



## MEMORANDUM

**TO:** Whatcom County Council

**THROUGH:** Satpal Sidhu, County Executive

**FROM:** Tyler Schroeder, Deputy Executive

**RE:** April 25<sup>th</sup> Discussion Regarding American Rescue Plan Act (ARPA) in Committee of the Whole

**DATE:** April 14, 2023 **[updated from March 21<sup>st</sup> Committee of the Whole Discussion]**

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### Background

The American Rescue Plan Act (ARPA) of 2021 provided \$350 billion to state, local, and Tribal governments across the country as part of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. The United States Department of the Treasury provided federal funds to jurisdictions through a non-competitive grant process in two tranches; Whatcom County has now received both of its tranches of funds, totaling \$44,528,542. All funds must be committed by December 31, 2024 and expended by December 31, 2026.

Treasury released its SLFRF Final Rule on January 6, 2022. The Final Rule created some additional flexibility for allocation of ARPA funds, particularly as it relates to childcare, affordable housing, and revenue loss calculations for local governments. A summary of the Final Rule is linked [here](#).

The Administration provided an ARPA briefing to Council on [September 27, 2022](#) and [March 21, 2023](#).

In November 2022, Whatcom County received an additional \$1,353,434 in funding under Treasury's Local Assistance and Tribal Consistency Fund. Another payment of \$1,353,434 is expected later in 2023. These funds can be spent on general government services and are discussed further below.

Please reach out to the Executive, myself, or Kayla Schott-Bresler for questions or further discussion.



## Commitments and Spending

In 2021, the Executive and Council discussed a plan for allocation of the County's ARPA award (herein after referred to as "spending plan"). The Executive and Council have incorporated the majority of the allocations in the spending plan into the County's budget process.

The table below summarizes progress toward the spending plan for the \$44M ARPA grant and reflects adjustments made during the 2023-2024 budget process and subsequent Council discussion on March 21, 2023.

Allocation	Spending Plan	Commitment	Uncommitted
<b>Childcare Capital</b>	<b>\$ 9,200,000</b>	<b>\$ 9,200,000</b>	<b>\$ -</b>
Laurel and Forest		\$ 200,000	
RFP Closed 3/7		\$ 4,000,000	
Small Provider RFP		\$ 500,000	
Additional capital projects		\$ 4,500,000	
<b>Childcare Stabilization</b>	<b>\$ 3,000,000</b>	<b>\$ 2,461,296</b>	<b>\$ 538,704</b>
HCF Staffing		\$ 471,787	
Business stabilization - through OC		\$ 1,489,509	
Provider and family supports - through OC		\$ 500,000	
<b>Housing Capital</b>	<b>\$ 7,225,000</b>	<b>\$ 7,225,000</b>	<b>\$ -</b>
Evergreen Ridge		\$ 2,000,000	
Habitat Everson		\$ 449,253	
Laurel and Forest		\$ 3,000,000	
Samish Commons		\$ 525,000	
Thornton Street		\$ 1,250,747	
<b>Homeless Services &amp; Shelter Capital</b>	<b>\$ 5,500,000</b>	<b>\$ 5,500,000</b>	<b>\$ -</b>
Shelter, Eviction Prevention & Premium Pay		\$ 1,359,713	
Way Station		\$ 1,500,000	
TBD - homeless services and shelter capital		\$ 2,640,287	
<b>Criminal Justice Backlog</b>	<b>\$ 6,582,756</b>	<b>\$ 6,627,377</b>	<b>\$ (44,621)</b>
Staffing		\$ 6,627,377	
<b>Public Health</b>	<b>\$ 5,841,369</b>	<b>\$ 4,601,578</b>	<b>\$ 1,239,791</b>
Staffing & COVID Response Contracts		\$ 4,601,578	
<b>Broadband</b>	<b>\$ 4,000,000</b>	<b>\$ 4,350,000</b>	<b>\$ (350,000)</b>
Port of Bellingham		\$ 4,000,000	
PUD Point Roberts		\$ 350,000	
<b>Food Security</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>
Food Bank Network		\$ 500,000	
<b>Government Services</b>	<b>\$ 2,679,417</b>	<b>\$ 1,357,956</b>	<b>\$ 1,321,461</b>
22-'23 ARPA Administration & Frozen Positions		\$ 457,956	
23-'24 ARPA Administration		\$ 100,000	
NW Annex Transfer / Laurel & Forest		\$ 800,000	
<b>Grand Total</b>	<b>\$ 44,528,542</b>	<b>\$ 41,823,207</b>	<b>\$ 2,705,335</b>

*Notes on table:*

- The Lighthouse Mission and the Executive's Office have been in discussion about possible support for the Mission's new low-barrier shelter project to replace and expand the services currently provided at Basecamp. If Council wishes to move forward with support for this project, funding would be drawn from the homeless services cost center.
- The NW Annex Transfer under Government Services reflects the County's property contribution to the Laurel & Forest childcare project.



**Remaining Decisions and Executive Recommendations**

This table summarizes the Executive's Recommendations for uncommitted funds. The Executive looks to Council for guidance on this proposed spending. Council decisions will be incorporated formally through the supplemental or mid-biennium budget process.

Original Spending Plan Category	Uncommitted Funds	Recommendation	Rationale
Childcare Stabilization	\$538,704	Whatcom County Food Bank Network – Food Security Request	<p><i>Request:</i> Due to increased need for food assistance, the Whatcom County Food Bank Network has requested an additional \$2M from the County and an additional \$2M from the City of Bellingham for 2023-2024.</p> <p><i>History:</i> The County began funding the food bank in 2009 to support bulk food purchases and other needs. The County has been funding in the amount of \$138,000 per year since 2015 and has included such an amount in the 2023-2024 non-departmental general fund budget.</p> <p>The County used \$400,000 of CARES and \$500,000 in ARPA funding for food bank needs to date.</p> <p><i>Recommendation:</i> The Executive recommends a County allocation of an additional \$538,000 in ARPA to meet immediate increased needs. The Executive looks to the Food System Committee and Plan for additional recommendations on funding and strategies to address food security (discussed below).</p> <p>The City of Bellingham administration will propose to the Council a set-aside of another \$575,000 in ARPA funding to the Bellingham Food Bank.</p> <p>Through <a href="#">HB 1784</a>, the State is poised to send an immediate \$20million to food banks around the state. The bill has passed both chambers and is awaiting the Governor's signature.</p>



Original Spending Plan Category	Uncommitted Funds	Recommendation	Rationale
Public Health	\$1,239,791	\$350,000 for PUD Point Roberts Broadband project	Council has suggested \$4,350,000 in broadband funding for the Port and PUD's upcoming projects. The original ARPA spending plan included \$4M of ARPA, and the Executive recommends drawing the remaining \$350,000 from unspent Public Health ARPA funds. There was some initial discussion regarding using EDI funds for this contract; however, ARPA would create administrative ease.
		\$250,000 for climate related projects	County departments, such as Facilities and ER&R will need to make upgrades to comply with new state energy-efficiency standards and to meet the goals of the Climate Action Plan (CAP). Additionally, there will be several opportunities for community and land-use projects under the CAP. The Executive proposes designating a Climate seed fund to jumpstart these priorities over the next several years and serve as match to state and federal grants. <sup>3</sup>
		\$150,000 for food security	The Health Department presented the Food System Plan to Council on April 11 <sup>th</sup> . Going forward, the Food System Committee plans to move to the implementation phase of the plan; however, the Committee does not have a source of funding for key projects it wishes to move forward. The Administration is looking toward systemic solutions to food insecurity and has a strong interest in opportunities to further leverage SNAP and WIC programs locally. The Executive recommends an allocation to implement the Food System Plan. The Health Department would work through its Committee to prioritize strategies for funding.
		\$489,791 for unanticipated needs	The Executive recommends not re-allocating this amount at this time and save it for unanticipated ARPA-eligible expenses between now and the end of 2024.

<sup>3</sup> If reported as revenue loss, funding could be spread over the next several years.



Original Spending Plan Category	Uncommitted Funds	Recommendation	Rationale
Government Services	\$1,321,461	\$1,000,000 for Lummi Ferry	COVID negatively impacted farebox revenue while increased operating costs cut into reserves. This allocation accounts for the anomalies experienced from 2020-2022 in order to allow Council to set an appropriate fare rate going forward. <sup>4</sup>
		\$321,461 for county administrative costs	The County has added 19 positions under ARPA outside of the Health Department. During the cost allocation process, Administrative Services will bill the general fund for additional costs associated with these new positions. Additionally, there have been substantial impacts to Finance, Human Resources, and Facilities associated with the additional contracts, space, and personnel needs of departments since 2020. The Executive proposes taking this amount to offset general fund impact during the cost allocation process. <sup>5</sup>
Local Assistance and Tribal Consistency Fund	\$2,706,867.70	Transfer to Capital Facilities Reserve Fund to support capital project costs that may include Northwest Annex, new Justice Center, additional behavioral health facilities, court expansion, and deferred maintenance.	This funding is intended to be a general revenue enhancement program for “revenue sharing” counties for which there is a negative revenue impact due to a federal program. Whatcom County was eligible under this program due to the large amount of untaxable, federal land in its jurisdiction. <sup>6</sup>

<sup>4</sup> Ferry funding would be reported as revenue loss.

<sup>5</sup> Though eligible under the grant, these costs would be reported as revenue loss to ease reporting requirements.

<sup>6</sup> Though eligible under the grant, these costs would be reported to Treasury as used on existing government services to ease reporting requirements.