

**CITY OF SNOHOMISH  
Snohomish, Washington**

**ORDINANCE 2452**

**AN ORDINANCE OF THE CITY OF SNOHOMISH, WASHINGTON, RESCINDING ORDINANCE 2422, UPDATING THE ALLOCATION PLAN AND INTENDED USES FOR THE CITY OF SNOHOMISH RESCUE PLAN FUND, PROVIDING FOR SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE.**

**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**, 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, providing additional relief to address the continued impacts of COVID-19 on the economy, public health, state and local governments, individuals, and businesses; 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 City of Snohomish approved Ordinance 2422 in October 2021, establishing the Snohomish Rescue Plan with allocations and intended uses; and

**WHEREAS**, the Treasury Department subsequently issued the Final Rule in January 2022, which went into effect April 1, 2022; and

**WHEREAS**, the 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**, 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 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, DO ORDAIN AS FOLLOWS:**

**Section 1.** Ordinance 2422 as adopted in October 2021 shall be rescinded in its entirety and replaced with this Ordinance 2452.

**Section 2.** The City of Snohomish hereby accepts an allocation of up to \$2,834,468 as the City of Snohomish’s American Rescue Plan Act (ARPA) allocation, as administered and disbursed by the Washington State Department of Commerce, 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 3.** The Finance Director is hereby authorized to use, under the direction of the Mayor, Fund 140, the 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 4.** The Snohomish Rescue Plan Fund shall be administered by the Finance Director or designee, under the direction of the Mayor.

**Section 5.** 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 and Nonprofit Support” account into which \$500,000 from the ARPA funds shall be allocated to reimburse those City expenditures incurred through administration of such programs, in compliance with the ARPA eligibility criteria. This work may include economic development, coaching and technical support for businesses, business districts, nonprofits and the overall business community; financial support to businesses and nonprofits experiencing impacts

due to the COVID pandemic; and developing resiliency and continuity of operations within the Snohomish business and nonprofit community.

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 individuals and families in need, in compliance with the ARPA eligibility criteria. Grants will be made available to households earning no more than 60% of Snohomish Median Income to be used for housing expenses, utility bills, food, medical bills, childcare, internet access, and other household expenses. Eligible individuals or families may receive up to \$2,500 for expenses incurred per calendar year.
3. Account “C” shall be the “Snohomish Rescue Plan Community Resource Navigation and Support” account into which \$520,000 from the ARPA funds shall be used to fund the City’s full-time Community Navigator, as well as to satisfy the matching funds needed for the Snohomish School District as required by the Behavioral Health Partnership Program with Snohomish County. Additional funds will be set aside for pass-through grants for nonprofit organizations and agencies providing applicable services to City residents. 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 \$40,000 each shall be approvable by the Mayor. Large grants of any amount over \$40,000 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. This may include investments in cybersecurity equipment and related software; hybrid meeting equipment and software; infrastructure backup equipment; data backup equipment and software; laptops and related supplies; and emergency preparedness and continuity of operation needs. Funds may also be used for essential worker premium pay and staff vaccine incentives, as well as staffing to provide services and reporting associated with all ARPA allocated Accounts established and for a Maintenance Worker to collect excess refuse at City Parks and along Historic Downtown Snohomish.
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. This work shall include police support, public safety infrastructure and equipment needs, and expenses necessary to complete the EPA Lead Survey. This includes public outreach with water utility customers and to 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 2024 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 Access. Utilize information gathered from Snohomish County’s broadband access study to increase access to broadband 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 6.** 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 7.** 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 above.

**Section 8. 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.

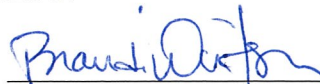
**Section 9. Effective date.** This ordinance, being exempt under RCW 35A.11.090(4), as an ordinance appropriating money, is not subject to referendum and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

**ADOPTED** by the City Council and **APPROVED** by the Mayor this 16th day of August, 2022.

CITY OF SNOHOMISH

By   
Linda Redmon, Mayor

ATTEST:

By   
Brandi Whitson, City Clerk

APPROVED AS TO FORM:

By   
Emily Guildner, City Attorney

Date of publication: August 20, 2022

Effective date: August 25, 2022