ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA

July 20, 2020, 7:00 PM.
Zoom Webinar & FB Live Stream
Please click the link below to join the webinar: https://juneau.zoom.us/j/94684718036 or call: 1-346-248-7799 Webinar ID: 946 8471 8036; PLEASE NOTE: THIS IS AN ASSEMBLY WORKSESSION AND PUBLIC TESTIMONY WILL ONLY BE TAKEN ON ORDINANCE 2020-32.

AGENDA

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

IV. PUBLIC PARTICIPATION

(Not to exceed a total of 10 minutes nor more than 2 minutes for any individual).

A. Instruction for Public Participation

Members of the public wishing to provide public comment during the meeting are asked to call the Municipal Clerk's public testimony request phone line at 586-0215 by 3p.m. the day of the meeting or send an email to City.Clerk@juneau.org and provide their full name, email address, the phone number they will be calling from. For this meeting, public testimony is only being taken on Ordinance 2020-32. Testimony time will be limited by the Deputy Mayor based on the number of participants. Members of the public are encouraged to send their comments in advance of the meeting to BoroughAssembly@juneau.org.

V. AGENDA TOPICS

A. PUBLIC TESTIMONY TO BE TAKEN ON: Ordinance 2020-32: An Ordinance Establishing a Systemic Racism Review Committee.

B. Ordinance 2020-35(b): An Ordinance Requiring a Face Covering in Certain Indoor Settings.

If Ordinance 2020-41 is adopted at the Special Assembly meeting just prior to this meeting, then this item can be tabled.

C. Ordinance 2019-06(AG)(c) An Ordinance Appropriating up to $8,500,000 to the Manager for Phases 2 and 3 of a COVID-19 Business Sustainability Grant Program; Funding Provided by the CARES Act Special Revenue Fund.

D. Ordinance 2020-36: 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.

VI. SUPPLEMENTAL MATERIALS

VII. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

Presented by: R. Edwardson
Presented: 06/29/2020
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-32

An Ordinance Establishing a Systemic Racism Review Committee.

WHEREAS, discrimination based on race in institutional policies can lead to systemic racism; and

WHEREAS, systemic racism can create disparities in the social fabric of a community through legislation related to education, criminal justice, employment, elections, housing, and political power; and

WHEREAS, systemic racism may not be as overt as individual racism but it can have similar emotional, economic, physical, and liberty consequences; and

WHEREAS, the Assembly would benefit from having a systemic racism review of legislation before a resolution or an ordinance is up for public hearing; and

WHEREAS, the Assembly encourages racially diverse people to apply and encourages racial minority groups to nominate people to help advise the Assembly.

THEREFORE 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. System Racism Review Committee Established.

(a) There is established a Systemic Racism Review Committee consisting of seven people.

(1) The Assembly shall appoint members of the Committee to staggered three-year terms. Members shall be selected to provide the most balanced representation possible. Members shall have experience identifying unlawful discrimination—including based on race, color, or national origin—experience identifying social justice inequity, or intimate knowledge of local tribal culture and practices. The Assembly must appoint only candidates that it believes would legitimately represent the long term interests of those groups. A member of the Committee shall be eligible for reappointment.

(b) The Committee is charged with:

(1) Reviewing all ordinances after introduction and before public hearing to advise whether the ordinance likely includes a systemic racism policy.

(2) Reviewing all resolutions to advise whether the resolution likely includes a systematic racism policy.

(3) Presenting options for curing the potential systemic racism.

(4) Presenting the Committee's analysis and conclusions timely to the Assembly in a short statement for each item of legislation.

(c) **Procedure**. The Committee's procedure shall be governed by the Advisory Board Rules of Procedure, as such may be amended from time to time.

(d) **Officers, Meetings, and Quorum**. In accordance with the Advisory Board Rules of Procedure, the Committee shall select its own officers, and shall hold regular meetings on a schedule established by the Committee, as well as such special meetings as required to conduct business. The presence of four members constitutes a quorum and any action of the Committee requires three or more affirmative votes to be approved.

(e) **Staff Assistance**. Staff support to the Committee shall be provided by the City Manager, or designee, as available and appropriate.

Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ________ day of _______________________, 2020.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: Hale
Presented: 07/08/2020
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA
Serial No. 2020-35(b)

An Ordinance Requiring a Face Covering in Certain Indoor Settings and Providing a Penalty.

WHEREAS, COVID-19 is a respiratory disease that can result in serious illness or death and is caused by the SARS-Cov-2 virus (“virus”), a new strain of the coronavirus that has not been previously identified in humans and is easily transmittable person to person; and

WHEREAS, on March 11, 2020, the World Health Organization (“WHO”) declared the virus a pandemic; and

WHEREAS, on March 11, 2020, the State of Alaska declared a public health emergency in response to the anticipated outbreak of the virus in Alaska; and

WHEREAS, on March 13, 2020, President Donald J. Trump declared a national emergency in response to the virus pandemic; and

WHEREAS, on March 16, 2020, the Assembly declared a local emergency in response to COVID-19; and

WHEREAS, on March 22, 2020, the City and Borough of Juneau (“CBJ”) received its first positive case of COVID-19; and

WHEREAS, as of July 6, 2020, there have been 45 confirmed cases in the City and Borough of Juneau, including cases classified as caused by community spread; and

WHEREAS, Alaska is experiencing a substantial increase in COVID-19 cases since June and especially during the first week of July (424 active cases on June 30 to 598 active cases on July 5); and

WHEREAS, the Centers for Disease Control and the State of Alaska (Health Alert 10) recommend everyone to wear a cloth face covering when in a public setting where other social distancing measures are difficult to maintain, which can minimize asymptomatic individuals with COVID-19 from unknowingly spreading the disease.

THEREFORE 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. Face Covering Mandate.

A. Requirement. All individuals must wear a mask or cloth face covering over their nose and mouth when they are indoors in public settings or communal spaces outside the home. This ordinance is subject to the conditions and exceptions stated below.

B. Context. The settings included in this ordinance include, but are not limited to, the public and communal spaces within the following:

1. Grocery stores, pharmacies, and all other retail stores.
2. Restaurants, cafes, bars, and breweries – including food preparation, carry-out, and delivery food operations. There is a limited exception for customers while they are eating or drinking in one of these settings.
3. Buses, taxis, and other forms of public transportation when passengers are present.
4. Personal care facilities.
5. Child care facilities.
6. Communal areas of offices where people from multiple households are present.
7. Elevators and indoor communal spaces in other buildings.

C. Employment. Employers are responsible to make sure employees who are present in the workplace have access to and wear masks or cloth face coverings when in direct contact with customers, members of the public, or other employees. Masks are not required when the only direct contact is between members of the same household or when employees are not near others (within six feet).

D. Exceptions. This Ordinance does not apply to the following categories of people or activities:

1. Any child under the age of 2 years. These very young children should not wear a face covering because of the risk of suffocation;
2. Any child under the age of 12 years unless a parent or caregiver supervises the use of face coverings by the child to avoid misuse;
3. Any child in a child care or day camp setting, although such settings may provide their own requirement for use for children age 2 years old or older;
4. Any individual for whom wearing a mask or cloth face covering would be contrary to his or her health or safety because of a medical condition or mental health condition, and any individual unable to tolerate a mask due to a physical or mental disability;
5. Individuals who are speech impaired, deaf, or hard of hearing, or individuals communicating with someone who is deaf or hard of hearing, where facial or mouth movements are an integral part of communication;
6. Any individual who has trouble breathing or otherwise unable to remove the face covering without assistance;
7. Individuals who are exercising, if mask wearing would interfere with their breathing;

8. Individuals who are incarcerated, in police custody, or inside a courtroom; these individuals should follow guidance particular to their location or institution;
9. Individuals performing an activity that cannot be conducted or safely conducted while wearing a mask (for example, a driver experiencing foggy glasses, a dental patient receiving care, an equipment operator where there is a risk of dangerous entanglement); and
10. Musicians, presenters, ministers, and others communicating to an audience or being recorded, for the duration of their presentation/practice/performance where mask usage impairs communication, and so long as safe physical distancing is maintained.

E. Proof of Medical Reason or Disability. If a person declines to wear a mask or face covering because of a medical condition or disability as described above, this ordinance does not require them to produce medical documentation verifying the stated condition or disability. Businesses may wish to consider accommodating such individuals through curbside or delivery service or by allowing the individual inside without a mask if doing so will not place others at risk.

F. Enforcement Policy. The Municipality reserves the right to use all available enforcement options to assure compliance with this Ordinance. However, employers will not be subject to fines based on non-compliance by customers so long as there is a clearly posted sign informing customers that they are required to wear face coverings. Brief removal of a face covering, such as is necessary to eat, drink, or scratch an itch does not constitute a violation of this ordinance (although hand washing/sanitizing is recommended after such activities). Additionally, violation of this Ordinance does not create grounds for residents to harass individuals who do not comply with it.

G. Violation. A person who violates the face covering requirement of Section 2 shall be subject to a civil fine not to exceed $25.00, which shall be considered incorporated into CBJC 03.30.070(a); payment of the civil fine shall be accepted in satisfaction of the violation; and the violation shall be subject to CBJC 03.30.070(b)-(c) and 03.30-075-03.30.085.

Section 3. Effective Date. <u>This ordinance shall be effective 30 days after its adoption.</u> ~~This ordinance shall be effective immediately and expire 30 days after its adoption.~~

Adopted this ________ day of ________________________, 2020.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: COW
Introduced: 6/8/2020
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-06(AG)(c)

An Ordinance Appropriating up to $8,500,000 to the Manager for Phases 2 and 3 of a COVID-19 Business 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 businesses suffering interruptions due to COVID-19 related business closures; 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; 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, 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 caused severe economic harm to businesses in the City and Borough of Juneau because people were encouraged to hunker down, businesses were mandated to close or severely limit operations, and nearly all of the forecasted cruise ship tourism has been canceled; and

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

WHEREAS, the COVID-19 Business 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 Business 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 Business 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 eight million and five hundred thousand dollars ($8,500,000.00) for Phases 2 and 3 a COVID-19 Business Sustainability Grant Program to be granted to the Juneau Economic Development Council (Grant Administrator) and used consistent with this ordinance**.** <u>This is an appropriation for the fiscal year beginning July 1, 2020, and ending June 30, 2021.</u>

Section 3. Source of Funds:

CARES Act Special Revenue Fund $8,500,000.00

Section 4. COVID-19 Business 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 Business Sustainability Grant Program funds. The Grant Administrator is responsible for assuring the program funds are disbursed only to eligible businesses. The Grant Administrator shall be provided a reasonable administration fee 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. <u>The Grant Administrator shall return all unencumbered monies existing on November 1, 2020, promptly back to the City and Borough of Juneau.</u>

(b) **Entity types.** The program is open to all qualifying businesses (including a nonprofit), regardless of whether they have applied for or have obtained any other state or federal COVID-19 related assistance if (1) the business was registered in Alaska on or before January 1, 2020, (2) had a physical presence in Juneau, Alaska on February 15, 2020, and (3) continuously operated through the date of application unless the business is seasonal or was subject to a government mandated shutdown. The program will exclude from eligibility C Corporations traded on a U.S. stock exchange or a corporate-equivalent entity traded on a foreign stock exchange, and businesses owned in whole or majority—owned by such a publicly traded corporation or national chains that own and operate their premises in Juneau; franchisee owned and operated businesses in Juneau would be eligible.

(c) **Grant application.** A business seeking a grant may provide supporting documents electronically and the business owner, managing member, or equivalent person must submit an original grant application form in person or electronically to the Grant Administrator.

(d) **Confidentiality.** Except as provided in this ordinance, all application material submitted for a Business 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 and 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 phases, 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.** An applicant must provide proof of a year over year decrease in revenue starting April 1, 2020, that equals or exceeds twenty percent. Year over year sales tax returns or other similar documentation of substantial revenue decline is required.

(f) **Assertion of need.** An applicant shall disclose if the business has applied for or received any other grant or forgivable loan. An applicant that has received any other grant or forgivable loan must provide satisfactory documentation that a Business Sustainability Grant is still necessary to sustain business operations.

(g) **Sales and property tax compliance.** A business with any sales or property tax delinquency as of March 1, 2020, is not eligible for a grant unless the business first executes a confession of judgment with the City and Borough of Juneau for all outstanding taxes. A 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) **Phase 2 maximum grant amount.** The maximum grant amount for Phase 2 shall not to exceed $99,000 per business and not exceed:

- **a.** 100% of the business' total lease/rent, utility, long-term debt costs between April 1 and October 31 ("fixed costs"); and
- **b.** $10,000 for the following: 20% of short-term debt and inventory purchased for resale, which was acquired between January 1, 2020, and April 15, 2020 not financed using short-term debt.

A business that receives a Phase 1 grant and a Phase 2 grant can receive no more than $99,000 per business per this program. A business that received a Phase 1 grant need not reapply for Phase 2 but must notify the Grant Administrator that the business is requesting the eligible Phase 2 grant award (i.e. two times the Phase 1 grant). A business that received a Phase 1 grant and that wishes to apply for additional qualifying expenses in Phase 2, must reapply. ~~In anticipation of excess demand for Phase 1 (Ord. 2019-06(AC)(b)(am)), Phase 2 adds an additional $5,000,000. The maximum grant amount for Phase 2 is dependent on an additional thirty-three percent of the business' total lease/rent, utility, and long-term debt costs between April 1 and August 31 ("fixed costs") but not to exceed $33,000.00 per business. A business that receives a Phase 1 grant and a Phase 2 grant can receive no more than 66% of the fixed costs but not to exceed $66,000 per business.~~

(j) **Phase 3 Small grant ~~maximum~~ amount.** Phase 3 is designed for smaller businesses. The maximum grant amount for Phase 3 shall be ten percent of the 2019 gross business revenue or $5,000, whichever is less. A business that receives a Phase 1 or Phase 2 grant that exceeds $5,000, individually or combined, is not eligible for a Phase 3 grant. A business that receives a Phase 1 or Phase 2 grant and the total amount of the Phase 1 and Phase 2 grants is less than $5,000, may be eligible for a Phase 3 grant up to the maximum grant amount of Phase 3. ~~**maximum grant amount.** In anticipation of excess demand for Phase 2, Phase 3 provides an additional $3,500,000. Any remaining Phase 1 or Phase 2 funds shall be made available for Phase 3 grants. Phase 3 is anticipated to be disbursed no later than August 15, 2020 and is dependent on an additional thirty-three percent of the business' total lease/rent, utility, and long-term debt costs between April 1 and August 31 ("fixed costs") but not to exceed $33,000.00 per business. A business that receives a Phase 1 grant, a Phase 2 grant, and a Phase 3 grant can receive no more than 100% of the fixed costs but not to exceed $99,000 per business.~~

(k) **Grant Application Period.** The grant application period shall be three weeks starting on no later than August 10, 2020. 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.** The Grant Administrator shall review applications and notify applicants if the application is incomplete during the initial application period. If an application is incomplete during the initial application period, the applicant must cure the defect by September 11, 2020. The Manager is authorized to direct the Grant Administrator to proportionally allocate available funding if demand is greater than funding available.

(m) ~~**Priority.** If the number of grant applications exceeds the available grants, remaining grants shall be awarded based on when the application was initially submitted. If an application is incomplete, the applicant has a three-day grace period from notice of an incomplete application to cure.~~

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

To: Rorie Watt, CBJ Manager
CC: Jeff Rogers, CBJ Finance Director
Mila Cosgrove, CBJ Deputy Manager
From: Brian Holst, JEDC Executive Director
Date: Wednesday, July 8, 2020
Re: COVID-19 CBJ Sustainable Business Grant Program, Phase 2 & 3 Recommendations

Introduction

The CBJ Assembly adopted Ordinance 2019-06 (AC)(b)(am), which provides for $3.5 million in grants to Juneau businesses experiencing financial hardship due to COVID-19. Per the Ordinance, businesses must demonstrate financial hardship by showing a decline in business revenue of 20% or more from 2019 to 2020. A qualifying business may then submit actual and estimated expenses for the period of April 1 through August 31, 2020, in three categories of "fixed" expenses: 1) utilities, 2) long-term debt, and 3) rent/leases. Thirty-three percent (33%) of those expenses, up to $33,000, can be granted to businesses, including non-profits. This program is Phase One of a three-phase program. Phases Two and Three may be adjusted to better meet the needs of the business community. An additional $8.5 million is currently earmarked for these future phases. This memorandum outlines suggested changes to the CBJ Business Sustainability Grant Program Phases Two and Three, based on experience gained through the implementation of Phase One.

Phase One Observations

Phase One of the CBJ Business Sustainability Grant Program is assisting many businesses adversely impacted by COVID-19. Here are some observations about the program:

- Grant size is relatively small.
- Applications can require 50 or more data points (various utilities for five months each, for example) and are considered burdensome by many applicants because of the amount of paperwork.
- Very small businesses are not applying.
- Award amounts are heavily influenced by high rent and high debt payments. Businesses located in downtown generally receive higher awards because of the relatively high rents.
- Maximum grant amount seems reasonable. The average size of an award in Phase One is approximately one-third of the maximum award.
- There is no minimum grant amount, which occasionally results in both a business and the grant administrator spending considerable time to process and award a very small grant.

Phase Two and Three Proposed Changes

1) Financial Hardship

- No change.

2) Award Eligibility Calculations

- Make all award calculations based on six months, April through September. This will increase average award size.
- No expenses will be used for eligible expenses that would result in duplicate awards, which will require a verification from each recipient in each phase.

Utilities:

- Minimum utility deduction of $200 per month per business, or $1,200 (or $1,000, if five months). If a business would like to document and be considered for a higher utility amount, they can present documentation establishing actual expense.

Debt Service:

- Long-term Debt should be redefined as Business Debt, as defined in the operating procedures by the Grant Administrator, which would allow other debts that meet the intent of the grant program to considered in award calculations. This addresses the needs of the smallest businesses that want to apply.
- Debt payments on business-related credit card balances (or similar business lending products) can be considered. Eligible expenses will be calculated by using the average revolving debt (balance of capital not paid within the period) from the three dates of April 30, May 31 and June 30. Twenty percent of the balance of this business-related credit card (or similar) debt will be eligible for grant support.
- Business lines of credit can be included in the eligibility calculation. Twenty percent of balances as of June 30, 2020, on active business lines of credit can be included, up to an aggregate of $10,000 in Phase Two and Three.
- Inventory loans can be included in the eligibility calculation. Twenty percent of the short-term debt (not less than 90 days) as of June 30, 2020, of inventory purchase debt is eligible for grant relief, up to an aggregate of $10,000 in Phase Two and Three.
- Monthly payments on federal deferred emergency loans for the period of July through December 2020 can be included.
- JEDC Emergency Loan obligation should be considered eligible debt included in the grant reimbursement calculation. Up to six months (July through December 2020) of payments can be included in the grant at 66% for Phase Two and 33% for Phase Three as long as payments are made directly against the loan (not disbursed to the recipient but paid against the awardee's obligation). The JEDC Emergency Loan Program, funded by CBJ, was specifically defined by Ordinance as a bridge to other resources. Including reduction of six months of this COVID-19 incurred debt is consistent with the intent of both the loan and grant programs.

Lease/Rents:

- No change.

3) Simplified Business Grant:

Introduce an alternative, streamlined award methodology for very small businesses. If businesses opt-in to this program, they are eligible for one award. Applicants in Phase Two that received an award in Phase One can receive a second a simplified grant for the difference between a Phase One award and the total eligible through a Simplified Business Grant.

- Grants up to $5,000 for any business operating in Juneau. Award is the lesser of $5,000 or 10% of the of the sum of gross revenues in one twelve-month period, calculated based on the sum of twelve consecutive months of gross sales starting no earlier than January 2019 as reported to CBJ for gross sales on sales tax reporting. For businesses with fewer than 12 months of consecutive operations in Juneau, awards will be based on the months available through June 2020. For non-profits (or those not reporting Gross Sales to CBJ for a legitimate reason), the award is based on the annual revenue (excluding gaming-related operations) for a twelve-month fiscal year ending no earlier than June 2019. Minimum grant size is $500. Any business with gross sales or revenues of less than $5,000 a year should not apply. Sole Proprietorships and single-member LLCs (or similar) can apply, but the sum of awards cannot exceed $5,000 to any individual.
- Applicants must meet all criteria of the Phase One grant program with one exception: Instead of the financial hardship criteria (demonstrating a 20% decline in gross sales from 2019 to 2020), applicants will certify that they are adversely impacted by COVID-19 and will include a brief explanation of adverse impact.
- This award is an alternate method to provide minimum relief to businesses in Juneau and cannot be added to other CBJ Business Sustainability Grant Program awards. An award of the dollar difference between a previous grant and a minimum award under this Simplified Business Grant can be made.

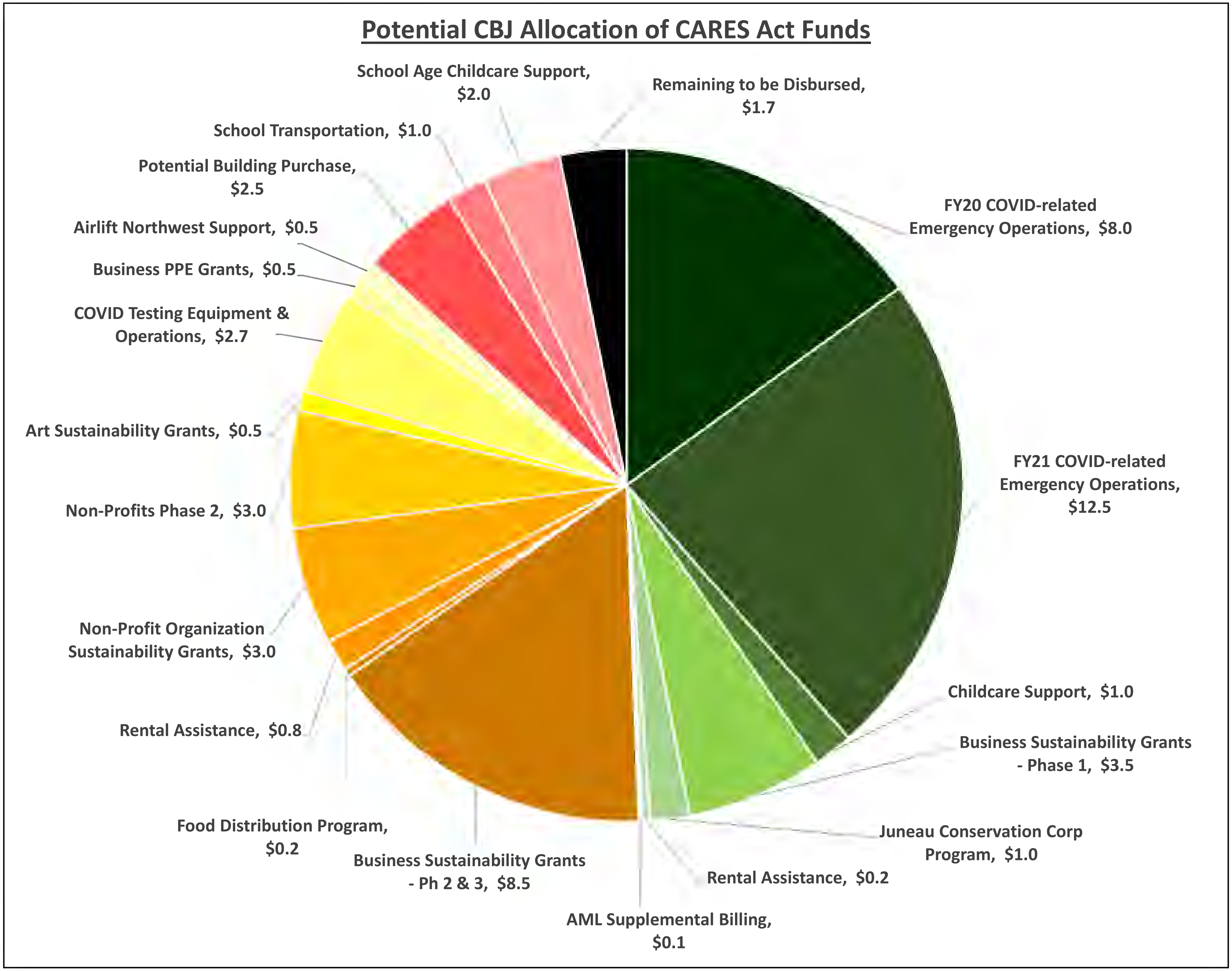
4) Future considerations:

Should sufficient funds remain available as we head into Phase Three of this program, we recommend the following:

- Financial Hardship is calculated based on a decline in revenue of 20% or more between 2019 and 2020. Reducing the financial hardship threshold to 10% will result in more businesses being eligible for an award.
- Other business expenses that were not financed by debt, and are therefore covered in the Debt Service section, or addressed by other grant programs, be considered for addition.

5) Recommended Changes to Ordinance:

- Change Long-Term Debt to Business Debt.
- Extend award calculation period end date from August 31 to September 30.


Potential CBJ Allocation of CARES Act Funds
School Age Childcare Support, $2.0
Remaining to be Disbursed, $1.7
School Transportation, $1.0
Potential Building Purchase, $2.5
Airlift Northwest Support, $0.5
Business PPE Grants, $0.5
COVID Testing Equipment & Operations, $2.7
Art Sustainability Grants, $0.5
Non-Profits Phase 2, $3.0
Non-Profit Organization Sustainability Grants, $3.0
Rental Assistance, $0.8
Food Distribution Program, $0.2
Business Sustainability Grants - Ph 2 & 3, $8.5
AML Supplemental Billing, $0.1
Rental Assistance, $0.2
Juneau Conservation Corp Program, $1.0
Business Sustainability Grants - Phase 1, $3.5
Childcare Support, $1.0
FY21 COVID-related Emergency Operations, $12.5
FY20 COVID-related Emergency Operations, $8.0

Potential CBJ Allocation of CARES Act Funds

Appropriation	Amount	Running
Implemented:		
FY20 COVID-related Emergency Operations	$ 8.0	
FY21 COVID-related Emergency Operations	$ 12.5	
Childcare Support	$ 1.0	
Business Sustainability Grants - Phase 1	$ 3.5	
Juneau Conservation Corp Program	$ 1.0	
Rental Assistance	$ 0.2	
AML Supplemental Billing	$ 0.1	**$ 26.3**
In Progress:		
Business Sustainability Grants - Ph 2 & 3	$ 8.5	
Food Distribution Program	$ 0.2	
Rental Assistance	$ 0.8	
Non-Profit Organization Sustainability Grants	$ 3.0	
Non-Profits Phase 2	$ 3.0	
Art Sustainability Grants	$ 0.5	
COVID Testing Equipment & Operations	$ 2.7	
Business PPE Grants	$ 0.5	
Airlift Northwest Support	$ 0.5	**$ 46.0**
Anticipated:		
Potential Building Purchase	$ 2.5	
School Transportation	$ 1.0	
School Age Childcare Support	$ 2.0	**$ 51.5**
Remaining to be Disbursed	$ 1.7	
Total	**$ 53.2**	

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 <u>administered by</u> ~~granted to~~ the Juneau Community Foundation (Grant Administrator)<u>, with funds disbursed by the City and Borough of Juneau,</u> 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

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 <u>or will be</u> adversely affected <u>by loss of</u> ~~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