

ORDINANCE NO. 759

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON IDENTIFYING POLICIES AND PRIORITIES OF USE OF LAKEWOOD'S AMERICAN RESCUE PLAN ACT (ARPA) FUNDS, APPROVING A CERTAIN AMOUNT OF FUNDS FOR INITIAL EXPENDITURES FITTING WITHIN SPECIFIC EXPENDITURE CATEGORIES (ECs) IDENTIFIED BY THE DEPARTMENT OF TREASURY, AND ESTABLISHING A CITY OF LAKEWOOD ARPA PROGRAM.

FINDINGS

WHEREAS, COVID-19 is a contagious and potentially deadly virus that has been declared a pandemic event by the World Health Organization; and

WHEREAS, in 2020, President Trump, Governor Inslee, and Pierce County Executive Dammeier and Lakewood City Manager John Caulfield each declared states of emergency within their respective jurisdictions; and

WHEREAS, actions taken to mitigate the spread of COVID-19 have resulted in widespread and continuing social and economic disruption throughout the City of Lakewood; and

WHEREAS, the COVID-19 Delta Variant has resulted in some of the highest hospitalization rates throughout the pandemic, with no end of its effects yet seen; and

WHEREAS, on March 11, 2021, the federal government enacted the American Rescue Plan Act (ARPA) that is expected to provide \$13,766,236 to the City of Lakewood, which is considered a Metropolitan City under the Act; and

WHEREAS, the United States Department of the Treasury will allocate funding to the City of Lakewood in two equal tranches, with the first tranche of an estimated \$6,883,118 expected to be received in 2021, and the second equal tranche in 2022; and

WHEREAS, the ARPA specifies eligible expenditures that include responding to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19), its negative economic impacts, and necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, time is of the essence due to the duration of the pandemic and the ongoing negative impact on public health and the economy upon which the public depend; and

WHEREAS, on March 27, 2021 the City of Lakewood City Council established four initial policies regarding the City's ARPA allocation, namely, that: ARPA funds would be subject to a one percent (1%) set-a-side for human services; ARPA funds would generally be used for one-time costs, although the Council would consider making exceptions for certain programs or pilot programs; Lakewood's ARPA funds would be used to "fill the gaps" versus duplicating services and resources available from federal, state or county sources; and the City would conduct a robust community engagement effort with businesses, residents, human service providers and other non-profits, and other community stakeholders to seek input and recommendations concerning community needs that could be funded with the ARPA funds; and

WHEREAS, community engagement was conducted between April and August, 2021 through: discussions at the City's boards and commissions and two community stakeholder summits; personal outreach to neighborhood associations, cultural organizations, municipal partners such as utilities, special districts, and economic development organizations; City publications; Coffee with the Mayor; and an online public survey; and

WHEREAS, Lakewood residents and businesses continue to experience physical and mental health stress and economic stress due to the ongoing pandemic and its effects; and

WHEREAS, on September 7, 2021, the City Council held a duly noticed public hearing on the proposed policies and allocations of the ARPA funds;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Adoption of City Council Findings.

The Findings of the City Council are adopted as part of this Ordinance.

Section 2. Adoption of ARPA Allocation Policies and Priorities.

The policies and priorities of use included in **Exhibit A** to this Ordinance are adopted as part of this Ordinance.

Section 3. Adoption of ARPA Allocation Categories.

The allocation categories of ARPA funds as described in **Exhibit B** to this Ordinance are adopted as part of this Ordinance.

Section 4. Initial Expenditures Approved.

The expenditures as described in **Exhibit C** to this Ordinance are approved.

Section 5. Establishment of ARPA Program.

The City Manager is hereby authorized to establish and implement a City of Lakewood ARPA program to provide the opportunity for individuals, businesses, organizations, and governmental units to apply for ARPA funds as subrecipients, provided that their applications and proposed uses of funds comply with ARPA and the Department of the Treasury Guidance and provided that expenditures are approved per the City's ARPA program processes. The Lakewood ARPA program will include the needed resources to track and report on the use of ARPA funds as required by the Department of the Treasury.

Section 6. Emergency.

This Emergency Ordinance is necessary for the immediate preservation of the public peace, health, safety, or support of the City of Lakewood government and its existing institutions to provide relief to its citizens and businesses during the Coronavirus pandemic.

Section 7. Severability.

If any portion of this Ordinance or its application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 8. Effective Date.

This emergency Ordinance shall be in full force and effect immediately after final passage.

ADOPTED by the City Council of the City of Lakewood this 20th day of September, 2021.

CITY OF LAKEWOOD

Don Anderson, Mayor

Attest:

Briana Schumacher, City Clerk

Approved as to form:

Heidi Ann Wachter, City Attorney

EXHIBIT A
POLICIES AND PRIORITIES FOR USE OF
AMERICAN RESCUE PLAN ACT (ARPA) FUNDS

Policies in addition to those adopted as part of this Ordinance per its Findings:

1. Provide ARPA and other COVID-19 related resource navigation services to Lakewood residents and businesses.
2. Provide support to people living in, and agencies, organizations and businesses operating in, Lakewood's "hardest hit communities" as defined in Department of the Treasury guidance.
3. Improve infrastructure in Lakewood to mitigate historical inequality and health issues in "hardest hit communities" as defined by the Department of the Treasury as well as to spur economic recovery.
4. Improve Lakewood's delivery of municipal services to its residents and businesses in light of COVID (i.e. facility, communications and operations improvements)

Priorities for Use (not listed in order of importance):

1. Responding to Public Health Emergency

- Support COVID-19 vaccination efforts

2. Assistance to households, small businesses, and nonprofits, or aid to impacted industries:

- Provide ARPA and COVID-19 resource navigation services to Lakewood residents, including in partnership with United Way and other service providers, Pierce County, and other jurisdictions.
- Provide ARPA and COVID-19 resource navigation services to Lakewood businesses with an emphasis on BIPOC and small businesses, including in partnership with Pierce County and other jurisdictions.
- Provide financial assistance to non-profits and human services organizations operating in Lakewood and providing ARPA-eligible services.
- Support efforts to maintain existing, and to create new, affordable housing capacity in Lakewood.
- Support the creation of emergency shelter housing units.

3. Provision of government services:

- Support facility improvements, infrastructure improvements, payment arrears forgiveness programs, and other ARPA-eligible program expenditures, including in partnership with public partners (e.g., power utilities (TPU, PSE, LL&P), West Pierce Fire & Rescue, Pierce County Library Services District, Lakewood Water District, Pierce County Sewer, and others).
- Address and backfill City revenue shortfalls caused by the COVID-19 pandemic per ARPA criteria and Department of Treasury guidance.
- Improve remote access to City services to accommodate post-COVID-19 resident and business needs.

- Capital and non-capital improvements to City facilities related to COVID-19 and post-COVID-19 operations.
- Maintain a supply of non-capital ARPA-eligible supplies, including PPE for City employees and the public attending City meetings and events.

4. Providing grants to eligible employers that have eligible workers who perform essential work:

- TBD

EXHIBIT B
AMERICAN RESCUE PLAN ACT (ARPA)
EXPENDITURE CATEGORIES



EXHIBIT C
INITIAL ARPA EXPENDITURES*, **

ARPA Expenditures*	Category	9/13 Initial City Council Direction	
		Action	Amount
1. Comfort Inn + 5% Direct Admin Costs (Purchase & Emergency Shelter Operation for 2 years)	B. Negative Economic Impacts	YES	\$1,050,000
2. Lakewood Community Services Advisory Board 1% of Funds in 2022 and 2023 + 5% Direct Admin Costs (2 years)	C. Services to Disproportionately Impacted Communities	YES	\$144,543
3. 2021 Warriors of Change + 5% Direct Admin Costs (Clover Park High School)	C. Services to Disproportionately Impacted Communities	YES	\$71,873
4. Pierce County BIPOC Business Accelerator Contribution + 5% Direct Admin Costs	C. Services to Disproportionately Impacted Communities	YES	\$525,000
5. LPD Body Cameras + 5% Direct Admin Costs (<u>Purchase of cameras and video storage; maybe 1 year operations</u>) Cameras & Video Storage cost = \$336,304 State Police Reform Funds for cameras & video = \$238,260 ARPA share for Camera & Video Storage: \$336,304 - \$238,260 = \$98,004 + 5% Direct Admin Costs = \$102,904	F. Revenue Replacement	YES	\$102,904
6. LPD Body Cameras + 5% Direct Admin Costs (<u>2021-2022 biennium operations</u>) \$40,380 (2021) + \$293,573 (2022) = \$333,953 + 5% Direct Admin Costs = \$350,651	F. Revenue replacement	YES	\$350,651
7. ARPA Program Administration Indirect Costs* (5 years) (Two Finance 0.5 FTEs, 1 FTE ARPA Coordinator (<u>including resident navigator services</u>), Tracking & Reporting Resources, Other City Staff %)	G. Administrative Costs	YES	\$688,312
Subtotal plus 5% direct admin costs			\$2,933,283
Community Engagement (CE) External Requests			
8. Boys & Girls Club (5 years)	B. Negative Economic Impacts	Maybe if ARPA & youth-specific	\$226,000
9. Habitat for Humanity Boat Street Project (utilities and road improvements for 12 unit project)	C. Services to Disproportionately Impacted Communities	YES	\$242,000
10. Rebuilding Together South Sound (5 years)	C. Services to Disproportionately Impacted Communities	YES	\$325,000
11. YMCA (\$339,000 per year for 5 years)	C. Services to Disproportionately Impacted Communities	Maybe if ARPA & youth-specific	\$1,695,000
Subtotal plus 5% direct admin costs			\$2,488,000
Identified Revenue Replacement Expenditures*			
12. Emergency Services Alert & Warning System (Partnership with UP, Steilacoom, WPFR)	F. Revenue Replacement	YES	\$13,331
13. West Pierce Fire & Rescue	F. Revenue Replacement	YES	\$230,000
14. City Website Multilingual Services	F. Revenue Replacement	YES	\$35,000
15. Youth Employment Program (\$84,000 per year)	F. Revenue Replacement	YES for 1 yr	\$84,000
16. City Reader Boards (2 @ \$160K each)	F. Revenue Replacement	YES	\$320,000
Subtotal plus 5% direct admin costs			\$682,331
TOTAL			\$6,103,614

*Amounts are preliminary and subject to change

** Revenue replacement can be used for items identified as ARPA expenditures or for other government services as described in the Dept. of the Treasury Interim Final Rule.