support emergent hybrid workplace needs that are not captured by the program's base budget. This funding can support approximately 600 desktop-to-laptop upfits, approximately 225 net new laptops for departments.

**Prior COVID-19 funding:** \$800k CLFR to Seattle IT in SRP1



# Employee Vaccine Verification System: \$460K

---

**Duration :** Funding for 2022

**Description :** Per the Mayor's announcement on August 9, 2021, all City workers will be required to be fully vaccinated as a condition of employment by October 18, 2021. This requirement creates a new body of work for SDHR in creating vaccine tracking and vaccine exemption workflows that will impact all City staff. SDHR has partnered with an IT vendor for a system built specifically for vaccine tracking and will have labor needs to manage the resulting contract, software, and related change management.

Departments receiving funding:

- SDHR: \$450K
- ITD: Software costs supporting employee vaccine verification efforts: \$10K

**Prior COVID-19 funding:** This is a new program.

# FEMA Reserve: \$2 million

---

**Duration :** Funding through 2023

**Description :** This item supports \$2 million in revenue replacement for a GF reserve fund in Finance General to backfill pandemic emergency costs incurred by FAS that were thought to be eligible for FEMA reimbursement, but which turn out to be ineligible. Under previous disasters, FEMA has rejected about 10% of requests on average. As it becomes known which costs and the amounts rejected, FG will transfer funds to the FAS fund to backfill for un-reimbursed emergency costs.

FEMA is under a very busy workload between the pandemic and increasing natural disasters, so the timeframe for reimbursement/rejection will be long, hence the anticipated spend-out of the funding through 2023.

**Prior COVID-19 funding:** N/a, this item was deferred to SRP3.

# Lay of the Federal Funding Land

---

**American Rescue Plan Act (ARPA):** \$1.9 trillion – passed. Direct funding for Seattle:

- ✓ \$232m Coronavirus Local Fiscal Recovery (CLFR) Funds
- ✓ \$12.2m HOME grant for affordable housing
- ✓ \$28.7m Emergency Rental Assistance 2
- ✓ \$7.7m Older Americans Act – Senior Services
- ✓ \$10.9m Federal Transportation Agency (FTA) funds Madison Street Bus Rapid Transit (BRT)
- ✓ \$2.1m Small Business Administration (SBA) Shuttered Venues Grant for McCaw Hall

Additional resources to come:

- **Infrastructure Investment and Jobs Act:** \$550 billion – Passed Senate; House vote pending.
- **Build Back Better Act:** \$3.5 trillion – Senate and House versions in discussion
- **Innovation and Competition Act:** \$250 billion – Passed Senate; House versions in progress.

# Questions?

---