



MEMO TO: Members of the City Council

FROM: Mayor Angela Birney

DATE: July 21, 2020

SUBJECT: Allocation of \$2,170,800 to Support Human Services and Small Business Economic Recovery

I. RECOMMENDED ACTION

Allocate a total of \$2,170,800 to support Human Services and Small Business Economic Recovery from various funding sources as outlined below.

II. DEPARTMENT CONTACTS

Malisa Files, Finance Director 425-556-2166
Kelley Cochran, Deputy Finance Director 425-556-2748
Finance Department

Carol Helland, Director 425-556-2107
Planning and Community Development

III. DESCRIPTION/BACKGROUND

The City has access to new revenue that is being used to respond to impacts on individuals, families and businesses related to the COVID-19 pandemic. At the Study Session on June 9, 2020, Council reviewed the recommendation to allocate Cares Act funding, the remainder of the HB 1406 Sales Tax Credit money, and a grant from King County Councilmember Kathy Lambert (see Attachment A). The funds will be allocated to various programs, as outlined in the table below.

Description	Amount
Cares Act	
• Small business economic support	\$1,705,800
• Human Services (mental health, telework, food security and personal protective equipment)	\$250,000
• City of Redmond Senior nutrition program	<u>\$20,000</u>
Total Cares Act	\$1,975,800
HB 1406 Sales Tax Credit for rental assistance	\$190,000

King County Councilmember Lambert Grant food support and distribution	<u>\$5,000</u>
Total distribution	\$2,170,800

CARES Act

Small Business Economic Recovery

The City will partner with OneRedmond to establish a small business recovery fund to support selected small businesses and community-based organizations that are critical for the Eastside's continued prosperity. A total of \$1,705,800 will be allocated for small business economic support efforts.

For each organization selected to receive financial support in the form of a grant, the organization will also receive:

- Assistance with setting up marketing tools including website, social media, branding.
- Educational tools such as online communication tools, online credit card/gift card options, etc.
- Access to broad network of local experts in accounting, legal, marketing, etc.

The program will be administered using eligibility criteria that will be applied by a selection committee to review documentation submitted by businesses that apply for the grant. Financial oversight will be provided to ensure funding requirements are met. Performance metrics will be gathered for the businesses that are a part of the recovery grant fund program to track program effectiveness and return on grant funding investment. Program details are provided in the Small Grant Administration Program materials included as Attachment B.

Human Services

A total of \$250,000 will be allocated to support human service programs in the areas of mental health, telework, food security and personal protective equipment. During this unprecedented time, community need is outstripping resources available from our human service partners.

Senior Nutrition Program

A total of \$20,000 will be allocated to the citywide senior nutrition program and would allow the Parks Department to distribute senior lunches twice per week totaling approximately 100 meals per week.

HB 1406 State Sales Tax Credit

The money received from HB 1406 State Sales Tax Credit can be used for acquiring, rehabilitating or constructing affordable housing, operations and maintenance of new affordable or supportive housing facilities and rental assistance to tenants that are at or below 60% of median income. On May 19, 2020 Council allocated \$100,000 of the projected \$290,000 to Hopelink and the Muslim Community Resource Center (MCRC) for rental assistance. The additional \$190,000 will also be allocated to organizations to help with rental assistance for those most in need in Redmond.

King County Grant from Councilmember Lambert

King County Councilmember Lambert granted the City \$5,000 to allocate toward human service opportunities. Staff recommends allocating the funds for food support and distribution due to the ongoing need for food security in the Community.

IV. PREVIOUS DISCUSSIONS HELD

Council discussion dates, include:

- Committee of the Whole Updates
- City Council Study Session – June 9, 2020

V. IMPACT

A. Service/Delivery:

Each of the various funding allocations will go to individuals or small businesses in need of support in the Community.

B. Fiscal Note:

With Council's approval a total of \$2,170,800 will be allocated to the programs described above. The Finance Department will follow up with a budget adjustment before the end of the year to recognize the revenues and expenditures related to the various allocations.

VI. ALTERNATIVES TO STAFF RECOMMENDATION

Council can choose to allocate the funds as presented, allocate the funds with changes or not allocate the funds. If the Council chooses to not allocate the money, the funds would be returned to the granting agencies.

VII. TIME CONSTRAINTS

Timely distribution of funds is necessary to ensure that individuals, families and businesses have resources available to respond to the needs created by the pandemic.

VIII. LIST OF ATTACHMENTS

Attachment A: Council Study Session Memorandum Dated June 9, 2020

Attachment B: Small Business Economic Support Criteria



Malisa Files, Finance Director



Carol Helland, Director of Planning and Community Development



Approved for Agenda

Angela Birney, Mayor