

# RESOLUTION 1939

## **A RESOLUTION OF THE CITY OF NORTH BEND, WASHINGTON, ESTABLISHING A SMALL BUSINESS AND COMMUNITY ORGANIZATION RAPID RELIEF PROGRAM IN RESPONSE TO THE NOVEL CORONAVIRUS (COVID-19)**

**WHEREAS**, on January 31, 2020, the United States Department of Public Health and Human Services Secretary Alex Azar declared a public emergency for the novel coronavirus (COVID-19) beginning on January 27, 2020; and

**WHEREAS**, on February 29, 2020, Governor Jay Inslee signed a Proclamation declaring a State of Emergency in all counties in the State of Washington due to the number of confirmed cases of COVID-19 in the state; and

**WHEREAS**, the United States Centers for Disease Control and Prevention identifies the potential public health threat posed by COVID-19 as high, and has advised that person-to-person spread of COVID-19 will continue to occur and the best way to prevent a calamitous explosion of cases is to prevent infected people from coming in close contact with healthy ones; and

**WHEREAS**, pursuant to North Bend Municipal Code Chapter 2.68 and RCW 38.52.070, the Mayor of the City of North Bend declared an emergency on March 11, 2020 in order to take such actions as may be necessary to protect the public health and safety (“Mayor’s Proclamation”); and

**WHEREAS**, on March 23, 2020, Governor Jay Inslee imposed a “Stay Home, Stay Healthy” order requiring every nonessential business and community organization to close; and

**WHEREAS**, on April 2, 2020 and again on May 4, Governor Inslee extended the Order, which is currently scheduled to last through May 31, 2020; and

**WHEREAS**, as a result of COVID-19, the U.S. economy shrank by 4.8 percent from January through March; and

**WHEREAS**, North Bend’s economy has been and will continue to be significantly impacted by loss of revenues in sales and retail taxes, business and occupation taxes, property taxes, permit fees and other general revenues from the closure of large portions of economic activity due to COVID-19; and

**WHEREAS**, small businesses and community organizations play a vital role in the overall health and welfare of North Bend’s citizens; and

**WHEREAS**, while the practice of social distancing and other aspects of the Governor’s Order are critical in mitigating the rate of spread of the COVID-19 virus, they are also having significant negative economic effects on small businesses and employees within the City of North Bend; and

**WHEREAS**, citizens, employees and business owners whose primary source of income has been significantly diminished or eliminated entirely by the effects of the COVID-19 pandemic may be unable to continue to afford to stay home or practice social distancing, which will have a negative impact on the public’s health; and

**WHEREAS**, the provision of adequate government services critical to the public health, safety and welfare, including without limitation police, fire, emergency medical services, public health services, potable water, sanitary sewer, and wastewater treatment services, and the provision of local employment opportunities for city, town and county residents, depend in significant part upon the strength and continued viability of local businesses and tax revenues paid by such businesses and their employees; and

**WHEREAS**, it is therefore a fundamental purpose of local government to assist in maintaining the stability of the local economy, and to support community organizations including those that provide necessary human and social services, in order to protect the city’s and the community organizations’ ability to continue to provide essential services for the public welfare and benefit, and to allow citizens, employees and business owners to continue social distancing and other practices necessary to maintaining public health; and

**WHEREAS**, the North Bend City Council recognizes that one of its essential functions is to secure the health and welfare of its citizens, and the City and its state and local government agency partners are working to swiftly respond to the economic impact that the COVID-19 pandemic is having on Washington state; and

**WHEREAS**, financial resources are necessary to help small businesses and community organizations survive the COVID-19 pandemic, and certain small businesses and community organizations in North Bend reasonably require public financial assistance in order to remain viable and continue supporting the North Bends community; and

**WHEREAS**, on March 27, 2020, the United States Congress adopted the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) which, among other things, amended Section 601(a) of the Social Security Act and established the Coronavirus Relief Fund (the “Fund”) into which Congress appropriated \$150 billion to make payments for specified uses to States and certain local governments; and

**WHEREAS**, the CARES Act funds are available to reimburse government recipients for necessary expenditures, incurred due to the COVID-19 public health emergency, that were not accounted for in the government recipient’s most-recently approved budget (as of March 27, 2020) and that were incurred during between March 1 and December 31, 2020; and

**WHEREAS**, guidelines issued by the United States Treasury Department (“Treasury guidelines”) indicate that “necessary expenditures” include expenses of actions to facilitate compliance with

COVID-19-related public health measures, such as (for example) expenses for food delivery to residents, including senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions; and

**WHEREAS**, the Treasury Guidelines also indicate that “necessary expenditures” also include expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, payroll support, or unemployment insurance costs related to the COVID-19 public health emergency, if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise; and

**WHEREAS**, the Treasury Guidelines further indicate that an expenditure or cost “is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account”; and

**WHEREAS**, the State of Washington has determined to distribute a certain portion of its share of the CARES Act funds to Washington cities, including the City of North Bend; and

**WHEREAS**, the City Council desires to establish a small business and community organization rapid relief program;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1. Findings of Fact.** The City Council hereby adopts the recitals expressed above as Findings of Fact.

**Section 2. Small Business and Community Organization Rapid Relief Program Established.**

The City Council hereby establishes the North Bend Small Business and Community Organization Rapid Relief Program (“the Program”). The focus of this Program is to provide short-term economic stability via monetary grants to brick and mortar businesses and community organizations located within City limits, and to brick and mortar community human and/or social service organizations providing service to residents of the City of North Bend. Key Program goals will include the ability to make decisions and distribute awarded funds quickly; to use best efforts to direct funding to viable businesses and organizations; to minimize the amount of private financial or tax records and data coming into the City's possession; and to maximize the City’s ability to seek reimbursement for Program expenditures from CARES Act funding and/or other federal, state or regional sources. The Program will be implemented as follows:

- (a) the Mayor and City Administrator will establish eligibility criteria for the Program, based on and incorporating the Treasury Guidelines and any guidance forthcoming from the Washington Department of Commerce regarding eligibility for reimbursement with CARES Act funding.
- (b) the Mayor may enter into an agreement with the Snoqualmie Chamber of Commerce or other third party contractor as the Mayor deems appropriate, if necessary, to assist with contract administration of the Program.

- (c) The City (or contractor) will publicize the existence of the Program and solicit applications from small businesses and community organizations meeting the eligibility criteria.
- (d) Following evaluation of applications, a City Committee comprised of the Mayor, City Administrator, a City Councilmember and a member of the Economic and Development Committee will select grant recipients based upon the criteria. The City will then enter into contracts to provide a grant of financial assistance to applicants meeting the eligibility criteria. The contract shall require the recipient to provide such financial and other reporting determined by the City to prove eligibility for reimbursement through the CARES Act or other federal or state funding and compliance with City financial reporting and audit requirements. The Mayor or City Administrator shall have flexibility to determine the specific provisions for any contract developed under the Program, to amend the contract as deemed appropriate by the Mayor or City Administrator.

**Section 3. Funding.** The City anticipates receiving approximately Two Hundred and Eight Thousand Nine Hundred and Fifty Dollars and No/100 (\$208,950.00) from the CARES fund and after reimbursing the City for eligible expenses incurred from COVID-19, these remaining funds shall be used to implement the Program.

**Section 4. Acceptance of Grants.** The Mayor or City Administrator is authorized to accept grants or donations of any monies for the Program, including without limitation any grants or donations from the State of Washington, King County or other state or local governments or agencies, and to spend such monies to implement and administer the Program.

**Section 5. Reimbursement.** The Mayor and Administration are authorized and directed to seek reimbursement to the maximum extent possible from any and all federal or state funds appropriated or otherwise made available for COVID-19-related community or business impact assistance, including without limitation from CARES Act funds distributed to local governments by the State of Washington and any subsequent federal or state grant or assistance programs.

**PASSED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 2<sup>ND</sup> DAY OF JUNE, 2020.**

**CITY OF NORTH BEND:**

**APPROVED AS TO FORM:**

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**Rob McFarland, Mayor**

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**Michael R. Kenyon, City Attorney**

**ATTEST/AUTHENTICATED:**

Effective: June 2, 2020  
 Posted: June 3, 2020

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**Susie Oppedal, City Clerk**