



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: June 26, 2020

RE: **Authorizing an Agreement Between the City of Ketchikan and Community Connections to Administer the City's CARES Act Residential Rent and Mortgage Assistance Program**

The motion detailed below was prepared at the request of Finance Director Bob Newell, who asked that it be placed before the City Council for consideration at its meeting of July 2, 2020. If adopted, the motion provides for authorizing my office to enter into an agreement with Community Connections to administer the City's CARES Act Residential Rent and Mortgage Assistance Program. An explanation of the proposed program and rationale for contracting with Community Connections are detailed in the Finance Director's transmittal memorandum and requires no elaboration on the part of my office. I concur with Mr. Newell's recommendation.

Community Connections has proposed a program that would provide grants in the amount of \$1,500 to qualifying households to help them with rent or mortgage payments. In order to target those households that are most vulnerable to possible eviction, funds will be initially limited to those that have had a loss of income on or after March 16, 2020 due to the COVID-19 pandemic. Only households earning at or under the Maximum Allowable Household Income (annual) of \$69,840 set by the Alaska Housing Finance Corporation will be considered.

Community Connections has proposed an administrative fee not to exceed 6% of the amount awarded under the program to cover the agency's costs.

Since funding for this program is limited to City's CARES Act funding, it is proposed that only City residents would be eligible to participate in the grants.

The Finance Director will attend the City Council meeting of July 2, 2020, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended the City Council adopt the motion approving a memorandum of agreement between the City of Ketchikan and Community Connections to administer the City's CARES Act Residential Rent and Mortgage Assistance Program and authorizing the City Manager to execute the agreement on behalf of the City Council.

Recommended Motion: I move the City Council approve a memorandum of agreement between the City of Ketchikan and Community Connections to administer the City's CARES Act Residential Rent and Mortgage Assistance Program and authorize the City Manager to execute the agreement on behalf of the City Council.

MEMORANDUM
CITY OF KETCHIKAN, ALASKA
Finance Department
Office of the Finance Director

Bob Newell, Finance Director
Camille Nelson, Financial Analyst
Phone: (907) 228-5621
Facsimile: (907) 228-5617

To: Karl R Amylon, City Manager/KPU General Manager

From: Bob Newell, Finance Director

Date: June 25, 2020

Subject: **Approving An Agreement Between The City And Community Connections To Administer The City's CARES Act Residential Rent and Mortgage Assistance Program**

At its special meeting of June 11, 2020, the City Council developed and approved a plan for spending the first installment of the City's CARES Act funding. In addition to the \$5.9 million received from the State of Alaska, the Ketchikan Gateway Borough has agreed to transfer up to \$1.2 million of its CARES Act funds to City for the purpose of funding an electric utility subsidy payment program and a sheltering and food security program to be administered by the City. The programs developed and approved by the City Council are listed below.

Electric Utility Subsidy Payment Program	\$2,440,000
Moorage Subsidy Payment Program	299,347
Daycare Assistance Program	350,000
Small Business Assistance Program	2,480,000
Residential Rent and Mortgage Assistance Program	1,000,000
Sheltering and Food Security Program	200,000
Non-Profit Assistance Program	350,000
	<u>\$7,119,347</u>

One of the programs approved by the City Council was a \$1 million program to help local residents impacted by the COVID-19 pandemic with their rent and mortgage payments. Lacking the expertise in this area, staff reached out to a third party to administer its CARES Act Residential Rent and Mortgage Assistance Program so that the funds could be distributed to the citizens of our community as quickly as possible. Our primary goals were to select a third party that has the administrative capacity to review and process applications for the CARES Act Residential Rent and Mortgage Assistance Program and a network in place to reach out to the targeted population. After meeting with Community Connections and reviewing their proposal, it was determined that Community Connections would be able to help the City meet its goals.

Community Connections has proposed a program that would provide grants in the amount \$1,500 to qualifying households to help them with their rent or mortgage payment. The funds would be disbursed directly to the applicant's landlords or the financial institution holding applicant's mortgage. Only one application will be accepted from each qualifying household. Community Connections would be responsible for advertising the program, acting as a point of contact for the program and reviewing and approving applications. Approved applications would be forwarded to the City for disbursement to the applicant's landlord or financial institution.

Community Connections will be responsible for administering the program on behalf of the City, implementing adequate internal controls to ensure that the funds are being used for their intended purposes and in compliance with the CARES Act and reporting to the City on the funds awarded.

Karl. R. Amylon
June 25, 2020
Page 2

For this service, Community Connections is requesting an administrative fee not to exceed 6% of the amount awarded to cover their costs.

I have attached for your review a draft memorandum of agreement between the City and Community Connections and a proposed application form. If the City Council authorizes the city manager to enter into an agreement with Community Connections, my office will work with Community Connections and the city attorney to finalize the agreement.

I recommend that the City Council authorize the city manager to enter into an agreement with Community Connections to administer the City's CARES Act Residential Rent and Mortgage Assistance Program. Community Connections provides a broad range of services to the residents of all ages residing in Ketchikan, Metlakatla and Prince of Wales Island. Community Connection was founded in 1985 and employs over 200 employees.

Recommended Motion:

I move the City Council approve a memorandum of agreement between the City and Community Connections to administer the City's CARES Act Residential Rent and Mortgage Assistance Program and authorize the city manager to execute the agreement on behalf of the City Council.

COVID-19 RENTAL AND MORTGAGE ASSISTANCE PROGRAM

MEMORANDUM OF UNDERSTANDING

BETWEEN THE CITY OF KETCHIKAN AND COMMUNITY CONNECTIONS

Overview

The City of Ketchikan has made \$1,000,000 available in response to the COVID-19 crisis and the economic impacts (CARES) on Ketchikan households. This program is intended to help keep people in their homes who are currently experiencing hardship due to the loss of employment and/or income causing the inability or difficulty to cover rent or mortgage payments as a result of the COVID-19 Pandemic.

Community Connections, in collaboration with the City of Ketchikan, will operate and administer the program. Community Connections will review and approve applications and the City will write and distribute checks in the amount of \$1,500 to households who qualify. Community Connections reserves the right to approve funds on a first come, first serve basis should there be qualified household applications in excess of the \$1,000,000. Awards will be limited to one per household.

Funds will be limited to those who have had a loss of income on or after March 16th, 2020 due to COVID-19. Furthermore only households earning at or under the Maximum Allowable Household Income (annual), set by the Alaska Housing Finance Corporation, of \$69,840.00 will be considered.

Responsibilities

Community Connections will

- Advertise the program
- Intake and screen applications
- Be point-of-contact to address potential questions or concerns
- Review and approve applications
- Send approved applications to the City
- Notify applicants of their approval or denial
- Report back to the City on funds awarded

The City of Ketchikan will

- Write and distribute checks to households selected

The City of Ketchikan will pay an administrative fee, not to exceed 6%, to Community Connections for staff time, the administration, management and advertisement of the program.

Key components

- A focus on households where a member has lost their job or has experienced diminished wages as a result of the COVID-19 pandemic and are unable to pay their monthly rent or mortgage;
- Income limits up to \$69,840.00 annually per household;
- Program to cover rent/mortgage only (no damages, down payment, utilities, late fees etc.).

Timeline

Community Connections will accept applications between July 10th and August 10th, 2020. Community Connections will date-stamp applications and send to the City on an ongoing basis. If the demand for grants exceeds available funds, we reserve the right to allocate the funds on a first come, first serve basis.

Application Instructions

Applications can be downloaded online at <https://comconnections.org/covid-relief> or be picked up at Community Connections (721 Stedman St) or the City of Ketchikan office (334 Front St).

Applications can be returned by fax, email or in person to:

James Johnson
Community Connections
721 Stedman St.
Ketchikan, AK 99001
Phone: (907) 225-7825 ext. 326
Fax: (907) 225-1541
Email: james.johnson@comconnections.org

Questions or concerns regarding eligibility or the application process may also be directed to James Johnson at Community Connections.

Advertisement

This program will be advertised in the Ketchikan Daily News, the Local Paper, SitNews, and Facebook.



COVID-19 Rental and Mortgage Assistance Program

Application Instructions

Eligibility

Households must meet the following criteria to be considered for financial relief:

- Be a resident of the City of Ketchikan since March 16, 2020
- Rent or own housing within the City
- Experienced loss of income due to the ongoing COVID-19 Pandemic as of March 16, 2020
- Earn at or under the Maximum Allowable Income (Annual) for Ketchikan Gateway Borough of \$69,840.00 as set by the Alaska Housing Finance Corporation

Funds Availability

The City of Ketchikan has made \$1,000,000 available to households who have had a loss of income on or after March 16th, 2020 due to COVID-19. \$1,500 will be awarded to qualified households while funds remain available.

To Apply

Applications will be accepted between **Friday, July 10th and Monday, August 10, 2020**

Submit applications in one of the following ways:

- *Email:* james.johnson@comconnections.org
- *Fax:* attn. James Johnson (907) 225-1541
- *Mail or hand-deliver to:*

Community Connections
Attn: James Johnson
721 Stedman St
Ketchikan AK 99901

Applications may be amended before the deadline. Incomplete applications will be rejected.

Only one application per household will be accepted.

Applicants will be notified of the status of their application via email to the contact person on the application.

If the demand for grants exceeds available funds, we reserve the right to allocate the funds on a first come, first serve basis. Applications will be date-stamped and processed on an ongoing basis.

Questions

Contact James Johnson at Community Connections for more information or for clarification.

Phone: (907) 225-7825

Email: james.johnson@comconnections.org

RENTAL & MORTGAGE ASSISTANCE APPLICATION

Applicant Information

Name (Last, First, MI): _____

Name(s) as listed on the lease/mortgage: _____

Primary Residence Address: _____

City: _____ State: _____ Zip: _____

Mailing Address (if different than primary): _____

City: _____ State: _____ Zip: _____

Phone: _____

Contact Name: _____

E-mail: _____

Do you rent or own your home?

Own Rent

Is this your primary residence?

Yes No

Have you experienced loss of income due to COVID-19?

Yes No

On what date did your loss of income occur?

Annual Household Income before COVID-19 Hardship:

\$ _____

Annual Household Income after COVID-19 Hardship:

\$ _____

Monthly Mortgage or Rent Payment?

\$ _____

Can you please describe the circumstances in which your employment/income has been reduced due to the ongoing COVID-19 Pandemic?

To be approved for a one-time payment of \$1,500 to assist in covering your rent or mortgage, you will need to provide account information for the funds to be deposited or the name and address of your landlord for a check to be cut and sent.

Please select which method would be applicable and provide the information below:

- Bank Deposit Check

Bank Deposit

Bank Name: _____ Address: _____

Name of Account Holder: _____ Account #: _____

Check

Landlord Name: _____ Address: _____

Landlord Phone Number: _____

Certification

As an official signer of the application, I certify that the information provided in this application is true and accurate. I agree to assist in the verification of information provided in this application and to provide additional information to the City of Ketchikan, if requested.

Signed: _____

Date: _____

Printed Name: _____

suggested limiting the amount of exclusions to ensure the money gets out quickly. She noted the Permanent Dividend Fund will be coming out in July which will help individuals through the summer. She continued then the Borough and City can assist individuals with the second and third rounds of funding to help them get through the winter months.

NEW BUSINESS

Suggested Programs for Funding from the First Installment of CARES Act Relief Funds

Moved by Coose, seconded by Kiffer the City Council direct staff to finalize programs for the disbursement of CARES Act Relief funding in the amount of \$5,919,347 to City residents and businesses as determined appropriate by the City Council.

Suggested Programs	Amount
Utility Assistance	\$ 1,440,000
Moorage Assistance	\$ 300,000
Daycare Assistance	\$ 350,000
Small Business Assistance	\$ 2,480,000
Residential Rent & Mortgage Assistance	\$ 1,000,000
Non-Profit Organizations	\$ 350,000

Manager Amylon gave a summary of the monies that are being made available to the City and Borough, noting the City has \$5.9 million available in the first round. He said it is up to the Council's discretion in terms of how you want to distribute these funds. He indicated staff has put together a draft outline with suggestions for the Council. He said what staff has proposed is in no means written in stone. He said he agreed with the comments made during persons to be heard, there is a lot of need out there and not enough money. He said his office did not receive much of feedback from the community. He explained because of that it is hard to define what the need is in terms of where to target the money and where it will be most effective. He said his office put together a simple program that would make assistance available to areas in which people will need help with, the longer the pandemic goes on.

The Manager's Office submitted a general outline for the first round of funding with recommendations and suggested combining some of the funds with the Borough for quick distribution.

A lengthy discussion ensued between the Councilmembers on what they would like to see regarding programs and distribution amounts for this round and future allocations is summarized below.

- After the distribution of the first round, the Council will have a clearer view of where the second and third round should be dispersed.
- Discussion regarding additional funding to daycare providers and local non-profits to ensure aid to the homeless, disabled and vulnerable people of the community.
- Discussion of collaborating with the Borough and local non-profits.
- Recommendations on application forms and the best way to get the applications and information out to community members.
- Clarification on policies and procedures.
- Possible future joint discussion with the Borough after distribution of first round of funding to discuss dispersal of second and third rounds.
- Discussion regarding different models available for grant distribution.

Councilmember Coose called the question on the motion.

Motion passed with Zenge, Flora, Chapel, Bergeron, Coose, Kiffer and Gage voting yea.

MAYOR AND COUNCILMEMBER COMMENTS

Councilmember Flora stated this topic requires a healthy discussion to get the money out into the community as expeditiously as we can. He reiterated comments that this money will not make individuals or a business's whole, but will help them get by. He said lets learn from this first phase and we can do a better job the second time around.

Councilmember Kiffer echoed Councilmember Flora's comments. He stated that we need to get this process started. He said as a body we will be able to see what did and did not work well and discuss what we can do it make it better for the next round.

Councilmember Zenge said she appreciated all of the work staff has done and all of those in the community who have reached out with their concerns.

Councilmember Bergeron stated that we need to put this money where it would do the most good and felt tonight's process was rushed. He said we have an obligation to seriously consider the best use of these funds whether they go to individuals, non-profits or local businesses.

Councilmember Gage said she is willing to spend more time on this discussion because this has to do with the lives and the wellbeing of everyone in our community. She encouraged everyone to think about what was discussed here tonight. She commented on the COVID-19 unemployment that is available and the difficulties of applying for it. She asked how can we assist people regarding care providers. She echoed Councilmember Chapel's comments on offering mental health services for the community.

Mayor Sivertsen said today was to listen to people and that there is a lot of need out there and we have not even touched the surface yet. He stated we have to move forward with some type of plan and we need to work with the community. He informed we will learn more about our community as we go through this process. He said he hopes that people who need this funding will have access to it. He noted that we need to keep our eye on the ball and adjust as needed to make things right for everyone.

ADJOURNMENT

As there was no further business, the Council adjourned at 7:21p.m.

Robert Sivertsen, Mayor

ATTEST:

Kim Stanker, MMC
City Clerk

FYI ITEMS INCLUDED – None