



Economic Stabilization Task Force

Appointed by the City & Borough of Juneau's Mayor
Meeting Minutes from September 10, 2020

Call to Order

The Economic Stabilization Task Force meeting was called to order at 3:02 p.m. by Mr. Mertz.

Task Force Members Present: Max Mertz, Susan Bell, Theresa Belton, Bruce Botelho, Eric Forst, Ken Koelsch, Lauren MacVay and Terra Peters

Task Force Members Absent: Linda Thomas and Laura Martinson

Staff Present: CDD Administrative Officer, Brenwynne Grigg and CBJ Finance Director, Jeff Rogers

CBJ Assembly Members Present: Mayor Beth Weldon, Loren Jones, Alicia Hughes-Skandijs, and Greg Smith

Special Guest Speakers: Executive Director at Juneau Economic Development Council (JEDC), Brian Holst; President and CEO at Travel Juneau, Liz Perry; Executive Director at Alaska Housing Development Corporation (AHDC), Tamara Rowcroft; and Executive Director at Juneau Community Foundation (JCF), Amy Skilbred

Approval of Agenda

Mr. Mertz noted that the Business Stabilization Grants update might need to move further down the agenda, due to Mr. Holst having a prior obligation. The agenda was approved with no other changes.

Approval of Minutes

MOTION: by Mr. Forst to adopt the Economic Stabilization Task Force minutes from the August 13 and August 27 meetings. Mr. Botelho seconded the motion.

Hearing no objections, the motion was approved.

Rental Assistance Update

Ms. MacVay introduced Ms. Tamara Rowcroft, Executive Director of Alaska Housing Development Corporation (AHDC), who will give updates on Juneau area rental assistance programs.

Ms. Rowcroft shared that the CBJ Rental Assistance Program has seen an increased response due to outreach and advertising measures implemented in the past few weeks. Of the original \$200 thousand appropriated by the CBJ Assembly, \$70 thousand has been granted to assist 23 qualifying Juneau households pay their rent. Some of this assistance has helped several households for several months, while other households have only sought help for one month. The approximated average amount of assistance is \$1,400 for one month of rent. There is no limit on how many times a household may apply for assistance. AHDC is receiving requests for assistance from households with mortgage payments and requests for assistance from households for general living expenses. On average, AHDC is receiving two inquiries per day.

Ms. Rowcroft also shared that the Alaska Housing Finance Corporations (AHFC) Housing Relief Program saw 162 applications from renters and mortgage holders. They are discovering that many of these applicants unfamiliar with assistance programs, so AHFC suspects more need will reveal itself in the coming months.

There is currently not a CBJ mortgage assistance program. AHDC has asked AHFC to consider using leftover funds allocated to Juneau for the creation of a program targeted to mortgage holders, due to the need. AHDC has only received a tentative response from AHFC until the accounting for the prior Housing Relief Program is closed. AHDC hopes to receive a more definite response by early October. Remaining Juneau funds are estimated at between \$50 thousand and \$100 thousand.

Mr. Mertz asked if there are potential funds elsewhere once the AHFC money is expended. Ms. Rowcroft responded that she is aware of a fair amount leftover from the Housing Relief Program, and that AHFC has other additional funds they are trying to put to use. AHFC has never implemented a program of this nature in the past, but they have been very happy with the results, and Ms. Rowcroft feels they might consider a round two if there was a need.

Mr. Mertz referenced pages 14 – 16 of the Task Force meeting packet, which contained an application for a similar program in Ketchikan. He stated that he and CBJ City Manager, Mr. Watt, met with Ms. Lacey Simpson, Assistant City Manager of Ketchikan, and the administrator of the program, Ms. Bess Clark, Executive Director of Community Connections in Ketchikan. Ketchikan's COVID-19 Rental and Mortgage Assistance Program set aside \$1.5 million for the Borough and the demand has been surprising. Round two of the program was funded at \$4.5 million, due to the need. Round one of the program awarded 938 applications.

Mr. Mertz asked if Ms. Rowcroft feels there might be a similar demand in Juneau, as we move into October, November, and December. Ms. Rowcroft replied that demand is still difficult to gauge because many unemployed individuals still have extra money from the unemployment benefits, PFD dividends, and personal savings. However, she said that AHDC is starting to see some people come to the end of their resources and some employers are starting to cut back on hours. However, she does not feel Juneau will need \$5 million in housing assistance.

Ms. MacVay stated that from her perspective, she is not seeing a lot of current need, but anticipates the need will increase around October. She added that events such as foreclosures take 120 days. She added

that lenders are often willing to work with homeowners, but if there is no income, there is only so much a lender can do. The timing of when CARES Act money has to be expended is unfortunate because she feels the real need will hit toward the end of 2020.

Mr. Forst asked if lenders are tracking the 120-day foreclosure process from a community perspective, so there can be a warning that people need help. Ms. MacVay replied that she is trying to think how to track this very thing. One idea is to speak directly with the title companies. Obtaining this level of granularity from a community perspective far enough in advance requires every agency in town being willing to share information. She added that AHDC is will be reporting their delinquency numbers, so perhaps that can be used as a sampling of what is happening on a larger scale.

Ms. Bell asked if we might consider a way to assist landlords early on to get out ahead of the problem. In this way, delinquent rent payments will not affect a landlords ability to pay their mortgage. Ms. MacVay replied that could be a solution, but if the landlord has a business, they are probably already eligible for support through other programs. The real gap is currently with private mortgage payers.

Mr. Forst wondered if the need for housing assistance in Juneau is less than in Ketchikan due to the number of retirees in Juneau. Ms. Rowcroft replied that Ketchikan anticipated a much larger program because they do not have the economy to put people back to work.

Travel Juneau Traveler COVID Awareness

Mr. Mertz introduced Ms. Liz Perry, President and CEO of Travel Juneau, to speak about Travel Juneau's funding request for the Juneau CARES Campaign.

Ms. Perry referenced pages 18 – 22 of the Task Force's packet, which outlines the Juneau CARES Campaign proposal and budget. She shared that the Campaign is mostly a targeted communications strategy to provide awareness around the 2021 tourist season. The idea is that travelers are looking for safety reassurances if choosing Juneau as a travel destination. Additionally, Juneau citizens need confidence that when travelers come to Juneau there are adequate safety protocols in place, and these are well articulated. The Juneau CARES Campaign will instill this confidence by ensuring that when travelers view Juneau websites, and visit Juneau businesses, they will see safety plans in place. The Campaign plans to communicate this message through social media platforms, websites, and YouTube, targeting the top-level markets. This accreditation will be advertised in ways that viewers cannot skip the ad, in order to really bring Juneau to the attention of would be destination travelers.

Ms. Perry added that in constructing this plan there arose interest in a 3rd party accreditation program, specifically, the Global Biorisk Advisory Council (GBAC). GBAC has teamed up with Destinations International to help provide this accreditation service and training. Additionally, they will review safety plans, identify gaps, and approve plans. This amounts to something similar to a good housekeeping seal of approval. In this way, the visitor industry will be aligned. Additionally, opportunities may arise to coordinate with the Southeast Alaska Tourism Council, to bring other communities onboard. At this time, Ketchikan and Skagway have already hired consultants and are working on their own protocols.

However, Juneau could lend this idea to other southeast communities who do not have systems in place.

Mr. Botelho expressed approval of an umbrella organization issuing a housekeeping seal of approval, but he felt skeptical at whether it will matter much to travelers until there is a COVID-19 vaccination in place. He also asked how Travel Juneau would gain the cooperation of the travel industry focused businesses in Juneau since so much of that industry is not in town year-round.

Ms. Perry agreed that travel will likely not rebound quickly, but promoting Juneau to independent travelers is one leg of a multi leg stool to restoring Juneau's travel industry.

Mr. Botelho asked how this request ties into Travel Juneau's regular promotions budget. Ms. Perry replied that this would run parallel to their regular budget and the targeted marketing piece is something they currently do not have in their regular marketing budget. She added that the marketing message needed in this climate is very different from the message they expected to communicate when planning their original budget and both budgets would work together.

Mr. Forst stated that Juneau has seen quite a few independent travelers over the summer. He added that this concept is not only a great idea for the independent travelers, but also for helping the legislature feel comfortable about traveling to Juneau for session this winter. A uniform message would be another step toward putting Juneau's best foot forward.

MOTION: by Mr. Forst to send the Juneau CARES Campaign proposal to the Assembly for approval. Ms. MacVay seconded the motion.

OBJECTION: by Mr. Koelsch, stating that rapid testing and vaccinations are a real key to how we view travelers in the future, and the legislature will come to Juneau regardless. He believes this initiative is moving too quickly and he is not ready to make a decision on it.

Ms. MacVay stated that she understands the concerns, but believes there is value in a communication standard. Regardless of whether a vaccine becomes available, she feels there will be a long period of gray for traveling. To have standards in place will be good for tourism and the legislative session.

Ms. Bell appreciated the targeted marketing and liked the education component for residents. She stated that a confident community that is welcoming to tourism would also help our resident economy.

Mr. Botelho agreed with Ms. Bell's last comment. He added that since the money needs to be expended by December 31, this means marketing has to occur prior to that date. He sees a potential for the message to be delivered too early for the tourist season. He asked if Ms. Perry plans to expend of the money prior to the end of the year. Ms. Perry replied in the affirmative, stating that they are prepared and it will only take a day or two to put contracts in place. Travel Juneau will work with vendors to have all paid content completed by December 31. She added that vacationers usually plan within 6 months,

while some plan within 9 months. This planning timeframe falls well within the timeframe needed to hit the targeted market.

Mr. Mertz asked if Mr. Forst would consider a different motion, due to the impact and need for further discussion. He suggested the Task Force recommend that the City Manager work with Travel Juneau to evaluate this program further. Mr. Forst and Ms. MacVay expressed their approval of the amendment.

MOTION WITHDRAWAL: Mr. Forst withdrew his original motion and restated an amended motion.

MOTION: by Mr. Forst to recommend the Juneau CARES Campaign Proposal to the City Manager for further review with Travel Juneau, and if they decide to move forward with the proposal, they will bring it before the CBJ Assembly. The motion was seconded by Ms. MacVay.

OBJECTION: Mr. Koelsch was concerned that based on past reporting, the media will think the Task Force is recommending the Juneau CARES Campaign Proposal, and he does not believe it is ready for prime time.

Mr. Botelho suggested this be treated as a referral to the Manager and request his feedback.

Mr. Forst disagreed with this approach, stating that it will delay everything and Travel Juneau could find themselves pushed up too close to the end of the year.

ROLL CALL VOTE ON MOTION

Ayes: Bell, Forst, MacVay, Mertz, and Peters

Nays: Botelho and Koelsch

Abstain: Belton

Motion passed. Five (5) Ayes, Two (2) Nays, One (1) Abstain

ESTF Report of Activities

Ms. Bell is working with Ms. Thomas on a consistent way of reporting the activities of the Task Force and will have an update for the next meeting.

Update on Adopted Programs

Business Stabilization Grants Phases 1 – 3 Progress Report

Mr. Mertz asked Mr. Holst to provide an update on the Business Stabilization Grants.

Mr. Holst reported a great turnout for Phases 2 and 3 of the program. The application period officially closed on August 31, with 420 applications received as compared to 245 applications in Phase 1. Mr. Holst stated that it is promising that more businesses are aware of the program, but as Phases 2 and 3 are not first come-first serve, the entire volume of applications need to be evaluated fully before

determining the prorated award amounts. JEDC estimates a potential demand of \$12.5 million in requests with only \$8.5 million in funding through the Ordinance. JEDC staff have processed approximately half of the applications in 10 days. However, this does not mean they can process the other half in 10 days. Some applications have missing information and staff are working with the applicants to improve their chances of receiving a grant award. JEDC anticipates completing a review of all applications and being ready to disperse prorated awards in approximately 4 weeks.

Mr. Forst expressed disappointment that award disbursement will take that amount of time, as it will be difficult for many people. He asked if there is an alternative to waiting on the prorata process, such as, funding everyone at 80% as applications are evaluated and then calculating any extra that is owed later.

Mr. Holst stated that if someone expresses an urgent need, JEDC could issue a percentage of the award to help in the interim. However, issuing an across the board amount of 70% or 80% initially, and prorated amounts coming later, will cost extra time and money.

Ms. Bell shared that her thoughts were along the same lines as Mr. Forst. She advocated for awarding an appropriate proportion until an exact formula can be calculated.

Mr. Holst cautioned that issuing a percentage of the award would not save as much time as what one might think, because it still requires JEDC staff to process all the awards. Alternatively, Mr. Holst suggested asking applicants to identify whether they had an emergent need for funds due to an urgent financial hardship.

Ms. MacVay expressed concern in potential overpayments due to the variables of the amount a business qualifies for and the resulting amount after proration.

Nonprofit Grant

Mr. Mertz asked Ms. Skilbred to give a report on the Nonprofit Stabilization Grant Program.

Ms. Skilbred shared there has been outreach efforts made to ensure nonprofits are aware of the program, which include Facebook posts, utilizing the CBJ Public Information Office's services, press releases to the Juneau Empire, KTOO, and KINY, special appearances on the radio to speak about the program, and targeted emails to over 50 local nonprofits.

The Juneau Community Foundation has received six applications so far, which have been routed to the CBJ for tax status reports. Applicants have requested between \$5 thousand and \$99 thousand. Ms. Skilbred said that in her experience, she expects to see most applications arrive the day before or the actual day they are due.

Mr. Mertz asked if any applicants have had questions around the structure of the program. Ms. Skilbred replied that a few have asked for help with the calculations to evaluate whether they might be awarded any funding, after taking into account other CARES Act money they have received.

Ms. Skilbred also stated that she has spent a fair amount of time steering social service nonprofits toward the \$35 million Coronavirus Nonprofit Relief Fund through the State of Alaska, since this program is much larger. Through this program, the Juneau CARES Food Program has received \$800 thousand to start their operations. The Glory Hall and several other local nonprofits have also received funding.

Update on New Legislation

Juneau ArtWorks Grant

Mr. Mertz reported that the Juneau ArtWorks Grant Program would go before the full CBJ Assembly on September 21, 2020.

Childcare Update

Mr. Mertz directed the attention of the Task Force to pages 24 – 25 of their packet, showing where the CBJ has posted a job advertisement for a Childcare Coordinator position. On pages 26 – 41 of the packet, there is a copy of a presentation on childcare, which was given by Deputy City Manager, Ms. Cosgrove, at the Assembly Committee of the Whole on August 20, 2020.

Good of the Order

Ms. Belton shared an update that Central Council of Tlingit Indian Tribes of Alaska (CCTHITA) has allocated \$8 million to relief programs for education costs and household expenses. KINY has reported the effort and the program is active. CCTHITA has also hired additional staff to process applications. This program benefits all tribal citizens regardless of where they live.

Adjournment

At 4:10 p.m., the meeting was adjourned.

Appointed Task Force Members

Max Mertz, Co-Chair • Linda Thomas, Co-Chair • Susan Bell • Theresa Belton • Bruce Botelho

Eric Forst • Ken Koelsch • Lauren MacVay • Laura Martinson • Terra Peters