

**RESOLUTION NO. 924**

**A RESOLUTION OF THE CITY OF UNIVERSITY PLACE APPROVING AN INTERAGENCY AGREEMENT FOR CORONAVIRUS RELIEF FUND FOR LOCAL GOVERNMENTS AND SETTING FORTH GUIDELINES FOR THE DISTRIBUTION OF CORONAVIRUS RELIEF FUNDS TO THE UNIVERSITY PLACE COMMUNITY**

WHEREAS, COVID-19 is a contagious and potentially deadly virus that has been declared a pandemic event by the World Health Organization; and

WHEREAS, on March 16, 2020, the City of University Place declared a state of emergency related to COVID-19; and

WHEREAS, actions taken to mitigate the spread of COVID-19 have resulted in widespread social and economic disruption throughout the City of University Place; and

WHEREAS, the City of University Place will receive, on a reimbursement basis from the State Department of Commerce, the sum of \$992,700.00 from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); and

WHEREAS, the CARES Act and the State guidelines which provide for the distribution of the funds provide that payments may only be used to cover costs that: (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019; (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and (3) were incurred during the period that began on March 1, 2020, and ends on October 31, 2020; and

WHEREAS, the U.S. Department of the Treasury has specifically advised that recipients such as the City of University Place may use fund payments to provide emergency financial assistance to businesses directly impacted by the COVID-19 public health emergency. This federal guidance affords local governments, such as the City, the discretion to determine what payments are necessary. It adds that "[a] program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance." Furthermore, "[t]he amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure[.]" The federal guidance goes on to add that businesses "affected by decreased customer demand as a result of the COVID-19 public health emergency," are eligible for grant programs which benefit small businesses; and

WHEREAS, in its most recent legislation addressing its biannual goals and priorities, the University Place City Council in Resolution 864 recognized that its top priority was its focus on businesses within the City. To that end, the City Council set forth the goal to identify, retain and recruit those "[b]usiness[es] which] can thrive with University Place's geographic, social and quality of life assets," in addition to those "business types that have the optimum ratio between tax revenue and the cost to provide local government services to that business type[.]" and

WHEREAS, the COVID-19 crisis has forced governments and local businesses alike to reexamine their long-term planning. On the local government side, both the State of Washington and a number of local governments are implementing cost-containment measures in the way of service cuts and reductions in force. Already, the State has seen record unemployment and a number of University Place businesses either have closed or are at risk of closing; and

WHEREAS, focusing on businesses, and in particular those businesses which directly support the local economy through the payment of sales tax is necessary to ensure the continuity of governmental services for all residents of the City. By way of illustration, because of the Great Recession of 2007-2009, due to falling revenues, the City cut approximately one-third of its staff which resulted in a reduction of public-facing services, including a reduction in its law enforcement services by approximately one-third.

These impacts were felt after the Recession concluded when, in 2017, the City cut its Parks & Recreation Department due to continued sales tax shortfalls; and

WHEREAS, the U.S. Department of the Treasury has specifically advised that recipients such as the City of University Place may use fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency. Such guidance extends to payments for “program[s] to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for ... other emergency individual needs.” The City of University Place further determines that such assistance, in the form of a program to assist individuals with payment of overdue rent, utilities and childcare is a necessary expenditure, consistent with the City’s emergency response and appropriate in light of the exigencies of the situation to maintain both housing and employment for its residents; and

WHEREAS, the City recognizes that providing housing assistance accomplishes fundamental governmental purposes in ensuring housing. Moreover, by expending monies in this way, the City is avoiding the necessity of spending increased funds in addressing future homelessness. This action is necessary to support both the poor or infirm as it is limited to those who have suffered financial impacts of COVID-19; and

WHEREAS, the City Council also takes note that food stability in this time has directly impacted the local community. It is therefore appropriate to make a direct appropriation to ensure that the residents of the City of University Place, who need food, have a means of obtaining it; and

WHEREAS, the City Council wishes to appropriate and deploy portions of said funds within the community, emphasizing small business stabilization, housing stabilization and human service needs occasioned as a result of COVID-19. These actions further long-standing City goals and priorities, are consistent with the fundamental purposes of government by addressing the welfare of the residents of the City of University Place, and the use of these funds in the manners set forth herein are necessary, appropriate and proper under both state and federal law;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AS FOLLOWS:**

Section 1. Approval of Contract with Department of Commerce. The City Council hereby approves execution of the Interagency Agreement between the City of University Place and the Washington State Department of Commerce for the Coronavirus Relief Fund for Local Governments, in substantially the form of the documents on file with the City Clerk. The proper officials of the City of University Place are authorized to execute and implement the Interagency Agreement.

Section 2. Creation of Stabilization Programs.

The City Council establishes the following grant programs to provide community stabilization:

- A. The City Council establishes the COVID-19 City Business Relief Funds Program. These funds allocated to this program shall be expended consistent with the criteria described in Exhibit A, attached hereto.
- B. The City Council establishes the COVID-19 Human Services Stabilization Program. These funds allocated to this program shall be expended consistent with the criteria described in Exhibit B, attached hereto.

Section 3. Allocation of Coronavirus Relief Funds.

- A. Subject to the constraints otherwise set forth in this Resolution, the City Council directs the following sums of those of Coronavirus Relief Funds (i.e. those funds which are to be received or anticipated to be received via the interagency agreement identified in Section 1 of this Resolution), to be allocated to the following programs:

1. Five hundred thousand dollars (\$500,000.00) shall be allocated to the COVID-19 City Business Relief Funds Program. Of these funds, four hundred thousand dollars (\$400,000.00) shall be initially dedicated to businesses addressing the City's priority needs (referred to in the program herein described as "Tier 1" businesses).
  2. One hundred thousand dollars (\$100,000.00) shall be allocated to the COVID-19 Human Services Stabilization Program. Of these amounts,
    - a. an amount, not exceeding ten thousand dollars (\$10,000.00), may be allocated first to nonprofit corporations who have demonstrate a direct impact related to COVID-19 and who provide human services to the University Place Community, with a maximum grant amount of \$3,000.00. The criterion generally applicable, excluding compliance with the City's business licensing requirements, to those Tier 2 business are applicable to an award of funds under this subsection;
    - b. An additional ten thousand dollars (\$10,000) together with any monies which may be unallocated under subsection (a) by August 17, 2020 to nonprofits may be allocated to one or more nonprofit corporations with a demonstrated commitment towards serving the human services needs of University Place residents for the purposes of ensuring food stability and other related human services impacts presented by COVID-19 within the City of University Place during the course of this emergency.
  3. The remaining funds, in the amount of three hundred ninety-two thousand, seven hundred dollars (\$392,700.00) are subject to allocation for reasonable, proper, authorized and necessary expenses via the City's purchasing processes or via separate legislation. These expenses may include, but are not limited to: personnel costs, City's equipment needs, facility improvements, personal protective equipment and other expenditures authorized by the Interagency Agreement or the CARES Act.
- B. Any monies which the Council has directed their use for any of the programs identified in Subsection (A) and any subparts thereof, which have not been committed by August 17, 2020 may be reallocated by the City Manager between the programs identified in this Resolution.

Section 4. Administration of Stabilization Programs. The administration of the programs set forth in Section 2 shall be subject to the following parameters and guidelines:

- A. The City Manager or his designees are authorized to take and execute any additional measures or documents that may be necessary to administer these programs and the interagency agreement authorized in Section 1 of this Resolution and to make necessary changes to the administration of these funds which are consistent with this Resolution, excepting that changes to maximum grant amounts or maximum funding amounts shall be approved by the University Place City Council.
- B. City staff shall develop any application documents to ensure that the process is as simple, streamlined, and easy for the applicant as possible.
- C. The City Manager will provide a report to the University Place City Council documenting the grant funding, the amount of the funding, the need and remaining grant fund balance.
- D. The City Manager may, but is not required to, execute one or more contracts for services to aid in the administration of these Programs provided that the costs of administration does not exceed the spending authority set forth in Chapter 4.50 of the University Place Municipal Code. The costs of administration associated with any such contracts may be deducted from the funds associated with the Program(s).

- E. The City Council makes the express determination that, notwithstanding any provision of the University Place Municipal Code or internal policy to the contrary, that any such contracts necessary to implement Subsection (A)(3) of Section 3 of this Resolution are within the scope of the emergency management authority contained within Section 2.35.080 of the University Place Municipal Code and/or Resolution 917 ("A Resolution Of The City Of University Place, Washington Certifying The Existence Of An Emergency Relative To COVID-19") and are not subject to competitive bidding or other similar requirements associated with the City's emergency response.

Section 5. Legislative Findings. To the extent that legislative findings are necessary, the recitals set forth above are hereby adopted as the City Council's legislative findings in support of the funds, policies, expenditures and other actions undertaken pursuant to this Resolution. The Council reserves the right to supplement its findings at a later time, if in its sole discretion, it deems it necessary to do so.

Section 6. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and, to this end, the provisions of this Resolution are severable; unless however, the invalidity pertains to qualifying criterion for one of the subsidiary Programs (i.e., Tier 1/2 businesses or specific human services components) set forth herein, in which case, all qualifying criterion for such subsidiary Program shall be deemed not to have further effect with Council retaining the ability to redraft new criterion in light of the invalidity.

Section 7. Retroactive Ratification of Actions Taken. Any and all actions taken by the City Manager or City staff related to either the Interagency Agreement identified in Section 1 or the Programs outlined herein that occurred prior to the authorization provided in this Resolution are hereby ratified and approved.

Section 8. General Provisions.

- A. This Resolution shall be implemented consistent with applicable law and subject to the availability of funding.
- B. This Resolution is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the City of University Place, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Section 9. Effective Date. This Resolution shall take effect immediately upon its adoption.

**ADOPTED BY THE CITY COUNCIL ON JULY 6, 2020.**

  
Caroline Belleci, Mayor

**ATTEST:**

  
Emmelia J. Genetia, City Clerk

**APPROVED AS TO FORM:**

  
Matthew S. Kaser, City Attorney

**EXHIBIT A**  
**COVID-19 CITY BUSINESS RELIEF FUNDS PROGRAM**  
**GRANT CRITERIA & PROCEDURES**

To assist small, locally-operated University Place-based for-profit businesses, the City of University Place is committing up to five hundred thousand dollars (\$500,000.00) to the COVID-19 Small Business Stabilization Grant Program, an emergency fund that provides working capital grants in amounts up to \$20,000 to qualifying small businesses.

**Criteria for All Applicants**

All applicants must meet the following criteria for financial support:

- 1) Businesses physically located within City boundaries.
- 2) Businesses that have a City of University Place business license and meet one of the following two requirements:
  - a. Have been continually licensed with the City of University Place since March 16, 2019 to the present; or
  - b. The business has:
    - i. established a business location in University Place between March 16, 2019 and March 16, 2020; and
    - ii. been both continually operating in the City of University Place and held a City of University Place business license since establishment and through June 30, 2020; and
    - iii. five or more full-time equivalent employees (FTEs) whose primary workstation is within the City of University Place.
- 3) Experienced a loss of 25% or more in revenue due directly to COVID-19 impacts (comparing March 1, 2019 – June 30, 2019 with March 1, 2020 – June 30, 2020).
- 4) Businesses with twenty-five (25) or fewer full-time equivalent employees (FTEs) whose primary workstation is within the City of University Place.

The number of FTEs is determined by calculating the sum of each employee's average number of hours paid per week, divided by 40, and rounding the total to the nearest tenth. The maximum for each employee is capped at 1.0.

- 5) Businesses in good standing, current on all City taxes and fees due, current on all State and City regulatory requirements, and no outstanding code violations. For the purposes of this requirement, the business is not disqualified if it has taken advantage of an extension of taxes and fees, or other regulatory requirements, if those obligations have been suspended or deferred by appropriate local or state directives.
- 6) Unless exempt, have available for inspection a written Safety Plan outlining how its workplace will prevent the spread of COVID-19 that is at least as protective as the requirements from the Washington State Department of Labor & Industries. If the State of Washington has issued

guidance for the business' specific industry, the Safety Plan must also be compliant with any industry-specific guidance.

- 7) As a condition of receiving a grant, the business must also commit to the following minimum requirements: (a) cooperate with public health authorities in the investigation of cases, suspected cases, outbreaks, and suspected outbreaks of COVID-19; (b) cooperate with the implementation of infection control measures, including but not limited to isolation and quarantine and follow the cleaning guidelines set by the CDC to deep clean and sanitize; (c) comply with all public health authority orders and directives; and (d) comply with all Department of Labor & Industries interpretive guidance, regulations, and rules and Department of Labor & Industries-administered statutes.
- 8) Grants may be used to leverage funding from a public or private financing program.

### **Exclusions from the Program.**

Entities meeting one or more of the following criteria are excluded from receiving grants under this Program:

- 1) Businesses that have more than twenty-five (25) FTEs whose primary workplace is within the City of University Place; or
- 2) Businesses that qualified as an "essential business" and remained open to the public or worked under normal operating conditions from March 16, 2020 to June 30, 2020, unless the business can prove a loss of 25% revenue due to COVID impacts (comparing March 1, 2019 – June 30, 2019 with March 1, 2020 – June 30, 2020);
- 3) Nonprofits and governmental entities.
- 4) Grants cannot be made to businesses owned, or partially owned, by managers, officers, directors, employees or other public officials associated with the City of University Place.

### **Grant Guidelines**

#### **Tier 1 Businesses.**

Businesses qualifying under Tier 1 will be eligible for grants ranging between \$1,000 to \$20,000.

Businesses meeting the following additional criteria shall be entitled to Tier 1 status:

- 1) Businesses that collect and remit sales tax to the State of Washington, with a minimum sales tax remission to the State of Washington in the amount of \$10,000 in 2019 or \$2,500.00 for first quarter (i.e., January 1-March 31) 2020; and
- 2) Businesses that have a store-front and visible presence within any of the commercial areas within the City of University Place.

For the purposes of this criteria, a business has a "store-front and visible presence within any of the commercial areas," of the City if the business is located in one of the following zones: Mixed use Office (MU-O); Neighborhood Commercial (NC); Mixed Use (MU); Town Center (TC); Community Commercial (CC); Mixed use Maritime (MU-M); and Light Industrial – Business Park (LI-BP).

The determination of the specific grant amount shall be as follows.

The minimum grant shall be \$1,000.00. An additional \$1,000.00 shall be awarded per FTE then-employed as of March 16, 2020. An additional \$1,000.00 shall be awarded for each year in excess of two years that the business has continuously held a City of University Place business. The maximum grant shall be \$20,000.00.

### **Tier 2 Businesses.**

Businesses which do not meet the Tier 1 requirements are identified as Tier 2 businesses.

Businesses qualifying under Tier 2 will be eligible for grants ranging between \$1,000.00 to \$5,000.00. The determination of the specific grant amount shall be as follows:

The minimum grant shall be \$1,000.00. An additional \$1,000.00 shall be awarded for each FTE then-employed as of March 16, 2020, excluding those with an ownership interest in the business.

### **Uses of Grant Funds**

All grant recipients are subject to the following limitations on the use of grant funds.

#### **Grant funds 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 business; provided such expenses have not been and, to the best knowledge of the recipient, will not be reimbursed under any federal, state or regional program, including any grant or loan programs.
3. Normal operating costs that are included in "cost of goods sold" on businesses' income statement (raw materials for manufacturers, component pieces for assemblers, items for resale for retailers, food for restaurants, etc.)
4. Normal operating expenses that are included in "operating expenses" on businesses' income statement (utilities, insurance, professional services, etc.)
5. Normal draw or wages on a weekly or monthly basis to owner
6. Increased costs which are necessary to comply with safety-compliance measures or regulatory compliance associated with COVID-19.

#### **Grant funds may not be spent on the following:**

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 exceeded the amount that they were paid on a weekly or monthly basis for the same period last year
8. Pay down or pay off debt by more than required in underlying debt instrument.
9. Payment of local, state or federal taxes or assessments.
10. That portion of payroll and other employee- or business-associated costs for which the Recipient has received or expects to receive reimbursement from other federal, state or regional funds (e.g. Payroll Protection Program or unemployment insurance).

**Identification of Grant Recipients.**

Initial applications shall be received for a period of two weeks. In the event that the total number of grant funds requested by qualified applicants exceeds available funds for a given tier, the City will randomly select qualified applicants within that tier to receive grant awards. Any remaining funds, after this initial distribution, shall be distributed on first-come first-served basis to qualified applicants within that tier.

**EXHIBIT B**  
**COVID-19 HUMAN SERVICES STABILIZATION PROGRAM**  
**GRANT CRITERIA & PROCEDURES**

To assist University Place-based residents, the City of University Place is committing up to one hundred thousand dollars (\$100,000.00) to the COVID-19 University Place Human Services Stabilization Grant Program, an emergency fund that provides grants to qualifying residents. These grants shall be used for rental assistance, utility assistance and childcare. The following are the criteria for financial support:

**Criteria for All Grant Programs:**

1. The applicant must live within the city limits of the City of University Place as of March 16, 2020 and continuing through the date of application.
2. The applicant must certify that they have sustained a substantial loss of income due to COVID-19 and that the funds used from one or more of the programs below is necessary to address the direct impacts of COVID-19. This may be verified by proof of documentation.
3. The maximum available for a residence is \$3,000.00.

**Additional Criteria for Rental Assistance:**

1. The applicant must certify that they have not intentionally withheld rent from their landlord.
2. Duration of assistance per residence will not exceed 3 months' worth of rent.
3. Amount of assistance will be the difference between the contract rent and 30% of the applicant's monthly income. Applicant will be required to pay the equivalent of 30% of his or her current monthly income. The remainder will be covered by the rental supplement assistance program, up to a maximum amount of \$ 3,000.00 per residence or 70% monthly contract rent, whichever is less.
4. Rent must have been current as of March 16, 2020; this program will not assist with pre-emergency arrears.

Direct payments under this program will be made to a landlord who:

1. Holds rental property within the City limits within the City of University Place as of March 16, 2020;
2. Holds a current City of University Place Business License; and
3. In the event that the combination of monies paid directly by the tenant and the City do not cover the balance (including unpaid rent, late fees and other charges), the landlord and the tenant shall be required to engage in good faith dialogue to address these balances, which may include but is not limited to the forgiving of any balances or entry into a payment plan for these balances.

**Additional Criteria for Utility Assistance:**

1. Utilities must have been for services provided after March 1, 2020.

2. Amount of Assistance. The amount of assistance for the lesser of \$1,000.00 or the arrearage for the following utilities: electrical, drinking water, and/or natural gas, as evidenced by the most recent monthly billing(s).
3. The applicant must certify that they have not intentionally withheld payments from their utility provider.

**Additional Criteria for Child Care Assistance**

1. The parent must either (a) be employed or self-employed in legal, income-generating, taxable activities or (b) certify that the child care services are necessary to become so employed and there is a likelihood that without such services the applicant will not be able to obtain such employment.
2. Childcare assistance will be available for the following providers:
  - a. Licensed or certified childcare centers.
  - b. Licensed or certified family childcare homes.
  - c. Day camps.

Payments made under this program will be made directly to a childcare provider who:

1. Is licensed with the State (or exempt from licensing) and in good standing;
2. Is located within Pierce County;

**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 exceeded the amount that they were paid on a weekly or monthly basis for the same period last year
8. Pay down or pay off debt by more than required in underlying debt instrument.