



City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

Phase 2 CARES Act Grant Program Allocation Methodology For Business Grants

These grants were intended to provide more targeted support to those businesses that suffered the most extreme losses and demonstrated the most need in terms of covering their fixed costs (where the first grant program aimed to quickly get some level of support out there). As such, the application compared year-to-year revenues for the April-September period for 2020 vs. 2019. To be eligible, applicants had to show a year over year loss of at least 35%. After determining eligibility, the formula grant factored in fixed costs (not to exceed revenue loss) and other grant support (local/state/federal) and offered an employment credit for each full-time employee.

After verifying data and requesting additional information, the total amount of eligible requests was \$3,396,791. The total available for all business and nonprofit grants was set at \$3 million for the phase 2 grants. In order to reduce the total to fit within the budgeted amount the following approach was taken:

1. Some businesses had significant year-to-year losses, but their revenue was relatively small. If they had no other grant support and enough eligible fixed costs the grant would constitute a very significant portion of their regular revenue (based on 2019 revenue). Rather than covering up to 100% of some smaller business' prior year revenue, we set a threshold of not covering more than 15% (which is the average percent of 2019 revenue that the initial eligibility amount covered for all businesses). This reduced overall requests down to \$2,943,675-with the nonprofit applications, further reduction was required.
2. As the overall goal of this grant program was to most help those who experienced the most loss, the secondary approach to get us closer to the budget applied a reduction across the board, but tiered, based on the level of loss. To reach a final total of \$2,630,004, we applied the following allocation methodology:
 - a. Those experiencing a loss over 75% were reduced by 5%
 - b. Those experiencing a loss between 50% and 75% were reduced by 10%
 - c. Those experiencing a loss between under 50% were reduced by 15%

The average reduction for business grants is 23%

Phase 2 CARES Act Grant Program Allocation Methodology For Nonprofit Grants

The nonprofit grant program was structured to factor in loss to the organization, but also the contribution to the community that the nonprofit makes. Instead of a calculated amount, nonprofits requested a specific amount. The applications were reviewed by the board of the Sitka Legacy Fund and the attached list of organizations and grant amounts have been recommended by the review panel. Reviewers took into account other grant funding received by the organizations and also considered that further cuts would be required. The total recommended nonprofit grant funding of \$380,000 represents a 20% reduction in the amount of funding requested by nonprofit applicants; individual nonprofit grants were reduced by percentages ranging from 5% to 81%.