



MEMO TO: Members of the City Council

FROM: Mayor Angela Birney

DATE: June 9, 2020

SUBJECT: Business and Human Services Revenues and Expenditures

I. RECOMMENDED ACTION

Review business and human services revenue received, and expenditures made in response to impacts of the COVID-19 emergency. In addition, review recommendation to provide additional community assistance during the pandemic.

II. DEPARTMENT CONTACTS

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<i>Finance Department</i>	

Carol Helland, Director	425-556-2107
<i>Planning and Community Development</i>	

III. DESCRIPTION/BACKGROUND

The City has existing and new revenue that is being used to respond to impacts on individuals, families and businesses related to the COVID-19 pandemic. The table below identifies the sources of the existing and new revenue, the amount of revenue available, how the revenue is allowed to be spent (award criteria), and expenditures made to-date. This memo focuses on funding sources that are currently allocated to the City of Redmond and can be used to support human services and small business COVID-19 response needs.

A. Analysis

Community need at this unprecedented time is outstripping available resources. As a result, at a proposed Study Session on June 9, 2020, staff would like Council to discuss how remaining fund balances should be prioritized to address community human services and small business needs. Where fund balances remain, staff have identified known unmet needs for Council to consider during their future discussion of priorities.

Existing Revenue

Sources	Amount	Award Criteria	Expenditures/Status
2019-20 Human Services Contract Awards	Approx. \$75,000 annually	Rental Assistance	\$31,500 – Hopelink \$11,220 – Catholic Community Services (CCS) \$ 8,000 – Attain Housing \$22,587 – LifeWire
Human Services Fund Balance	\$80,000	Fund Balances can be used for any human services expenditure, typically reserved for emergency, one-time requests that are authorized by the Commission.	\$80,000 – Shelter funding for The Sophia Way, Catholic Comm. Services and Friends of Youth
Lodging Tax Fund Expenditure distribution adopted by City Council: Grants-9% Marketing-50% Community Grants-39% Admin-2%	\$108,000 of funds reported through Q1	Lodging tax revenues may be used for: (a) Tourism marketing; (b) The marketing and operations of special events and festivals designed to attract tourists; (c) Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality; or (d) Supporting the operations of tourism-related facilities owned or operated by non-profit organizations	\$9,000 - redirected to Bullseye Contract for Tourism Campaign Funds are about \$10,000 below 2020 projections and the gap is expected to increase through the summer unless soccer tournaments can be held.
Economic Development Budget	\$50,000	Contracted work (studies, services, code development, etc) that supports the economic vitality of the city.	\$11,600 – BusinessImpactNW (BINW) Contract to bring eastside businesses one-on-one advising from local experts in small business resilience.
OneRedmond Contract	\$125,000	OneRedmond facilitation of small business support services, recruitment and some regional initiatives.	\$15,000 redirected to COVID-19 response
Port Grant	\$64,600	StartUp425 annual fee, Eastside economic analysis, technical services and small business support related to COVID-19, recruitment, displacement support to business impacted by new development and light-rail. All funded activities must support and tie back to the missions and function of the Port of Seattle, such as, import and exports of products and travel through the SeaTac airport.	\$19,000 redirected to COVID-19 response

New Revenue

Sources	Amount	Award Criteria	Expenditures/Status
1406 Sales Tax Credit	\$290,000 (estimated) Annual tax credit for 20 years starting in 2020	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 percent of the median income	\$100,000 allocated to Hopelink and Muslim Community Resource Center (MCRC) for Rental Assistance by City Council on May 19, 2020
Community Development Block Grant – COVID (CBDG-CV)	\$212,736	Must be used for future activities directly related to COVID-19.	The Human Services Commission recommended expenditure of CDBG-CV funds toward shelter operations at their May 11 meeting. This recommendation is scheduled for Council consideration and approval in June.
CARES Act	\$1,975,800	Emergency medical response expenses, public health needs (PPE, disinfecting, expenses for quarantine), payroll for COVID-19 response, actions to facilitate compliance with public health measures (food deliver to vulnerable populations, telework expenses, providing paid leave, expenses for homeless populations), and economic support (grants to small businesses and unemployment insurance related to COVID-19)	<p>\$1,975,800* currently available for distribution to allowed uses. Identified unmet needs include:</p> <ul style="list-style-type: none"> • Food assistance (Hopelink reports an estimated \$200,000 shortfall) • Mental health support • Technology tools to provide critical services remotely • Hotel vouchers for victims of domestic violence • Utility assistance (for individuals, families and businesses) • Grants to small businesses for Personal Protective Equipment (PPE), marketing and webpage support. <p>*Staff may recommend that some City expenses related to COVID-19 response be reimbursed from this funding source if not reimbursed by FEMA</p>
King County Supplemental Appropriation for Economic Development Relief	\$104,000	Economic development programs	A supplemental appropriation recently passed by King County Council to support economic development relief efforts across the County. Staff is analyzing the appropriate uses of these funds.

Although revenue represents a major component of assistance needed at this time, staff and community partners have pivoted services to meet rapidly emerging community demands. These activities are described below to offer a holistic picture of the support that is being provided to non-profits and community partners that are at the forefront of the pandemic response.

The City's Human Services team continues its COVID-19 emergency response by:

1. Tracking and advocating for the award and distribution of COVID-19 resources from government (federal, state, and county), private sector entities and foundations to East King County non-profit service providers (e.g. additional county funds to purchase hotel vouchers for individuals experiencing homelessness).

Staff are participating in the King County Pandemic Community Advisory Group (PCAG). Among other things, the PCAG helped advise the Seattle Foundation on priorities and grant recipients for the foundation's Round 1 COVID-19 Response Fund. Alaric Bien sits on the PCAG and represents the Eastside Human Services Planners for a number of cities. The Round 1 grants totaling around \$450,000 supported eleven agencies in rural and urban East King County. The Seattle Foundation recently announced its [second round](#) of funding for COVID-19 related response. There will be: \$1.5M for childcare granted through a curated process; \$1.5M for mental and behavioral health through a curated process; and an application process for \$3M in emergency financial assistance.

2. Modifying our operations and approach to be responsive to the evolving needs and challenges faced by non-profits, including revisions to contract reporting requirements, extending the 2021-2022 Human Services Fund grant application deadline, and working closely with other East King County cities and agencies to support shifts in shelter service delivery.
3. Gathering and assessing "on-the ground" impacts of COVID-19 to inform our planning efforts and potential funding strategies. As an example, staff compiled a resource flyer with updated resources, such as day center services, for individuals experiencing homelessness to be posted in public areas (e.g., grocery stores), due to closures of libraries and other facilities.
4. Identifying city resources, prioritizing based on greatest needs, and matching approved funding to identified needs consistent with adopted criteria and guiding principles which will require further Council discussion.
5. Sharing resources and information with external community partners and broader community via social media, website, etc. One example of these efforts can be viewed in the City of Redmond website at the following link: <https://www.redmond.gov/1366/Resources-for-Individuals-and-Families-I>

The City's Economic Development team continues to respond to the pandemic by partnering with OneRedmond and StartUp425 to offer the following resources:

1. Financial Resources Webinar Series, the most recent which was also held in Spanish.
2. One on one loan packaging assistance for those who need start to finish support preparing loan applications.
3. Temporary policy updates and programs such as curbside pick-up and reuse of assigned parking. City staff distributed free curbside pick-up signage to businesses.
4. One-on-one assistance for business planning, financial planning support and guidance for pivoting operations in the short and long-term to respond to the changing business context.
5. Connecting business and community partners to available grants and advocating for funds to come to the city and support eastside businesses including a session with Congresswoman DelBene.
6. Support for translation services.
7. Development of the What's Open Eastside by staff in TIS and PCD. This tool will provide free marketing to ALL businesses (not just restaurants) and will include homebased businesses and allow operators to update information about their status in real-time. There is no other tool like this that provides free marketing to all business types and helps relay how local business have pivoted to meet public health mandates.
8. Creation of OneEastside via OneRedmond 501c3 Foundation to help fund the OneEastside Small business Recovery Initiative.
9. Recovery planning and stakeholder outreach to mitigate the effects of health department requirements for business operations during the Safe Start reopening phases (2-3-4).
10. Leading the Eastside Welcome Back Campaign focused on drawing people out to local businesses during the next stages of reopening, and using a variety of marketing tools and outreach to grow consumer confidence and highlight the why the eastside is one of the easiest places to enjoy services and restaurants while remaining safe and healthy.
11. Working with partner agencies to explore development of a workforce program to support the reemployment of those who have lost their jobs due to COVID-19.

12. Supporting OneRedmond efforts to secure Economic Development Administration (EDA) and King County grants to provide funding and free services to the public.
13. Partnering with state and local agencies to help businesses that need support moving to ecommerce platforms, but do not have funding for websites, coding, marketing or programing.

Sharing resources and information via social media, website, etc. The results of these efforts can be viewed in the City of Redmond website at the following link: <https://www.redmond.gov/1367/Resources-for-Businesses-Impacted>

B. Recommendation

After analysis of the funding requirements and discussions of priority community needs, Staff recommends allocating the money from the Cares Act, HB 1406 dollars and a grant from King County Councilmember Lambert to the following programs:

- Cares Act (\$1,975,800):
 - Allocate \$1,505,800 to small business economic support. The City proposes to partner with OneRedmond to create a small business grant program to assist small businesses during the pandemic.
 - Allocate \$250,000 to human services to help non-profit organizations with support the Community through food security, mental health programs, teleworking capabilities and the purchase of personal protection equipment.
 - Allocate \$20,000 to citywide senior nutrition program through the Parks Department. The additional money would allow the Parks Department to distribute senior lunches twice per week totaling approximately 100 meals per week.
 - Allocate \$200,000 to reimburse the City for equipment and supplies related to telework capabilities.
- HB 1406 State Sales Tax Credit (\$190,000):
 - Allocate the remaining funds from HB 1406 to rental assistance programs for those in need.
- King County Councilmember Lambert grant (\$5,000):
 - Allocate the funds secured by King County Councilmember Lambert to provide food support and distribution in the Community.

Allocating the above funds would require Council approval to accept the money and approve the recommended programs for funding and/or reimbursement.

IV. PREVIOUS DISCUSSIONS HELD

Previous discussions on this topic, include:

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| • Parks and Human Services Committee of the Whole | April 7, 2020 |
| • Parks and Human Services Committee of the Whole | May 5, 2020 |
| • City Council Meeting | May 19, 2020 |
| • Finance, Administration and Communications Committee | May 26, 2020 |

V. IMPACT

A. Service/Delivery:

Allocation of proposed funding will continue to provide Community assistance in the areas of food support and distribution, small business economic support, rental assistance and teleworking capabilities.

B. Fiscal Note:

The City proposed to allocate \$2,170,800 to the organizations mentioned above for human services and city reimbursement.

VI. ALTERNATIVES TO STAFF RECOMMENDATION

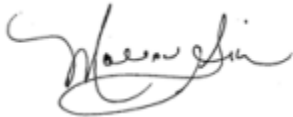
Council can choose to accept the recommendation provided or fund other community efforts.

VII. TIME CONSTRAINTS

Decisions concerning where the money will be placed should be made as soon as possible so that Community members and organizations can gain access to the funds.

VIII. LIST OF ATTACHMENTS

Attachment A: PowerPoint Presentation



Malisa Files, Finance Director



Carol Helland, Director of Planning and Community Development



Approved for Agenda _____
Angela Birney, Mayor