

RESOLUTION NO. 20200507-023

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

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

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

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

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

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

WHEREAS, City staff has limited resources to administer assistance programs, however, there are many existing non-profit organizations with the 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 other caregivers; 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 and equitable 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 or grant program, as appropriate, which expands 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;
 - Recipient businesses should provide commitments for employee retention;
 - Administering organizations should include a particular focus on serving vulnerable businesses and those that have not received other assistance;
 - 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 under the Texas Rising Star system 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 with at least one 990 on file with the IRS;
 - 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;
 - Litigation/legal expenses in actions by or against the organization;
 - General capital campaigns, or
 - Support benefiting primarily for-profit members;
- Administering organizations should assess recipient organizations for institutional viability and the potential impact of the grant/support on the sustainability of the recipient organization;
- Recipient organizations should be required, at a minimum, to describe the impact receiving the funds/support would have on the organization's viability to fulfill its mission;
- Applicants should be invited to provide the following information, at a minimum:
 - Strengths and challenges associated with staff retention;
 - Programmatic priorities;
 - Populations and geographic regions served;
 - Other COVID-19 related assistance received, to date;
 - Potential impact receiving these funds/support would have on its ability to fulfill its mission in a sustainable way;
 - Size of its staff and annual operating budget;
 - Names and biographies for its board members;

- If an administering organization leverages external public and private dollars, it should include those leveraged funds in its reporting.

BE IT FURTHER RESOLVED:

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

BE IT FURTHER RESOLVED:


The City Council directs the City Manager to provide the Council with options for staff to administer support to help sustain small and local businesses and non-profit entities in the event the proposals from potential administering organizations prove insufficient to meet the comprehensive goals of the rapid program. Options provided to Council may include a collaborative approach with external organizations administering portions of the technical assistance or other supports to recipient organizations, with other portions of assistance being 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: ___May 7___, 2020

ATTEST: 
Jannette S. Goodall
City Clerk