



Homer City Hall

491 E. Pioneer Avenue

Homer, Alaska 99603

www.cityofhomer-ak.gov

City of Homer Agenda

City Council Worksession

Monday, October 12, 2020 at 4:00 PM

City Hall Cowles Council Chambers via Zoom Webinar

Dial: (669) 900 6833 or (253) 215 8782 or Toll Free (888) 788 0099 or (877) 853 5247

Webinar ID: 965 8631 4135 Password: 792566

CALL TO ORDER, 4:00 P.M.

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

DISCUSSION TOPIC(S)

- a. Ordinance 20-78, An Ordinance of the City Council of Homer, Alaska, Unencumbering the Unexpended Funds of the City of Homer Economic Relief Grant Programs and City material, service, and personnel costs in the COVID-19 Response Fund. City Manager. Recommended dates Introduction October 12, 2020, Public Hearing and Second Reading October 24, 2020 (*Supplemental Packet*)
- b. Ordinance 20-75, An Ordinance of the City Council of Homer, Alaska Providing for a Grant of \$230,000 to South Peninsula Behavioral Services, Inc. for the Purposes of Recovery of Losses and Additional Costs Associated with Meeting the Challenges of the Novel Coronavirus and in Support of the Continuation of their Programs and Services. Hansen-Cavasos. Recommended dates Introduction October 12, 2020, Public Hearing and Second Reading October 24, 2020
- c. Ordinance 20-79, An Ordinance of the City Council of Homer, Alaska Establishing a Fishermen Economic Recovery Grant (FERG) Program and Amending the 2020 Budget by Appropriating the Amount of \$1.3 Million from the General Fund Fund Balance to Provide Economic Relief to City of Homer-Based Vessel Owners Engaged in Commercial Fishing who are Impacted by the COVID-19 Pandemic. Mayor. Introduction October 12, 2020, Public Hearing and Second Reading October 26, 2020
- d. Resolution 20-100, A Resolution of the City Council of Homer, Alaska Establishing a Fishermen Economic Recovery Grant (FERG) Program and Approving up to \$1.3 Million from the COVID-19 Response Fund to Provide Economic Relief to City of Homer-Based Vessel Owners Engaged in Commercial Fishing who are Impacted by the COVID-19 Pandemic. Mayor.

Memorandum 20-169 from Port Director/Harbormaster as backup

- [e.](#) Ordinance 20-80, An Ordinance of the City Council of Homer, Alaska Providing for a Grant of \$34,789.24 to the Homer Foundation Homer Community Chest Fund to Assist Vulnerable Populations in order to Prevent Homelessness During the COVID-19 Pandemic through the Homer Community Chest Fund. Mayor. Introduction October 12, 2020, Public Hearing and Second Reading October 26, 2020
- [f.](#) Resolution 20-102, A Resolution of the City Council of Homer, Alaska Providing for a Grant of \$34,789.24 to the Homer Foundation Homer Community Chest Fund to Assist Vulnerable Populations in order to Prevent Homelessness during the COVID-19 Pandemic through the Homer Community Chest Fund. Mayor.
- [g.](#) Ordinance 20-81, An Ordinance of the City Council of Homer, Alaska Establishing a Mortgage and Rent Relief Grant (MARRG) Program to City of Homer Residents Experiencing Economic Hardship due to the COVID-19 Public Health Emergency, Approving up to \$339,200 to be used for MARRG, and Authorizing the City Manager to Enter into an Agreement with Alaska Housing Finance Corporation (AHFC) for Program Administration. Adherhold. Introduction October 12, 2020 Public Hearing and Second Reading October 26, 2020
- [h.](#) Resolution 20-103, A Resolution of the City Council of Homer, Alaska Establishing a Mortgage and Rent Relief Grant (MARRG) Program to City of Homer Residents Experiencing Economic Hardship due to the COVID-19 Public Health Emergency, Approving up to \$339,200 to be used for MARRG, and Authorizing the City Manager to Enter into an Agreement with Alaska Housing Finance Corporation (AHFC) for Program Administration. Aderhold.

Memorandum 20-170 from Councilmember Aderhold as backup

- [i.](#) Resolution 20-101, A Resolution of the City Council of Homer, Alaska Initiating a Second Round of CARES Act Grants through the Nonprofit Economic Relief Grant Program (NERG2). Aderhold/Lord.
- [j.](#) Ordinance 20-82, An Ordinance of the City Council of Homer, Alaska, Unencumbering the Unexpended Funds of the City of Homer Economic Relief Grant Programs and City material, service, and personnel costs in the COVID-19 Response Fund to Cover Expenses As Directed by the CARES Act Project Close Out Plan. City Manager. Introduction October 12, 2020, Public Hearing and Second Reading October 24, 2020 (*Supplemental Packet*)
- [k.](#) Resolution 20-104, A Resolution of the City Council of Homer, Alaska, Establishing A CARES Act Program Close Out Spending Plan. City Manager. (*Supplemental Packet*)

COMMENTS OF THE AUDIENCE (3 minutes)

ADJOURNMENT NO LATER THAN 4:50 P.M.

Next Regular Meeting is Monday, October 28, 2020 at 6:00 p.m., Worksession at 4:00 p.m. Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-75

An Ordinance of the City Council of Homer, Alaska Providing for a Grant of \$230,000 to South Peninsula Behavioral Services, Inc. for the Purposes of Recovery of Losses and Additional Costs Associated with Meeting the Challenges of the Novel Coronavirus and in Support of the Continuation of their Programs and Services.

Sponsor: Hansen-Cavasos

1. City Council Regular Meeting October 12, 2020 Introduction

**CITY OF HOMER
HOMER, ALASKA**

Hansen-Cavasos

ORDINANCE 20-75

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
PROVIDING FOR A GRANT OF \$230,000.00 TO SOUTH PENINSULA
BEHAVIORAL SERVICES, INC FOR THE PURPOSES OF RECOVERY
OF LOSSES AND ADDITIONAL COSTS ASSOCIATED WITH MEETING
THE CHALLENGES OF THE NOVEL CORONAVIRUS AND IN
SUPPORT OF THE CONTINUATION OF THEIR PROGRAMS AND
SERVICES

WHEREAS, South Peninsula Behavioral Health Services (SPBHS) operates out of six
buildings in Homer; and

WHEREAS, SPBHS's services are in the fields of Mental Health, Substance Misuse and
Developmental Disability; and

WHEREAS, SPBHS has provided treatment and support services to patients and their
families in Homer for forty years; and

WHEREAS, At the onset of the novel Coronavirus pandemic, many of the programs,
housed in the various facilities, were discontinued; and

WHEREAS, Quarantine and "hunkering down" mandates by the State of Alaska resulted
in shifting into health and medical care delivered by alternative, but far less personal,
technologies; and

WHEREAS, SPBHS has withstood losses of about \$23,000 a week over the course of the
pandemic; and

WHEREAS, SPBHS has maintained its workforce and services thus far only due to having
sufficient reserves and obtaining some supplemental grants; and

WHEREAS, It seems likely that SPBHS will continue with "telehealth" practices into
2021; and

WHEREAS, The City of Homer has received CARES Act funds that may be used to
respond to, and recover from, the effects of the novel Coronavirus.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. \$230,000 is appropriated to South Peninsula Behavioral Health Services, Inc. for expenses and increased costs incurred in response to the COVID-19 pandemic for program and service expenditures.

Section 2. This ordinance is a budget ordinance only, is not permanent in nature, and shall not be codified.

THE CITY OF HOMER FURTHER ORDAINS that the City Manager is authorized to execute a grant agreement with SPBHS, and may establish and make amendments to grant guidelines as necessary to carry out the lawful and efficient administration of the program.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of ____, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

Introduction:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Rob Dumouchel, City Manager

Michael Gatti, Attorney

Date: _____

Date: _____



South Peninsula Behavioral Health Services, Inc.

3948 Ben Walters Lane, Homer, Alaska 99603

September 30, 2020

To the Homer City Council-

I'm writing this in hopes of accessing a City of Homer grant to assist with our continued operations during this pandemic.

For the past forty years South Peninsula Behavioral Health Services has provided services, treatment and support to the community of the Southern Peninsula. Our Mental Health, Substance Misuse, and Developmental Disability services annually reach over 400 individuals and families.

During this pandemic we've seen the need for our services increase even as easy access to our services decreased. Many of our current clients, due to State Mandates, were unable to leave their homes or have us visit them in-person. A service that used to include three hours in the community developing skills, learning new coping strategies, and finding new social connections was reduced to thirty minutes on a video screen or, on occasion, from the front patio through a plate glass window.

Additionally, as SPBHS has navigated this pandemic, we have worked closely with our community partners, the local hospital and police department, to implement telehealth access into the emergency room to assist with timely response as well as helping to keep our staff safe and the communities crisis centers free of extraneous staff. We are still developing the capacity to do the same thing in the jail.

Our switch to telemedical service has been a double edged sword. Over the past six months, we have seen the number of many of our service contacts increase, as expected during such trying times. Conversely, the duration of those contacts has decreased, as longer video and telephone contacts are difficult for families, children, and specific symptomologies. Unfortunately, our services are not reimbursed if the contact is less than thirty minutes. Since we continue to meet with all of our clients, regardless of payment, we have seen a loss across all of our services that has averaged approximately \$23,000 per week.

Since March, we have continued to provide all of our services and we have maintained all of our staffing. We have been able to do that with assorted grants and support as well as dipping into our reserves. We did not anticipate that by the end of September we would still be facing a national crisis.

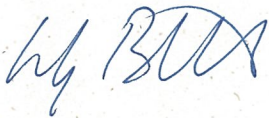
We are asking for \$230,000 to help cover the costs over the last quarter of 2020. This grant from The City of Homer will allow us to fully fund our staff, and provide all of our services without interruption, through the end of the calendar year.

Our goal is simple. We will look to continue providing the same quality Mental Health, Substance Misuse, and Developmental Disability services to our community for anyone that needs it, regardless of their ability to pay.

This grant will ensure we can meet that goal.

Thank you and we appreciate the consideration,

Jay



Jay Bechtol, CEO
South Peninsula Behavioral Health Services

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-79

An Ordinance of the City Council of Homer, Alaska Establishing a Fishermen Economic Recovery Grant (FERG) Program and Amending the 2020 Budget by Appropriating the Amount of \$1.3 Million from the General Fund Fund Balance to Provide Economic Relief to City of Homer-Based Vessel Owners Engaged in Commercial Fishing who are Impacted by the COVID-19 Pandemic.

Sponsor: Mayor

1. City Council Regular Meeting October 12, 2020 Introduction

**CITY OF HOMER
HOMER, ALASKA**

Mayor

ORDINANCE 20-79

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, ESTABLISHING A FISHERMEN ECONOMIC RECOVERY GRANT (FERG) PROGRAM AND AMENDING THE 2020 BUDGET BY APPROPRIATING THE AMOUNT OF \$1.3 MILLION FROM THE GENERAL FUND FUND BALANCE TO PROVIDE ECONOMIC RELIEF TO CITY OF HOMER-BASED VESSEL OWNERS ENGAGED IN COMMERCIAL FISHING WHO ARE IMPACTED BY THE COVID-19 PANDEMIC.

WHEREAS, The City of Homer received \$7,899,085.29 in federal funding under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) from the State of Alaska that allows municipalities to provide small business grants to businesses that suffer economic impacts costs with the Covid-19 pandemic; and

WHEREAS, The City of Homer-based commercial fishing fleet is an important sector of Homer's diverse economy providing jobs and supporting local marine trades and chandleries, job provision and fish deliveries; and

WHEREAS, The Commercial fishing industry has suffered economic loss due to the softening of markets, including restaurants, public and private gatherings and the general loss of normal distribution outlets; and

WHEREAS, Commercial fishermen have suffered economic loss due to reductions or elimination of stock assessments and surveys which have led to more conservative management with reduced quotas or fishing time; and

WHEREAS, Commercial fishermen have suffered economic loss due to the added expenses of meeting quarantine, social distancing, and other restrictions that have been placed on the commercial fleets during the COVID 19 pandemic; and

WHEREAS, the continued disruption of economic re-openings around the world may prolong the softening of markets, creating a serious, and in many cases critical, danger to their economic viability; and

WHEREAS, The Homer City Council believes the Covid-19 pandemic and actions taken as a result to protect public health as described above have created immediate necessity for economic relief to the City of Homer-based commercial fishing fleet.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Fisherman Economic Relief Grant (FERG) program is hereby established in accordance with the FERG policy document for the purpose of providing economic relief through the FERG program to City of Homer-based vessel owners engaged in commercial fishing who are impacted by the covid-19 pandemic.

Section 2. The FY2020 budget is hereby amended by appropriating funds in the amount of \$1,300,000.00 for the FERG program.

Section 3. The Finance Department will continue to manage the project account for COVID-19 Response in order to track all project related costs.

Section 4. This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 26 day of October, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Robert Dumouchel, City Manager

Michael Gatti, City Attorney

Date: _____

Date: _____

**CITY OF HOMER
HOMER, ALASKA**

Mayor

RESOLUTION 20-100

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, ESTABLISHING A FISHERMEN ECONOMIC RECOVERY GRANT (FERG) PROGRAM AND APPROVING UP TO \$1.3 MILLION FROM THE COVID-19 RESPONSE FUND TO PROVIDE ECONOMIC RELIEF TO CITY OF HOMER-BASED VESSEL OWNERS ENGAGED IN COMMERCIAL FISHING WHO ARE IMPACTED BY THE COVID-19 PANDEMIC.

WHEREAS, The City of Homer received \$7,899,085.29 in federal funding under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) from the State of Alaska that allows municipalities to provide small business grants to businesses that suffer economic impacts costs with the Covid-19 pandemic; and

WHEREAS, The City of Homer-based commercial fishing fleet is an important sector of Homer's diverse economy providing jobs and supporting local marine trades and chandleries, job provision and fish deliveries; and

WHEREAS, The Commercial fishing industry has suffered economic loss due to the softening of markets, including restaurants, public and private gatherings and the general loss of normal distribution outlets; and

WHEREAS, Commercial fishermen have suffered economic loss due to reductions or elimination of stock assessments and surveys which have led to more conservative management with reduced quotas or fishing time; and

WHEREAS, Commercial fishermen have suffered economic loss due to the added expenses of meeting quarantine, social distancing, and other restrictions that have been placed on the commercial fleets during the COVID 19 pandemic; and

WHEREAS, the continued disruption of economic re-openings around the world may prolong the softening of markets, creating a serious, and in many cases critical, danger to their economic viability; and

WHEREAS, The Homer City Council believes the Covid-19 pandemic and actions taken as a result to protect public health as described above have created immediate necessity for economic relief to the City of Homer-based commercial fishing fleet; and

WHEREAS, the Administration has developed and presented the City Council with a spending plan, which designates CARES Act funds into several different expense categories, including funds intended to provide direct support to Homer businesses who have been financially impacted by the COVID-19 public health emergency.

NOW, THEREFORE BE IT RESOLVED that the City of Homer establishes a Fishermen Economic Recovery Grant program (FERG) to provide economic relief to vessel owners operating out of the Homer Harbor and engaged in commercial fishing within the waters of the State of Alaska who have experienced economic loss due to the COVID-19 pandemic.

BE IT FURTHER RESOLVED that the parameters and program policies of the FERG Program are adopted under Resolution 20-XXX.

BE IT FURTHER RESOLVED that this program will be issued with a given application period to assess whether additional funds for the programs are needed or to assess if unspent funds allocated to FERG need to be reappropriated to meet other needs.

PASSED AND ADOPTED by the Homer City Council this 12th day of October, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK



Memorandum 20-169

TO: HOMER CITY COUNCIL & MAYOR CASTNER

FROM: BRYAN HAWKINS, HARBORMASTER/PORT DIRECTOR

THRU: ROBERT DUMOUCHEL, CITY MANAGER

DATE: OCTOBER 7, 2020

SUBJECT: FISHERMEN ECONOMIC RELIEF GRANT PROGRAM (FERG)

The COVID -19 pandemic is a public health emergency with wide spread financial impacts on businesses and individual households alike. In the City's ongoing effort to put federal relief dollars to work where they will do the most good for the community, economic relief programs have been developed for small businesses, nonprofits and households that suffered loss due to the COVID-19 emergency. However commercial fishing did not qualify for relief under any of the City of Homer grant relief programs.

There are a large number of commercial fishing vessel owners who base their operations out of Homer during the course of a year and who are likewise experiencing financial loss related to the COVID-19 pandemic. Port and Harbor admin staff worked with the City Manager's office and the Mayor to develop FERG and qualifying criteria to provide economic relief to this essential segment of Homer's economy: Homer-based commercial fishing vessels.

After reviewing the Borough's Commercial Fish Relief Program standards, and meeting with industry leaders, staff wrote the included baseline standards:

- ☐ Applicant must provide proof of ownership for a named commercial fishing vessel (US Coast Guard Documentation OR current Alaska Division of Motor Vehicles registration.
- ☐ Alaska Division of Fish and Game commercial fishing registration.
- ☐ Applicant must be a commercial fishing vessel that is currently active in catching fish, by either submitting a fish ticket that shows that the vessel had a fish delivery in the qualifying year or, as in the case of a fishing tender vessel, show proof of a contract with a fish buyer/processor for 2020.
- ☐ Applicant's vessel must show proof of having moored in the Homer Harbor or that the vessel was in dry storage in one of the Homer area boat yards at some time between January 1, 2020 and September 30, 2020

- ☐ Applicant must be an Alaskan resident with a primary residence on the Kenai Peninsula (PFD or voter registration proof).
- ☐ Applicant must certify that they have not already received CARES Act relief funding or other government assistance for the same expenses claimed in the FERG application.
- ☐ A business may only apply one time for this grant.
- ☐ One grant per commercial fishing vessel owner.

Commercial fishing vessel owners will be required to meet these benchmarks in order to qualify for funding through this program. FERG is intended for commercial fishing vessel owners who live in our local community on the Kenai Peninsula. Port and Harbor staff looked at the eligibility criteria and estimate that this program could reach as many as 450 active commercial fishing vessels who used the City's harbor system during the 2020 qualifying year,.

I believe that Cares Act dollars injected into the local commercial fishing fleet in order to help them respond to the economic hardship caused by the pandemic will help stabilize a portion of our local economy that Homer depends on year after year. It's been my experience that a commercial vessel owner, on average, will spend approximately 10% of the value of their vessel in maintenance each year on the vessel to keep it competitive and safe. These vessel maintenance dollars are what helps our community get through the winter on the off tourist season. The financial impacts caused by COVID-19 may make a commercial fishing vessel owner defer maintenance and other necessary tasks to the upcoming year, so it's for that reason that I see this FERG program as beneficial to the City of Homer's economic recovery from the COVID-19 public health emergency.

Recommendation

I would like to thank the Mayor and Council for their continued work in getting us through this crisis and for supporting the commercial fishing industry's response to COVID-19 through this important relief program.

Fiscal Note

Unexpended Small Business Economic Relief Grant (SBERG) program funds from the State CARES Act grant to the City at \$1,932,000 are proposed to fund this program. The SBERG2 \$2 million allocation is proposed to come out of Kenai Peninsula Borough CARES Act grant funds (\$1,775,953.96) and the State Cares Act grant (\$224,046.04).

**CITY OF HOMER COVID-19
FISHERMEN ECONOMIC RELIEF GRANT (FERG) PROGRAM POLICY
GRANT PROCEDURES AND CRITERIA**

Purpose

The Fishermen Economic Relief Grant (FERG) Program is designed to provide financial relief grants to Homer-based commercial fishing vessel owners/businesses who certify they have suffered a loss of revenue due and/or increased expenses due to the novel coronavirus (Covid-19) pandemic. The City of Homer, using Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, has allocated \$1,300,000 to be distributed through this program in up to \$4,500 grants.

Eligibility Criteria

1. Must provide proof of ownership of the named commercial fishing vessel, USCG Documentation, or in the case of a small boat fishermen a current State of Alaska Division of Motor Vehicle registration.
2. Current Alaska Division of Fish and Game commercial fishing registration.
3. Must be a commercial fishing vessel that is currently active in catching fish, verified by either a fish ticket that shows that the vessel had a fish delivery in the qualifying year or as in the case of a fishing tender show proof of a contract with a fish buyer/processor for 2020.
4. Provide proof that the named vessel has moored in Homer Harbor between January 1, 2020 and September 30, 2020.
5. Vessel owner must be an Alaska Resident who maintains a primary residence on the Kenai Peninsula and spends the majority of the year as a resident of the Kenai Peninsula Borough. This will be confirmed with either PFD records or voter registration.
6. All applicants must certify and provide a brief explanation as to how the business suffered a loss of revenue as a result of the Covid-19 pandemic.
7. Applicants must provide a budget itemizing uses of FERG grant funds and agree to provide documentation in the event the program/grant recipient is audited.
8. A business may only apply one time for this grant.

Grant funds are eligible for:

1. Payment of rents or required monthly loan payments
2. Payments of essential wages, taxes, and normal benefits to employees essential to maintain business

3. Normal operating expenses that are included in "operating expenses" on businesses' income statement (utilities, insurance, professional services, etc.)
4. Normal draw or wages on a weekly or monthly basis to owner

Grant funds ineligible for:

1. Any expense that would not be considered an eligible business expense by IRS rules.
2. Political contributions.
3. Bonuses to owners or employees.
4. Wages to any member of owner's family who is not a bona fide employee.
5. Charitable contributions.
6. Gifts or parties.
7. Draw or salary to owner that exceed the amount that they were paid on a weekly or monthly basis for the same period in 2019.
8. Pay down or pay off debt by more than required in underlying debt instrument
9. Any expense considered ineligible under the State of Alaska CARES Act grant program.

Process

1. The business owner must fill out the application available online at the City of Homer website or paper application available from the Clerk's office.
2. The complete application must be submitted with a W-9 form from the Internal Revenue Service.
3. Upon completion of application review and verification that the applicant meets the eligibility requirements, a grant payment for eligible expenses up to \$4,500 shall be disbursed. Payments shall be dispersed to eligible applicants on a rolling basis in a defined application period.
4. A 1099 Misc. income form will be included with the distribution.
5. It is incumbent upon the applicant to determine whether:
 - a. Proceeds from the grant are taxable, or
 - b. The receipt of a grant under this program might preclude eligibility for any other grant or aid programs.

Reporting

City administration will provide a report to the Homer City Council with the number of applications received, number of applications processed, and account balances of the program fund.

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-80

An Ordinance of the City Council of Homer, Alaska Providing for a Grant of \$34,789.24 to the Homer Foundation Homer Community Chest Fund to Assist Vulnerable Populations in order to Prevent Homelessness During the COVID-19 Pandemic through the Homer Community Chest Fund.

Sponsor: Mayor

1. City Council Regular Meeting October 12, 2020 Introduction

**CITY OF HOMER
HOMER, ALASKA**

Mayor

ORDINANCE 20-80

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
PROVIDING FOR A GRANT OF \$34,789.24 TO THE HOMER
FOUNDATION HOMER COMMUNITY CHEST FUND TO ASSIST
VULNERABLE POPULATIONS IN ORDER TO PREVENT
HOMELESSNESS DURING THE COVID-19 PANDEMIC THROUGH
THE HOMER COMMUNITY CHEST FUND.

WHEREAS, The Homer Foundation's Community Chest Fund is dedicated to providing emergency and bridge funding as a safety net for families with children in times of need, and other individuals as extraordinary circumstances might dictate; and

WHEREAS, The Homer Community Chest Fund distributes this funding through the Non-Food Emergency Aid program in partnership with the Homer Food Pantry, which is one of the only programs to help those in need in the community address non-food crises that could otherwise threaten a household's ability to stay sheltered, healthy, and able to meet other needs like transportation, employment and medical care; and

WHEREAS, Meeting these needs for Homer's vulnerable population is necessary to assist in preventing homelessness, which in turn facilitates a families compliance with COVID-19 public health precautions; and

WHEREAS, It is in the best interest of the City to support this safety net, which keeps people housed, supported, and as healthy as possible to mitigate the effects of COVID-19 and its transmission in the Homer community; and

WHEREAS, Since the pandemic began in March through August 2020, the Non-Food Emergency Aid program has spent \$16,789.24 supporting individuals and households in need; and

WHEREAS, Based on historical data to project expenses for September through December, the Homer Foundation anticipates the Homer Community Chest will need an additional \$18,000 to cover Non-Food Emergency Aid program expenses; and

WHEREAS, According to the September 2, 2020 Coronavirus Relief Fund Frequently Asked Questions document, providing a consumer grant program to prevent eviction and assist in preventing homelessness is considered an eligible expense for Cares Act funds; and

WHEREAS, The Homer Foundation considers this direct grant to the Homer Community Chest Fund as a means to cover necessary expenses incurred due to the COVID-19 public health emergency.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. \$34,789.24 is appropriated to the Homer Community Chest for expenses incurred or will be incurred in response to the COVID-19 pandemic associated with the Non-Food Emergency Aid program

Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

THE CITY OF HOMER FURTHER ORDAINS that the City Manager is authorized to execute a sub-recipient grant agreement with the Homer Foundation for the administration of the grant, and may establish and make amendments to grant guidelines as necessary to carry out the lawful and efficient administration of the program.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 26 day of October, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Robert Dumouchel, City Manager

Michael Gatti, City Attorney

Date: _____

Date: _____



City of Homer
Attn: Jenny Carroll, Special Projects & Communications Coordinator
491 East Pioneer Ave
Homer, AK 99603

Via email: jcarroll@ci.homer.ak.us

Re: CARES Funding for Community Chest

October 7, 2020

Dear Ms. Carroll:

The Homer Foundation is requesting consideration for additional CARES Act funding of \$34,789.24 specifically to support the Community Chest Fund.

This fund supports the Non-Food Emergency Aid program of the Homer Food Pantry. This fund is one of the only programs to help those in need in the community. This fund assists local residents with addressing non-food crises, which may threaten their ability to stay sheltered, healthy and able to meet other needs like transportation to employment, medical care etc. Meeting these needs for Homer's vulnerable population is necessary to assist in preventing homelessness, enabling compliance with COVID-19 public health precautions and mitigating COVID-19 health effects and its transmission in the community. Some areas the program supports are:

Utilities (Gas, Electric, Water/Sewer, etc)

Housing/ Rent/Deposits

Emergency Automotive Repairs

Heating Costs

Emergency & Temporary Housing

Laundry

Medical/Prescriptions

Special Dietary Foods

Showers/hygiene

Transportation

Since the COVID-19 Pandemic began in March through August of 2020, the Emergency Non-Food Aid program has expended \$16,789.24. Looking at historical data, we project additional costs of approximately \$16,000 - \$18,000 between September and the end of 2020.

If you have any question about this program, please do not hesitate to contact me at 907-235-0551 or mikemiller@homerfoundation.org

Regards,

Mike Miller
Executive Director

**CITY OF HOMER
HOMER, ALASKA**

Mayor

RESOLUTION 20-102

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
PROVIDING FOR A GRANT OF \$34,789.24 TO THE HOMER
FOUNDATION HOMER COMMUNITY CHEST FUND TO ASSIST
VULNERABLE POPULATIONS IN ORDER TO PREVENT
HOMELESSNESS DURING THE COVID-19 PANDEMIC THROUGH
THE HOMER COMMUNITY CHEST FUND.

WHEREAS, The Homer Foundation's Community Chest Fund is dedicated to providing emergency and bridge funding as a safety net for families with children in times of need, and other individuals as extraordinary circumstances might dictate; and

WHEREAS, The Homer Community Chest Fund distributes this funding through the Non-Food Emergency Aid program in partnership with the Homer Food Pantry, which is one of the only programs to help those in need in the community address non-food crises that could otherwise threaten a household's ability to stay sheltered, healthy, and able to meet other needs like transportation, employment and medical care; and

WHEREAS, Meeting these needs for Homer's vulnerable population is necessary to assist in preventing homelessness, which in turn facilitates a families compliance with COVID-19 public health precautions; and

WHEREAS, It is in the best interest of the City to support this safety net, which keeps people housed, supported, and as healthy as possible to mitigate the effects of COVID-19 and its transmission in the Homer community; and

WHEREAS, the Administration has developed and presented the City Council with a spending plan, which designates CARES Act funds into several different expense categories, including funds intended to provide direct support to Homer residents who have been financially impacted by the COVID-19 public health emergency; and

WHEREAS, Since the pandemic began in March through August 2020, the Non-Food Emergency Aid program has spent \$16,789.24 supporting individuals and households in need; and

WHEREAS, Based on historical data to project expenses for September through December, the Homer Foundation anticipates the Homer Community Chest will need an additional \$18,000 to cover Non-Food Emergency Aid program expenses; and

WHEREAS, According to the September 2, 2020 Coronavirus Relief Fund Frequently Asked Questions document, providing a consumer grant program to prevent eviction and assist in preventing homelessness is considered an eligible expense for Cares Act funds; and

WHEREAS, The Homer Foundation considers this direct grant to the Homer Community Chest Fund as a means to cover necessary expenses incurred due to the COVID-19 public health emergency.

NOW, THEREFORE, BE IT RESOLVED, that the City of Homer City Council approves \$34,789.24 from the COVID-19 Response Fund to provide a direct grant to the Homer Foundation Community Chest Fund for expenses incurred or will be incurred in response to the COVID-19 pandemic associated with the Non-Food Emergency Aid program.

BE IT FURTHER RESOLVED that the City Manager is authorized to execute a sub-recipient grant agreement with the Homer Foundation for the administration of the program, and may establish and make amendments to grant guidelines as necessary to carry out the lawful and efficient administration of the program.

PASSED BY THE HOMER CITY COUNCIL THIS _____ day of _____, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-81

An Ordinance of the City Council of Homer, Alaska Establishing a Mortgage and Rent Relief Grant (MARRG) Program to City of Homer Residents Experiencing Economic Hardship due to the COVID-19 Public Health Emergency, Approving up to \$339,200 to be used for MARRG, and Authorizing the City Manager to Enter into an Agreement with Alaska Housing Finance Corporation (AHFC) for Program Administration.

Sponsor: Aderhold.

1. City Council Regular Meeting October 12, 2020 Introduction

**CITY OF HOMER
HOMER, ALASKA**

Aderhold

ORDINANCE 20-81

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
ESTABLISHING A MORTGAGE AND RENT RELIEF GRANT (MARRG)
PROGRAM TO CITY OF HOMER RESIDENTS EXPERIENCING
ECONOMIC HARDSHIP DUE TO THE COVID-19 PUBLIC HEALTH
EMERGENCY, APPROVING UP TO \$339,200 TO BE USED FOR
MARRG, AND AUTHORIZING THE CITY MANAGER TO ENTER INTO
AN AGREEMENT WITH ALASKA HOUSING FINANCE CORPORATION
(AHFC) FOR PROGRAM ADMINISTRATION.

WHEREAS, On May 26, 2020, the Homer City Council passed Resolution 20-051 to accept
\$7,899,085.29 in grant funds from the State of Alaska, Department of Commerce, Community
and Economic Development for necessary expenditures due to the COVID-19 public health
emergency; and

WHEREAS, these funds were made available to State, Local and Tribal governments
through the Coronavirus Aid, Relief and Economic Security (CARES) Act to cover necessary
expenditures incurred due to the public health emergency with respect to the Coronavirus
Disease 2019 (COVID-19); and

WHEREAS, to be eligible for reimbursement through CARES Act funding, expenses must
be incurred during the period that begins on March 1, 2020 and ends on December 30, 2020;
and

WHEREAS, the Alaska Housing Finance Corporation (AHFC) administered the Alaska
Housing Relief Program earlier this summer, which provided up to \$1,200 as a one- time
payment to assist with housing costs for each eligible household, payable directly to their
lender or landlord; and

WHEREAS, approximately ninety households in the City of Homer qualified and took
advantage of this statewide funding opportunity for one month of mortgage and rent relief
payments; and

WHEREAS, these households have an income that is at or below 80% of the
community's area median income as calculated by the US Department of Housing and Urban
Development and were able to demonstrate how their household income was reduced on or
after March 11, 2020 as a result of COVID-19 related closures, hour reductions or other lost
income that is attributable to COVID-19; and

WHEREAS, The ongoing COVID-19 pandemic contributes to an ongoing need for housing support which will continue and grow as the public health emergency extends into the fall and winter; and

WHEREAS, the MARRG program compliments the Household Economic Relief Grant (HERG) program previously established by Homer City Council in that it allows qualifying households to utilize HERG funds for eligible expenses other than rent or mortgage payments; and

WHEREAS, AHFC has agreed to continue administering the housing relief program for Homer residents via a sub-recipient grant agreement with the City, and

WHEREAS, providing grants to residents experiencing economic hardship and housing insecurity follows CARES Act requirements as interpreted by the US Department of the Treasury's guidance for local governments, which allows for necessary expenditures incurred due to the COVID-19 public health emergency and for second order effects of the emergency; and

WHEREAS, it is necessary and in the best interest of the City of Homer to approve grant funding for emergency rent and mortgage relief to assist Homer residents and households affected by COVID-19.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. \$339,200.00 is appropriated for AHFC to carry out the MARRG program which will provide individual grants to qualifying households in the City of Homer of up to \$ 1, 200 per month for each of the four months from September through December, 2020 for mortgage or rent relief.

Section 2. The City Manager is authorized to execute a Memorandum of Agreement with AHFC for the administration of the grant, and may establish and make amendments to grant guidelines as necessary to carry out the lawful and efficient administration of the program.

Section 3. This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 26 day of October, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Robert Dumouchel, City Manager

Michael Gatti, City Attorney

Date: _____

Date: _____

**CITY OF HOMER
HOMER, ALASKA**

Aderhold

RESOLUTION 20-103

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
ESTABLISHING A MORTGAGE AND RENT RELIEF GRANT (MARRG)
PROGRAM TO CITY OF HOMER RESIDENTS EXPERIENCING
ECONOMIC HARDSHIP DUE TO THE COVID-19 PUBLIC HEALTH
EMERGENCY, APPROVING UP TO \$339,200 TO BE USED FOR
MARRG, AND AUTHORIZING THE CITY MANAGER TO ENTER INTO
AN AGREEMENT WITH ALASKA HOUSING FINANCE CORPORATION
(AHFC) FOR PROGRAM ADMINISTRATION.

WHEREAS, On May 26, 2020, the Homer City Council passed Resolution 20-051 to accept
\$7,899,085.29 in grant funds from the State of Alaska, Department of Commerce, Community
and Economic Development for necessary expenditures due to the COVID-19 public health
emergency; and

WHEREAS, these funds were made available to State, Local and Tribal governments
through the Coronavirus Aid, Relief and Economic Security (CARES) Act to cover necessary
expenditures incurred due to the public health emergency with respect to the Coronavirus
Disease 2019 (COVID-19); and

WHEREAS, to be eligible for reimbursement through CARES Act funding, expenses must
be incurred during the period that begins on March 1, 2020 and ends on December 30, 2020;
and

WHEREAS, the Alaska Housing Finance Corporation (AHFC) administered the Alaska
Housing Relief Program earlier this summer, which provided up to \$1,200 as a one- time
payment to assist with housing costs for each eligible household, payable directly to their
lender or landlord; and

WHEREAS, approximately ninety households in the City of Homer qualified and took
advantage of this statewide funding opportunity for one month of mortgage and rent relief
payments; and

WHEREAS, these households have an income that is at or below 80% of the
community's area median income as calculated by the US Department of Housing and Urban
Development and were able to demonstrate how their household income was reduced on or
after March 11, 2020 as a result of COVID-19 related closures, hour reductions or other lost
income that is attributable to COVID-19; and

43 WHEREAS, The ongoing COVID-19 pandemic contributes to an ongoing need for
44 housing support which will continue and grow as the public health emergency extends into the
45 fall and winter; and

46
47 WHEREAS, the MARRG program compliments the Household Economic Relief Grant
48 (HERG) program previously established by Homer City Council in that it allows qualifying
49 households to utilize HERG funds for eligible expenses other than rent or mortgage payments;
50 and

51
52 WHEREAS, AHFC has agreed to continue administering the housing relief program for
53 Homer residents via a sub-recipient grant agreement with the City, and

54
55 WHEREAS, providing grants to residents experiencing economic hardship and housing
56 insecurity follows CARES Act requirements as interpreted by the US Department of the
57 Treasury's guidance for local governments, which allows for necessary expenditures incurred
58 due to the COVID-19 public health emergency and for second order effects of the emergency;
59 and

60
61 WHEREAS, it is necessary and in the best interest of the City of Homer to approve grant
62 funding for emergency rent and mortgage relief to assist Homer residents and households
63 affected by COVID-19; and

64
65 WHEREAS, the Administration has developed and presented the City Council with a
66 spending plan, which designates CARES Act funds into several different expense categories,
67 including funds intended to provide direct support to Homer residents who have been
68 financially impacted by the COVID-19 public health emergency; and

69
70 NOW, THEREFORE BE IT RESOLVED, that the City of Homer City Council approves up to
71 \$339,200.00 from the COVID-19 Response Fund so that the AHFC may provide individual grants
72 to qualifying households in the City of Homer of up to \$ 1, 200 per month for each of the four
73 months from September through December, 2020 for mortgage or rent relief.

74
75 BE IT FURTHER RESOLVED that the City Manager is authorized to execute a sub-
76 recipient grant agreement with AHFC for the administration of the program at no cost to the
77 City other than the use of the Cares Act grant funds allocated to MARRG for rental or mortgage
78 assistance, and may establish and make amendments to grant guidelines as necessary to carry
79 out the lawful and efficient administration of the program.

80
81 BE IT FURTHER RESOLVED that the City of Homer shall take proactive measures to
82 communicate the opportunity for this program throughout the community and provide
83 technical assistance to those working to submit successful applications to the grant program.
84

PASSED BY THE HOMER CITY COUNCIL THIS ____ day of _____, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A



Memorandum 20-170

TO: Mayor Castner and Homer City Council

FROM: Councilmember Aderhold

DATE: October 12, 2020

SUBJECT: Mortgage and Rent Relief Grant (MARRG) Program through Alaska Housing Finance Corporation to Compliment Household Economic Relief Grant

I received a call from Kenai Peninsula Borough Assembly Member Tyson Cox regarding the use of CARES Act funds for a program to pay for household rents and mortgages up to \$1,200/month through Alaska Housing Finance Corporation (AHFC). The program was initiated by the State of Alaska last spring, in which the State paid for one month of rent or mortgage expenses to qualified households through AHFC. The State program ended this summer. Since that time, the City of Soldotna has implemented a rent/mortgage program with AHFC and Assembly Member Cox is bringing a resolution to the Kenai Peninsula Borough Assembly for consideration at their meeting on October 13. He is interested in cities having similar programs so rent and mortgage relief is equally available throughout the Borough.

When Homer City Council began the process of distributing CARES Act funds into our community, the AHFC program was one that we discussed and did not pursue. I've brought it forward formally now as a compliment to the Household Economic Relief Grant (HERG) program and to provide similar support to what Borough residents will likely receive.

If we authorize the MARRG program the City will enter an agreement with AHFC. AHFC will run the program with no administrative costs. For households that apply for rent/mortgage support, AHFC will pay landlords and mortgage holders directly as they have done for the State and other municipalities. The resolution includes funds for up to 4 months of rent/mortgage relief payments (September through December) with September paid retroactively.

AHFC provided data to the City based on the approximately 90 households in Homer that applied and qualified for the State sponsored rent/mortgage relief program that was used to determine funding for the program proposed in the resolution (please see the table on the next page). The average request was for \$848. Assuming 100 households apply and qualify to the City program for 4 months, the total needed for the program is \$339,200 (\$848 x 100 households x 4months).

Recommendation: Discuss and approve authorizing the MARRG program and \$339,200 expense

Enc:

-Draft agreement with AHFC which will be modified for the City of Homer jurisdiction.

Borough	Kenai Peninsula Borough
City	Homer

Housing Type	Applications	People Living in Applicant's Home	Average Income Prior to COVID-19	Average Income After COVID-19	Average Monthly Housing Payment	Average Monthly Housing Relief Requested	Average Date COVID Income Loss Took Place	Total Housing Relief Requested
Own	50	140	\$50,258	\$26,125	\$1,313	\$915	4/3/2020	\$45,755
Rent	43	88	\$34,177	\$16,336	\$973	\$770	4/2/2020	\$33,131
Total	93	228	\$42,659	\$21,499	\$1,152	\$848	4/3/2020	\$78,886

HOUSING RELIEF IN THE CITY OF HOMER CITY LIMITS

Program Budget

\$339,200.00

General Description

Alaska Housing Finance Corporation and the City of Homer (“the Parties”) have expressed interest in collaborating to continue providing housing relief to homeowners and renters adversely affected by the COVID-19 pandemic.

In an effort to leverage the information and programmatic framework currently in place and still operational from the Alaska Housing Relief program, the Parties have expressed a desire to build upon the existing Alaska Housing Relief program for households within the City of Homer through an expanded application round unique to the City of Homer that also extends existing program’s duration.

Purpose

To provide Rental and Mortgage assistance for residents of the City of Homer adversely impacted by the COVID-19 pandemic.

Duration

September through December, 2020. Duration cannot be extended by mutual agreement of both parties in writing unless US Treasury Guidelines are amended to extend the eligibility period for Cares Act dollars beyond December 30, 2020.

Population to be Served

- a) Qualified households for the Alaska Housing Relief program (approximately 90), plus
- b) New applications received from the City of Homer “MARRG” Program- only application round.

Eligibility

- a) All households served will have a demonstrated income loss attributable to the COVID-19 pandemic that occurred on or after March 11, 2020.
- b) Up to \$1,200 per month of City of Homer “MARRG” Housing Relief will be available to qualified applicants for a maximum of two months.
 - a. City of Homer “MARRG” Housing Relief can cover 4 mortgage or rent payments respectively.
 - b. City of Homer “MARRG” Housing Relief may be applied to a maximum of \$XX in past due rent or mortgage payments that are still outstanding. However, the maximum housing assistance that may be provided for each month of past due rent or mortgage costs will not exceed \$1,200.
 - c. Households assisted will receive the lesser of

- i. \$1,200 in monthly assistance,
 - ii. The monthly reduction in household income attributable to COVID-19 on or after March 11, 2020.
- d. Households served through the City of Homer “MARRG” Housing Relief will have an annualized income at or below 80% of the Area Median Income Annualized household income will be based on the households earnings after the COVID-19 income reduction.
- e. Annualized household income will not be adjusted by household size.
- f. Annualized household income will be based on:
 - i. Verbal certification of pre and post COVID-19 income, or
 - ii. Recertification of post COVID-19 income for households previously served through the Alaska Housing Relief program.

AHFC Responsibilities

- 1) AHFC will set up the online application system for the City of Homer “MARRG” Housing Relief.
- 2) AHFC will review the list of applications and remove households who are already served through AHFC’s public housing. These households have access to AHFC’s “Safety Net” program and do not require this form of housing relief.
- 3) AHFC will utilize a nonprofit service provider to process the applications and payments. This service provider will be a grantee of AHFC and subrecipient of the funding.
- 4) AHFC will provide grant management and oversight for the nonprofit sub-recipient.
- 5) AHFC will ensure that the subrecipient performs the following tasks:
 - a. Confirms income eligibility for assisted households;
 - b. Verifies the identity of the applicant households;
 - c. Verifies the lease or mortgage documentation, and income, to ensure the assistance provided does not exceed programmatic limits;
 - d. Collects the tax id information for the Landlord or Mortgagor;
 - e. Pays the landlord or mortgagor on behalf of the applicant household.

City of Homer Responsibilities

- 1) Work with AHFC to review the online application system for City of Homer “MARRG” Housing Relief, and
- 2) Establish parameters for the application queue based on funds available and requests.
- 3) Establish the reporting guidelines and programmatic deliverables expected from AHFC to City of Homer prior to the signing of the subrecipient agreement. This includes AHFC’s willingness to verify qualifying households did not use City of Homer HERG funds to pay for rent or mortgage expenses for September – December 2020 to avoid duplication of how funds were used.
- 4) Subgrant the budgeted funding to Alaska Housing Finance Corporation.

Fees

- 1) Alaska Housing Finance Corporation will perform the assigned responsibilities at no cost to City of Homer for the initial duration of the City of Homer “MARRG” Housing Relief.
- 2) Alaska Housing Finance Corporation will provide any administrative support to the nonprofit sub-recipient necessary to perform the responsibilities outlined in this scope.

**CITY OF HOMER
HOMER, ALASKA**

Aderhold/Lord

RESOLUTION 20-101

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
INITIATING A SECOND ROUND OF CARES ACT GRANTS THROUGH
THE NONPROFIT ECONOMIC RELIEF GRANT PROGRAM ("NERG2").

WHEREAS, Resolution 20-71 established the Nonprofit Economic Relief Grant Program (NERG) and Ordinance 20-45 (S) appropriated \$750,000 in CARES Act funding to fund NERG; and

WHEREAS, The first round of the NERG Program finished on October 2, 2020 and the maximum grant amount a nonprofit could receive was \$10,000; and

WHEREAS, Thirty-five nonprofits demonstrated economic hardship as a result of COVID-19 and the City distributed a total of \$233,072.50 to assist in their response and recovery, which leaves an unexpended balance of \$516,927.50; and

WHEREAS, Of the thirty-five nonprofits, 29 requested the maximum grant amount; and

WHEREAS, Nonprofits that qualified for the first round of NERG may have had needs exceeding the \$10,000 cap that would benefit from additional Cares Act funding made available through a second round of NERG ("NERG2"); and

WHEREAS, There may also be nonprofits that did not experience economic hardship as a result of COVID-19 during the first round of NERG that now have eligible expenses incurred during the period that begins on March 1, 2020 and ends on December 30, 2020 that would qualify for funding through NERG2; and

WHEREAS, The unexpended balance dedicated to NERG can be used to fund eligible requests received during the second round; and

WHEREAS, The pandemic is now in its eighth month and nonprofits that serve City of Homer residents are still suffering from the strain of lost revenue as a result of COVID-19 due to actions taken to protect public health.

NOW, THEREFORE BE IT RESOLVED that the City of Homer establishes a Round 2 Nonprofit Economic Relief Grant (NERG2) Program to respond to the continued economic hardships for nonprofits providing services to the City of Homer as a matter of necessity as a result of the COVID-19 pandemic and associated health mandates.

43
44 BE IT FURTHER RESOLVED that NERG2 will use the unexpended balance of \$516,927.50
45 appropriated under Ordinance 20-45(S) as this opportunity is a continuation of the Nonprofit
46 Economic Relief Grant Program; and

47
48 BE IT FURTHER RESOLVED that the parameters of the second round of the NERG
49 program are adopted as the NERG Round 2 Program Policy under this resolution.

50
51 BE IT FURTHER RESOLVED that the City of Homer will exercise best efforts to
52 communicate the opportunity for this program throughout the community and provide
53 technical assistance to those working to submit successful applications to the grant program.

54
55 BE IT FURTHER RESOLVED that City administration will provide regular reports to the
56 Homer City Council about the status of NERG2 including information such as the number of
57 applications received, number of applications processed, and account balances of the
58 program fund.

59
60 BE IT FURTHER RESOLVED that these programs will be issued with a given application
61 period to assess whether additional funds for the programs are needed or to assess if unspent
62 funds allocated to these programs need to be reappropriated to meet other needs.

63
64 PASSED AND ADOPTED by the Homer City Council this 12th day of October, 2020.

65
66 CITY OF HOMER

67
68
69 _____
70 KEN CASTNER, MAYOR

71
72 ATTEST:

73
74
75 _____
76 MELISSA JACOBSEN, MMC, CITY CLERK

77
78 Fiscal Note: N/A

**CITY OF HOMER COVID-19 NERG 2 PROGRAM POLICY
NON-PROFIT ECONOMIC RELIEF GRANT ROUND 2
GRANT PROCEDURES AND CRITERIA**

Purpose

Round 2 of the Nonprofit Economic Relief Grant (NERG2) Program is designed to respond to the continued economic hardships non-profits serving the residents of the City of Homer are suffering due to lost revenue as a result of the Covid-19 pandemic and associated health mandates. The City of Homer, using Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, is using the remaining NERG balance of \$516,927.50 to be distributed through this second round in grants up to \$20,000 based on eligible expenses not to exceed percentage of revenue loss in 2020 relative to 2019.

Eligibility Criteria

1. Must be a 501(c)(3), (c)(4), (c)(5), (c)(6), (c)(19), 501(e) or 501(k) designated nonprofit entity under the Internal Revenue Service or Nonprofit corporations formed under Alaska Statute AS 10.20.005 and in good standing with Alaska Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing. Faith-based nonprofit organizations are eligible to apply as long as they provide services available to the general public regardless of religious affiliation. Nonprofit organizations that are principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs, whether in a religious or secular setting, or primarily engaged in political or lobbying activities are not eligible (as per 13 CFR § 120.110(k) in the Code of Federal Regulations).
2. Must provide regular, ongoing services to the residents of the City of Homer, however nonprofits are not required to have their main office physically located within Homer.
3. Must have been in operation serving City of Homer residents since at least January 1, 2020.
4. Must be directed by a voluntary board of directors or local advisory board whose majority of members are residents of the state of Alaska. A local affiliate of a national organization must have a local advisory or governing board.
5. Must be in good standing within the State of Alaska Corporations database, and, unless Federally exempt, have a current or 2018 IRS Form 990 or a current year filing extension on file with the IRS. For those nonprofits that do not file with the IRS, the City will accept an audited financial statement or an unaudited statement by a third-party preparer.
6. All applicants must disclose, certify, and document that the nonprofit suffered a loss of revenue and/or incurred additional expenses either through rapid

expansion or adaptation to serve the community or because of forced closure in the name of public health between March 1, 2020 and December 30, 2020.

7. Any misuse of funds or falsification in an application will result in repayment of the funds and potential fines.
8. Grantees of the prior City of Homer NERG program are presumptively qualified provided they:
 - a. certify additional financial need for eligible Covid-19 emergency related expenses that have not been or are not expected to be reimbursed through any other loan/grant program, and/or
 - b. provide supplemental financial documents for grant requests over \$10,000.
 - b. Any nonprofit receiving Cares Act grants from the City of Homer at or exceeding \$50,000 must provide the City with the organization's DUNS number to confirm good standing with the IRS.
9. The City reserves the right to interpret the terms of this program.

Grant funds are eligible for:

1. Payment of rent or required monthly loan payments
2. Payments of essential wages, taxes, and normal benefits to employees essential to maintain operations.
3. Normal operating expenses (utilities, insurance, professional services, etc.) that remain unpaid as a result of loss of revenue from COVID-19.
4. Purchase of personal protective equipment and/or other measures recommended by the CDC to enhance COVID-19 safety measures in the workplace.
5. Expenses incurred to replenish inventory, necessary re-opening expenses, temporary housing for quarantined employees, hiring necessary additional staff, or responding to additional non-budgeted needs related to COVID responses not paid for by another grant.

Please note: Grant proceeds are to be used for eligible Covid-19 emergency related expenses, whether those expenses were previously paid by the grantee personally and not through another loan/grant, are currently unpaid, or are held in arrears between March 1, 2020 and December 30, 2020; additional guidance is provided in the "Grant Funds Ineligible For" section.

Grant funds ineligible for:

1. Any expense considered ineligible under the State of Alaska CARES Act grant program and any expense that would not be considered an eligible expense by IRS rules.
2. Political contributions or lobbying.
3. Bonuses to employees or Directors.
4. Wages to any member of staff or board member family who is not a bona fide employee.
5. Charitable contributions.
6. Gifts or events.
7. Draw or salary to employees that exceeded the amount that they were paid on a weekly or monthly basis for the same period in 2019.
8. Pay down or pay off debt by more than required in underlying debt instrument.
9. Any expenses that have already been reimbursed by other funding sources. Grantees will be required to keep payment records to show how the funds were used.
10. Any expense considered ineligible under the State of Alaska CARES Act grant program.
11. Any other activity not listed under the 'Grant Funds are Eligible for' section.

Grant amounts:

All grant awards are based on financial need and according to an itemized list of eligible expenditures provided by the applicant.

Option 1: Award based on percentage loss.

NERG2 grant award is based on eligible expenses and percentage of loss when comparing gross income reported on a 2019 or 2018 IRS Form 990 on file with the IRS with gross income reported on a profit/loss statement of the first three quarters of 2020. The 4th quarter of 2020 will be averaged to populate a total gross income for 2020. Award is capped at an amount not to exceed prior year earnings, or \$20,000, whichever is less. For those nonprofits that do not file with the IRS, the City will accept an audited financial statement or an unaudited statement by a third-party preparer. Grant award will not allow nonprofits to exceed earnings of the prior year earnings and must be itemized with eligible expenses. (Example – if reported gross earnings for 2019 totals \$50,000, estimated income for 2020 is \$40,000, and the nonprofit requests \$20,000 grant award could not exceed \$10,000.)

Option 2: Standard NERG award.

First time NERG applicants who choose not to submit annual income reports can request up to \$10,000 based on eligible expenses.

Application Process

1. An authorized agent for the nonprofit must fill out the application available online at the City of Homer website or paper application available from the Clerk's office. Applications must be submitted within the advertised application period.
2. If not submitted with a previous City of Homer NERG application, applicant must submit a signed IRS W-9 form with their application.
3. The applicant's current or 2018 IRS Form 990 must have been timely made, and the nonprofit must be in good standing with the IRS, and not have any missed filings.
4. All applications received by the deadline will go through a review and verification process to insure applicants meet the eligibility requirements.
5. Applicants who submit incomplete applications will be notified by email. Applications may be amended before the deadline.
6. Applicants whose requests are denied will be notified via email. A grantee who is denied may appeal in writing to the City Manager no later than 5 PM the 10th calendar day after the applicant receives notice from the City.
7. Once all applications have been reviewed and verified, grant payments covering eligible, documented expenses may be dispersed to eligible applicants. In the unlikely event more funds are requested than is allocated to NERG2, payments to first-time NERG2 applicants requesting a standard grant will be dispersed first, followed by awards based upon percentage of loss, with nonprofits with highest percentage of loss ranking highest. Grantees will be notified via email once their grant award has been approved.
8. Information provided in the NERG2 application will be kept confidential to the extent authorized by law.
9. Grant funds received must be fully expended by December 30, 2020. If funds have not been expended, they must be returned to the City. Funds must be used in accordance with the guidelines of this program.
10. An IRS 1099 Misc. income form will be issued by January 31, 2021.
11. It is incumbent upon the applicant to determine whether:
 - a. Proceeds from the grant are taxable, or
 - b. The receipt of a grant under this program might preclude eligibility for any other grant or aid programs.

Reporting

Grantees are required to expend grant funds in accordance with the budget they provide as part of the NERG2 application itemizing how grant funds are to be used to reimburse eligible expenses associated with COVID-19 and incurred or reasonably expected to be incurred from March 1, 2020 to December 30, 2020. Grant funds received must be fully expended by December 30, 2020. If funds have not been expended, they must be returned to the City. Funds must be used in accordance with the guidelines of this program. Grants received under this program are subject to audit and may be randomly selected to produce documentation for program evaluation. This may include the completion of a reporting form provided by the City documenting how the funds were

158 used. Grantees are required to maintain records and receipts for grant expenditures for
159 a period of six years and make them available upon request.