

**RESOLUTION NO.**

**WHEREAS**, on March 6, 2020, the City of Austin and Travis County both declared a local state of disaster due to the novel coronavirus (COVID-19) and issued measures to reduce the possibility of exposure and promote the health and safety of City of Austin/Travis County residents; and

**WHEREAS**, On March 13, 2020, Governor Abbott declared a state of disaster for all Texas counties due to the spread of COVID-19; and

**WHEREAS**, in alignment with the Centers for Disease Control and Prevention (CDC) and advice from local health authorities, subsequent executive orders in the City of Austin, Travis County, Williamson County, and the State of Texas have limited business operations and human social interactions to protect and promote public health; and

**WHEREAS**, these and other necessary measures taken by jurisdictions across the United States and the world to control the spread of the COVID-19 pandemic have limited public interactions, closed schools and businesses, and resulted in economic uncertainty that has left an unprecedented number of Austin residents facing unemployment or underemployment; and

**WHEREAS**, since the beginning of the crisis, the City Council of the City of Austin has responded to this through several actions , including Ordinance No. 20200326- 090 and Resolution Nos. 20200326-091, 20200326-092, 20200409-079, 20200409-081, 20200409-086, and 20200423-040 each of which respond to needs of Austin residents amid the uncertainty of the COVID-19 pandemic, and open a path toward relief in economic strain for individuals and businesses during this crisis; and

26           **WHEREAS**, the City has been able to launch several programs to date,  
27           however, currently launched programs have already received more requests for  
28           assistance than there are available funds; and

29           **WHEREAS**, on March 27, 2020, the CARES Act, was signed into law,  
30           which authorized \$2 trillion in federal economic relief through a stimulus infusion  
31           into housing and public health programs, as well as direct financial assistance and  
32           additional unemployment benefits to individuals, allocating \$170M to the City of  
33           Austin with an additional tens of millions to our partner counties; and

34           **WHEREAS**, on April 22, 2020, federal guidelines for expending the  
35           CARES Act funding were released, helping to lay out the rules for which the  
36           City's programs may be reimbursable, and opening up the possibility for additional  
37           assistance opportunities for the City's non-profit sector; and

38           **WHEREAS**, on April 8, 2020, Mission Capital published a survey of a  
39           large number of local non-profit organizations in the Austin-area that identified a  
40           great need for flexible resources for non-profit organizations to be able to adapt  
41           and continue services to the community, as well as to sustain operations through  
42           the current emergency situation and remain solvent when the crisis is over; and

43           **WHEREAS**, the City's Economic Injury Bridge Loan Program has already  
44           received more requests for assistance than funding currently allocated; and

45           **WHEREAS**, City staff has limited resources to administer assistance  
46           programs, however, there are many existing non-profit organizations with the  
47           experience and core competencies to provide assistance to others; and

**WHEREAS**, the Governor’s order to allow businesses to reopen while schools remain closed could place additional burdens on childcare centers and families with working parents; and

**WHEREAS**, during the great economic crisis of 2008, the City of Austin created transparent, publicly-available digital mechanisms to track economic recovery funding coming into and through the City; and

**WHEREAS**, the Community Advancement Network (CAN), Capital Area Council of Governments (CAPCOG) and other local government networks have an interest in and ability to track data from the economic recovery activities; and

**WHEREAS**, our community’s needs are immediate and pressing, and any further delay may cause additional harm;

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Council of the City of Austin directs the City Manager to develop a rapid program for allocating an initial portion of the CARES funding in response to the COVID-19 crisis. This program may work with external non-profit organizations to administer support to help sustain small and local businesses and non-profit organizations facing hardship in Austin. This resolution establishes three funds: (1) Commercial Loans for Economic Assistance & Recovery (CLEAR) Fund; (2) Childcare Support Fund; and (3) Austin Nonprofit & Civic Health Organizations Relief (ANCHOR) Fund and directs the City Manager to begin establishing and implementing the program as soon as possible, and return to Council with a status report, including sources of funds and specific allocations, by May 21, 2020.

**BE IT FURTHER RESOLVED:**

Non-profit organizations applying to be administrators as part of this program (administrating organization) can provide any portion of assistance, including but not limited to:

- CLEAR Fund - Commercial Loans for Economic Assistance & Recovery  
Economic injury loans, grants, and technical assistance for local and small businesses within the City of Austin that have been impacted by the Covid-19 Disaster:
  - The fund is to be segmented into the following areas:
    - \$10 million for Revolving loan programs, which expand upon needs and eligibility criteria identified as part of the existing Economic Injury Bridge Loan Program, as adopted by City Council; and
    - \$1 million in grant funds for businesses to cover expenses related to safe compliance with reopening orders; and
  - Recipient businesses must be assessed for viability by the administrating organization, as well as engage in technical assistance support;
  - Administering organizations should leverage external public and private dollars and include those leveraged funds in reporting;
- Childcare Support Fund: \$1 million in grants for childcare centers in Austin for centers that:
  - serve families that receive childcare subsidies; and
  - have at least a 2 star rating and have not received Payroll Protection Plan money, through CARES; and
  - have been impacted by COVID-19 related disruptions; and/or

- have virus mitigation and protective equipment needs.
- ANCHOR Fund - Austin Nonprofit & Civic Health Organizations Relief. Sustainability, operational, technical, or crisis support for non-profit organizations (recipient organizations) impacted by COVID-19 related disruptions:
  - The Fund (\$6 million in total ) is to be segmented into the following focus areas:
    - Health and Human Services (\$2,000,000);
    - Workforce Development & Social / Legal Services (\$1,250,000);
    - Education (\$1,250,000);
    - Arts and Culture (\$1,000,000); and
    - Environment and Animals (\$500,000);
  - Recipient organizations must meet the following criteria:
    - Organizations classified as a “public charity” with tax-exempt status under Section 501(c)(3) and 509(a) of the Internal Revenue Service Code;
    - Non-profits in existence for 3 or more years;
    - Locally based with operations primarily within the City of Austin, Texas;
  - Non-profit activities ineligible for the program include:
    - Endowments or memorials;
    - Nonprofit hospitals and higher education institutions;
    - Fraternal, sectarian and religious organizations where the funding is intended to principally benefit members/adherents and to fund inherently religious activities;
    - Private foundations;

- 125                   ▪ Litigation/legal expenses in actions by or against the
- 126                   organization;
- 127                   ▪ General capital campaigns, or
- 128                   ▪ Support benefiting primarily for-profit members.

129   **BE IT FURTHER RESOLVED:**

130           The City Manager is directed to ensure the program has a low barrier to  
131 entry for businesses and non-profits receiving assistance via administering  
132 organizations. Administering organizations should also be able to cover some of  
133 their administrative costs from their respective funds. Administering organizations  
134 should be required to report, in real-time, the spending and disbursement of these  
135 funds. City staff will develop a measurement of return on investment, including but  
136 not limited to equity, quantity of people or entities helped, and outside or private  
137 funds leveraged. Administering organizations may submit proposals to staff that  
138 comprehensively meet the goals of each of the funds, or they may submit proposals  
139 that meet a portion of the goals of each fund. The design of the rapid program  
140 should build on existing knowledge, expertise and work of City staff.

141   **BE IT FURTHER RESOLVED:**

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143           The City Council directs the City Manager to provide the Council with  
144 options for staff to administer support to help sustain small and local businesses  
145 and non-profit entities in the event the proposals from potential administering  
146 organizations prove insufficient to meet the comprehensive goals of the rapid  
147 program. Options provided to Council may include a collaborative approach with  
148 external organizations administering portions of the technical assistance or other  
149 supports to recipient organizations, with other portions of assistance being  
150 administered internally by City staff.

**BE IT FURTHER RESOLVED:**

The City Council directs the City Manager to partner with the Community Advancement Network (CAN), the Capital Area Council of Governments (CAPCOG), and other local governments receiving CARES Act funding to create and implement a regional Economic Response Dashboard. This dashboard should track response dollars allocated by federal, state, and local government as well as private fundraising dollars from foundations, non-profits, businesses, or other entities. The report should be updated close to real-time as data is available and including but not limited to:

- Total dollars allocated to relief broken down by source, including links to the details of each source of funds,
- Dollars distributed to non-profit organizations and private businesses at a detailed level, and
- Aggregate demographic and geographic information on disbursements to individuals made directly or through non-profits organizations.

**ADOPTED:** \_\_\_\_\_, 2020**ATTEST:** \_\_\_\_\_

Jannette S. Goodall  
City Clerk