

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 \$170 million to the
33 City of 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

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

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

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

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

59 **NOW, THEREFORE,**

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

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

72 **BE IT FURTHER RESOLVED:**

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

- 76 • CLEAR Fund - Commercial Loans for Economic Assistance & Recovery
77 Economic injury loans, grants, and technical assistance for local and
78 small businesses within the City of Austin that have been impacted by the
79 Covid-19 Disaster:
 - 80 ○ The fund is to be segmented into the following areas:
 - 81 ▪ \$10 million for Revolving loan or grant program, as
82 appropriate, which expands upon needs and eligibility criteria
83 identified as part of the existing Economic Injury Bridge Loan
84 Program, as adopted by City Council; and
 - 85 ▪ \$1 million in grant funds for businesses to cover expenses
86 related to safe compliance with reopening orders; and
 - 87 ○ Recipient businesses must be assessed for viability by the
88 administrating organization, as well as engage in technical assistance
89 support;
 - 90 ○ Recipient businesses should provide commitments for employee
91 retention;
 - 92 ○ Administering organizations should include a particular focus on
93 serving vulnerable businesses and those that have not received other
94 assistance;
 - 95 ○ Administering organizations should leverage external public and
96 private dollars and include those leveraged funds in reporting;

- 97 • Childcare Support Fund: \$1 million in grants for childcare centers in Austin
98 for centers that:
- 99 ○ serve families that receive childcare subsidies; and
 - 100 ○ have at least a 2-star rating under the Texas Rising Star system and
101 have not received Payroll Protection Plan money, through CARES;
102 and
 - 103 ○ have been impacted by COVID-19 related disruptions; and/or
 - 104 ○ have virus mitigation and protective equipment needs.
- 105 • ANCHOR Fund - Austin Nonprofit & Civic Health Organizations Relief.
106 Sustainability, operational, technical, or crisis support for non-profit
107 organizations (recipient organizations) impacted by COVID-19 related
108 disruptions:
- 109 ○ The Fund (\$6 million in total) is to be segmented into the following
110 focus areas:
 - 111 ■ Health and Human Services (\$2,000,000);
 - 112 ■ Workforce Development & Social / Legal Services
113 (\$1,250,000);
 - 114 ■ Education (\$1,250,000);
 - 115 ■ Arts and Culture (\$1,000,000); and
 - 116 ■ Environment and Animals (\$500,000);
 - 117 ○ Recipient organizations must meet the following criteria:
 - 118 ■ Organizations classified as a “public charity” with tax-exempt
119 status under Section 501(c)(3) and 509(a) of the Internal
120 Revenue Service Code;
 - 121 ■ Non-profits with at least one 990 on file with the IRS;
 - 122 ■ Locally based with operations primarily within the City of
123 Austin, Texas;

- 124 ○ Non-profit activities ineligible for the program include:
- 125 ▪ Endowments or memorials;
- 126 ▪ Nonprofit hospitals and higher education institutions;
- 127 ▪ Fraternal, sectarian and religious organizations where the
- 128 funding is intended to principally benefit members/adherents
- 129 and to fund inherently religious activities;
- 130 ▪ Private foundations;
- 131 ▪ Litigation/legal expenses in actions by or against the
- 132 organization;
- 133 ▪ General capital campaigns, or
- 134 ▪ Support benefiting primarily for-profit members;
- 135 ○ Administering organizations should assess recipient organizations for
- 136 institutional viability and the potential impact of the grant/support on
- 137 the sustainability of the recipient organization;
- 138 ○ Recipient organizations should be required, at a minimum, to describe
- 139 the impact receiving the funds/support would have on the
- 140 organization's viability to fulfill its mission;
- 141 ○ Applicants should be invited to provide the following information, at
- 142 a minimum:
- 143 ▪ Strengths and challenges associated with staff retention;
- 144 ▪ Programmatic priorities;
- 145 ▪ Populations and geographic regions served;
- 146 ▪ Other COVID-19 related assistance received, to date;
- 147 ▪ Potential impact receiving these funds/support would have on
- 148 its ability to fulfill its mission in a sustainable way;
- 149 ▪ Size of its staff and annual operating budget;
- 150 ▪ Names and biographies for its board members;

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

153 **BE IT FURTHER RESOLVED:**

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

166 **BE IT FURTHER RESOLVED:**

167
168 The City Council directs the City Manager to provide the Council with
169 options for staff to administer support to help sustain small and local businesses
170 and non-profit entities in the event the proposals from potential administering
171 organizations prove insufficient to meet the comprehensive goals of the rapid
172 program. Options provided to Council may include a collaborative approach with
173 external organizations administering portions of the technical assistance or other
174 supports to recipient organizations, with other portions of assistance being
175 administered internally by City staff.

176 **BE IT FURTHER RESOLVED:**

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

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

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ADOPTED: _____, 2020

ATTEST: _____

Jannette S. Goodall
City Clerk