

## December 2020 COVID-19 Emergency Relief

The COVID-19 pandemic continues to have serious impacts on our local economy and the long-term well-being of our city. Except for federal funding provided at the start of the pandemic in the Spring, local governments have otherwise been on their own to address the financial needs created by the pandemic. At this point, the federal government continues to debate but not provide further assistance, and the state government has no plans to provide additional financial support beyond the local aid in the FY21 state budget.

With vaccines on the way, the pandemic will reach an end – likely in 2021. Right now, we need to protect our community from COVID-19 and provide financial support so our local economy will still be here as the pandemic comes to an end. We have moved to close businesses and programs where public health needs require it. But, we need a bridge of financing that can ensure that Somerville remains the city that we know and love. This will impact our community, our residents, and our future local revenues including property and meals taxes. Without financial assistance, we are likely to have more bankruptcies, more evictions, and we risk reopening our economy without the small businesses, the arts community and the diverse neighborhoods that makes Somerville a great place to live, work, play, and raise a family. We need to provide support in three areas:

### **For small business:**

To date we have provided \$1,750,000 in forgivable loans from federal grants and \$700,000 in fee waivers. With the need to close businesses to protect public health, we need additional support. The COVID-19 Small Business Emergency Relief Fund will specifically assist businesses that have remained closed, been recently closed, or had operations significantly reduced due to COVID-19 restrictions. This program will be funded at \$5,000,000 by transferring money from the following sources:

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| • Rainy Day Stabilization                 | \$1,843,117 |
| • Capital Stabilization                   | \$1,000,000 |
| • Street Reconstruction Stabilization     | \$1,500,000 |
| • Wynn Casino – FY21 Payments             | \$ 300,000  |
| • Water Transportation Stabilization      | \$ 150,306  |
| • Algonquin Mitigation Stabilization      | \$ 132,359  |
| • Small Business Assistance Stabilization | \$ 74,218   |

Note: We intend to replenish the stabilization accounts once free cash is certified in February 2021.

### **For artists and arts non-profits:**

We will supplement the recently announced \$500,000 Artist Community Support program with an additional \$600,000, bringing the total program to \$1.1 million, by transferring money from the following sources:

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| • Wynn Casino – FY20 and FY21 payments | \$ 200,000 |
| • Park Stabilization                   | \$ 400,000 |

Note: A \$400,000 state grant for parks, recently accepted, reimburses the City and frees up funds for this proposed use.

### **For residents in need:**

To date \$2.56 million has been allocated for rental assistance, and just over \$400,000 for child-care programs, food programs, and workforce development. These funds have been provided to our non-profit community. In addition, we have increased capacity at the Office of Housing Stability and local non-profits to assist Somerville residents with applying for state rental assistance. We estimate that the local funds provided will sustain our need through the next few months but will likely need additional funds soon. At that time, additional federal and state funds may be available. But, if they are not made available for these needs, we may need to return to the City Council for additional support.