

RESOLUTION NO. 20200729-114

WHEREAS, the unprecedented COVID-19 pandemic has led the City of Austin to experience both significant revenue losses and unbudgeted expenses to help combat the spread of the virus and to help keep everyday Austinites and small businesses afloat; and

WHEREAS, public employees have been on the frontlines battling the pandemic, providing essential services, care, and support to keep our community running, and local governments need continued federal assistance to keep these public services going and to support these essential public workers; and

WHEREAS, the \$170 million in federal relief funds that the City of Austin received along with City reserve funds are helping provide critical assistance including grants and loans to help local non-profits and small businesses stay open, food and rental assistance to residents, and funds for access to and personnel to administer COVID-19 tests; and

WHEREAS, despite efforts to mitigate the unforeseen severe health and financial impacts of the pandemic, the City of Austin continues to experience a significant demand for City services and financial assistance that exceed the budgeted funding for COVID-19 relief; and

WHEREAS, a substantial number of low-income Austinites working in essential industries such as food service, accommodation, retail, construction, and

other service industries continue to be at high risk of COVID-19 exposure creating room for an increase in outbreaks; and

WHEREAS, additional direct and fiscally flexible federal assistance will help the City of Austin provide aid at a meaningful extent to local businesses currently at risk of closing permanently and to Austinites who continue to be unemployed or underemployed, and are at risk of losing their housing, during the duration of pandemic; **NOW, THEREFORE**,

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

City Council urges passage of the Health and Economic Recovery Omnibus Emergency Solutions Act (“the HEROES Act”), or substantially similar federal legislation, to include additional support for communities, workers, small businesses, and local governments as laid out in “**Exhibit A.**”

ADOPTED: July 29, 2020

ATTEST:

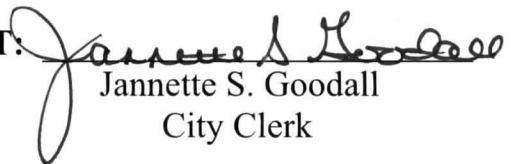

Jannette S. Goodall
City Clerk

Exhibit A



City of Austin

P.O. Box 1088, Austin, TX 78767-1088

July 23, 2020

The Honorable Lloyd Doggett
United States House of Representatives
Washington DC 20515
Via email: doug.molof@mail.house.gov

Dear Representative Doggett:

Thank you for your continued support and leadership as we work together to combat this unprecedented pandemic. The \$170 million you helped to direct to the City of Austin via the Coronavirus Relief Funds and other CARES Act relief has enabled us to fund many of the initiatives we have included in this letter. As you will see, these programs have provided much needed assistance to many of our shared constituency. However, as you are aware, the need for assistance is far outpacing our current funding capacity. Therefore, we are contacting you today to request that you quickly pass an additional measure that includes direct and flexible fiscal assistance to cities. We hope you will join in our optimism that such a package is possible as it already has broad support. For example, Federal Reserve Board Chairman Jerome Powell endorsed it in his testimony to Congress and in other public remarks. Closer to home, Dallas Federal Reserve Bank President Robert Kaplan also voiced his support for fiscal assistance to state and local governments. In addition, the U.S. Chamber of Commerce and many other national organizations have called for fiscal assistance to state and local governments. We hope you will too as we are in dire need of your assistance.

As you are aware, cities across this nation are struggling to fund programs that provide the necessary tools for residents to survive, recover and thrive through this pandemic. Those programs range from providing financial assistance to renters so that they can stay in their homes to providing grants to businesses so that they can stay open for business. The City of Austin has been able to fund many programs that provide needed assistance, but because the need is so great, we have not been able to fund them to a meaningful level. That is partly because our ability to raise revenue has been greatly impacted. On one end the City's revenue has been impacted by the effects of COVID. On the other end, the exponential increase in demand for our services is being greatly outpaced by our ability to fund them.

TESTING AND LAB RESULT WAIT TIME ASSISTANCE:

With an enormous surge in COVID-19 cases and uncontrolled widespread transmission in our community, the City of Austin and its partners are struggling to keep up with the demand for tests. After lowering the threshold for symptoms in order for people to receive a test through our public sites last month, the surge in cases has forced the City to again limit testing. Testing is now limited to individuals who are symptomatic, in a congregate setting, employed with critical infrastructure and within vulnerable populations. Further exasperating our efforts to combat this virus is the current five to seven-day wait times for lab results. These wait times have led to individuals receiving positive results ten to fourteen days after they became symptomatic, thereby greatly increasing the possibility of them spreading the disease. A lack of funding to hire an epidemiologist and surveillance staff to conduct case investigation prevents us from containing outbreaks. Unfortunately, current funding only affords us the ability to hire temporary staff who often leave unexpectedly once a regular position with benefits becomes available. Limitations on our ability to collect enough tests and the ability of the labs to turn those tests around in a timely fashion has severely impacted the City's COVID-19 response efforts.

RENTAL ASSISTANCE and PROTECTIONS FROM EVICTIONS AND FORECLOSURES:

As the pandemic hit the City of Austin, its residents made it very clear to Council that, in addition to the services needed to combat the spread of the virus, their most urgent need was assistance with rent so that they could stay in their homes. Therefore, the City funded the Relief of Emergency Needs for Tenants (RENT) assistance program to provide emergency rental assistance to households in need. To date the City of Austin's RENT assistance program has served 1,680 City of Austin households, providing more than \$1.2 million in emergency assistance to those who qualify. However, of the 11,000 households that applied, only 1,680 receiving assistance. Of the households served, nearly two-thirds earned at or below \$29,300 for a 4-person household. That leaves many residents in dire need of rental assistance, including our vulnerable homeless population. Understanding that we will most likely not be able to meet the need of every resident who qualifies for rental assistance, we would appreciate Congress's support of protections from evictions and foreclosures that were provided in the original CARES Act as well as continued additional funding for Emergency Solutions Grants (ESG) and Community Development Block Grants (CDBG). We would also appreciate your support for any proposal that seeks to expand eviction protections beyond federally-backed mortgages to include all mortgaged properties.

NURSING HOMES AND ASSISTED LIVING CENTERS ASSISTANCE:

Like many other cities across the nation, it became evident very quickly that one of the areas in most need of our assistance was nursing homes and assisted living centers. We are pleased to share that we have been somewhat successful in containing the outbreaks that ensued. However, we still have current outbreaks to address as well as anticipate future outbreaks and are concerned about our ability to administer the tests necessary for containment. Fortunately, last month the City received great news that the U.S. Department of Health and Human Services (HHS) will provide Abbott tests in all nursing homes and assisted living centers. We want to urge that the provision of these tests occur expeditiously as we understand they are beginning with a relatively small number of locations. However, the tests alone will not accomplish the goal of protecting our most vulnerable residents. Austin Public Health (APH) needs personnel to conduct and process those tests. APH has submitted several requests to the State for personnel assistance at the nursing homes and assisted living centers. Unfortunately, to date, those requests have gone only partially filled or not filled at all.

SMALL BUSINESS and MUSIC AND CREATIVE VENUE ASSISTANCE:

Like many cities across the nation, the City of Austin has a significant number of businesses and non-profit organizations at risk of permanently closing due to the financial impacts of the COVID-19 pandemic. These closures would result in permanent job losses and reduce the provision of services and goods to Austin residents. In order to mitigate the potentially devastating impact of the virus on our economy, the City created and funded several programs that provide them with much needed financial assistance. For example, the Austin Economic Injury Bridge Loan Program provides loans up to \$35,000 to support local, small business until they receive federal Economic Injury Disaster Loans. As this program was launched, city staff responded to 1,117 inquiries from business owners seeking this financial assistance. One hundred and fifty small businesses submitted loan applications, and 70 were approved totaling \$2.2 million. The average amount of assistance requested was \$31,400. The City also created the Austin Small Business Relief Grant to provide grants up to \$40,000 for expenses incurred as a result of the COVID-19 pandemic and/or for purchase to comply with safety requirements. The program received 1,044 applications in its first week of the three-week-long application period totaling approx. \$29.5 million – which greatly exceeded the \$16.5 million in available funding.

Another area of our economy that continues to seek financial assistance is our music and creative venues. As you know, music and creative venues are a major contributor to the Austin economy. In response to these requests for assistance, the City created the Austin Music Disaster Relief Fund that provides grants of \$1,000 to support Austin performing musicians that have not received other COVID-19 financial relief. The program awarded 734 grants to musicians who resided in the City of Austin. In addition, the City created the Austin Creative Space Disaster Relief Program to provide grants up to \$50,000 to for-profit live music venues, performance spaces, art galleries, arts-focused nonprofits and individual artists facing temporary or permanent displacement. The program received 65 applications totaling \$2,734,448 – almost three times the \$1,000,000 allocated for this program. Without additional financial assistance, more than half of the music venues in Austin are most likely to go out of business. According to a survey commissioned by the Austin Chamber of Commerce and conducted by the University of Houston's Hobby School of Public Affairs, just over 60% of Austin music venues are at risk of going out of business permanently if they are forced to remain closed for as little as four months. Despite these efforts to mitigate the severe financial impacts caused by the COVID-19 pandemic, the fact remains that these resources are too few to address all the needs resulting from this unprecedented worldwide emergency.

ASSISTANCE TO CHILDCARE PROGRAMS:

Imperative to any level of economic recovery is that we have open, safe childcare programs. Unfortunately, recent reports show an increase of outbreaks in our daycare centers. Since the onset of the pandemic, more than half of the childcare programs that accept childcare subsidies have closed and are not operating. Many childcare programs that remain open and operating are experiencing significantly reduced enrollment, resulting in concurrent reduced revenue with additional expenses. While some daycares may have capacity to serve additional families, the Austin/Travis County Workforce Board that manages the subsidy program currently has a waiting list of more than 2,000 children seeking childcare subsidy. The demand for childcare subsidies and number of families eligible for subsidies is growing and expected to continue doing so given the economic strain of the pandemic on our community.

In addition to an increase in direct and flexible funding, we ask that you support passage of the Coronavirus Child Care and Education Act, sponsored by Patty Murray (D-WA). This bill would provide \$50 billion in grant funding to childcare providers to stabilize the childcare sector and support providers to safely reopen and operate. Grants would be available to licensed, regulated, or registered childcare providers that are currently open or temporarily closed due to COVID19. Grants would enable childcare providers to meet their heightened costs, backfill limited revenue due to COVID-19, and provide tuition relief to working families. Additionally, the bill would enable childcare providers to continue to pay staff wages and benefits during periods of closure or reduced enrollment, and to purchase necessary supplies to keep children and staff safe.

PROTECTIONS FOR ESSENTIAL FRONTLINE WORKERS:

While revenues are diminishing, the demand for public services continues to increase as more people become ill and require care. The City of Austin has a substantial number of low-income residents who are more likely to work in the industries that most vulnerable to COVID-19 shock and for which many rely on as essential. Those industries include accommodation, food service, tourism, retail, construction, entertainment, and other service industries. Congress can assist with protecting these essential workers who are on the front lines by 1) passing into federal law an emergency infectious disease standard so front-line workers in all states are covered, and 2) getting all workers needed equipment (N95 masks, shields, gowns, gloves, hand sanitizer, etc.) and cleaning supplies (wipes, bleach, etc.) to be safe and directing the President to use the Defense Production Act (DPA) to accelerate the production of necessary equipment and supplies and to prioritize their fair distribution. It would also be of great assistance to local governments in maintaining essential services if Congress increased the federal match to Medicaid (known as FMAP) by no less than 15 percentage points to ensure states can fund rising Medicaid caseloads without diverting resources from other critical services.

ASSISTANCE TO PUBLIC SCHOOLS:

As you are quite aware, this pandemic has impacted every level of local government, cities, counties, and school districts. Fortunately, collaboration within the Austin/Travis County area is very strong. We know that the more our local governments coordinate its services, the more people we can assist and that we can assist them to a more meaningful extent. For example, when the school district was unable to continue meal services, the City contracted with various businesses and non-profits to provide meals to families. Such a plan benefited not only the AISD families but area businesses that were suffering due to the impact of COVID. We also know that if school districts are unable to maintain services to students, it will have a long-lasting negative impact on the well-being of our community and the future of our workforce. That is why we strongly encourage you to fund at least \$200 billion to public K-12, including \$25 billion to Title I and IDEA programs.

Please know that the City remains committed to be a strong partner in our joint efforts to combat this pandemic. As you are aware, cities are well-positioned to provide the immediate assistance and services our community is desperately seeking. Their needs cannot and should not be delayed by any degree of red tape inherent in any program that passes fund through state government. Therefore, we reiterate our urgent request that you quickly pass an additional measure that includes direct and flexible fiscal assistance to all cities.

Again, we thank you for your leadership on behalf of and support for the City of Austin. Should you have any questions or seek clarification, please do not hesitate to contact Brie Franco, the City's Intergovernmental Relations Officer. We look forward to your response.

Sincerely,



Steve Adler
Mayor, City of Austin



Gregorio "Greg" Casar
Council Member, City of Austin



Ann Kitchen
Council Member, City of Austin



Jimmy Flannigan
Council Member, City of Austin



Leslie Pool
Council Member, City of Austin