



CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Deputy City Manager
James Lopez, Assistant City Manager
Leslie Miller, Human Services Supervisor
David Wolbrecht, Senior Neighborhood Services Coordinator

Date: December 1, 2020

Subject: COVID-Related Funding and Disbursement Summary

RECOMMENDATION:

Council receives an update on the COVID-related funding received, eligible expenses for the funds, and how the funds have been disbursed. Because staff were working diligently throughout November to expend the funds, there was limited time to complete this memo for the December 8 Council meeting. Therefore, the update includes considerable detail, but does not document every expenditure. This memo is focused on an overview and expenditures to non-City organizations. A full accounting of all City-related expenditures will be provided to the Council in early 2021.

BACKGROUND DISCUSSION:

City staff has focused significant effort in meeting two objectives related to COVID-related funding:

- To ensure that all federal COVID-related funds (CARES Act) were applied for and expended before the 11/30/2020 deadline, and
- Ensure that each category of CARES Act expenditures received the amount committed to by the City Council, regardless of ultimate funding source used.

There are a variety of complexities associated with this funding, as described below, but staff has accomplished these objectives.

COVID-Related Funding Received

The City of Kirkland received Federal CARES Act funding in several pieces as shown in Attachment A and summarized in the table below. The \$4 million administered by the Department of Commerce was received in two increments, \$2.7 million and \$1.3 million, from the Coronavirus Relief Fund (CRF). The City Council has targeted the first \$2.7 million to be allocated to City expenses, Small Business programs, and Human Services roughly one-third each. The second \$1.3 million was allocated similarly, except that approximately \$300,000 was

set-aside to support non-profit Cultural Arts programs in Kirkland that experienced significant revenue loss due to the pandemic.

In addition, the City received \$136,000 from King County for Small Business Relief and smaller amounts from other sources for specific purposes in Fire and Parks and Community Services (for the Friday Market). The Municipal Court was very proactive and also received CARES Act funds from the Administrative Office of the Courts (OAC), but those funds were returned as the project costs funded were already specifically included in the adopted budget, so were not eligible under Federal rules.

Funding	Amount
CARES (Main)	\$ 2,668,200
CARES (Additional)	\$ 1,334,100
CARES (KC)	\$ 135,833
CARES - HHS Medicare	\$ 20,753
Subtotal CARES Funding	\$ 4,158,886

Prior to receiving the CARES Act funds, the City Council allocated \$30,000 from the Council Contingency to the Chamber Small Business program and \$265,000 from 2019 sales tax above budget to human service needs (approved as part of the 6/16/2020 budget adjustments). At this juncture, those funds are still available toward activities that fall outside the CARES Act window of 11/30/2020 or can be returned to their source.

Finally, staff estimates that the City will receive approximately \$316,000 from FEMA for direct, eligible out-of-pocket expenses related to COVID-19 response. These funds will not be received until mid-2021 and the amount could change based on FEMA review. When those final funds are received in 2021, the actual cash received will be recognized via a budget adjustment.

The top table on Attachment A summarizes these COVID-related funding sources and the related budget adjustments previously approved by Council and additional adjustments as part of the 2019-2020 Budget Adjustments that appear on the December 8, 2020 agenda for approval.

COVID-Related Eligible Costs

There are very specific and detailed rules that apply to the CARES Act funding and FEMA reimbursements. For the CARES Act, to be eligible expenses, you must be able to answer "true" to the following:

- The expense is COVID related.
- The expense is necessary.
- The expense being submitted is not filling a shortfall in revenue that was intended to cover expenditures that would otherwise not qualify.
- The expense is for a substantially different purpose than originally intended due to the COVID-19 pandemic.
- The expense was not in the budget approved as of March 27, 2020.

It is important to note that some of the eligible COVID-related costs may have been in the budget but were used for substantially different purposes than originally intended due to the pandemic. An example of this type of cost is the salaries of those staff in the EOC during its activation, who would have ordinarily performed other non-COVID work. As a result, not all CARES Act-eligible expenses are incremental costs to the budget and therefore do not require budget adjustments. Other costs, like Small Business Relief grants or Human Service contracts, are incremental costs and require a budget adjustment.

The table that follows summarizes the eligible costs that City staff identified, the total of which exceeds the amount of funding received.

Eligible Costs	Amount
City Expenses (2)	\$ 3,019,633
Small Business Expenses	\$ 1,234,570
Arts Expenses	\$ 318,741
Human Services Expenses	\$ 1,222,733
FEMA Eligible Expenses	\$ 398,588
Grand Total Eligible Costs	\$ 6,194,266

However, not all of those costs require a budget adjustment as described above and shown in Attachment A, so the result is that there is cash available that can be used past the CARES Act deadline of 11/30/2020 for other purposes or programmed for other City purposes.

Total Funding Budget Adjustments	\$ 4,453,886
Total Eligible Cost Budget Adjustments	\$ 3,476,568
Anticipated Cash Flow Available at Year End 2020	\$ 977,318
Anticipated Cash Flow Available in 2021	\$ 315,855

Selected out-of-pocket costs are subject to FEMA reimbursement at 75%. These costs were incurred in 2020 and therefore require a budget adjustment, but the actual funds from FEMA will not be received until 2021, when the cash can then be recognized and programmed for other purposes.

Disbursements through the CARES Act Funding Plan

As presented by the City Manager at Council’s Financial Retreat on May 29, 2020 and approved by Council on June 16, 2020, the City Manager’s CARES Act Funding Plan divided the Coronavirus Relief Fund funding administered by the Department of Commerce into generally equal parts, with approximately \$1.2M being allocated to each of the following three categories:

- City General Operations COVID-19 reimbursement and preparedness;
- Human Services COVID-19 related expenses; and
- Kirkland Small Business COVID-19 related expenses.

Additionally, approximately \$300,000 was set-aside support non-profit Cultural Arts programs in Kirkland that experienced significant revenue loss due to the pandemic. Attachment A contains an overview of expenses for the City General Operations category. Below is a description of the major expenses in the Human Services, Small Business, and Cultural Arts categories.

Human Services COVID-19 Related Expenses - \$1.22 million

Below is a description of the major strategies and agencies funded to support human services.

1. Staff Support for Human Services COVID-19 Response - \$30,745

The City hired a consultant to develop and implement projects funded from the CARES Act funds provided to the City. The consultant's work served to identify and document the impact of the COVID-19 pandemic on the residents of Kirkland and the human services agencies that serve them by reviewing relevant data on the impacts of COVID-19 and engaging community members and social service agencies to build relationships. This work informed the development and implementation of CARES Act funded contracts to address the specific and acute needs that have emerged or been exacerbated during COVID-19. The consultant and Kirkland Human Services staff worked intensively with the Promotores team, Native American consultants, cultural navigators and the provider of the large rental assistance program. This led to meaningful relationship building between the City and these providers.

2. Reimbursement of Human Services Stabilization Initiative Funding - \$265,000

A. Emergency Shelters & Day Centers - \$125,000

i. Catholic Community Services of Western Washington (CCS) - \$25,000

New Bethlehem Programs for Families with Children provided shelter and day services during the pandemic by utilizing motel rooms for 24/7 shelter and a separate day center to connect unsheltered families with resources. Item of Note: Because asking children to remain socially distant from people is particularly challenging, CCS prioritized relocating families into a motel. This allowed the agency to create safer living conditions for families and allowed the program to serve more families than pre-COVID.

ii. Congregations for the Homeless - \$50,000

Congregations for the Homeless (CFH) provides an array of services to men experiencing homeless. Congregations for the Homeless requested reimbursement for food and meals for men in motels, cab service, expenses related to expanding shelter operations to an additional part of the Lincoln Center and for hazard pay for frontline staff. Item of Note: King County provided funding to CFH at the beginning of the pandemic to place the shelter guests most medically fragile in motel rooms. Later CFH worked with the City of Bellevue to expand shelter operations into an additional part of Lincoln Center in order to continue to provide social distancing and be able to return to pre-COVID shelter numbers. The move to a motel also allowed staff to serve unsheltered families at the day center.

iii. Friends of Youth - \$25,000

Friends of Youth (FOY) provides services for youth and young adults experiencing homelessness, youth in foster care and behavioral health

services to youth and families. FOY requested reimbursement for hazard, premium and overtime pay for staff and deep cleaning expenses. Item of Note: Staff spent a great deal of time working with FOY exploring alternative locations that would allow the agency to serve more young adults in a safer manner. Unfortunately, a cost-effective option was not found.

iv. The Sophia Way - \$25,000

The Sophia Way (TSW) provides services to women experiencing homelessness. TSW requested reimbursement for a computer, food service, mats and staffing through a temporary agency. Item of Note: In the spring the Sophia Way moved its day center, programmatic shelter and emergency shelter to the Red Lion Inn. This allowed the guests to be spread out and be as efficient as possible with limited staffing resources.

B. Food Assistance - \$30,000

i. Sound Generations - \$10,000

Sound Generations Call in Center - because of the pandemic, older adults and those who were medically fragile needed to stay at home. City staff were concerned that residents who did not have access to a social network for assistance or did not have access to the internet would not know how to access assistance. At the same time, members of the community were reaching out asking how they could help their neighbors. City staff worked with Sound Generations to create both a hotline for residents to request food delivery and a hotline for residents who wished to become volunteer delivery drivers. Sound Generations then matched residents who needed either donated food or a grocery store pickup with those who could either pick up a Hopelink food box or complete a grocery store trip and deliver. In order to get word to the community as broadly as possible, the City sent out a mailing to all residential addresses in Kirkland in four languages providing the phone numbers for the food hotline, the state public health COVID-19 information line, and King County's 24/7 mental health crisis line. Sound Generations is continuing to provide this service into 2021.

ii. Hopelink - \$20,000

Hopelink had to begin purchasing much more food because of its limited ability to accept donations due to the risks associated with the pandemic.

C. Emergency Financial Assistance to Residents - \$100,000

Residents lost income needed to pay for housing due to layoffs following the stay at home order, not being able to work due to compromised health or the need to care for children no longer attending school in person.

i. Attain Housing - \$10,000

Attain Housing serves families with children.

ii. Eastside Legal Assistance Program (ELAP) - \$25,000

ELAP served clients supported by the staff attorney for Kirkland residents.

- iii. **Hopelink - \$30,000**
Hopelink serves all populations that income qualify.
- iv. **LifeWire - \$10,000**
LifeWire serves survivors of domestic violence.
- v. **Muslim Community Resource Center (MCRC) - \$25,000**
MCRC serves all community members. It is a trusted provider for Muslim residents and immigrants and refugees.

D. Behavioral Health Infrastructure Support: IKRON of Greater Seattle - \$10,000

IKRON provides behavioral health and integrated employment services. The agency requested reimbursement for the significant increase in non-billable services, such as outreaching to clients and coordinating services as a result of the COVID-19 pandemic. Item of Note: IKRON has seen a significant increase in the number of clients relapsing on their substance of choice and an increase in severity of mental health symptoms for previously stable clients. Specifically, it has noted that many more clients are presenting for treatment of PTSD and stress-related diagnoses.

3. Survey of Communities of Color to Understand Pandemic Impacts - \$19,038

i. LatinX Outreach - \$19,038

Community-based Promotores (liaisons), in partnership with the King County Promotores Network, Eastside for All, and the Latino Community Fund, developed and implemented a community engagement project with focus on the Latinx populations in Kirkland. This project focused on connecting Latinx community members with appropriate resources and in-language materials. Additionally, the Promotores are conducting a community assessment with Latinx people in Kirkland to inform new, culturally responsive services and resources for the city's Latinx population. The first contract for this project focused on initial outreach to Latinx community members in Kirkland. Promotores distributed 200 resource packets, which included a bilingual Kirkland community resource guide, King County Public Health materials, masks, and hand sanitizer. Throughout the first phase of outreach, Promotores simultaneously developed a comprehensive survey tool to engage and gather feedback from Kirkland's Latinx community. The second contract for this project is funding the implementation of the community survey, additional outreach and promotion of the program, including Spanish-language radio interviews, and distribution of resource packets and grocery gift cards to survey participants. An analysis of approximately 200 completed surveys will serve as a guide for developing culturally responsive programming for Kirkland's Latinx community. This second contract is being funded using 2020 human services funding for cultural navigation.

ii. Efforts to connect with the African-American community

Efforts to connect with the Kirkland's African-American and Black communities included outreach to numerous leaders and advocates who identify as Black or

African-American. Through this outreach and engagement, a common theme that emerged was the continued marginalization of Kirkland's Black community and the lack of a sense of community within the City of Kirkland. Through the Eastside Race and Leadership Coalition, the City learned that Bellevue City Councilmember Jeremy Barksdale has begun work to bring together Black and African-American advocates and organizers on the Eastside to collaborate and work toward collective impact. City staff used this new channel to provide resources in response to COVID-19. Despite this new relationship, there is still significant work to be done in engaging and centering the Black and African-American community members in Kirkland.

iii. Native Community Outreach

The City began working with the Eastside Native American Education Program early in the Summer to develop a relationship with Kirkland's Native community. The Eastside Native American Education Program operates out of the Lake Washington School District to provide culturally enriching programs and support for Native students social-emotional wellbeing. This relationship led to a connection with Arlie Neskahi, a consultant with extensive experience in teaching, counseling, facilitation and management that centers the region's Native community members. The India Association of Western Washington has agreed to contract with the City and subcontract with Mr. Neskahi to conduct targeted outreach to Native families and individuals who face barriers in accessing city-funded human services in 2021. This contract will also fund a community survey to center the experiences of Kirkland's Native community and inform the development of culturally responsive, community-led resources and opportunities. This contract will be funded using 2020 human services funding for cultural navigation.

4. Cultural Navigation to Access Resources: 4 Tomorrow - \$4,200

This cultural navigation project created a new, culturally responsive channel for connecting Latinx and undocumented Kirkland residents with Kirkland resources and services available through State CARES Act funding. 4 Tomorrow's work served to ensure that Latinx and undocumented people in Kirkland were aware of Kirkland's State CARES Act and other COVID-related services and resources to meet emerging needs during COVID-19. Additionally, their work provided a new channel for communication and information dissemination between the City of Kirkland and Latinx and undocumented community members. Culturally responsive, Spanish language technical assistance helped to remove barriers for community members applying for residential financial assistance and Kirkland Boys & Girls Club scholarships available through Kirkland's CARES Act funding.

5. Rental Assistance Program, India Association of Western Washington - \$250,000

Early in the summer of 2020, Human Services staff conducted outreach to property managers and landlords of affordable and market-rate housing in the region to understand the scope of housing insecurity during COVID-19. Staff conducted outreach to approximately 20 affordable and mixed-income housing sites throughout Kirkland. While this outreach did not produce statistically valid results, anecdotal responses helped to identify emerging issues facing renters including: uncertainty for

tenants depending on increased unemployment benefits; tenants terminating leases early to avoid eviction; and disparities between housing stability for residents of market-rate housing in comparison to subsidized housing.

The India Association of Western Washington partnered with the City of Kirkland to use CARES funds to provide financial assistance to renters and homeowners in Kirkland who were financially impacted as a result of COVID-19. These funds served members of the community who were at imminent risk of eviction, foreclosure, or homelessness. The program is providing up to \$5,000 of assistance for households rent, mortgage, and utilities expenses. This project identified applicants through other City of Kirkland projects involving targeted outreach and technical assistance (TA) to communities that disproportionately face eviction, foreclosure, and homelessness and are underrepresented in other financial assistance programs.

6. Expanded Food Support - \$200,000

Hopelink purchased food items that will allow residents to support their traditional holiday cooking needs; basic need supplies such as toilet paper, paper towels, diapers and personal care items; and gift cards that are allowing residents to purchase food not provided in the food bank. Hopelink provided all of these items to the Northshore Senior Center to support its food pantry program. In addition, Hopelink is providing some gift cards to 4 Tomorrow, India Association of Western Washington and the Native American consultant.

7. Training in Fair Housing Laws for Shelter and Temporary Housing Providers - \$17,500

The Fair Housing Center of Washington provided 9 live trainings to housing and shelter providers who serve Kirkland residents. In addition to an introductory training on the basics of Fair Housing, they held specialized trainings on the following topics: shelters and religious exemptions; domestic violence and criminal history guidance; processing reasonable accommodations for persons with disabilities; and Fair Housing and the rights of caregivers. The Fair Housing Center also conducted testing on 20 properties in Kirkland to determine the extent of compliance with the Fair Housing Act. Testing focused on protected classes at greatest risk of experiencing discrimination:

- Race and national origin: discrimination against Black, African-American, Native American/Alaskan Native, Latinx, and Pacific Islander people.
- Sex: discrimination against female-headed households
- Familial status: discrimination against single parent households
- Disability: discrimination against people with disabilities and people perceived to have COVID-19 due to essential worker status

8. Increased Expenses to Provide Social Distancing for Day Center and Overnight Emergency Shelter Programs - \$151,606

The original vision for the new 24/7 facility, Kirkland Place for Families and Women in Kirkland, was to provide daytime services not just for the women and families staying overnight, but to other women and families experiencing homelessness on the eastside. Unfortunately, because of the pandemic, entry into the facility is limited to those staying in the shelter. The commitment of Kirkland CARES Act dollars

allowed the agencies to each provide a second day center to serve the community.

i. The Sophia Way - \$117,151

In addition to the new 24/7 enhanced shelter in Kirkland (Helen's Place), the Sophia Way runs a 12-hour programmatic shelter at Sophia's Place in Bellevue. This site had served as the day center for women since the facility's opening in 2012. With the opening of Helen's Place, the day center was no longer located at Sophia's Place. Because of the pandemic, the residents of Sophia's Place and the women sleeping in their cars and on the streets no longer had access to a day center. Kirkland CARES Act funding has allowed for a second day center to be open at Sophia's Place providing 24/7 shelter for Sophia's Place guests and day time services several days a week for unsheltered women.

ii. Catholic Community Services (CCS) - \$34,455

Kirkland funding has allowed CCS to keep its original day center in the basement of Salt House open to unsheltered families needing connections to services. In addition, the day center continues to serve not only any families staying at the Lake Washington United Methodist Church safe parking program, but adult women as well.

9. Reimbursement Grants for Increased Expenses Due to COVID-19 - \$284,187

Nonprofit agencies have been spending their limited resources on personal protection equipment, increased staffing to meet client needs, and technology. This strategy has provided for reimbursement grants to help service providers cover those costs.

City staff worked closely with colleagues at the City of Redmond to create efficiencies for agencies and the cities by dividing up contracts for reimbursement grants to limit both reimbursing the same agencies whenever possible. The agencies who received reimbursements from Kirkland and/or Redmond include: Alpha Supported Living Services; AtWork!; Babies of Homelessness; Community Homes; Eastside Baby Corner; Hero House NW; Hopelink; Imagine Housing; Childcare Resources; Harborview Abuse & Trauma Center; IKRON of Greater Seattle; King County Sexual Assault Resource Center; Lake Washington Schools Foundation; LifeWire; Together Center; and Youth Eastside Services.

i. Alpha Supported Living Services - \$25,715

Alpha Supported Living Services supports over 200 individuals with intellectual and developmental disabilities. Sixteen of their residents live in six homes in Kirkland, supported by over 60 employees working shifts in the homes. The agency requested reimbursement for PPE and infrared thermometers.

Item of Note: At the beginning of March Alpha paid just under 10 cents per glove, in July it paid almost 30 cents per glove.

ii. AtWork! - \$12,492

AtWork! provides supported employment services to adults with intellectual and developmental disabilities. The agency requested reimbursement for PPE,

cleaning supplies and thermometers as well as I-pads, Chromebooks and hotspots provided to clients to navigate the virtual world.

iii. Boys & Girls Club of King County—Kirkland Club - \$65,845

The Kirkland Club has been provided day-long camps to support families who needed childcare because schools have been providing remote learning only. The agency requested reimbursement for PPE, rental space at a school and scholarships.

iv. Community Homes, Inc. - \$6,000

Community Homes supports adults with intellectual and developmental disabilities in adult family homes and shared living homes. The agency requested reimbursement for PPE and canopies to support its infection control efforts. Item of Note: The agency purchased the canopies to provide protection from the elements so residents could host family visits outside. Community Homes also purchased heaters, chairs and lights to make residents as comfortable as possible.

v. Eastside Baby Corner (EBC) - \$20,630

EBC provides basic needs supplies for children birth to 12 to agencies that distributes the items to their clients. EBC has been responding to greater need for supplies and a limited ability to accept donations. EBC requested reimbursement for diapers and pull ups. It is sharing the diapers with Babies of Homelessness.

vi. Hopelink - \$25,000

Hopelink's housing program provides emergency shelter, transitional housing and permanent housing on the Eastside. It is requesting reimbursement for PPE, cleaning supplies, and basic furnishings that it had previously been able to obtain through donations.

vii. Imagine Housing - \$43,269

Imagine Housing provides affordable housing throughout the eastside including four properties in the City of Kirkland. Imagine requested reimbursement for the cost of hiring additional security at its properties. Item of Note: Imagine Housing has seen a spike in domestic violence, neighbor to neighbor violence and other disruptive and dangerous behaviors.

viii. Lake Washington School District - \$42,857

LWSD requested reimbursement for costs related to T-Mobile hotspots for students to facilitate virtual learning from home.

ix. Youth Eastside Services - \$23,739

YES provides behavioral health services to youth and families. The agency requested reimbursement for PPE, cleaning services and technology including Electronic Health Record Licenses, Zoom telehealth accounts and a Technology HIPAA compliance consultation. These expenses supported both the agency's ability to provide telehealth services and begin offering in person services safely. Item of Note: Youth are struggling with anxiety, depression, suicidal ideation, grief and loss, substance use issues, social isolation and family conflict.

x. YMCA of Greater Seattle - \$18,640

The YMCA provided emergency childcare and day camp for free to essential workers. This fall it has offered Y LEAP Academy at Sandburg Elementary. The Y requested reimbursement for spring services provided to children of essential workers and costs associated with its fall Item of Note: The Y opened the Learning, Enrichment, and Play (LEAP) Academies to support kids and families with distance learning and day care needs.

Estimated CARES Act funding for human services in neighboring cities

Bellevue: The City of Bellevue allocated \$500,000 of its CARES Act funding to meeting the immediate needs of its residents; \$300,000 to address food insecurity and \$200,000 for financial assistance for residents. Bellevue considered speed to get funds out, scope of reach, and existing partnerships in selecting agencies to receive funding. Food and hygiene supplies were distributed through the Bellevue Food Bank, Bellevue School District, Salvation Army, and Renewal Food Bank.

Issaquah: The City of Issaquah allocated \$200,000 of its first round of CARES funding to human services. \$170,000 was directed to providing food and basic needs through the Issaquah Food and Clothing Bank, CCS – Issaquah Meals Program, Eastside Baby Corner, and Eastside Friends of Seniors. \$30,000 was given to Eastside Legal Assistance Program to focus on tenant assistance. In its second round of CARES funding the City of Issaquah dedicated \$250,000 of its CARES Act funding to meeting human services in its community; \$100,000 for the Issaquah Food and Clothing Bank; \$120,000 for housing mediation services, housing for people with disabilities, and low-income housing providers; and \$30,000 to Friends of Youth to support mental health services for young adults.

Redmond: The City of Redmond allocated \$250,000 from its first round of CARES Act funding to provide financial support for mental health services, childcare, telework, food security, and personal protective equipment for social service providers and clients. In its second round of funding, the City allocated \$508,000 to provide rental assistance, grocery vouchers, mental health services, and day center services for people experiencing homelessness.

Shoreline: The City of Shoreline dedicated \$300,000 of its CARES funding to Human Services. \$185,000 of this funding supported Summer meals for students, food delivery for older adults, and food vouchers for families with children. The remaining \$115,000 of funding provided reimbursement to human services agencies for personal protective equipment and cleaning expenses. The City dedicated an additional \$186,063 in funding for human services from its second round of CARES Act funding.

Kirkland Small Business COVID-19 Related Expenses - \$1.23 million

Below is a description of the major strategies funded to support Small Businesses.

Kirkland CARES Small Business Relief Fund - \$1,050,000

An interdepartmental team convened by the City Manager's Office designed and administered a grant program for small businesses and nonprofits negatively impacted by COVID-19. The City promoted the program in four languages and received over 280 applications. Though the program was originally designed to provide funding for 150 small businesses, the City utilized a second allocation of CARES Act funding from Washington State to strive to fund all applicants that met the eligibility requirements. In total, the City distributed \$5,000 grants to 207 businesses and nonprofits in Kirkland. This amount includes \$15,000 in expected small business grants that did not qualify, so those funds are set aside toward additional business-related COVID expenses.

ShopLocalKirkland.com Web Contractor and Marketing Materials - \$52,428

One of the central strategies to support Kirkland's business community respond to the impacts of the pandemic was the creation of Shop Local Kirkland. Conceived as a "digital main street", the ShopLocalKirkland.com website and associated effort by City staff support businesses in adapting to a new normal, recognizing trends arising from COVID-19 are expected to characterize economic activity not just temporarily, but permanently. Taking a longer view than stop-gap grant funding, the Shop Local Kirkland initiative brings recovery 'through the (digital) front door' in the form of customer spending, rather than through the 'back door' in the form of relief monies. This funding also funded marketing collateral and supplemental contractor support for business onboarding. To date, 397 businesses have registered on the platform, of which 198 have published their storefronts. The website has received over 24,000 total visits and has generated 1,250 click-through leads for businesses.

Staff Support for Economic Development COVID-19 Response - \$65,798

The City Manager's Office hired a Temporary Special Projects Coordinator to project manage the development, implementation, promotion, and curation of the ShopLocalKirkland.com digital storefront web platform. This staff oversaw work with the City's contractor for the platform and supported Kirkland businesses in registering with the platform through in-depth, one-on-one orientation to dozens of businesses. The Special Projects Coordinator also crafted marketing and promotion materials and provided technical assistance to several businesses.

(re)Startup 425 Business Response Team Contractor - \$11,550

Business assistance programs such as federal grants can be confusing and difficult to navigate, particularly for those businesses without an existing relationship with a commercial bank or similar financial services. In partnership the Startup 425 partner cities, Bellevue, Issaquah, Redmond, and Renton, the City helped fund the Business Response Team. The Business Response Team filled that need by advising business owners to help them understand and apply for city, state, federal, and private economic relief programs related to COVID-19. Recognizing that business owners may experience language barriers in the existing grant processes, the Business Response Team was available to assist in multiple languages through a phone interpretation service and did

so on several occasions. The services provided by the Business Response Team were businesses located in the partner cities' jurisdictions. In total to date, the Business Response Team has received 518 inquiries with (approximately 35% from Kirkland) and has helped secure a total of 73 loan packages.

Flexible Permitting and Other Support for Kirkland Businesses - \$1,215

Staff in the Planning & Building and Public Works departments, in coordination with the City Manager's Office, developed and provided several permits related to various strategies identified by the "Outside the Walls" community task force for all Kirkland businesses, including:

- "Evenings on Park Lane" application for Sidewalk Cafés
- Temporary pick-up/take-out parking stalls application
- "2020 Outdoor Café Permit Application Form", with waived fees for Outdoor Café Permit renewal
- Temporary 'Parklet' Street Use application for Kirkland restaurants to expand outdoor seating into adjoining on-street parking stalls
- A notification process for Kirkland businesses to temporarily use adjoining private parking stalls for expanded outdoor café seating or outdoor retail space

The City also purchased or produced various items to support the conversion of parking stalls to parklets, designating pick-up/drop-off stalls, and various signs. Finally, to support downtown businesses during the coronavirus pandemic, the City closed the west end of Park Lane between Lake Street and Main Street to vehicles from 6 p.m. to 7:00 a.m., seven days a week, from July 2 through November 17, 2020. The results of an online survey with over 700 responses indicated that the program was generally well received from Park Lane restaurants, retailers, and the broader community.

City Contribution to Round 2 of the Greater Kirkland Chamber of Commerce Relief Fund - \$30,000

Outreach Materials to Kirkland Businesses - \$21,597

The City produced and mailed a COVID-19 information packet to each business in Kirkland. Much of the packet was translated into multiple languages.

Translations for Kirkland CARES Small Business Relief Fund - \$1,982

The City's relief fund application and informational materials were translated into Spanish, Chinese, and Russian.

Estimated CARES Act funding for Small Business Grants in neighboring cities:

Bellevue: still in process

Issaquah: \$750,000

Redmond (in partnership with OneRedmond): \$1,830,000

Renton: \$1,380,000

Sammamish: \$420,000

Kirkland Arts Relief Fund - \$318,741

The pandemic has been devastating for arts organizations, forcing layoffs and in some cases, potentially permanent closures. Arts organizations play a unique role in both economic development and neighborhood quality of life, and sustaining art organizations serves a valuable public benefit. The City distributed CARES Act funds to non-profit cultural arts organizations that had Kirkland business licenses and documented significant ticket sale or class fee revenue loss due to the pandemic. Primary recipients included the Kirkland Performance Center, the Kirkland Arts Center, and Studio East. Recognizing the role of such organizations in helping Kirkland be a safe, inclusive, and welcoming place, the grant contracts for each organization included the requirement that those organizations would work throughout 2021 with City staff and each other to engage the Black, Indigenous, and People of Color (BIPOC) community to create inclusive programming, consistent with the City's Resolution R-5434.

Summary

In summary, City staff was able to ensure that the City disbursed all of the CARES Act funding and distribute those funds according to the City Council direction. Council may choose to set aside some of the additional projected cash toward continuing COVID expenses. Staff recommends that a plan for any remaining additional cash projected at the end of 2020 be brought forward for Council consideration once the final 2020 books are closed.

Summary of COVID-Related Funding and Disbursements

Funding	Amount	Prior Budget Adj.	Current Budget Adj.
CARES (Main)	\$ 2,668,200	\$ 2,668,200	
CARES (Additional)	\$ 1,334,100		\$ 1,334,100
CARES (KC)	\$ 135,833		\$ 135,833
CARES - HHS Medicare	\$ 20,753		\$ 20,753
Subtotal CARES Funding	\$ 4,158,886	\$ 2,668,200	\$ 1,490,686
Council Contingency (Chamber)	\$ 30,000	\$ 30,000	
2019 Sales Tax (Human Services)	\$ 265,000	\$ 265,000	
Subtotal City Funding	\$ 295,000	\$ 295,000	\$ -
Est. FEMA Reimbursement (1)	\$ 315,855		\$ -
Grand Total Funding	\$ 4,769,741	\$ 2,963,200	\$ 1,490,686
Total Funding Budget Adjustments			\$ 4,453,886

(1) Reimbursement not expected until mid-2021

Eligible Costs	Amount	Prior Budget Adj.	Current Budget Adj.
City Expenses (2)	\$ 3,019,633	\$ 61,600	\$ 240,336
Small Business Expenses	\$ 1,234,570	\$ 30,000	\$ 1,204,570
Arts Expenses	\$ 318,741		\$ 318,741
Human Services Expenses	\$ 1,222,733	\$ 265,000	\$ 957,733
FEMA Eligible Expenses	\$ 398,588		\$ 398,588
Grand Total Eligible Costs	\$ 6,194,266	\$ 356,600	\$ 3,119,968
Total Budget Expense Adjustments			\$ 3,476,568

(2) Excluding FEMA Eligible and including Court net cost

Total Funding Budget Adjustments	\$	4,453,886
Total Eligible Cost Budget Adjustments	\$	3,476,568
Anticipated Cash Flow Available at Year End 2020	\$	977,318
Anticipated Cash Flow Available in 2021	\$	315,855