

**CITY OF SNOHOMISH
Snohomish, Washington**

ORDINANCE 2422

**AN ORDINANCE OF THE CITY OF SNOHOMISH, WASHINGTON,
ESTABLISHING THE CITY OF SNOHOMISH RESCUE PLAN
ALLOCATION PLAN AND SETTING OUT ITS INTENDED USES**

WHEREAS, our City and region continue to experience a public health and economic emergency due to the COVID-19 pandemic, which has led to sudden job losses, lower paychecks, and increased household costs to deal with COVID-19 impacts for many residents, as well as business/revenue losses for many local businesses; and

WHEREAS, Governor Inslee declared a state of emergency due to the COVID-19 crisis on February 29, 2020; and

WHEREAS, the Mayor declared an emergency of the City due to the COVID-19 crisis on March 16, 2020; and

WHEREAS, the state of emergency continues to this day even though the availability of vaccinations has curbed the health impacts of the pandemic; and

WHEREAS, the Snohomish City Council previously adopted Ordinance 2408 to allocate federal CARES Act funding; and

WHEREAS, the American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021; and

WHEREAS, ARPA provides additional relief to address the continued impacts of COVID-19 on the economy, public health, state and local governments, individuals, and businesses; and

WHEREAS, ARPA Sec. 9901 provides funding to states and local governments to mitigate the fiscal effects stemming from the COVID-19 public health emergency; and

WHEREAS, states and local governments shall use the funds to cover costs incurred by December 31, 2024, to

- respond to the COVID-19 emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits or aid to impacted industries such as tourism, travel, and hospitality;
- provide premium pay to essential workers or provide grants to employers of essential workers during the COVID-19 emergency;
- provide government services to the extent of the reduction in revenue of such state, territory, or tribal government due to the COVID-19 emergency; or
- make necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, Sec. 9901 prohibits (1) the use of funds to reduce or delay the imposition of a tax or tax increase, or (2) deposit of the funds into a pension fund; and

WHEREAS, Sec. 9901 provides funding for payments to states, territories, local governments, and tribal governments to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the COVID-19 emergency; and

WHEREAS, on May 10, 2021, the Treasury Department issued an Interim Final Rule, which went into effect on May 17, 2021, to implement the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act; and

WHEREAS, the Interim Final Rule sets clear guidelines on eligible uses of Fiscal Recovery Funds and provides state, local, and tribal government officials discretion within those eligible uses to direct Fiscal Recovery Funds to areas of greatest need within their jurisdiction through a broadly flexible approach; and

WHEREAS, under ARPA, the City of Snohomish, because it has a population under 50,000, is considered a non-entitlement unit of local government (NEU); and

WHEREAS, ARPA Section 603 requires Treasury to allocate and pay Fiscal Recovery Funds to the states and territories and requires the states and territories to distribute Fiscal Recovery Funds to NEUs based on population within 30 days of receipt; and

WHEREAS, to facilitate implementation and use of payments from the Fiscal Recovery Funds, the Interim Final Rule identifies a non-exclusive list of eligible uses of funding that respond to the negative economic impacts of the public health emergency; and

WHEREAS, recipients may also use payments from the Fiscal Recovery Funds to replace state, local, and tribal government revenue lost due to COVID-19, helping to ensure that governments can continue to provide needed services and avoid cuts or layoffs; and

WHEREAS, state and local governments are encouraged to use payments from the Fiscal Recovery Funds to respond to the direct and immediate needs of the pandemic and its negative economic impacts and, in particular, the needs of low- and/or moderate-income households and businesses that were disproportionately and negatively impacted by the public health emergency; and

WHEREAS, state, local, and tribal governments may provide assistance to small businesses to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID-19 public health emergency, including: technical assistance, counseling, or other services to assist with business planning needs; and

WHEREAS, recipients may consider additional criteria to target assistance to businesses in need, including small businesses. Such criteria may include businesses facing financial

insecurity, substantial declines in gross receipts, or other economic harm due to the pandemic, as well as businesses with less capacity to weather financial hardship, such as the smallest businesses, those with less access to credit, or those serving disadvantaged communities. Recipients should consider local economic conditions and business data when establishing such criteria; and

WHEREAS, the Interim Final Rule outlines eligible uses within each category of infrastructure (water, sewer, broadband), allowing for a broad range of necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, and provide access to high-quality broadband service; and

WHEREAS, by permitting funds to be used for water and sewer infrastructure needs, Congress recognized the critical role that clean drinking water and services for the collection and treatment of wastewater and stormwater play in protecting public health; and

WHEREAS, with respect to wastewater infrastructure, recipients may use Fiscal Recovery Funds to construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works, among other uses;

NOW THEREFORE; THE CITY COUNCIL OF THE CITY OF SNOHOMISH, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The City of Snohomish hereby accepts an allocation of up to \$2,834,468 as the City of Snohomish' American Rescue Plan Act (ARPA) allocation, as administered and disbursed by the Washington State Department of Commerce in the form of one direct deposit to the City of Snohomish in June 2021 and a second deposit approximately one year later, in accordance with Federal ARPA guidelines. Further, the City Council authorizes the Mayor to enter into the corresponding contract(s) with the Department of Commerce for administration and disbursement of these funds.

Section 2. The Finance Director is hereby authorized to use, under the direction of the Mayor, newly established Snohomish Rescue Plan Fund, for the purpose of accounting for ARPA-eligible payments used to facilitate compliance with COVID-19-related public health measures, expenses associated with the provision of economic support in related to recovery from the COVID-19 public health emergency and associated economic recession, and any other COVID-19-related expenses reasonably necessary to the function of the City that satisfy the Act's eligibility criteria.

Section 3. The Snohomish Rescue Plan Fund shall be administered by the Finance Director under the direction of the Mayor.

Section 4. The City Council hereby appropriates and allocates the City's share of ARPA funds as set forth in this Section. There shall be kept by and under the direction of the Finance Director, such books, accounts and records as are necessary to control and report the ARPA-eligible expenditures, and shall further subdivide the cash account thereof into six

separately designated accounts as follows:

1. Account “A” shall be the “Snohomish Rescue Plan Business Support” account into which \$720,000 from the ARPA funds shall be allocated to reimburse those City expenditures incurred through administration of the following programs, in compliance with the ARPA eligibility criteria:
 - a. Economic Development, Coaching and Technical Support. Up to installments of \$40,000 per year in 2021, 2022, 2023, and 2024 for economic development, coaching and technical support of Snohomish small businesses, business districts and the overall business community. This includes such live virtual trainings, training tutorial guides to provide continuing education and “how-to” content for successful implementation, market research and analysis, 1:1 business coaching and reporting.
 - b. General Business Support. Up to \$340,000 in installments of \$50,000 for 2021, and \$150,000 for 2022, \$100,000 for 2023, and \$40,000 for 2024 for general support of Snohomish small businesses, business districts and the overall business community. This includes assistance to businesses as they implement economic development, coaching and technical support solutions.
 - c. Economic Development and American Rescue Plan Act Administrative Staff Support. Up to \$220,000 in installments of \$40,000 for 2021, and \$60,000 per year in 2022, 2023, and 2024 for support of local businesses and administration of ARPA Fund.
2. Account “B” shall be the “Snohomish Rescue Plan Household Support” account into which \$240,000 from the ARPA funds shall be allocated to assist families in need, in compliance with the ARPA eligibility criteria:
 - a. Household Support. Up to \$120,000 for grants to households earning no more than 40% of Snohomish Median Income for housing expenses, food, medical bills, childcare, internet access, and other household expenses. Up to 50 families may receive grants of up to \$1,000 each in 2021, up to 40 families may receive up to \$1,000 each in 2022, and up to 30 families may receive up to \$1,000 each in 2023. Particular consideration will be given to families who can furnish documentation that they are actively pursuing opportunities to financially support themselves.
 - b. Utility Bill Support. Up to \$120,000 for grants to households earning no more than 40% of Snohomish Median Income in amounts up to \$1,000 for up to 120 households to help defray expenses derived from outstanding City of Snohomish utilities bills. Up to 50 families may receive grants of up to \$1,000 each in 2021, up to 40 families may receive up to \$1,000 each in 2022, and up to 30 families may receive up to \$1,000 each in 2023. Particular consideration will be given to families who can furnish documentation that they are actively pursuing opportunities to financially support themselves.
3. Account “C” shall be the “Snohomish Rescue Plan Nonprofit Organization Support” account into which \$300,000 from the ARPA funds shall be allocated to assist Snohomish nonprofit organizations that have suffered substantial financial losses due to

prolonged closures, cut-backs, loss of business, etc. A general call for requests will be issued, with requests reviewed competitively and awards based on relative need, likelihood to help an organization survive, and other sources of funds available. Small grants of up to \$20,000 each and totaling no more than \$100,000 shall be approvable by the Mayor. Large grants of any amount over \$20,000 for a total of \$200,000 shall be approvable by the City Council.

4. Account “D” shall be the “Snohomish Rescue Plan City Expenditures” account into which up to \$709,468 from the ARPA funds shall be allocated to reimburse City expenditures associated with responding to the COVID-19 health emergency, including up to \$100,000 for cybersecurity equipment and software; \$190,468 for hybrid meeting equipment and software, IT infrastructure backup equipment, data backup equipment and software, laptops and related supplies; \$112,500 for essential worker premium pay in installments of up to \$37,500 per year in 2021, 2022 and 2023; \$6,900 staff vaccine incentives; and \$300,000 for new staff member to collect excess refuse at City parks and along First Street.
5. Account “E” shall be the “Snohomish Rescue Plan Public Safety Program” account into which \$330,000 from the ARPA funds shall be allocated to provide public safety.
 - a. Police Support. Up to \$280,000 in installments of \$140,000 per year in 2021 and 2022 for Police Support.
 - b. EPA Lead Survey. Up to \$50,000 from the ARPA funds shall be allocated to conduct public outreach with water utility customers and assess lead content in City water distribution system.
6. Account “F” shall be the “Snohomish Rescue Plan City Infrastructure” account in which up to \$535,000 from the ARPA funds shall be allocated to reimburse City capital expenditures through 2026 associated with infrastructure projects, meeting ARPA guidelines, such as:
 - a. First Street and Historic Downtown Utility and Street Master Plan. Elements include water, sewer, sidewalks, trees, garbage, outdoor seating, and parking. Preliminary projected cost – approximately \$200,000.
 - b. Water and Sewer Line Replacements. Preliminary projected cost – \$250,000.
 - c. Broadband Analysis. Hire a consultant to complete a detailed analysis of broadband availability for city to identify underserved areas within the city. Preliminary projected cost – \$85,000.

All infrastructure projects and their associated budgets shall be presented to City Council for review and approval.

Section 5. The City may only use ARPA funds to cover costs incurred for one or more of the purposes allowed by federal law and during the period beginning March 3, 2021, and ending December 31, 2024. A cost shall be considered to have been incurred for purposes of this Section if the City has incurred an obligation with respect to such cost by December 31, 2024.

The City must return any funds not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

Section 6. The Administration shall provide the City Council a quarterly written report about the amount of aid provided by the City, the purpose and criteria by which it has been distributed, and any other pertinent information regarding the grant programs outlined in Section 4(2. Account B) and Section 4(3. Account C) above.

Section 7. Severability. If any section, subsection, clause, sentence, or phrase of this ordinance should be held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 8. Effective Date. This Ordinance, being exempt under RCW 35A.11.090(4), as an ordinance appropriating money, is not subject to referendum and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

ADOPTED by the City Council and **APPROVED** by the Mayor this 5th day of October, 2021.

CITY OF SNOHOMISH

By John T. Kartak
John T. Kartak, Mayor

ATTEST:

By Rebekah Park
Rebekah Park, City Clerk

APPROVED AS TO FORM:

By Emily Guildner
Emily Guildner, City Attorney

Date of publication: 10/9/2021

Effective date: 10/14/2021