



City of Homer

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Memorandum 20-111

TO: Mayor Castner and Homer City Council
FROM: Rick Abboud, Interim City Manager
DATE: July 23, 2020
SUBJECT: Cares Act Programs

Administration has been working with Councilmembers Lord, Aderhold, and Venuti on producing several programs for the appropriation of CARES Act funds to the community. These include:

Nonprofit Economic Relief Grant Program (NERG)
Social Services Economic Relief Grant Program (SoSerg)
Childcare Business Economic Relief Grant Program (CBERG)
Household Economic Relief Grant Program (HERG)

The programs include eligibility criteria to qualify for the program, lists of eligible and ineligible expenses for which the funds may be applied, an application process, and expectation for reporting. Accompanying the resolution establishing the programs is a funding ordinance that creates funding 'buckets' assigning amount to be distributed to the various programs.

Most of my concerns revolve around verifying that applicants qualify for the program and spend the award within program parameters.

1. You must have been impacted by either loss of income or additional expenses due to COVID-19.
2. You must not apply for costs that have been paid for by other programs.
3. You must spend the funds in accordance with CARES Act guidelines.

Better documentation will decrease our exposure to liabilities. We have developed several options for our documentation:

1. The applicant, when documenting need will be asked for a proposed list of uses for the funds. We were thinking of listing common accepted uses with a range of funds to be spent (in case they don't have exact figures) with another box for unanticipated (other) items. It would be good to get to this level with everyone (and I do not believe that we could add retroactive requirements, as the grantee has already agreed to terms).
2. They could submit bills/invoices and we pay. – This seems like a bit much for us to accomplish.

3. They could provide a report of how the money was spent. – Would be a challenge to follow up with everyone after they spent the money even though the onus would be on the grantee to submit the reporting form once the awarded funds had been spent.
4. The applicant is required to retain receipts and records for 6 years, documenting of how the money was spent and may be selected on a random basis for program evaluation.

I recommend at least using options 1 and 4 above; the policy documents currently before Council incorporate options 1, 3, and 4.

These documents were produced in an expedited manner and I would expect that in consideration with the dynamic nature of the guidance for the CARES Act program, they may need future amendments. Out of the four programs, I am most secure with NERG and I have the most reservations with HERG.

I look forward to receiving Council's direction on which programs to adopt and establish at this time and any additional direction from the body on reporting requirements options or any other features.