

MEMORANDUM

TO: Whatcom County Council Members

FROM: Satpal Singh Sidhu, County Executive
Tyler Schroder, Deputy Executive

DATE: September 25, 2020

SUBJECT: Proposed Food Security Support Measures (CARES Act Expenditures)

The COVID-19 crisis has significantly increased food security risks in Whatcom County and disrupted food bank operations. Food banks are experiencing not only greater demand from households struggling with the economic impacts of the pandemic but also are receiving food in larger volumes and from nontraditional sources.

The Whatcom Food Security Task Force (FSTF) was established in March 2020 to address emergency food needs throughout the County, including supporting food banks and feeding organizations revamp their operations. The task force's work has included the development of recommendations for effectively and appropriately spending the \$600,000 in CARES Act funds allocated by Whatcom County (\$400,000) and the City of Bellingham (\$200,000) to address food security needs. As you will note in the subrecipient agreement the community food bank equipment needs are approximately \$475,000. The County, in consultation with the City of Bellingham, is proposing to increase the County's portion to \$475,000 to cover the costs of the equipment.

FSTF surveyed the needs of food banks and feeding organizations to ensure that the recommendations developed reflected the needs of all communities across Whatcom County. The primary objective during the development of the recommendations was to use available CARES Act funding for maximum impact in an efficient manner while minimizing the administrative burden by centralizing procurement efforts where possible.

The task force's top finding was that equipment needs, especially for refrigerated transport vehicles, are essential for meeting new operating requirements associated with the pandemic. Bellingham Food Bank (BFB) serves as the county hub for all food banks and the demand has been increasing sharply during the early months of Covid-19. WA State Dept of Agriculture under the guidance of USDA, has been very responsive to provide food from their regional distribution hubs in the Western USA. Bellingham Food Bank has been receiving significantly higher quantities during COVID

from a variety of new sources as well. Much of this food requires cold storage just for transport back to the rural food banks. Furthermore, the need for home deliveries has also grown exponentially during COVID, as vulnerable segments of the population isolate themselves to avoid contracting the virus. This requires longer time to distribute and longer time to keep the food refrigerated.

FSTF recommends prioritizing spending on equipment and, for the purpose of streamlining the process, proposes that the Bellingham Food Bank serve as the central administrative body for funding, procurement and reporting of the CARES dollars. In consultation with 8 different food banks and food serving organizations, the taskforce identified specific equipment purchases which would address needs arising due to COVID. The total equipment purchases for the food banks is approximately \$475,000. Food acquisition was identified as a secondary priority after equipment, and the task force also recommends sending CARES Act funds to cover these needs. The County Administration supports the FSTF's recommendations, which are elaborated in the attached report (CARES Funding for Food Banks Proposal).

Prior to bringing these recommendations before Council, the County Administration completed a thorough review of the task force's recommendations and their eligibility for funding through CARES Act dollars.

As a reminder, the criteria for these funds are:

- Necessary to respond to the COVID-19 emergency
- Not already budgeted for in the most recent budget as of 3/27/20
- Not filling shortfalls in revenues
- Incurred between 3/1/20-11/30/20

County Administration has been in constant contact with Department of Commerce, State Auditor's Office and in discussions with the Washington State Association of Counties (WSAC) meetings on this subject. Several other rural counties have faced similar situation and have opted to increase capacity for refrigerated food storage and distribution. The County Administration has been engaging to try and receive clear guidance from the State that such capital purchases are appropriate before presenting to the Council for financial approval of the subrecipient agreement. This has taken more time than we anticipated and therefore, we are bringing this contract for emergency expenditure approval from the Council. The window to deploy the CARES ACT funding is closing fast thus promoting swift action from the Council. This week we received clarification communication that acknowledged these purchases meet the eligibility criteria and are clearly aligned with the letter and intent of the CARES Act from the Dept of Commerce and State Auditor's office.

In correspondence with the Department of Commerce, we have been advised of the importance of documenting need to show how expenditures are related to the COVID-19 pandemic. FSTF's report provides ample documentation to this effect. We have also received letters of support from municipalities across the county demonstrating broad

consensus about the task force's recommendations and their importance in our countywide response to COVID-19.

We should recognize that the food security risks triggered by the COVID-19 pandemic are not going away soon. Unemployment remains persistently high, with more than 6000 continuing claims and more than 500 new claims filed every week by Whatcom County residents, three times more than during this time last year. Meanwhile, the impact of federal aid is diminishing and the prospects for additional stimulus are unclear. It is important to act now so that these purchases can be made for the benefit of the many food insecure families throughout Whatcom County.

We are asking the County Council to authorize the County Executive to enter into a subrecipient agreement between Whatcom County and Bellingham Food Bank for costs associated with food insecurity resulting from the COVID-19 emergency in an amount not to exceed \$475,000. This amount is greater than the original allocation of \$400,000 to allow the Bellingham Food Bank to purchase all of the needed equipment through the County's allocation. The City of Bellingham has committed to provide \$200,000 from its CARES Act allocation, which would fully fund the task force's proposal.