

Presented by: Weldon, Triem
Presented: 7/20/2020
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-36 vCOW

An Ordinance Appropriating up to \$3,000,000 to the Manager for a COVID-19 Nonprofit Sustainability Grant Program; Funding Provided by the CARES Act Special Revenue Fund.

WHEREAS, the Economic Stabilization Task Force Recommended that the Assembly consider economic support to nonprofit suffering interruptions due to COVID-19 related closures and increases in services; and

WHEREAS, since early March 2020, the State of Alaska issued COVID-19 Health Mandates that reasonably restricted travel, gatherings, close personal interactions, schools, and medical and dental procedures; and

WHEREAS, since early March 2020, the Assembly issued COVID-19 directions regarding travel quarantines (Res. 2886), hunkering down (Res. 2885) and cloth face coverings (Res. 2890); and

WHEREAS, on April 9, 2020, the Centers for Disease Control and Prevention (CDC) renewed the No Sail Order and Other Measures related to cruise ships to prohibit certain cruise ships from transporting passengers to ports in the United States, which caused nearly all the forecasted cruise ship tourism to be canceled; and

WHEREAS, the public health mandates and directions protected the health of the people in the City and Borough of Juneau and nearby communities; and

WHEREAS, COVID-19 has caused severe economic harm to nonprofits in the City and Borough of Juneau because some nonprofits closed or severely limited operations, other nonprofits have had a substantial increase in demand for services due to COVID-19; and

WHEREAS, failing to protect economically vulnerable nonprofits from the severe loss of revenue or severe increases in provided services would result in further adverse impacts to Juneau's economic and social service network; and

WHEREAS, the COVID-19 Nonprofit Sustainability Grant Program is necessary due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); and

WHEREAS, the COVID-19 Nonprofit Sustainability Grant Program is being created by this ordinance and program expenses were not accounted for in the FY20 budget; and

WHEREAS, the COVID-19 Nonprofit Sustainability Grant Program expenses are incurred during the period that begins on March 1, 2020, and ends on December 31, 2020.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of three million dollars (\$3,000,000.00) for a COVID-19 Nonprofit Sustainability Grant Program to be administered by ~~granted to~~ the Juneau Community Foundation (Grant Administrator), with funds disbursed by the City and Borough of Juneau, and used consistent with this ordinance. This is an appropriation for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

Section 3. Source of Funds:

CARES Act Special Revenue Fund	\$3,000,000.00
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Section 4. COVID-19 Nonprofit Sustainability Grant Program Terms. The program is subject to the following terms and conditions:

- (a) **Administration.** The Manager is authorized to execute a grant agreement with the Grant Administrator for disbursement of COVID-19 Nonprofit Sustainability Grant Program funds. The Grant Administrator is responsible for assuring the program funds are disbursed only to eligible nonprofits. The Grant Administrator shall be provided a reasonable administration fee of up to \$25,000.00 based on actual expenses. The Grant Administrator shall provide the Manager with program status reports at reasonable intervals. The Manager shall provide updates to the Finance Committee or Assembly. The Grant Administrator shall return all unencumbered monies existing on December 1, 2020, back to the City and Borough of Juneau.
- (b) **Entity types.** Any nonprofit entity is eligible to apply if
 - (1) The entity was registered in Alaska on or before January 1, 2020;
 - (2) The entity is an Internal Revenue Service certified 501(c)3,4,6,7, 19, or 23 nonprofit;
 - (3) The entity had a physical presence in Juneau, Alaska, on February 15, 2020;
 - (4) A substantial purpose of the entity is to provide ~~direct~~ services to the general public in the City and Borough of Juneau. Faith-based nonprofits are eligible so long as they provide services that are promoted and available to the general public without regard to religious affiliation; and
 - (5) The entity has been or will be adversely affected by loss of ~~or will adversely affect~~ revenue, program changes, and direct costs between March 1 and December 31, 2020, due to the COVID-19 public health emergency.
- (c) **Grant application.** A nonprofit seeking a grant must apply to the Grant Administrator and may provide the application and supporting documents electronically.

~~(d) **Confidentiality.** Except as provided in this ordinance, all application material submitted for a Nonprofit Sustainability Grant and all information contained therein (Grant Data) shall be kept confidential except for inspection by:~~

- ~~(1) Employees and agents of the City and Borough, including the Grant Administrator, whose job responsibilities are directly related to such applications and information;~~
- ~~(2) The business owner, managing member, or equivalent person who is supplying such application and information; and~~
- ~~(3) Court order.~~

~~However, nothing in this ordinance shall be construed to provide confidentiality to the name of the applicant, address of the applicant, and the amount of grant award, if any.~~

~~The Grant Administrator must hold this Grant Data in strict confidence and not disclose, publish, or otherwise reveal the Grant Data to any other person or entity unless expressly authorized by the CBJ in writing. The Grant Administrator must use all reasonable means to safeguard the Grant Data at its own expense. The Grant Administrator is prohibited from making copies or otherwise modifying the Grant Data without express written permission of the CBJ. Upon completion of the program, the Grant Administrator shall transfer all Grant Data to the CBJ Finance Director. Upon confirmation that the CBJ received the Grant Data, the Grant Administrator shall destroy all copies of the Grant Data.~~

~~If the Grant Administrator becomes aware of any possible unauthorized disclosure or use of the data, the Grant Administrator shall promptly advise the CBJ and take all necessary actions to enjoin the dissemination of the data.~~

(e) COVID-19 financial hardship.

- a. For grants of \$5,000 ~~\$2,500~~ or less, an applicant will be required to affirm and describe how the nonprofit has been impacted significantly by COVID-19. Further documentation to demonstrate the economic impact may be required in the initial application.
- b. For grants in excess of \$5,000 ~~of \$2,501 or more~~, an applicant must provide verification and additional information about economic impacts between March 1 and December 31, 2020 due to the COVID-19 public health emergency using the form provided. Examples of verification required are: revenue lost (e.g. earned revenue lost due to social distancing, non-earned revenue lost due to decreases in grants, donations, fundraisers not held), increased personnel costs due to COVID-19 because of hiring additional employees or having to contract work out due to lost or shared employees, and direct expenses (PPE, moving to working remotely, COVID-19 related accommodations to ensure mandate compliance, etc.). The Grant Administrator may deem an application incomplete if it lacks sufficient information to reasonably award a grant.

(f) Assertion of need. An applicant shall disclose if the entity has applied for or received any other CARES Act grant or forgivable loan. A nonprofit that applied for or received any other CARES Act funding from CBJ, local, state, federal, or tribal governments may

be eligible if (1) it provides satisfactory documentation that a nonprofit grant is still necessary to sustain operations and (2) the other grants or forgivable loan amounts do not exceed the amount the entity is eligible for under this program. ~~Nonprofits, including Foundations~~ foundations, with assets over \$5,000,000 or the foundation arm of a nonprofit are not eligible for this program.

- (g) **Sales and property tax compliance.** A nonprofit that is subject to ~~A business with~~ any sales or property tax and has a delinquency as of March 1, 2020, is not eligible for a grant unless the nonprofit business first executes a confession of judgment with the City and Borough of Juneau for all outstanding taxes. ~~A nonprofit business~~ that is fully compliant with a confession of judgment payment plan is eligible.
- (h) **Exceptions.** The Grant Administrator, after receiving direction from the Manager or designee, has the authority to make reasonable exceptions that match the intent of this grant program.
- (i) **Maximum grant amount.** The maximum grant amount is determined on a sliding scale and based on fiscal year end 2019 gross revenue (excluding any recorded amount from in-kind donations or volunteer time).
 - a. Up to \$5,000 for nonprofits with less than \$25,000 in annual revenue.
 - b. Up to \$10,000 for nonprofits with more than \$25,000 and less than \$50,000 in annual revenue.
 - c. Up to \$25,000 for nonprofits with more than \$50,000 and less than \$250,000 between \$50,000 and \$249,000 in annual revenue.
 - d. Up to \$50,000 for nonprofits with more than \$250,000 and less than \$1,000,000 between \$250,000 and \$999,999 in annual revenue.
 - e. Up to \$99,000 for nonprofits with more than \$1,000,000 or more in revenue.
- (j) **Gross revenue verification.** Gross revenue is verified by fiscal year end 2019 IRS Form 990 or audited financial statements. For those nonprofits who have neither of these, an unaudited statement for the fiscal year end 2019 will be acceptable. For nonprofit with gaming income, gross revenue will exclude payment of prizes and expenses. For those nonprofits serving areas outside of Juneau, gross revenue is based on their gross revenue for programs in Juneau.
- (k) **Grant Application Period.** The initial grant application period shall be completed within a time period defined by the Manager and Grant Administrator, but no later than thirty days following adoption of this ordinance. ~~two weeks starting on~~ _____. If after the initial grant application period there is still funding available, the Manager may direct the Grant Administrator to reopen the application period for a first come first served basis.
- (l) **Initial Priority.** All applications will be reviewed after the application period (not first come first served). The Manager is authorized to direct the Grant Administrator to proportionally allocate available funding if demand is greater than funding available.

Any unallocated funds will be returned to CBJ by December 1, 2020, which are intended to be reprogramed.

Section 5. Effective Date. This ordinance shall become effective upon adoption. However, Section 2 of this ordinance is conditioned upon the City and Borough of Juneau receiving CARES Act funding from the State of Alaska.

Adopted this ____ day of _____, 2020.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk