

# Anchorage Assembly & Administration COVID-19 Response Framework & Funding

## *Work Session #2 Summary (organized by topic) – July 31, 2020*

*Dena'ina Center, Anchorage, AK*

### Participants

#### Assembly Members

- Felix Rivera (Chair)
- Austin Quinn-Davidson
- Christopher Constant
- Meg Zaletel
- Forrest Dunbar
- Suzanne LaFrance
- John Weddleton
- Kameron Perez-Verdia (virtual connect)
- Crystal Kennedy (virtual connect)
- Jamie Allard (virtual connect)

#### Administration

- Jason Bockenstedt, Chief of Staff
- Alex Slivka, Chief Financial Officer
- Jennifer Veneklasen, Deputy Clerk
- Kiana Belser, Scheduling & Business License Assistant
- Christopher Schutte, Director of Economic & Community Development (virtual connect)
- Caroline Hall, Communications Director (virtual connect)

*Facilitated by Shelly Wade and Molly Mylius, Agnew::Beck Consulting*

### Defining Success: Today's work session will be successful if it results in...

- A package to bring forward to the community for feedback, and ultimately a full proposal for August 11<sup>th</sup>.
- An understanding of who is working on filling in the gaps, doing the follow up and compiling the needed documentation to add details to the proposed projects.
- A process to determine final priorities by August 11<sup>th</sup> if the group is unable to identify a list during today's work session.
- Broadly, to use this effort to get the economy working more normally and people back to work.
- Developing a funding package that is mindful of current COVID-19 cases and the potential need for upcoming closures.
- A clear sense of the different projects we want to move forward; want to ensure the different priority areas are each well represented and want to apply the guiding principles to aid in our decision-making.
- Would like to have a clear message and communication to the public of what this package is, and why we did it.
- Want the public to breathe a sigh of relief, and with this package, relieve some of the desperation people are feeling.
- Productive discussion around the themes and ideas generated by the Assembly and community.

- MOA staff are able to be a helpful resource to aid the discussion and communicate the package to the public.

### Overview of COVID-19 Resources to Date – Received, Expended, Allocated Discussion

- 5307 Funds: Jason will follow up to share how these can be used. Examples include planning, engineering, design, capital investment, bussing, hardware, software, mobility improvements, etc. Proposal for a separate work session on the use of the 5307 funds.
- Anchorage School District (ASD): will ASD need supplemental funding in addition to what they have already received? For example, many teachers are paying for personal protective equipment (PPE) out of pocket, and the state cut funding for pre-k education.
  - According to Jim Anderson, the \$12 million is the only money the school district has received to respond to COVID (so far).
  - Consider a meeting between the ASD and the MOA to better understand the needs of ASD if/when they approach their reopening phase.
  - Austin has a copy of the ASD’s proposed spending plan for the \$12 million they have received; Jennifer will send it around to Assembly members for review.
- FEMA Reimbursement funds: these funds are a bit different than others in the list since they are reimbursement for money already spent, not available funds.
  - MOA can estimate the burn/use rate of the funds and anticipated additional spending; it largely depends on infections in Anchorage and the needed resources to respond. The public assistance funds should be available as long as there is a need; no current concerns about this going away.
- The proposed \$12.5 million funding for the purchase of the three buildings for homelessness beds and services was moved to proposal status.
- CARES Act funding process:
  - First installment is \$116.78 million
  - Once 80% of that has been spent, MOA can apply for the second installment from the state (another \$19.97 million), and once 80% of that has been spent, can apply for the final \$19.96 million.
  - Total amount available across all three installments is \$156.7 million.
  - Funding must be spent by December 30, 2020.
  - Want to avoid holding too much in contingency – the emergency is happening now and we want to distribute funds available as quickly as possible.

### Review and Confirmation of the COVID-19 Response Framework

- Discussion about splitting the “Housing and Homelessness” priority area into two priority areas; Assembly members shared perspectives for both keeping together and splitting.
- Suggestion that under Timeline → Long Term response, the text at the end of the second guiding question, “but are not immediate needs” be removed.

### Review, Discuss and Amend the Proposed Funding List

#### Process Notes

- MOA prepared a proposed funding list for review and discussion. For many of the proposed line items the MOA has draft agreements in place and additional documentation available. MOA wants to avoid the uncertainty and delays experienced at the state level by positioning these projects so they can be implemented as quickly as possible, if/when approved.
- Some Assembly members acknowledged there may be conflicts with individual members who serve on the boards of proposed recipient organizations/businesses or who have family members who work for some of

the proposed recipient organizations/businesses. Recommend identifying how to address/resolve this conflict while still allowing impacted Assembly members to participate in the voting process for the ultimate funding resolution. The Board of Ethics will follow up on this.

- Discussion around additional funds coming from Congress and how that should impact these allocations.
  - MOA staff originally determined not to include funding for priorities such as individual stimulus payments because the expectation is Congress will likely include that in an upcoming bill.
  - Some Assembly members pushed back, not wanting to make decisions regarding current needs based on anticipated money from Congress.
  - If MOA allocates money for something and Congress later creates funding for that same objective, currently the MOA may not be able to reallocate or repurpose those funds. However, Congress has indicated they hope to give more flexibility to states and municipalities in future COVID-19 related legislation, so that may change.
- See Kate Vogel's memo for additional guidance on allowable capital expenditures. Overall if there is a direct correlation or impact from COVID-19, then capital costs are okay; job-creating packages are also allowed.
- These MOA funds would likely be awarded through a mix of grants and in some cases, competitive bids.

### Proposal Discussion

- First Responders Payroll Reserve
  - The MOA confirmed if CARES Act funds are spent on law enforcement (an eligible category), that could free up general funds that could then be routed to the MOA's COVID-19 response but with a more flexible timeline for spending (six to 12 months instead of December 30<sup>th</sup>). This is essentially a workaround that would extend the December 30<sup>th</sup> deadline for using the funds.
  - Reduced this reserve from \$25 million to \$21 million. The \$4 million was reallocated to a new line for mental health first responders, split between the first installment and third installment.
- Healthy Spaces Unit
  - Changed name to Healthy Public Spaces Unit.
  - This would be for year-round camp abatement; more information on this proposal will be available in the next few days.
  - CARES Act could fund this through 2020, with the alcohol tax revenues helping with year-round abatement beyond. CARES Act could help cover the cost of needed capital equipment (estimated at \$500k) to expand into year-round abatement.
- Anchorage Health Department Capacity
  - The additional capacity at the Anchorage Health Department would be to expand the number of public health nurses and add an epidemiologist.
  - Most of the proposed expenditures on the list are one-time costs, but the epidemiologist would be a long-term ongoing expense if we opt to continue to fund the position beyond COVID-19.
- Girdwood Clinic
  - Concern over whether this is sufficiently tied to COVID-19 impacts to justify using CARES Act funding. Discussed that yes, the clinic is outdated and is a critical part of the COVID-19 response in Girdwood. So far Eagle River and Girdwood have received comparatively less funding from emergency response measures than other parts of Anchorage. Could spend less right now on immediate clinic adaptation needs if we want to push out the major renovations but ultimately the clinic will require a major upgrade in the coming years. It is also a key emergency medical facility for vehicle accidents along the Seward Highway.
  - Need to research whether this proposal could be spread over 2-3 phases of funding or if it all needs to be at once. In current proposal, the project is split between installments one and two.

- Public Lands Jobs Program
  - The jobs programs should be reviewed to consider people with disabilities. Right now most of the proposed projects involve manual labor but MOA can work with Meg and other Assembly members to ensure there are also opportunities for people with disabilities.
  - Amount was increased from \$1.5 million to \$2.01 million. This includes:
    - Added Glen Alps parking expansion (estimated at \$50k)
    - Rabbit Lake trailhead improvements (roughly estimated at \$150k)
    - Flattop trail repair
    - Proposed indigenous wayfinding project. Anchorage Park Foundation already has a fire bag concept from a local artist; could be designed and fabricated with local labor; installation costs not currently included. First sign would be \$40k, an estimated additional \$310k to do all the proposed signs.
- Small Business Stabilization
  - Added \$2 million in the second installment for a total of \$7 million.
  - The State still has extensive funds they have not allocated. Is it possible for businesses to receive CARES Act funding from both the MOA and the State? We do not want to hamper Anchorage businesses by giving them money if it means they are ineligible for state funds later.
  - Should encourage small businesses to request/apply funds from the State. There needs to be greater pressure on the State to distribute their funds.
- Visit Anchorage
  - Concerns some of these dollars would go out of state, and want to prioritize in-state spending.
  - The proposal has substantial backup, including proposed adaptation and reactivation of Visit Anchorage staff to market for 2021 season. The amount listed in the MOA spreadsheet was already less than half Visit Anchorage's normal operations budget.
  - Reduced the proposed amount from \$3.6 million to \$2.6 million.
- Nonprofit Stimulus
  - This will include organizations besides 501(c)3s. For example, the Eagle River Chamber of Commerce will be eligible. Chris Schutte is in communication with the Eagle River Chamber of Commerce to understand their needs.
  - The MOA has not yet determined/itemized the organizations who will receive this funding; it may be allocated similar to the earlier round of business stabilization funds.
  - Hoping the State of Alaska and Congress continue to set aside additional funding for these groups. Not great nonprofit application turnout for previous MOA emergency funding; MOA is revisiting application criteria with Foraker's help to expand eligibility.
  - Reduced the proposed amount from \$4 million to \$3 million.
- Iditarod
  - The original proposal was much larger but the MOA reviewed the proposal and selected specific activities that are directly related to COVID-19 response, and used those activities to develop the estimated funding amount.
- Cultural Pillars Stabilization
  - Added the zoo to this proposal line.
  - The amounts for both the zoo and the Alaska Wildlife Conservation Center are rough estimates and need refinement; we do not currently have an understanding of exact needs.
  - Consider requiring this funding and possibly funding for other organizations to be tied to ticket sales or demand-based subsidies, so organizations and businesses are still incentivized to promote themselves. Could zoo tickets be purchased for youth as an education opportunity?

- Added the Alaska Wildlife Conservation Center to the project line and confirmed it is in the municipality's boundaries.
  - Increased the proposed amount from \$2 million to \$3.5 million.
- Arts & Culture Organizations Stabilization
  - Reduced the proposed amount from \$2.5 million to \$2 million.
- FEMA 85% match
  - Split from first installment into second and third installment and changed from \$8 million to \$12 million total.
- Assisted Living Homes
  - Added \$2 million for this proposal.
  - We want to protect workers in those settings and keep residents safe. If assisted living homes close, that puts an even greater strain on families.
  - Jason will follow up to learn whether assisted living homes and assisted living facilities have been going through the Emergency Operations Center (EOC) for their PPE needs.
  - People with disabilities may not be able to follow strict PPE requirements and these facilities need to be flexible in their implementation of PPE use.
  - Funding amount could be based on capacity restrictions, and structured as a pilot program for future expansion; could also include operating requirements.
  - Involve the Alaska Mental Health Trust Authority in the design/implementation of this proposal.
- Mortgage and Rental Assistance
  - Added \$20 million for this proposal (\$15 million in first installment, \$5 million in second installment).
  - Also included funding for navigation and legal services to help people access the resources that are available. CIHA and NWA prepared a joint proposal summarizing the need.
  - Would like to provide an additional four months of rental support.
  - Michele Brown from United Way agreed they could expand capacity to properly direct/disperse the increase in proposed mortgage and rental assistance funds.
- Domestic Violence Prevention and Intervention
  - Added \$500,000 for Abused Women's Aid in Crisis (AWAIC) funding for domestic violence intervention support.
  - Suzanne will follow up with AWAIC to identify a more precise dollar amount for the funding.
- Child Care Assistance
  - Added \$5 million for child care. Consider structuring as parent-based grants instead of facility-based grants for parents who want more flexible options, including in-home or pod-based care.
- ERTF Vouchers
  - Added \$1 million for a pilot voucher project.
  - The Economic Resiliency Task Force (ERTF) recommended grant funding for vouchers for vulnerable households to purchase gas, groceries, medicine, etc. The proposal from ERTF did not go into specifics on amounts or methodology, it is not clear how to achieve this outcome.
  - Consider doing a small initial pilot with the most at-risk households based on their threshold below the poverty line. For example, \$200 per family each week plus an additional \$25 per child per week.
- Public Restrooms
  - Added a \$250,000 proposal for public restrooms.
- Staff Capacity for CARES Act Administration
  - Added \$500,000 to temporarily expand MOA capacity to administer and manage CARES Act funding.
- Contingency Fund

- Used the remaining unallocated funds as a set aside for contingency funds; \$1.3 million in first installment, \$3.2 million in second installment, and \$12 million in third installment
- Other discussion not related to a specific funding proposal
  - The Volunteers of America proposal for mental health clinicians is contained in a separate Assembly resolution and not addressed in this CARES Act funding proposal.
  - Recommendation the Office of Equity is accounted for somewhere in this funding proposal.

### Alignment with Alcohol Tax, 2021 Budget Priorities

- Healthy Public Spaces: CARES Act only goes through December 2020; alcohol tax could fund beyond.
- Pre-K Funding: CARES Act plus the proposed 2021 budget amount would fund through the school year.
- Public Restrooms: long term operations could be funded via alcohol tax, or even via rate increase with AWWU for ongoing maintenance.
- Mental Health First Responders: also possible alignment with alcohol tax.
- The Homelessness Committee is preparing two proposals for the 2021 budget priorities: homelessness shelter operations and year-round camp abatement. Hoping to operationalize those activities. Most of this could be phased to happen after.

### Next Steps

- Agnew::Beck will compile and package the results from both work sessions.
- Northwest Strategies has been hired to assist with communications. They are getting ready and standing by to help communicate the outcomes of this work session.
- The proposed work session spreadsheet will be available to the public and Assembly members can talk with their constituents about the proposed list.
- The MOA will review the edits from the work session and prepare a revised version which will be attached to the addendum.
- The updated framework will also be attached to the addendum.
- There may be a need for a final interim work session for Assembly members to review and refine the MOA's revised version with MOA staff before August 11<sup>th</sup>, including identifying amendments.
- On August 11, MOA will roll out priority projects with a resolution and a public hearing.