



STATEMENT OF

THE HONORABLE VICTORIA WOODARDS
MAYOR, CITY OF TACOMA, WASHINGTON

&

FIRST VICE PRESIDENT, NATIONAL LEAGUE OF CITIES

BEFORE THE

HOUSE COMMITTEE ON OVERSIGHT AND REFORM

“FROM RECESSION TO RECOVERY: EXAMINING THE IMPACT OF
THE AMERICAN RESCUE PLAN’S STATE AND LOCAL FISCAL
RECOVERY FUNDS”

MARCH 1, 2022

Chairwoman Maloney, Ranking Member Comer, and members of the Committee, my name is Mayor Victoria Woodards of Tacoma, Washington, and I am the First Vice President of the National League of Cities or NLC, an organization that represents 19,000 cities, towns and villages nationwide. It is my honor to testify before the Committee today on the State and Local Fiscal Recovery Funds (SLFRF) program, which was part of the American Rescue Plan Act of 2021 (ARPA).

I want to thank the committee for their relentless work drafting the American Rescue Plan Act of 2021, and for working closely with outside stakeholders, including NLC, to ensure that every local government, regardless of size, received a SLFRF grant.

In the spring of 2020, our nation faced an unprecedented public health emergency with devastating economic repercussions for our community. There was a national shutdown of businesses, schools, services, entertainment and more to stop the spread of COVID-19. This shut down, which was needed, halted all local economies resulting in a national economic crisis at the same time of a national public health crisis. Local governments like Tacoma continued to provide critical services during this time to keep our city running and meet the needs of vulnerable citizens.

As the pandemic continued, City of Tacoma employees continued to provide essential services, and the city absorbed unforeseen costs across every municipal department while overseeing the local public health response and addressing community needs. Preexisting problems and inequities within our city were exacerbated by the crisis. Sadly, many constituents caught the virus and experienced related health problems, while the broader community contended with its impacts including job loss, income insecurity, housing insecurity or homelessness, food insecurity, and declining business. The federal government relied on their partners at the local level to address these challenges. We did so, for nearly a year, without access to direct or flexible funding.

That changed in March of 2021 when lawmakers passed the American Rescue Plan Act of 2021, providing \$350 billion to intergovernmental partners, including \$45.57 billion worth of assistance for Metropolitan cities like the City of Tacoma. My colleagues and I heralded the arrival of those critical resources last spring, which empowered us to manage the public health emergency, address the urgent needs of our community, anticipate long-term impacts, and pave the way for a more equitable recovery. We would not have been able to accomplish that without the critical federal funding provided by the American Rescue Plan Act.

Tacoma faced over \$59 million worth of estimated revenue loss due to the COVID-19 public health emergency as of December 31, 2020. During 2020, the city took quick action to reduce expenses through program eliminations, hiring reductions, and temporary furloughs to address the projected revenue losses. Based on the projected losses in 2021-2022, the City of Tacoma planned significant cuts to our essential and basic community services.

Our story is not unique. NLC estimates that cities, towns and villages nationwide experienced a \$90 billion budget gap from the COVID-19 pandemic in 2020 alone.¹ Thanks to the SLFRF program, by the end of this year – more than two years into a lingering pandemic – Metropolitan cities nationwide will have received \$45.57 billion that will play a vital role in helping communities to rebuild after the swift and severe economic impact of this nation-wide health emergency. While these funds will not make cities whole – and are not, as some have said, too generous given the expected long-term losses – they will help soften the economic downturn that many communities faced and some still battle today.

In 2020, under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), less than 40 of the nation’s largest major metropolitan cities received direct relief from the federal government, leaving smaller cities like mine to work with states or counties to try to secure aid. Under the CARES Act, direct federal aid was reserved only for municipalities and counties with 500,000 or more residents. Tacoma, while being one of the largest cities in Washington State, fell short of this threshold and was therefore excluded from receiving direct aid.

Uniquely, the SLFRF program transferred the decision-making process from the federal government to local governments, empowering those who know their communities best with the resources to enact real, immediate, impactful change. This was a major step forward in recognizing the vital role of local economies in stabilizing our national economy and bolstering our collective recovery.

In Tacoma, federal funding allowed us to sustain essential services and meet the emergent needs of our community across a variety of issues, including: addressing homelessness by providing emergency shelter and increasing affordable housing stock; and promoting public safety by restoring fire department operations and implementing alternative response and body-worn cameras in our police department. We ensured transparency and strengthened community trust by implementing those aforementioned initiatives and establishing a participatory budgeting process.

Most importantly, the funding makes a difference in the lives of our residents. Tacoma leveraged ARPA dollars and existing resources to increase services and support for programs targeting our community’s most vulnerable populations.

Through our partnerships, we provided shelter, case management and other supportive services and nutrition assistance to homeless youth and adults. We expect to service 9,787 bed nights in 2022. Those stabilization efforts include health and wellness appointments, employment services, and financial counseling for those in need. Our service providers connected our veterans with benefits, housing, employment, and other resources. As a veteran myself, I am particularly proud of our work to support this population.

The city supplied food and essentials to 70 food banks, culturally relevant hot meal sites, and shelters in Tacoma. We expect to provide 6,000,000 pounds of food in 2022. We partnered with

¹ “New Survey Data Quantifies Pandemic’s Impact on Cities: Municipal Revenues Down Twenty-One Percent While Expenses Increase Seventeen Percent,” National League of Cities, December 1. 2020.

two small minority-owned businesses to support feeding and clothing programs. Our partners provided individualized services tailored to Tacoma’s Black, indigenous and people of color (BIPOC) population, distributing culturally specific food packages and clothing to families in need. We expect to serve 500 Tacoma residents through these partnerships in 2022.

We also supported our Transitional Employment Pathway (TEP) program, a low-barrier, transitional employment approach to move displaced individuals into part-time work that is structured and monitored and allows residents to focus on barrier reduction while transitioning back into the workforce. Successful participants will become fully eligible for services leading to full-time employment and self-sufficiency.

We have acquired and converted existing properties into emergency shelters through December 31, 2023. Those properties will transition to permanent affordable housing for a population at or below 60% of Tacoma-Pierce County Area Medium Income to be operated and maintained for 40 years. This project will provide at least 120 units of new housing within our community, helping to address our region’s struggles with a lack of affordable housing in the long-term.

Public safety is also a top priority. Our community, like many others, experienced an increase in violent crime last year. Additional funding will enable our Police Department to address this trend, while enhancing community trust and ensuring transparency and accountability. ARPA dollars will allow our police to add body cameras to non-patrol staff, detectives, and others, and to also install dash cameras on police patrol vehicles. Our SLFRF grant has also supported operations of a Fire Engine that was set to go out of service from the Tacoma Fire Department as of April 2021 because of budget constraints. Our residents deserve adequate fire response as a fundamental of local government.

ARPA allowed the City to bring back staff and reinstating hours cut because of budget constraints, to restore library service at all Tacoma Public Library locations after a mandatory furlough of all employees.

The federal dollars will support the continued revitalization of our small businesses and our community. The City increased community outreach to address graffiti concerns on private property, and we reimbursed commercial and residential private property owners for supplies purchased to remove the graffiti, serving 85 unduplicated locations.

Our most vulnerable local businesses – those owned by residents with incomes not exceeding 80 percent of Area Medium Income with 15 or fewer Full Time Employees (FTEs) – could apply for Business Recovery Grants of \$15,000 each.

We leveraged \$850,000 in ARPA funds with additional city funds to provide \$1.35 million total in grants to nonprofits that provide job-related and other services for Tacoma residents. The city received 83 applications and funded 31 organizations – of which 80% were by “By & For” BIPOC. The city expects to award an additional \$2.5 million through a competitive process to an additional 176 small businesses. Overall, we estimate that 52% of those grant dollars awarded to date will be distributed to BIPOC-owned businesses.

Local leaders know these targeted actions are necessary to help address the persistent gaps that minority-owned businesses experience in regard to both pandemic relief and general access to capital. The House Small Business Committee released a report in February 2021 to review the pandemic's devastating impact on Black-owned businesses and to examine policy solutions to facilitate a more equitable recovery. The report shows that "Black business ownership rates dropped 41% between February and April 2020, the largest rate of any racial group."

The Tacoma City Council adopted an Equity and Empowerment Framework in 2014 to ensure that equity serves as "a consistent guiding principle across the entire organization." It has five goals, including a workforce that reflects the community; purposeful community engagement; equitable service delivery; support for human rights; and community to equity in decision-making. Local leaders resolved to be transparent and collaborative with internal and external stakeholders and to hold ourselves and partners accountable for measurable improvements and outcomes. We utilize this framework to inform how we expend our ARPA dollars effectively and equitably within the community.

As I stated earlier in my testimony, Tacoma is not alone. NLC's [Local Government ARPA Investment Tracker](#) helps paint the picture of the ways that my colleagues and I are utilizing innovative, evidence-based, well-targeted uses of ARPA funds. Here are just a few examples of the work of my colleagues:

- In Milwaukee, Wisconsin, the city's recovery plan incorporates equity into every project. For example, Milwaukee's Earn and Learn program targets traditionally marginalized communities, those also often hit hardest by the effects of the pandemic, by addressing employment rates and enhancing workforce readiness skills for BIPOC youth ages 14 – 24. The program provides direct work experience for several weeks, supplemented with professional development, job readiness skill workshops and enrichment activities.
- In Buffalo, New York, the city's long-term fiscal outlook is improved by using SLFRF grants to make investments in the community to help close the individual wealth gap, particularly in underserved neighborhoods. As the cost of housing continues to rise during the pandemic, the City of Buffalo's Affordable Housing Plan will use SLFRF grants to contribute to their local affordable housing trust fund. At no additional maintenance or programmatic cost, the investment will grow over time and provide a roadmap for the continuing development of affordable housing options.

While the work of recovery is well underway, there is still a long road ahead of us. I am thankful to the members of this committee for your leadership, advocacy and support of the SLFRF program. Your work has enabled and empowered cities, towns and villages of all sizes to counter the impact of the pandemic through projects that are uniquely suited to their community's needs. I am certain that our nation will see the rewards of this work for many decades to come and I look forward to ongoing conversations around how to build on this tremendous federal-local partnership.

Thank you again for allowing me to testify here today, and I look forward to taking your questions.