



**CITY OF TACOMA
OFFICE OF THE CITY MANAGER
MEMORANDUM**

TO: Mayor Woodards and City Council

FROM: Elizabeth Pauli, City Manager

SUBJECT: COVID-19 Emergency Funding

DATE: August 20, 2020

Since the City of Tacoma declared a state of emergency related to the COVID-19 public health crisis on March 12, 2020, the City has implemented programs and services to help mitigate the negative impacts of the pandemic on our community. We have also incurred expenses related to our first responder operations and other organizational measures necessary to respond to the public health emergency. The City has federal and state funding sources made available by legislation enacted at the federal level to recover some of our pandemic response costs.

In determining how to effectively deploy the resources available, City staff considered several factors, including the parameters for each funding source on how the dollars can be used and the time horizon by which we have to spend down those dollars. Careful consideration of the immediate needs of the community were driving factors behind these choices, including equity concerns and prioritization of the most vulnerable in our community. Basic needs for community resiliency such as shelter and housing stability, food security, small business assistance, child care, and supporting human services providers in a telework environment were prioritized for funding. The City continues to pursue additional funding opportunities to aid in our coronavirus response efforts. The following is a summary of the COVID-19-related funding sources available and how the City has allocated the funding to date.

CARES Act Coronavirus Relief Funds

While the City of Tacoma did not meet the population threshold of 500,000 to receive a direct disbursement of Coronavirus Relief Funds from the U.S. Department of the Treasury, Washington State has implemented a plan to share about \$298 million of their approximately \$2 billion disbursement from the Treasury. Based on the per capita formula determined by the State for sharing of these dollars with cities and towns, the City of Tacoma is eligible to claim up to \$6.342 million in eligible COVID-19 response expense reimbursements from the Washington State Department of Commerce. Eligible expenses are restricted to pandemic response activities that are necessary and unbudgeted. This funding can be used to cover the local cost share of 25% for expenses reimbursable by the Federal Emergency Management Agency. The deadline to incur eligible expenses is October 31, 2020. Of the \$6.342 million available, \$1.3 million has not yet been allocated. We anticipate an announcement from the Department of Commerce that will revise the deadline for incurring eligible expenses to December 1. We have identified additional qualifying expenses for the remaining available dollars and await that decision from the Department of Commerce to help inform next steps.



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Coronavirus Relief Fund Allocations to Date	
Category	Expenditures
First responder & City staff overtime costs	\$1,497,195
Food assistance	\$890,000
Child care assistance (both providers and families)	\$800,000
Public safety response (Tacoma Fire Department personnel costs substantially dedicated to responding to COVID-19 positive or suspected persons)	\$730,000
Technological infrastructure for human services providers to support telehealth services	\$500,000
Non-congregate sheltering	\$349,222
Organizational costs incurred for continuity of operations (personal protective equipment, facility sanitization, telework, recovery planning)	\$265,951

Federal Emergency Management Agency (FEMA) Public Assistance

The Federal Emergency Management Agency helps state, local, and tribal governments respond to and recover from major disasters or emergencies. A disaster was declared for Washington State as of March 22, 2020. FEMA covers work categorized as either “emergency” or “permanent” that is required as a result of the declared incident, located within the designated disaster area, and is the legal responsibility of the applicant. The agency covers 75% of eligible expenses and requires a cost share of the remaining 25%. Funds must be expended within six months of receipt by the grantee. This funding reimburses the City for our expenditures and is not a new funding mechanism.

- The City is seeking \$142,847 for costs incurred for personal protective equipment and cleaning and sanitization measures.
- The City is also seeking \$1.047 million for costs incurred to expand non-congregate homeless sheltering that allows for physical distancing during the pandemic. This includes our expanded contracts for 24/7 services at Beacon young adult shelter and Bethlehem Baptist and Alzheimer Memorial churches.

CARES Act Community Development Block Grant (CDBG)

The U.S. Department of Housing and Urban Development’ Community Development Block Grant (CDBG) program was bolstered by the *CARES Act* to provide additional support for CDBG grantees. CDBG funds are generally allocated by formula, with about 70% of program funds granted to units of local government. As a CDBG grantee, the City of Tacoma received \$1.295 million. The funds can be used to prevent, prepare for, and respond to the coronavirus pandemic. The *CARES Act* contained a special provision that eliminated the program’s 15% cap on the amount of a jurisdiction’s grant that can be used for “public services.” This provides flexibility to utilize grant funds to help individuals experiencing homelessness or the elderly, business and rental assistance, and other such measures necessary for community resilience.



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- \$650,000 was allocated for small business assistance with an emphasis on underrepresented businesses in areas of the city with lower economic opportunity, as indicated by the Equity Index. These funds will be marketed and distributed to eligible businesses beginning in mid-September with approvals in late October
- \$645,000 was allocated for rental assistance.

CARES Act Emergency Solutions Grants (ESG)

The Emergency Solutions Grant COVID-19 funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless. The funds can be used to support various homeless assistance efforts and homelessness prevention activities to mitigate the impacts of the coronavirus on the community. The City received an initial grant of \$759,366, but we are now expecting an additional award of \$2.8 million. The funds are available until September 20, 2022.

- \$759,366 was allocated to support non-congregate sheltering efforts and used to support the operations of Low Income Housing Institute for the micro-shelter site at E. 60th and McKinley, as approved by the City Council on July 21, 2020.
- The additional \$2.8 million will be utilized to establish and operate non-congregate sheltering. In order to expedite service delivery, the City plans to deploy the funding directly to community partners already contracted to provide homeless services and who are supporting our emergency response efforts.

CARES Act United States Department of Commerce Grants

The U.S. Department of Commerce was authorized to provide grants under the *CARES Act* to address economic needs in response to the coronavirus pandemic. The City was awarded \$1.1 million of Economic Development Administration (EDA) COVID-19 funds due to our successful administration of our current EDA Revolving Loan Fund. Additionally, the Minority Business Development Agency (MBDA) based at the City of Tacoma received \$518,521 to assist minority-owned businesses in Washington State.

- \$1.1 million in Economic Development Administration dollars will be utilized to provide a second round of COVID-19 Small Business Stabilization Loans with an emphasis on underrepresented businesses in areas of the city with lower economic opportunity as indicated by the Equity Index.
- \$518,521 in MBDA funds will be utilized to partner with community-based organizations within the MBDA service area to provide business training and technical assistance to identify funding opportunities, compliance with Paycheck Protection Program rules, strategies to rebound from the COVID-19 pandemic, and health and safety measures. The MBDA funds will be expended by June 1, 2021.

Note: Prior to these funds becoming available, the City deployed the first round of our COVID-19 Small Business Stabilization Loan program utilizing \$500,000 in Urban Development Action Grants (UDAG) and \$500,000 from the EDA Revolving Loan Fund to offer \$1 million in loans to small businesses in the city.



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Department of Justice Coronavirus Emergency Supplemental Funding Program

This program was available to state and local governments that were eligible for the Edward Byrne Memorial Justice Assistance Grant (JAG) in the federal government's 2019 fiscal year. As a previous JAG recipient, the City of Tacoma was eligible to apply for up to \$565,270. The funding must be used to prevent, prepare for, and respond to the novel coronavirus, such as personal protective equipment and other supplies needed by public safety agencies. Funds must be used by December 31, 2021.

- Tacoma Police Department will utilize \$96,683 to purchase personal protective equipment, conduct employee health checks, and pay for COVID-19 testing services by an area medical provider.
- Tacoma Fire Department will utilize \$115,626 for personal protective equipment, including reusable items as well as disposable items, like nitrile gloves.
- Neighborhood and Community Services Department will utilize \$352,959 to fund crime and violence prevention to build community resiliency as our community seeks to recover from the COVID-19 pandemic. This includes expanded service delivery to provide more culturally relevant approaches to decreasing youth and young adult violence and address the impacts of isolation.

Pierce County Funding Support from CARES Act Coronavirus Relief Funds

Pierce County and the City of Tacoma have entered into an agreement for the County to share \$500,000 of its CARES Act Coronavirus Relief Fund apportionment to support the City's Temporary Emergency Micro Shelter (TEMS) site at East 60th and McKinley.