

AGENDA

CITY COUNCIL WORK SESSION

April 6, 2020

4:00 PM, City Council Chambers
130 S Galena Street, Aspen



I. WORK SESSION

I.A. Relief Effort Discussion



MEMORANDUM

To: Aspen City Council
From: Sara Ott, City Manager
Date: April 6, 2020
RE: Strategic Discussion to Prioritize Relief Efforts and Provide Direction to City Staff

Request of Council: It is requested that Council deliberate and provide direction to staff on the outcomes Council is seeking from the expenditure of City funds towards COVID-19 relief and economic stimulus efforts.

Background: An emergency for a local disaster was declared by the City of Aspen on March 12, 2020 in response to the impact of Coronavirus on the Aspen community. The local economy is severely impacted by the county and state public health orders. Businesses have been forced to close, unemployment has spiked, and major summer events have been canceled.

A successful response requires clear and constant communications, sound financial forecasting and prudent management of the City’s financial resources. On March 30, 2020, the City of Aspen Finance Director revised the sales tax revenue forecast. The City anticipates a reduction of \$277M in sales and lodging tax base, translating into a City revenue shortfall of \$12.6M from 2019 actual receipts. A special meeting of the City Council on March 30 considered an emergency ordinance for economic relief for individuals as well as general discussion on relief efforts for individuals and business. In the general discussion, several proposals and considerations were presented by council members for additional evaluation by City staff. This memorandum is in response to that request, but it does not provide a response to all the concerns raised. The COVID-19 crisis is not only of a magnitude never before faced by cities, states and the federal government, but the speed at which it is manifesting is unprecedented. The basic function of the City of Aspen is to provide essential services. Secondary to that is our role in the Pitkin County response and in filling the gaps that may occur in federal and state relief programs. There is no guarantee that cities under 500,000 will receive funding from the CARES Act. Governor Polis will decide how those funds are distributed and for what purposes those funds will be spent. Without a clear understanding of what financial aid may be coming from the State of Colorado, it is imperative that we exercise our fiduciary responsibility by holding back adequate financial reserves to maintain essential services in the future.

Several documents are attached to this memo for reference for the Council.

1. Summary of proposals by individual City Council members from March 30

2. Summary of federal and state relief programs, as of March 30 by Paul Wisor
3. Press release of Breckenridge Business Rent Grant Program
4. Table of repayment schedule and options should an inter-fund advance be pursued

Further, additional information can be anticipated by the Council at the work session. This information includes an overview of the Aspen Community Foundation's rapid regrant program and update on rent deferral requests by tenants in the City's 236 deed-restricted rental housing units.

Discussion: The City Council discussion should focus on strategies and expected outcomes; it will be the staff role to implement the specific tactics. Recognizing the nearly complete halt of commerce will have long-standing impacts to the Aspen community and also felt throughout the Roaring Fork and Colorado River valleys, where many members of the Aspen workforce reside.

In effort to accomplish relief, Council should provide clarity to staff and the community on the outcomes it seeks from the use of taxes in this manner. The individual council member comments have been distilled into five outcome statements. Staff effectiveness depends the clarity and conviction of a collective City Council voice with respect to these outcomes and objectives. The nature of this emergency will require more meetings and an iterative decision-making process that reflects new information, feedback on the effectiveness of these efforts, and changing conditions that cannot be anticipated at this time. This discussion is intended as the starting place to quickly advance the areas of agreement in to actionable tactics by staff, and into necessary ordinances and resolutions for City Council's formal consideration.

DRAFT CITY OF ASPEN COVID-19 RELIEF OUTCOMES

Outcome #1: Increase economic security for vulnerable people by aiding in securing shelter, food, utilities, healthcare, childcare and transportation.

Objectives:

- A. Quickly distribute funds to individuals and families through non-profit and governmental partners.
- B. Amend City housing policies that can provide temporary relief.
- C. Educate residents on how to communicate with lenders and landlords regarding changes in personal financial circumstances
- D. Reduce barriers to accessing healthcare through education.
- E. Deliver public transit in a safe and reliable manner.
- F. Ensure safe, reliable and affordable childcare remains in the community for working families.

Outcome #2: Encourage good mental health hygiene.

Objectives:

- A. Regularly encourage neighbor-to-neighbor connection in new ways that account for social distancing requirements.
- B. Financially support professional mental health services in the community.

Outcome #3: Support the Pitkin County Incident Management Team.

Objectives:

- A. Frequently communicate with the Incident Management Team Incident Commanders and the community.
- B. Provide staffing for the Incident Management Team.
- C. Advocate for and be a funding partner for COVID-19 testing for the community at-large.
- D. Advocate for and be a funding partner for purchasing personal protective equipment.
- E. Assist with planning for 'opening of town' with protocol to minimize disease relapse in the community.

Outcome #4: Proactively work to minimize further economic disruption and actively encourage its recovery.

Objectives:

- A. Serve as a connector to aid small businesses seeking assistance through state and federal programs.
- B. Leverage business expertise to establish an Aspen-centric economic recovery roundtables to vet aid proposals and collaborate with staff for recovery
- C. Provide flexibility to commercial leaseholders in City-owned properties.
- D. Advance private sector construction projects to shovel ready through permit review and extension of the spring construction season.
- E. Evaluate land use code for temporary relief for accommodation, retail and restaurant industries.
- F. Collaborate with major tourism partners to emphasize Aspen's unique and valued experiences to launch an open for business campaign and events when appropriate
- G. Take a regional approach to recovery efforts to leverage the Western Slope's collective business, educational and government expertise and voice with state and federal agencies
- H. Identify and respond to gaps in state and federal business aid programs that can be reasonably be filled by the City of Aspen.

Outcome #5: Provide essential municipal government services with minimal interruption.

Objectives:

- A. Prioritize services and service levels.
- B. Plan services to match available financial resources.
- C. Be a responsible employer in the care and welfare of City employees.

Funding: Reaching these outcomes will require significant investment by the City. When evaluating funding alternatives, the following items should be taken into consideration by the City Council.

City Taxes – Deferral or Forgiveness – Staff do not recommend

Given that sales and lodging tax collections are authorized by a vote of the people, and their uses are dictated by those ballot measures that provided such authorization for collection, an outright forgiveness of remitting these dollars to the City is not possible. Where there has been action in other communities is a deferral in the remittance process without penalty – this may be a bit precarious as it is indirectly a “loan” of these dollars to the business community until they are repaid, and this is somewhat difficult to support as the loan is not evaluated for need or ability to ultimately repay.

Additionally, while staff know that other municipalities have moved forward with sales and/or lodging tax deferrals, there may be differences why a deferral may work in those locations versus here at the City of Aspen. How other communities apply their sales tax resources may not mirror how the City applies these tax collections (childcare, transportation, affordable housing and parks and open space). These programs are already anticipated to take a hit from lost tax revenue going forward – they would be further impacted if tax revenue that is collected is deferred.

Inter-fund Advances From or Between City Funds – Staff supported for clearly defined reasons to finance funding gaps

As noted above, much of the tax revenue collected by the City is under a specific purpose requirement and must be applied for those voter directives. Thus, if these resources are considered for advancement purposes, there must be a repayment mechanism associated with the advance.

This does not apply to two specific revenue streams: the City’s general purpose property tax and the City’s share of the 2.0% County sales tax. Both of these sources do not have a specific application mandated and can be utilized for other purposes than their current use of supporting operations within General Fund departments that do not have fees sufficient to

offset their operational costs. This includes administrative services like HR, Finance, Clerk, Attorney, etc. and also the management of the City government from the Council and Manager's Office. It is also utilized to subsidize programming for recreation, fund streets, and support environmental health and climate action efforts. Thus, there will be a trade-off for repurposing some of these discretionary tax resources to relief within the community and services that the community receives from the above noted programs.

There has been some consideration of utilizing non-discretionary tax resources from the Wheeler Opera House fund balance to backfill the repurposing of these discretionary property tax or share of County sales tax dollars. This is a possible option but there are some parameters to be aware of:

- Current financial policies adopted by the Council limit interfund advances to a maximum of ten years in duration. They also require an interest rate for the repayment be set to the like duration of the treasury yield for that period at the time the loan is established.
- These policies could be amended but note that they were adopted to protect against perceived repurposing of taxes. This was accomplished by setting a structured and clear repayment obligation, that had limited duration (10 year maximum), and had annual principal repayments that were meaningful and based on a fair rate of return at the time.

Finally, note that there are some opportunities to extend financial relief under existing voter approved taxation authority, specifically around affordable housing rent relief and broader financial support for childcare. Financial reserves exist with the Housing Development Fund and Kids First Fund and can be utilized for these purposes without a repayment requirement. This would immediately reduce any impact to the General Fund and would potentially reduce borrowing from the Wheeler Opera House Fund that still must be repaid.

Federal, State and Other Relief – Lots of options, staff recommends the City fill gaps, not layer on top of existing programs

How the City provides relief should be thoughtful with specific outcomes to measure effectiveness and to ensure aid reaches those with the greatest hardship. With multiple state and federal programs bringing unprecedented relief to both individuals and businesses now and in the immediate future, the City Council may want to first consider how to address populations that are not supported by those programs, rather than just layer over the top of the existing program. With a shotgun method for relief, there is the possibility, and likelihood, for a less effective outcome.

Future Financial Impacts

City staff is examining the funding available in the fund balance of three specific funds for relief efforts. These funds are the General Fund, Kids First Fund, and the Housing Development Fund. Each of these funds currently has fund balances beyond the required level of the City's financial policies. Each fund can absorb some one-time expenditures for relief efforts. The General Fund is currently under significant scrutiny for spending reductions due to the anticipated \$3M revenue shortfall, and therefore, Council should anticipate anything over an additional \$500,000 of new appropriations, without further spending reductions, would result in the fund balance being below the City's fund balance policy in the current year and/or future years. In this case staff recommends that the Council should consider an inter-fund advance from the Wheeler Opera House Fund. The decision on an inter-fund advance is not necessary immediately, as the need to backfill the General Fund could occur later in the fiscal year after other spending reductions have been implemented and the advance amount is more clearly identified.

Recommendation: Staff recommends City Council affirm or amend the outcomes and objectives, as well as direct the preliminary levels of funding for efforts. From this direction, staff will develop specific tactics and will prepare any necessary appropriation ordinances, resolutions, policies or agreements.

Direction would be best given through two motions in the special session meeting. The recommended motions are:

Motion #1: *"I move to adopt the five outcome statements and related objectives for the City of Aspen Covid-19 relief efforts and to direct the City Manager to prepare specific tactics to implement the objectives."*

Motion #2: *"I move to direct the City Manager to prepare an appropriation ordinance for the next City Council meeting that*

- *Appropriates an additional \$XX from the General Fund towards reaching the City of Aspen Covid-19 relief effort outcomes, including*
 - *immediate economic relief disbursement through the Aspen Community Foundation,*
 - *distribution to Aspen area serving non-profits that provide legal aid and mental health services*
 - *community at-large COVID-19 testing and personal protective equipment*
 - *rent assistance/loan to stabilize businesses and non-profits*
 - *additional communication and temporary city staffing needs to implement the adopted outcomes*

- *Appropriates \$XX from the Kids First Fund towards reaching the City of Aspen Covid-19 relief effort outcomes, including*
 - *additional childcare financial aid*
 - *aiding in retaining qualified childcare providers and staff in the community*
 - *additional communication and temporary city staffing needs to implement the adopted outcomes*

- *Appropriates \$XX from the Housing Development Fund towards reaching the City of Aspen Covid-19 relief effort outcomes, including*
 - *rent and mortgage assistance for deed-restricted housing units as qualified through Pitkin County Human Services*
 - *additional communication and temporary city staffing needs to implement the adopted outcomes*

Attachment A:

City Council Work Session – March 30, 2020

Suggestions/ideas from Council members

Mayor Torre:

- Assurance of what must continue to occur.
 - Building maintenance.
 - Planning work in all facilities.
- PPE search – IMT
- Organize SBA Federal Loan Assistance Desk to facilitate community businesses.
 - ACRA has resources, City has Business Recovery web page,
 - Set up desk Early April in order to assist business relief efforts?
 - SARA: SBA has up-to-date information and guidelines. City does not have staff with this expertise at this point.
 - All Valley chambers have provided resources to members & non-members.
 - Contact ACRA and CMC to request resources for the entire community. Do those agencies have the capacity to assist in this way?
- Need information from staff as it relates to impact of ideas how to maximize dollars suggested by Rachel.

Ward Hauenstein:

- Concerns for testing capabilities and how to increase.
- Find Federal, State, and Local funding for rent relief.
- Need enforcement of Public Health Order of March 23.
- Provide List of Capital Projects for review.
 - Need to focus on how to get people back here. Encourage ACRA to have cost savings, but not to reduce marketing efforts that reduce tourists.
- Need immediate and long-term plans for businesses – need a comprehensive recovering plan for all businesses, non-profits, etc.
- Gathering information, vetting plans, and determine how to holistically approach recovery.
- Supports an Aspen Economic Task Force
- Support borrowing from the Wheeler and see that it will be a benefit to them due to the interest paid back. But need to protect the RETT – repurposing will need to have a vote.
- Get a framework for how reallocation of funding could work and how allocated.

Rachel Richards:

- Previous local resident spending is 20-25% - is this still accurate estimate?
- Not all businesses are members of ACRA
 - Ask Colorado Mountain College to link with City to provide Accounting professors to assist businesses with completing forms for SBA relief applications.
 - Hire individuals to assist businesses with applications to reduce errors. City could provide resources to help through telecommuting assistance.

- Supports formation of economic task force – immediate, mid-term, long-term. Council does not need to wait for a regional economic task force to set aside resources for this to occur. Want to be a part of the cooperative task force, but also perhaps start an Aspen Economic Task Force that won't be diluted by a regional effort.
- \$1 Million from Housing fund to offer rental assistance to non-housing authority tenants and free market rentals (including Castle Ridge and Centennial).
 - Use Housing funding to cut rent by 50% for APCHA residents 1/12 of reserve – could back fill budget
 - Housing funds used for housing purchases would not need to be repaid.
 - Does not want to only plan for future housing and not care for those in housing today, and risk having empty units later for the sake of not helping those in units today.
- Borrow internally \$5 Million from Wheeler RETT fund loaned to General Fund to assist in relief and emergency assistance fund, help with PPE purchases, and assist nonprofits who are providing relief work (food bank, small business, etc.)
 - Divide into 5 buckets of needs – hopefully not necessary for each area, but available as possible:
 - Medical – PPE resources, testing increase, bonuses for first responders
 - Increase PitCo grant funding – channel for emergency assistance grants
 - Support area non-profits – food banks, nurses, big buddy program, mental health, etc.
 - Hiring of staff to assist business & individuals to apply for assistance.
 - Create small business loan (bridge loan) and matched by landlord involvement.
 - Delay implementation of increase to water & electric fees until January 2021.
 - 10-year term to repay, with balloon note at the end. Borrowing against future revenues & investing into the community now so that future revenues are available.
 - Unspent dollars could be returned. No authorization of payments without council agreement.
 - Must be repaid by General Fund.

Skippy Mesirow

- Asked about determining the baseline figures for future projections.
- RETT / No Levy Tax – what levels could be transferred? Are there areas where we could see past tax collection to recoup funding?
- In current state of operation, do Valley Chambers have the capacity to resource all businesses?
 - SARA – would need to ask; and ask community for resources.
- Volunteerism efforts -
 - Digital platform built for individuals to provide what they can give, or what they need. Will be released first week of April
 - ACF resourced & ready to take on fundraising efforts for relief. They will need support to receive the volunteers. Knowing when and how to volunteer is vital.
 - Phase 1 – reach out to existing organization & populate with needs.
 - Phase 2 – filtering the needs & what is best practice to fill the need.

- Phase 3 – going to volunteers to work through logistics of operation day-to-day – and sharing the images in community (will need resources/support to share the good).
- Supports an Aspen Economic Task Force
- Using Affordable Housing dollars is last resort due to land values reduced and need to create more affordable housing units to support community.

Ann Mullins

- If ACRA is ready to lead individuals through application forms, this should occur, however, what happens to those who are not members? What is available to non-profits?
 - Would support a city employee to assist with completing application.
- Supports an Aspen Economic Task Force
- Hesitate to jump into public/private partnerships without full details of parameters in place.
- Support Aspen Community Foundation efforts.
- Provide a simple list of all areas of priorities for council to review.

Attachment B:

Summary of State and Federal Relief, as of March 30, 2020.

This is the work of Paul Wisor, City Attorney for Avon, Colorado. Therefore, it will refer to the Town of Avon and any analysis in it is for the Town of Avon. You can extrapolate the overall context for federal and state relief from reading his work.

I. Federal Legislation

Efforts to address the COVID-19 pandemic at the federal level have come in the form of three stimulus bills. Phase 1, the Coronavirus Preparedness and Response Supplemental Appropriations Act, provided \$8.3 billion in emergency funding for federal agencies to respond to COVID-19. Phase II, the Families First Coronavirus Response Act (“FFCRA”), contained provisions for paid sick leave, free COVID-19 testing, food assistance, unemployment benefits, and requirements that employers provide additional protection for health care workers. Phase III, also known as the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), deployed \$2 trillion dollars to expand upon the prior phases by providing greater assistance to individuals, small businesses, state and local governments and key industries impacted by COVID-19.

A. Local Government Aid

The CARES Act provides for \$150 billion in aid to states and local governments. Funds will be allocated by the Treasury proportionally, but each state will receive at least \$1.25 billion, and it is estimated Colorado will receive \$2.2 billion. However, the Town will not receive any direct aid from the CARES Act as the legislation only applies to local governments with populations over 500,000. Only Denver and the counties of Adams, Arapahoe, Jefferson, and El Paso will be eligible to draw down some of the 2.2 billion dollars provided from Treasury. The State will receive the remaining share and will be responsible for spending or allocating the remaining funds. There are no requirements for the State to allocate funds to the Town, and it is yet to be determined how the State intends to utilize these funds. As such, the Town cannot count on any CARES Act dollars to either support the Town’s efforts to address the COVID-19 pandemic or otherwise backfill lost revenue.

B. Transportation

The CARES Act provides \$25 billion to public transit agencies. Of this \$25 billion, \$18.7 billion will be allocated to rural communities through what are known as 5311 grants, of which Avon is a recipient. It is unclear at this time how much exactly the Town will receive, but the Town is eligible for an allocation. These funds are available to reimburse public transit agencies for operating costs to maintain service and lost revenue due to the coronavirus public health emergency, including the purchase of personal protective equipment and paying administrative leave of operations personnel due to reduction in service. Although these specific operating expenses are outlined in the CARES Act, other operating costs may also be eligible.

C. FFCRA

The FFCRA contains two critically important components that impact Avon business and employees as well as the Town: (1) the Emergency Family and Medical Leave Expansion Act (the “FMLA Amendments”) and (2) the Emergency Paid Sick Leave Act (the “Paid Leave Provisions”).

1. *FMLA*

The FMLA Amendments create an additional emergency category of family and medical leave related to the coronavirus crisis. Specifically, the FMLA Amendments require an employer to provide up to 12 weeks of leave to any employee who has been employed by the employer for 30 calendar days if the employee cannot work (or telework) because he or she has to care for his or her children if the school or place of care for the child has been closed or if the child care provider for the child is unavailable due COVID-19.

Traditionally, the FMLA was not applicable to employers with fewer than 50 employees. However, the FMLA Amendments make the coronavirus provisions of the FMLA applicable to any employer with fewer than 500 employees. Employer is also defined to include public authorities such as local governments. As such, small employers and local governments not traditionally subject to the requirements of the FMLA will now have to provide leave to employees who cannot work for certain coronavirus related reasons. However, certain small businesses can be exempted if the Secretary of Labor issues regulations exempting small employers because “the imposition of such requirements would jeopardize the viability of the business of a going concern.”

The first 10 days of leave provided under the FMLA Amendments can be unpaid. After an unpaid 10 days of leave, employers providing leave pursuant to the FMLA Amendments must pay the eligible employee in “an amount that is not less than two-thirds of an employee’s regular rate of pay.” However, in no event shall such paid leave exceed \$200/day and \$10,000 in the aggregate.

2. *Emergency Paid Leave*

In addition to the FMLA Amendments, the FFCRA also contains Paid Leave Provisions. The Paid Leave Provisions require employers to provide up to 80 hours of paid sick leave to employees who are unable to work or telework due to a number of COVID-19 related reasons. However, if the employee is a part-time employee, the employer need only provide sick leave for a number of hours equal to the number of hours that such employee works, on average, over a two-week period, not the 80 hours it would need to provide to a full-time employee. Once again, employer is defined to include all private organizations with fewer than 500 employees as well as governmental entities, including the Town. However, unlike the definition of employee under the FMLA Amendments, the Paid Leave Provisions require employers to provide this leave to employees regardless of how long they have been working for the employer. In addition, the employer may not require the employee to use other paid leave before the employee uses the paid sick time provided in the Paid Leave Provisions.

The reasons for which employees may qualify for paid leave under the Paid Leave Provisions are: (1) they are subject to a federal, state, or local quarantine or isolation order relating to COVID-19; (2) they have been advised by a health care provider to self-quarantine due to concerns related to COVID-19; (3) they are experiencing symptoms of COVID-19 and seeking a medical diagnosis; (4) they are caring for an individual who is subject to a quarantine or self-isolation order or who has been advised to self-quarantine; (5) they are caring for a son or daughter if the school or place of care of the son or daughter has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19 precautions; or (6) they are experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of Treasury and the Secretary of Labor.

The amount to be paid by the employer for paid sick leave under the Paid Leave Provisions shall not be less than the employee's rate of regular pay, but in no event shall it exceed \$511 per day or \$5,110 in the aggregate for reasons numbered 1-3 above or \$200 per day and \$2,000 in the aggregate for reasons number 4-6 above.

It should also be noted FFCRA contains provisions providing tax and payroll credits to employers to assist with the obligations imposed by the FFCRA; however, the details and the limitations of the credits are beyond the scope of this memorandum. While the Town has provided unpaid FMLA, the tax credits do not provide relief to the Town for the additional cost of the FMLA Amendments or the Paid Leave Provisions. While most Avon employers will be able to recoup the cost of the FFCRA costs, the Town, at present, cannot.

D. Unemployment Insurance

Under Colorado law, a laid off or furloughed worker is entitled to unemployment payments at a rate of 55% of an unemployed worker's salary, capped at \$561. The CARES Act provides for unemployment benefits that are both increased in amount and extended in time. Individuals who receive unemployment compensation in Colorado will also receive an additional \$600 per week on top of ordinary state-authorized weekly benefits. The additional \$600 will be available only until July 31, 2020. Further, the federal government will fund up to an additional 13 weeks of pandemic emergency unemployment compensation for individuals who remain unemployed after they have exhausted their benefits under state law, up to a maximum of 39 weeks of unemployment compensation to such individuals, an increase from the 26 weeks traditionally available in Colorado. The CARES Act extends eligibility for COVID-19-related benefits to individuals who otherwise would not be eligible for regular unemployment compensation. This includes expanding eligibility to include independent contractors, self-employed individuals and those with a limited work history.

E. Paycheck Protection Program

The CARES Act established the Paycheck Protection Program (the "PPP") which provides loans of up to \$10 million to certain qualified small businesses through the Small Business Administration's (the "SBA's") 7(a) loan program. These loans are intended to be forgivable if the

Avon employer maintains employees and otherwise complies with the CARES Act. Congress has appropriated \$349 billion for this program.

The PPP is available to small business concerns as well as 501(c)(3) nonprofits. All such entities must have fewer than 500 employees (full and part-time). The PPP makes no distinction as to the type of for profit business that applies, so construction firms, grocery stores, law firms, architects and salons are all treated the same. The PPP expands allowable uses of 7(a) loans to include employee salaries, paid sick leave, medical leave, mortgage payments, rent payments, utility payments, insurance premiums and interest on any other debt obligations.

Qualifying borrowers are eligible for loans up to 2.5 times their monthly payroll costs, measured over the prior twelve months, or \$10 million, whichever is less. PPP loans do not require collateral from either the business or its owners like other SBA loans. Similarly, PPP loans do not require personal guarantees from owners like other SBA loans.

Loans provided to borrowers under the PPP are subject to forgiveness in the amount spent by the borrower during an eight week period after the origination date of the loan on the following items:

- Payroll costs;
- Interest payment on any mortgage put in place prior to February 15, 2020;
- Payment of any rent on any lease in effect prior to February 15, 2020;
- Payment of any utility charge, provide the utility service commenced prior to February 15, 2020.

Any loan forgiveness amounts will be reduced proportionately by any reduction in employees of the borrower during the first eight weeks of the loan. Note, this does not mean employers cannot separate from employees so long as they are replaced. Amounts forgiven will also be proportionately reduced if an employee's pay is reduced by twenty five percent or more as compared to the most recent quarter of employment.

In the event amounts of the loan are not forgiven, the remaining balance will have a maturity of ten years, and a maximum interest rate of four percent. For principal amounts that exist after any loan forgiveness under the PPP, small businesses may defer payment of remaining principal, interest, and fee balances for at least 6 months and not more than a year. Under the PPP, all borrowers are allowed to apply for deferment and all lenders have to apply complete deferment for all remaining balances for at least 6 months. Thus, businesses under the PPP can get a substantial portion of their loan forgiven in the first 8 weeks after the loan is issued, and not have to make any payments for up to a year.

In an effort to incentivize banks to make loans under the PPP and speed up loan processing, the PPP increases the federal guaranty of such 7(a) loans to 100% for the remainder of 2020 and substantially modifies the procedures and requirements required of lending banks to have their loans guaranteed by the SBA. For example, to assess eligibility lenders are only required to determine whether a business (1) was operational on February 15, 2020, and (2) had employees for whom it paid salaries and payroll taxes, or a paid independent contractor.

F. SBA Disaster Relief Lending

Prior to the establishment of PPP loans through the CARES Act, Congress enhanced the SBA's Economic Injury Disaster Loans ("EIDL") through its Phase I legislation. An EIDL loan offers up to \$2 million per individual business in assistance and can provide economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. These EIDLs may be used to pay fixed debts, payroll, accounts payable and other bills that cannot be paid because of the pandemic's impact. The interest rate on a small business loan is 3.75%. The interest rate for non-profits is 2.75%. SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

The CARES Act further expands eligibility for EIDLs to any individual operating as a sole proprietor or independent contractor between January 31, 2020 and December 31, 2020. Until December 31, 2020, the SBA can approve EIDLs based solely on an applicant's credit score or an alternative appropriate method for determining an applicant's ability to repay.

For EIDLs made before December 31, 2020 due to COVID-19, the SBA will waive the requirement for a personal guarantee on advances and EIDLs below \$200,000, the requirement that an applicant needs to have been in business for the one-year period before the disaster as well as the requirement that a business not have credit available elsewhere. In addition, the CARES Act provides a federally declared emergency qualifies as a new trigger for the EIDL program, thus making EIDLs available nationwide.

G. Direct Individual Aid

The CARES Act allocated \$300 billion towards a one-time stimulus check of \$1,200 to every Avon resident whose 2018 tax return, or 2019 if filed, showed income at or below \$75,000 for an individual or \$150,000 for a married couple. As such, a married couple with an income below \$150,000 would receive \$2,400, with an extra \$500 per child. There's no minimum threshold, so the vast majority of individuals in Avon reporting income in 2018 or 2019 will benefit. Individuals who receive Social Security benefits but don't file tax return are still eligible as well. Direct payments phase down after the \$75,000/\$150,000 caps and disappear completely for people making more than \$99,000 and couples making more than \$198,000.

Attachment C

Breckenridge Small Business Rent Relief Program

This information was provided to the City of Aspen by the Town of Breckenridge.

Town of Breckenridge Dedicates \$1 million to Breckenridge Small Business Rent Relief Program

At the March 24 Town Council meeting, Council approved \$1 million for the Small Business Relief Program. The purpose of this program is to provide some immediate rent support for the Town's entrepreneurial small businesses. It is intended to be a bridge grant, allowing the business tenant to get through the next 30 days while other relief options are pursued. The goal of the program is to help keep small businesses in a position to re-open as soon as the COVID-19 crisis passes. Those applications meeting all the criteria and having a complete application will be prioritized. All funds will be distributed electronically to qualifying applicants' landlord as a direct deposit. No checks can be issued.

Program Eligibility:

1. Your business must currently be closed by Summit County Public Health Order and unable to operate from home. Businesses offering limited take-out and/or mail order are eligible.
2. Your business must have a physical location in the Town of Breckenridge with a monthly rent payment due to a landlord to whom you have no ownership interest (or provide explanation for review / determination). If you have multiple locations, only one location will be considered for this grant.
3. Your business must normally be open all year (no seasonal businesses will be considered at this time).
4. You must employ 16 or fewer full time equivalent staff based on your 2020 BOLT license reporting.
5. You must provide evidence of sustainability such as:
 - o Statement of reserve funds;
 - o Application to refinance business operations;
 - o SBA loan application in process;
 - o Other state or federal relief application; and/or
 - o Statement of other financial support initiatives
6. You must provide a letter from your landlord stating there will be a rent reduction, rent deferment, or a combination of the two for at least one month. The landlord must also agree to not attempt an eviction process for failure to pay rent for at least 60 additional days after receiving this grant from the Town of Breckenridge.

TO ACCESS THE APPLICATION: Click on the green [Register](#) button at the top right side of this page and set up an account. The application will be available under the Programs button once your account is complete. If you already have an account, please log in and go to Programs to access the application

Attachment D:

Wheeler Opera House Inter-fund Advance Repayment Model

This model is based upon the existing inter-fund advance policy adopted by City Council.

Principal: \$2.5M

Term (yrs)	3	5	7	10
Interest Rate (as of 4/3/20)	0.30%	0.39%	0.52%	0.62%
Principal	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Annual Repayment Amt	\$838,338	\$505,865	\$364,610	\$258,604
Total Repayment Cost	\$2,515,015	\$2,529,326	\$2,552,270	\$2,586,040
Total Interest Cost	\$15,015	\$29,326	\$52,270	\$86,040

Principal: \$5M

Term (yrs)	3	5	7	10
Interest Rate (as of 4/3/20)	0.30%	0.39%	0.52%	0.62%
Principal	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Annual Repayment Amt	\$1,676,677	\$1,011,730	\$729,220	\$517,208
Total Repayment Cost	\$5,030,030	\$5,058,652	\$5,104,539	\$5,172,081
Total Interest Cost	\$30,030	\$58,652	\$104,539	\$172,081