

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-28

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA ESTABLISHING THE CARES ACT UTILITIES COSTS SUBSIDIZATION PROGRAM

1. CLASSIFICATION. This ordinance is NOT of a permanent nature and is NOT intended to become a part of the Sitka General Code (“SGC”).

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to establish a grant program which uses CARES Act funds received by the City and Borough of Sitka to subsidize utilities costs for residents and businesses experiencing economic hardship due to the COVID-19 health care emergency. The Assembly makes legislative findings as follows.

a. The Assembly recognizes that an emergency exists due to the COVID-19 pandemic that affects the life, health, welfare or property of the residents and businesses in the City and Borough of Sitka.

b. The Assembly further recognizes that the COVID-19 pandemic has caused great economic hardship to many of the residents and businesses in the City and Borough of Sitka.

c. On March 27,2020, the federal Coronavirus Aid, Relief, and Economic Security Act (HR 748) (“CARES Act”) was signed into law. The CARES Act contains numerous provisions aimed at providing relief from the COVID-19 pandemic, including the creation of funds to provide direct relief to states and municipalities to alleviate economic hardship.

d. The State of Alaska has received CARES Act funds, some of which it expects to disburse to municipalities, the amount of which is currently unknown but expected to be several million dollars.

e. If and upon receipt of the CARES Act funds, the Assembly desires to disburse all or a portion of those funds to residents and businesses who qualify, for the purpose of alleviating economic hardship caused by the COVID-19 pandemic.

f. To that end, in light of the economic hardship imposed on residents and businesses in the City and Borough of Sitka, by enactment of this ordinance the Assembly initiates the following temporary utilities subsidization program.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka (“CBS”) that there shall be a temporary utilities costs subsidization program as follows:

Section 1. Title. This program may be referred to as the “CARES Act Utilities Costs Subsidization Program.”

Section 2. Implementation. This program shall only be implemented if funds sufficient to fund the entire program are received by the CBS from the U.S. Treasury Department CARES Act and those funds are deemed to be eligible to be used in this program.

Section 3. Policy and procedure.

57 A. It shall be the policy of the CBS that applicants meeting certain criteria shall be eligible for
58 subsidization of municipal utilities costs from CARES Act funds paid to the CBS due to the COVID-19
59 public health emergency.

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61 B. Subsidization shall be in the form of general governmental subsidy payments to municipal utilities
62 accounts for the benefit of eligible applicants. Under no circumstances may subsidization be in the
63 form of reduced utility rates or the provision of free utilities services.

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65 C. A supplemental appropriation providing funding for the program shall be established by a special
66 appropriation of the Assembly. All CARES Act funding shall reside in a special revenue fund and a
67 separate account within that fund will be established and separately budgeted for the utilities costs
68 subsidization.

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70 D. Applications for subsidization shall be submitted to the Finance Department on forms provided by
71 the Finance Department. Only one application per household and/ or per business is allowed.
72 Applications must be submitted by July 31, 2020. If the application is denied, the applicant may
73 appeal to the Municipal Administrator. If an appeal to the Municipal Administrator is denied, the
74 applicant may appeal to the Assembly. The Assembly's decision is the final action of the CBS.

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76 E. Any incomplete or duplicate application will be rejected. For those complete and eligible
77 applications, upon acceptance the Finance Department will disburse the subsidy to the accounts of
78 those applicants accepted. All subsidy payments will be applied to accounts by August 31, 2020.

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80 F. The utilities cost subsidy for each eligible residential applicant is a one-time credit on account in the
81 amount of One Thousand Dollars (\$1,000).

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83 G. The utilities cost subsidy for each eligible business applicant is a one-time credit on account in the
84 amount of Three Thousand Dollars (\$3,000).

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86 H. The Finance Director shall have the responsibility of developing administrative procedures, which
87 shall be approved by the Municipal Administrator, necessary for implementation of this program.

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89 **Section 4. Eligibility and subsidization.**

90 A. An applicant must be a customer receiving and responsible for paying for utilities from the CBS for
91 (1) a residential dwelling in which the applicant or a household member has resided in continuously
92 since March 15, 2020, and currently still occupies; and/ or (2) a non-residential business location
93 which the applicant has operated in since March 15, 2020, and currently still operates.

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95 B. An applicant shall be eligible for subsidization if the applicant certifies in his or her application as
96 follows:

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98 (1) the applicant is and has been a utilities account holder since at least March 15, 2020;

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100 (2) a residential applicant, the applicant or a household member is currently a resident of Sitka
101 and has been a resident of Sitka since at least March 15, 2020;

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103 (3) if a business applicant, the applicant has operated it's business continuously since March
104 15, 2020, and currently still operates;

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106 (4) the applicant has incurred economic hardship due to the COVID-19 public health
107 emergency;

109 (5) the subsidy payment would be to an account affected by the economic hardship caused by
110 the COVID-19 public health emergency; and

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112 (6) at the time of the certification, the applicant continues to face economic hardship due to the
113 COVID-19 public health emergency.

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115 C. An applicant is eligible for a subsidy even if the applicant has overdue charges owed to the CBS. A
116 subsidy applied to an account with overdue charges will be first applied to those overdue charges.
117 Any portion of a subsidy not applied to costs on account shall be returned to the CBS by debit to that
118 account.

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120 **Section 5. Definitions.**

121 A. "Business" means those customers receiving electric services under SGC 15.01.020.C-D.

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123 B. "Economic hardship" means, as a result of the COVID-19 public health emergency, business or
124 personal or household disposable income has decreased and/or normal business or personal or
125 household expenses have increased, such that it has become impossible or difficult to make ends
126 meet and/or any money reserves of the applicant have been and/or are being significantly depleted.

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128 C. A "household" consists of all the people who occupy a "housing unit" A house, an apartment or
129 other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended
130 for occupancy as separate living quarters; that is, when the occupants do not live with any other
131 persons in the structure and there is direct access from the outside or through a common hall. A
132 previously designated live aboard vessel in the city and borough harbor system is also regarded as a
133 housing unit. A household includes the related family members and all unrelated people, if any, such
134 as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in
135 a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is
136 also counted as a household.

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138 D. "Subsidization" refers to "utilities costs subsidization."

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140 **5. EFFECTIVE DATE.** This ordinance shall become effective the day after the date of its
141 passage and is temporary in nature to be implemented only if CARES Act funds in a sufficient amount
142 are received by the City and Borough of Sitka.

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144 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
145 Alaska this 9th day of June, 2020.

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Gary L. Paxton, Mayor

149 **ATTEST:**
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153 Sara Peterson, MMC
154 Municipal Clerk

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156 1st reading 5/26/2020
157 2nd and final reading 6/9/2020

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159 Sponsors: Christianson and Mosher