



AGENDA MEMORANDUM

Action Item for the City Council Meeting of July 21, 2020

DATE: June 10, 2020

TO: Peter Zaroni, City Manager

FROM: Constance P. Sanchez, Chief Financial Officer
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Nonprofit Recovery Program with the United Way of the Coastal Bend

CAPTION:

One-Reading Ordinance approving an agreement between the City of Corpus Christi and the Corpus Christi Business and Job Development Corporation in an amount up to \$500,000 for Type A funding of arterial and collector streets within the City; approving a Chapter 380 agreement in an amount up to \$500,000 with United Way of the Coastal Bend for nonprofit organizations; appropriating an amount up to \$500,000 from the unreserved fund balance of the Business and Job Development Fund for use on the arterial and collector street improvements; amending the operating and capital budget.

SUMMARY:

The purpose of this agenda item is three-fold. The first is an action to approve an agreement in the amount of \$500,000 between the City of Corpus Christi and the Corpus Christi Business and Job Development Corporation (Type A) for funding of arterial and collector streets. The second is an action to approve a Chapter 380 agreement with the United Way of the Coastal Bend for a \$500,000 non-profit recovery grant for local nonprofits impacted by the COVID-19 pandemic. The third action is to appropriate the funds and amend the budget.

BACKGROUND AND FINDINGS:

Due to the "stay-at-home orders" from federal, state, and local authorities resulting from the COVID-19 pandemic, most nonprofit organizations have cut budgets, reduced their workforce, canceled fundraisers, and donations have been down. This has put a tremendous strain on those organizations and has resulted in many layoffs. The national unemployment rate is at 14.7 percent or 23.9 million unemployed persons as of May 26, 2020. To help these nonprofit organizations either continue functioning or to resume operations through the state's phased reopening, the City is proposing a program to offer grants to qualified nonprofit organizations.

This agreement with United Way of the Coastal Bend will help support nonprofit organizations experiencing financial hardships due to the COVID-19 pandemic. Nonprofit organizations eligible to apply for grants from this program will be those within the Corpus Christi city limits registered with the IRS as 501(c)3 or 501(c)6 organizations that provide health and human services, educational services or business support and job training. These organizations are essentially small businesses who are in need of help with paying operating costs. Many of them applied for federal and state assistance, but they need additional help to continue to keep employees working and their doors open. Approved applicants will receive grants up to \$25,000 to pay for operational costs; including but not limited to payroll, mortgage/rent, utilities, and insurance. The United Way of the Coastal Bend has agreed to administer the program at an administrative fee of 5%. Grants must be awarded within 180-days of the executed agreement.

The eligibility for this program includes the following:

- ☆ Grants will be awarded to agencies with a positive track record and in existence for more than three years.
- ☆ Eligible nonprofit organizations must have annual operating budgets of \$3 million or less.
- ☆ Funds are intended for use toward operational expenses, working capital, covering expenses of debt and workforce needs.
- ☆ Funds are to be used only for the purposes stated in the request.
- ☆ Approval is based on need, location, planning, eligibility and availability of funds.
- ☆ Currently provide health and human services, educational services, business support or job training in the Corpus Christi city limits.
- ☆ Nonprofit organization must remain open for at least 90 days after the award is granted

ALTERNATIVES:

The City Council could choose not to approve this agreement or not pass this ordinance for the recommended dollar amount and propose a different dollar amount.

FISCAL IMPACT:

The \$500,000 will need to be appropriated and the Fiscal Year 2020 budget will need to be amended if this action is approved.

Funding Detail:

Fund:	1020 – General Fund
Organization/Activity:	15100 – Economic Development Incentives
Mission Element:	707 – Economic Development
Project # (CIP Only):	N/A
Account:	540117– 380 Agreement – United Way of the Coastal Bend

Fund:	1140 – Business and Job Development
Organization/Activity:	N/A
Mission Element:	N/A
Project # (CIP Only):	N/A
Account:	260800 – Unreserved Fund Balance

RECOMMENDATION:

Staff recommends approval of the 380-agreement with the United Way of the Coastal Bend for assistance to nonprofits impacted by the COVID-19 pandemic and approval of the agreement between the City of Corpus Christi and the Type A Board for the funding of arterial and collector streets.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Agreements- Type A Agreement Amendment; Draft 380 Agreement