



TO: Elizabeth Pauli, City Manager
FROM: Katie Johnston, Budget Officer, Office of Management and Budget
 Andy Cherullo, Director, Department of Finance
COPY: City Council and City Clerk
SUBJECT: American Rescue Act Allocations – June 15, 2021
DATE: June 2, 2021

SUMMARY AND PURPOSE:

This Resolution declares, in broad terms, the intended uses of the 2021 moneys received related to the American Rescue Plan Act of 2021, approved by the Congress of the United States in March 2021. These uses are organized into projects and priority areas shown in table 1. Declaring the intended uses through this Resolution promotes transparency and will help guide the City’s decisions regarding these moneys.

BACKGROUND:

On March 11, 2021, President Biden signed the American Rescue Plan (ARP) Act of 2021. This act provided significant funds to new and existing government programs. One important provision of the legislation was direct funding to the nation’s municipal governments, including the City of Tacoma. The City is slated to received just under \$61 million in direct aid from the Federal Government. There are additional funds that may come to the City through various channels, including the State of Washington, Pierce County and other agencies of the Federal Government. In order to track these funds in a transparent manner, the City has created a new fund for the dedication, segregation and tracking of any moneys associated with the ARP.

The Office of Management & Budget worked with the City Council to set objectives to guide the use of Direct Assistance funds:

- Focus 2021 funding on targeted priority areas
- Leverage all possible ARP funding and use direct assistance to fill gaps
- Fund programs and actions that will set the community up success for when regional and federal funding runs out
- Focus on big transformational projects with partnerships
- Avoid spreading funding too thin

Based on previous budget outreach for the 2021-2022 Budget development, the objectives above, and discussion with the City Council, staff recommends the following distribution of the funds by Council Priority Area for 2021:

Table 1

Priority Areas	Recommended % for 2021
Affordable Housing and Homelessness	31%
Restoration of Services	16%
Livable Wage Jobs	15%
Community Safety	9%
Health	5%
Belief and Trust	9%
Major Project Reserve	15%
TOTAL	100%



Staff will provide reports on specific program funding, design, spending, and impact to related City Council committees. As funding guidance change or community needs change, staff will bring forward recommended adjustments to these distributions. Staff will also bring forward recommendations on 2022 direct assistance funding in 2022.

This Department's Recommendation is Based On:

2021-2022 Budget Outreach, Council Discussions in April and May of 2021, and Federal Guidelines for Spending

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

During the development of the 2021-2022 Budget, staff conducted outreach through a community survey, budget surveys and online tools, and town halls.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

Racial equity and transformation is incorporated into these recommendations in both the broad guidance as well as the specific priority funding areas which are based on the outreach process conducted last year. Specific program selection and program design will incorporate racial equity, including prioritization of needs based on the current transformation process.

Economy/Workforce: *Equity Index Score:* Moderate Opportunity

Increase the number of diverse livable wage jobs.

Civic Engagement: *Equity Index Score:* Moderate Opportunity

Increase the percentage of residents who believe they are able to have a positive impact on the community and express trust in the public institutions in Tacoma.

Livability: *Equity Index Score:* Moderate Opportunity

Improve health outcomes and reduce disparities, in alignment with the community health needs assessment and CHIP, for all Tacoma residents

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

Explain how your legislation will affect the selected indicator(s).

These indicators align with the funding priorities identified above.



ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Approve funding distributions	Sets guidance and intent for use of funds to guide staff programs and investments to address immediate community needs.	
2. Take no action	No additional administrative actions are necessary	Lack of guidance and expressed intent for how to spend American Rescue Plan funds will delay spending and positive community impacts

EVALUATION AND FOLLOW UP:

Staff will provide reports on specific program funding, design, spending, and impact to related City Council committees.

STAFF/SPONSOR RECOMMENDATION:

Staff recommend declaring the intent of spending American Rescue Plan funds in accordance with the distribution of projects and programs as shown in Table 1.

FISCAL IMPACT:

The legislation targets the first distribution of direct funding.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. American Rescue Plan Fund	Various	Various	\$30,500,000
2.			
TOTAL			\$30,500,000



City of Tacoma

City Council Action Memorandum

What Funding is being used to support the expense?

Revenues from the American Rescue Plan.

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

NO, PLEASE EXPLAIN BELOW

American Rescue Plan expenses were budgeted during the re-appropriation process for the 2021-2022 Biennial Budget.

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

STAFF MAY IDENTIFY A NEED TO INCREASE STAFF SUPPORT FOR SOME OF THESE PROGRAM AREAS. STAFF WILL INCLUDE THIS INFORMATION IN FUTURE REPORTS.

ATTACHMENTS:

None