



INFORMATIONAL MEMORANDUM

TO: Finance and Governance Committee

FROM: Vicky Carlsen, Finance Director
Julie Hatley, ARPA Funds Analyst

CC: Mayor Ekberg

DATE: May 23, 2022

SUBJECT: 2021 American Rescue Plan Act (ARPA) Fund expenditures and benefits to the community

ISSUE

Staff is reporting 2021 ARPA-funded expenditures, and includes information detailing the benefits of the expenditures to the community, per 2021 allocations approved by City Council in November 2021.

BACKGROUND

On March 10, 2021, a \$1.9 trillion relief package, known as the American Rescue Plan Act, was approved and provides funding in several areas including state and local aid, education, rental assistance, and transit. The City was allocated \$5.68 million with the first half received in June of 2021. The second half will be received in June of 2022. Funds must be spent or contractually committed by December 31, 2024.

The funds can be used in the following ways:

- To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and non-profits, or to aid impacted industries such as tourism, travel, and hospitality.
- Provide premium pay to eligible workers that are performing essential work.
- Provision of government services to the extent of the reduction in revenue due to the pandemic relative to revenues collected in the most recent full fiscal year. Funds used under this category may only be used to restore services or projects that were reduced or eliminated due to revenue lost due to COVID. In other words, there must be a
- Make necessary investments in water, sewer, or broadband infrastructure.

The funds cannot be used to directly or indirectly offset tax reductions or delay a tax/tax increase. Nor can funds be deposited into any pension fund.

Final guidance on approved uses of the funds was released in January 2022, with updates to the ARPA Final Rule provided by the US Treasury in April 2022. The 2022 updates include expanded categories under which ARPA funds can be used to benefit communities. And allows governments to qualify individuals and small business owners for direct assistance by assuming

the resident or owner is impacted or disproportionately impacted by the covid-19 pandemic if they reside or have a business located in a Qualified Census Tract (QCT). Contracts and subrecipients for ARPA-funded expenditures are required to be compliant to US Treasury ARPA requirements.

On March 14, 2022, staff introduced ARPA Funds Analyst to the Finance & Governance committee that included a presentation and question/answer session regarding the general documentation, processes, and tracking techniques required for accurate and federally compliant recordkeeping and reporting. ARPA Funds Analyst collects, monitors, and tracks each individual ARPA-funded expenditure by invoices, receipts and vouchers against GL reports, researches and collaborates across departments, and reconciles all individual expenditures and maintains an up-to-date record of expenditures per Council-approved allocation. Analyst successfully reported the City’s first year of ARPA expenditures and community projects to the US Treasury as required by federal guideline.

DISCUSSION

Recap of 2021 Activity

The table below outlines all 2021 ARPA-funded expenditures per Council-approved allocation that occurred during the allowable period of March 3, 2021 to December 31, 2021. Benefits of the expenditures to the community is included, plus further details as provided by the department. Each expenditure meets ARPA compliance requirements and directly or indirectly benefits the visitors, residents and business owners in our community as noted below. Planned and known expenditures for 2022 are also included, as provided by the department.

2021 Allocation Recipients	Total 2021 Expended	Total 2021 Allocation	Benefits to Community	Additional Details
SeeClickFix	\$15,689	\$15,000	See Click Fix provides a web and mobile application for residents and stakeholders to report issues to the City. It equitable as it serves as a work intake tool and outcomes can be measured e.g time to resolve by neighborhood.	https://www.tukwilawa.gov/residents/engage/tukwila-works/

INFORMATIONAL MEMO

2021 Allocation Recipients	Total 2021 Expended	Total 2021 Allocation	Benefits to Community	Additional Details
Business Assistance	\$10,000	\$15,000	Supported equitable access to resources, addresses the negative economic impact of Covid-19, stimulates our local economy, keeps businesses open, sustains and creates jobs, strengthens economic & social relationships, and increases tax revenue.	<p>Pre-ARPA 2020 and 2021 Business Assistance:</p> <ul style="list-style-type: none"> • 27 childcare businesses were approved and each given \$1,000 grant in 2020. • 50+ emails sent to all Tukwila businesses notifying them of resources and helpful marketing materials. • Initiated 110 telephone surveys, and 900+ emails with links for online survey to learn negative impacts of covid on businesses and identify barriers to stabilization. <p>ARPA-Funded 2021 Business Assistance:</p> <ul style="list-style-type: none"> • Contracted Southside Chamber of Commerce to provide education, translations, and assist small business owners to complete EIDL Grant Applications. • 7 businesses completed EIDL Grants with assistance (fashion boutique, bookkeeping service, shopping center, credit union, law office, daycare, and cleaning service). • 875 emails sent to small businesses for resources/grant education with translations provided in Vietnamese, and Spanish. • Social media impressions recorded for small business resources/grant education in 3 languages (English, Vietnamese, and Spanish). Instagram 246. Facebook 595. LinkedIn 63. Twitter 145. YouTube Video 20.
Rent/Utility Assistance	\$0	\$0	Supported equitable access to resources, addresses the negative economic impacts of Covid-19 on impacted and disproportionately impacted residents, provides eviction prevention and promotes stabilization, prevents utility shut offs, and strengthens economic & social relationships in our community.	<p>ARPA funds will be used in 2022.</p> <p>In 2021 other funds were used to assist:</p> <p>Individual households = 231 Total rent assistance = \$231,092 Total utility assistance = \$46,255</p>
Dark Trace Cyber Security	\$21,909	\$25,000	Provides data protection and maintains citizen trust and confidence by protecting City finances and intellectual property.	Applies artificial intelligence to detect and stop anomalous activity (e.g. ransomware) on our network.
Build out chamber/conf rooms	\$13,283	\$18,000	Provided residents equitable access to council chambers and conference rooms for online security, social distancing, and improve video/audio access for residents and remote employees.	Installed HDMI/SDI conversion equipment and installed 360-Degree, 1080p HD Smart Video Conference cameras, microphones, and speakers.

INFORMATIONAL MEMO

2021 Allocation Recipients	Total 2021 Expended	Total 2021 Allocation	Benefits to Community	Additional Details
Leadership Initiatives (formerly Community Connectors)	\$0	\$0	The purpose is to elevate, develop and support Tukwila community leaders. The program will incorporate a shared holistic approach that will consist of discussions of real-world lived experiences among Tukwila's diverse community members. The program will provide necessary tools to understand City services, policies and programs emphasizing professional and personal advocacy.	Per Coordinator Neisha Fort-Brooks, programming to begin late Summer 2022. Web page planning is happening now.
ARPA Funds Analyst	\$0	\$0	Hired January 2022 to maximize APRA fund use, provide assistance and guidance on use of funds, provide ongoing status updates/reports, ensure accounting and appropriation of ARPA funds are in accordance with City mission, policies and ordinances, and adhere to Federal requirements for beneficiaries, expenditures, contracts, monitoring, and reporting.	ARAP Funds Analyst will also assist the budgeting process by analyzing revenues to determine how covid has and continues to affect the City's revenue streams.
Summer Camp	\$50,618	\$50,000	Restores portion of cut Summer Camp programs, and frozen staff positions, that support youth continuing education over summer. Camp helps children improve their confidence, independence, healthy living with active play, environmental awareness, social skills, and leadership.	69 children participated in Camp Tukwilly in 2021. In 2022, ARPA funds will be used to restore Tenn Venture Camp and add Preschool summer programming to address decreased student readiness for school due to the pandemic.

INFORMATIONAL MEMO

2021 Allocation Recipients	Total 2021 Expended	Total 2021 Allocation	Benefits to Community	Additional Details
Before & After School	\$41,275	\$84,000	Restored portion of cut After School programs, and frozen staff positions, that support emotional, social, cognitive & academic development, reduce risky behaviors, promote physical health, and provide a safe and supportive environment for youth.	40 Students participated in After School programming September to December 2021. In 2022, ARPA funds will be used to increase capacity of the program to add back Before School programming and fully restore Preschool offerings. ARPA will also restore Winter Break for Students.
Park Maintenance Staff	\$76,910	\$80,000	Additional park staff hired using ARPA funding contributed to improve the overall maintenance and safety of parks, playgrounds, and trails for residents and visitors. Staff assisted with cleaning up garbage, vandalism and homeless encampments leading to improved safety and public health.	Additional staffing allowed for reactivation of park shelter rentals for user groups.
Permit Processing Staff	\$112,185	\$125,000	Restored frozen staff positions for equitable and efficient permit processing for residents & businesses making infrastructure investments by reducing potential hazards of unsafe construction, ensures public health, welfare, & safety, and reduces the likelihood of injury to property owner, visitors, & future owners.	ARPA funds in 2021 added back two Permit Processing employees with the benefit of: -Reducing backlog which decreased the time required to process a permit (Permit Techs are the front end and back end of each permit). -Easing the transition to electronic permitting that began in 2020. We were able to implement changes and identify any gaps in process much quicker. -Better planning for training/cross-training for job processes which included land use permits, fire permits, and public works permits. And allowed a smoother transition with one employee retiring.
Fire - OT for Minimum Staffing	\$330,066	\$225,000	Supported firefighter staffing levels for the protection of life and property including victim rescue, fire control, and property conservation.	

INFORMATIONAL MEMO

2021 Allocation Recipients	Total 2021 Expended	Total 2021 Allocation	Benefits to Community	Additional Details
Street Maintenance Staff	\$45,367	\$167,500	Restored frozen staff positions for routine maintenance to keep overall costs down, maintain City infrastructure & road safety, preserve road strength & quality, ensure proper drainage, prevent washboarding & potholes, and maintain equitable community access.	<p>In early 2021, Street Department reports just trying to keep up with community complaints.</p> <p>Using ARPA funds in 2021 to restore two Street Maintenance positions enabled the restart of work put off due to pandemic-related short staffing. This includes:</p> <ul style="list-style-type: none"> -Maintenance of vegetation along street surfaces in islands, sidewalks, and sides of the roadway (Spraying & pulling weeds, trimming plants, and adding mulch to plant beds). Department is still trying to catch up from work-time lost during pandemic. -Guardrail damage, that had to be coned off due to pandemic cuts, have been repaired: <ul style="list-style-type: none"> • 9 sections and post on 66th Ave bridge over I-405 • 14 sections and post at West Marginal Place • 3 sections and post at Ryan Way/47th • West Valley Highway -Cleaning homeless camps, to remove debris and improve safety, was unable to be done without ARPA funding. This is now done monthly. <ul style="list-style-type: none"> • Tukwila international BLVD open field next to Shag • Tukwila international BLVD and 146th • New pedestrian bridge off of West Valley Highway • Strander Bridge. -Pressure washing bus stops on Tukwila International BLVD can now be done 2 x per month.
Traffic Calming	\$100,000	\$100,000	Funded equipment and engineering to reduce traffic speed, reduce vehicle collisions, improve safety for pedestrians and cyclists, reduce environmental impacts, increase neighborhood interaction and revitalization, and increase property values.	<p>Traffic Calming used ARPA funds in 2021 to:</p> <ul style="list-style-type: none"> • Purchase radar driver feedback signs and Rapid Flashing Beacon Crosswalk systems to install where needed. • Speed cushions and signs were purchased, with installation at 53rd. • Construction of RRFB at 150th and 46th Ave S by Thorndyke elementary school. • Started Allentown, Cascade View, Tukwila elementary, impact charter school conversations with engineers in November/December 2021.
Totals for 2021:	\$817,302	\$904,500		

2021 ARPA Allocations Total	\$904,500
2021 ARPA Expenditures Total	\$817,302
Under 2021 ARPA Allocation by:	\$87,198

Total 2021 ARPA Allocations Approved	\$904,500
Total 2022 ARPA Allocations Approved	\$2,860,000
2-Year ARPA Total Allocations Approved	\$3,764,500

Total ARPA Award	\$5,685,000
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Next Steps

Expenditures will continue to be tracked and reconciled by ARPA Funds Analyst in preparation for the next required reporting period with the federal government. The next reporting period for the City will be April 30, 2023, and will include activity beginning April 1, 2022 through March 31, 2023.

Analyst will perform budget projection tasks to maximize use of ARPA funds as we work to address the negative economic impacts of COVID-19 on our community.

In addition to continued monitoring and tracking of ARPA-related expenditures, Analyst will also analyze various revenue sources that have been impacted by COVID-19 over the next few months. The analysis will help to fine-tune the revenue budget for the 2023-2024 biennium.

Finally, if the Balancing Act tool is well received by the community, a simulation can be developed to gather input on priorities for use of remaining ARPA funds.

RECOMMENDATION

Discussion only.