



Recommendation for Action

File #: 20-3396, **Agenda Item #:** 73.

10/15/2020

Posting Language

Approve a resolution to establish program guidelines for the Austin Childcare Provider Relief Grant, a \$5,000,000 program to help support vulnerable Austin-based childcare providers impacted by the COVID-19 pandemic.

Lead Department

Economic Development

Fiscal Note

Funding in the amount of \$5,000,000 is available in the Fiscal Year 2020-2021 General Fund Emergency Reserve Fund.

Prior Council Action:

May 7, 2020 - Resolution No. 20200507-023 was approved directing an initial program directed towards sustaining small and local non-profit organizations and businesses using a portion of federal dollars designated for pandemic-related relief. The resolution included establishing a \$1,000,000 Childcare Support Fund.

June 4, 2020 - Resolution No. 20200604-40 was approved adopting the COVID-19 proposed spending framework for the use of all available federal and local funding that leverages and maximizes the benefit of federal COVID-19 relief funding and local funding.

June 11, 2020 - Resolution No. 20200611-102 was approved ratifying a contract with United Way of Greater Austin to administer the Childcare Fund grant program to disburse emergency funds to childcare facilities in need of relief as a result of COVID-19 pandemic in amount not to exceed \$120,000 with an option to amend and extend the term and administrative fee should additional grant funds become available to administer.

September 17, 2020 - Resolution No. 20200917-062 was approved directing the City Manager to explore and identify ways to support and to increase the survivability of those most vulnerable in Austin's hardest hit sectors: childcare, music and arts venues, restaurants and bars.

October 1, 2020 - Resolution No. 20200901-013 was approved ratifying a contract amendment with United Way for Greater Austin to disburse a total of \$1,048,000 in emergency funds to childcare providers in need of relief as a result of the COVID-19 pandemic. The additional funding of \$148,000 comes from the Mayor and Council Fiscal Year 2019-20 Operating budget, from Mayor Pro Tem Delia Garza's Office budget. United Way for Greater Austin's fee for administration of these funds is an amount not to exceed \$100,000 with an option to amend and extend the term and administrative fee should additional grant funds become available to administer.

October 1, 2020 - Ordinance No. 20200901-052 was approved amending certain Fiscal Year 2020-2021 department budgets to fund the Save Austin's Vital Economic Sectors (SAVES) Fund to support COVID-19 emergency relief.

For More Information:

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Additional Backup Information:

In response to financial hardships caused by the global COVID-19 pandemic, City Council created the Austin Childcare Provider Relief Grant in Resolution No. 20200507-023. Following the City Council's direction, the City of Austin Economic Development Department (EDD) sought a third-party non-profit to administer these relief programs. EDD evaluated third parties based on their experience providing direct program delivery and administration assistance, including managing local, state, federal or private funding to assist in grant administration.

EDD selected the United Way for Greater Austin to administer this grant program. The United Way for Greater Austin distributed the \$1,000,000 in funding, plus an additional \$148,000 from Mayor Pro Tem Delia Garza's Office budget, awarding \$1,050,000 to 72 childcare providers impacted by the COVID-19 pandemic. There were 120 childcare sites that applied for funding.

On October 1, 2020, the Austin City Council created the \$15,000,000 SAVES Fund and directed the City Manager to proceed immediately with the programmatic work of using the full \$15,000,000 to support Austin's vital economic sectors in the following manner:

- Designate \$5,000,000 to establish the Austin Childcare Provider Relief Grant;
- Designate \$5,000,000 to establish the Austin Music Venue Preservation Fund; and
- Designate \$5,000,000 to establish the Austin Legacy Business Relief Grant.

These programs were established following thorough analysis of prior COVID-19 economic recovery programs, best practices learned from other municipalities, and conversations with multiple stakeholder groups - including municipal boards and commissions, COVID-19 Industry Focus Groups, arts and music organizations, nonprofit organizations, business associations, individual business owners, worker associations, individual workers and creatives, and the general public.

Upon approval of these program guidelines, EDD staff will proceed with seeking a third-party non-profit to assist with administering this relief program. EDD staff recognize that the community's needs are immediate and pressing, and staff will work with the selected third-party non-profit organization to launch the program as soon as practically possible.

Strategic Outcome(s):

Economic Opportunity and Affordability.