



## BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

**AB 5774**  
**November 2, 2020**  
**Special Business**

### AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 5774: COVID-19 Relief Grant Program Awards	<input type="checkbox"/> Discussion Only
<b>RECOMMENDED ACTION:</b>	Approve the COVID-19 Relief for Small Business and Nonprofit Grant Program award recipients selected via lottery process.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

<b>DEPARTMENT:</b>	City Manager
<b>STAFF:</b>	Sarah Bluvas, EOC Small Business Liaison
<b>COUNCIL LIAISON:</b>	Jake Jacobson                      Craig Reynolds
<b>EXHIBITS:</b>	1. Grant Program Eligibility Criteria 2. Lottery Selection Results 3. Complete Applicant Spreadsheet
<b>CITY COUNCIL PRIORITY:</b>	4. Provide emergency response services related to the COVID-19 Pandemic.

<b>AMOUNT OF EXPENDITURE</b>	\$ 270,000
<b>AMOUNT BUDGETED</b>	\$ 270,000
<b>APPROPRIATION REQUIRED</b>	\$ 0

### SUMMARY

The purpose of this agenda bill is to approve the selection of 54 recipients of the Mercer Island COVID-19 Relief for Small Businesses and Nonprofits Grant Program. Once approved, City staff will execute agreements with each grant recipient to begin the process of distributing \$270,000 in Washington State's Coronavirus Relief Funds ("CRF"), made available by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act.

### BACKGROUND

On October 20, 2020, the City Council approved the Mercer Island COVID-19 Relief for Small Businesses and Nonprofits Grant Program and allocated \$270,000 of the City's second round of CARES funding to the program to support Mercer Island organizations impacted by the COVID-19 Pandemic (see [AB 5767](#)). The grant application period was open from October 21 to 29, 2020. The City received 107 applications (102 via online application, 5 via PDF application) (see Exhibit 3). City staff and Council liaisons met on October 30 to review applicant eligibility and conduct the lottery selection process.

### LOTTERY SELECTION PROCESS

After the application period closed, the following process was conducted to select the awardees recommended in this agenda bill.

- City staff performed a preliminary review of all applications against the established eligibility criteria (see Exhibit 1). After removing ineligible and duplicate applications, a total of 96 applications were determined to be eligible.
- All eligible applicants were sorted into one of three pools according to the established priorities:
  - Pool 1: Businesses and nonprofits such as Food & Drink Establishments (restaurants, bars, etc.); Retail Establishments (boutiques, bookstores, specialty shops, florists, etc.); Personal Service Providers (hair salons, nail salons, estheticians, dry cleaners, etc.); Fitness Studios; Education/Childcare Services (daycare, preschool, etc.); and Entertainment/Arts/Recreation Service Providers
  - Pool 2: Other businesses and nonprofits such as Professional Service Providers (financial services, real estate, architects, etc.) and Health & Wellness Providers (doctors, dentists, physical therapists, etc.)
  - Pool 3: All other eligible applicants

Most eligible applicants (64) qualified for Pool 1; the remaining eligible applicants (32) qualified for Pool 2.

- City staff and Council liaisons reviewed the sorted lists to ensure accuracy before conducting the lottery selection process.
- Using a random number generator in Excel, awardees were selected in the following order:
  - Select from Pool 1 by lottery until all funds are allocated or all Pool 1 applicants are awarded
  - Select from Pool 2 by lottery until all funds are allocated or all Pool 2 applicants are awarded
  - Select from Pool 3 by lottery until all funds are allocated or all Pool 3 applicants are awarded

Per this process and given the number of eligible Pool 1 applicants, all available funds were allocated to Pool 1 applicants. A total of 54 applicants were selected to receive \$5,000 each. The remaining 11 Pool 1 applicants are sorted into a waiting list in the event that other awardees are not able to fulfill the grant obligations. (See Exhibit 2)

## **UPDATED TIMELINE**

Once awards are approved, City staff will begin the contracting process in order to submit for reimbursement to the Washington State Department of Commerce (“DOC”) and begin disbursing funds. The estimated timeline is outlined below.

- November 2, 2020 – City Council approval and authorization to fund the Grant Awards
- November 3, 2020 – Award announcement
- November 3-15, 2020 – Contract with Grant Recipients
- November 15-30, 2020 – Submit for reimbursement from DOC
- December 2020 – Disburse funds to Grant Recipients

## **RECOMMENDATION**

1. Approve the 54 selected recipients for the Mercer Island COVID-19 Relief for Small Businesses and Nonprofits Grant Program.
2. Authorize the City Manager to enter into subrecipient agreements with each grant recipient for grant disbursement and financial reimbursement via Washington State CARES Coronavirus Relief Funding.