

**RECOMMENDATION or RESOLUTION NO. 2020XXXX-XXX
COVID-19 Cash Transfers Assistance Program**

WHEREAS, on March 6, 2020, Mayor Steve Adler declared a local state of disaster for the City due to concerns related to the coronavirus disease (COVID-19); and

WHEREAS, on March 17, 2020, Mayor Steve Adler ordered the closure of restaurants and bars in the city, and limiting gatherings to 10 people; and

WHEREAS, on March 24, 2020, Austin-Travis County announced a “shelter-in place” order to help slow the spread of COVID-19; and

WHEREAS, the pandemic and subsequent enforceable safety measures have disproportionately affected hourly wage workers in the service, retail, hospitality, construction, and food and beverage industries, leading to lost jobs and lack of access to benefits; and

WHEREAS, according to the US Census 2018 ACS 5-year Survey, over 153,000 Austinites live in poverty, and the number is expected to grow exponentially due to the COVID-19 pandemic and economic downturn; and

WHEREAS, economists note that a large percentage of Americans live paycheck to paycheck, which means that not only do residents have to protect their families from a pandemic, they also have to worry about how they are going to pay rent/mortgage, feed their children and keep the lights on for the foreseeable future; and

WHEREAS, a stimulus package given by the federal government will only benefit individuals with social security, which means that these proposals would exclude undocumented families, which are some of our most vulnerable residents; and

WHEREAS, unemployment benefits do not cover undocumented families, contractors or informal/formal small businesses that may not have unemployment insurance, which further marginalizes low income families that work in the construction industry, service industry, restaurants, hospitality, ride-sharing, housekeeping, and contract their services formally and informally; and

WHEREAS, direct cash transfers can help fill in the gap, in addition to Austin Energy not disconnecting utility services, the no evictions order, food distribution, business resources, workforce services and healthcare services offered as a response to COVID-19; and

WHEREAS, academics across the country and world have conducted countless studies that draw the same conclusion: cash transfers are cost-effective and have the strongest track record to reduce vulnerability, as well as demonstrating that people judiciously use the cash they receive to meet their needs, rather than spending it on non-essential items; and

WHEREAS, research demonstrates that cash transfers protect people's standards of living during crises, and amid natural disasters, people receiving cash are quicker to recover their assets than those who don't; and

WHEREAS, cash improves food security, and recipients are less likely to self-report hunger than non-recipients because the unrestricted nature of cash enables people to buy exactly what they need, whether it is food or other essential items; and

WHEREAS, in addition to the immediate impact, research shows that after a crisis has ended, cash transfers have a significant long-term impact on people's livelihoods and can also stimulate demand for goods and services in local economies, leading to quicker recovery for communities and businesses overall;

NOW, THEREFORE IT BE RESOLVED THAT _____ requests that the City Council of the City of Austin:

SECTION 1. Allocate \$10M into cash assistance to be given to 10,000 impacted families experiencing financial hardship brought by COVID-19 to help supplement lost wages. By allowing impacted families to make their own financial decisions, we are inviting others to respect people's agency and allow them the opportunity to decide what works best for them.

SECTION 2. Eligibility Criteria for Potential Recipients: eligibility will be determined by nonprofits and other entities.

The financial impact of containing Covid-19 runs deep within communities across the country. The goal is to invest in low-income households that are experiencing an increased financial hardship due to one of the following reasons:

- Unpaid leave due to voluntary or mandatory isolation
- Care of a vulnerable or infected relative
- Loss of wages due to involuntary cancellation of work or loss of job
- Unpaid leave of absence due to school or daycare closure

To reach this population, households must meet the following minimum criteria:

- Be at least 18 years or older
- Central Texas proof of residency
- Have a bank account that can accept an ACH transfer
- Commit to filling out 2 surveys over the next year on the impact of the funds received

SECTION 3. Fund Details:

- \$10,000,000 to be disbursed in one-time cash transfer of \$1,000 to 10,000 unique families.

SECTION 4. Eligibility criteria for potential grantees:

- Technology- backed cash transfer program that can disburse the money directly into accounts without needing to have any in-person interaction.

- Money allocated through this fund should go directly to the people and no fees or overhead should be associated with the solicitation process. If the City of Austin allocates \$10M, that's the amount that has to be given to people.
- Funds processing should not be more than 48 hours after families have filed their application.
- No restrictions on how cash transfers should be spent or managed
- Anyone who is experiencing hardship should be able to receive the one-time cash transfer regardless of their citizenship status, race, ethnicity, sex and age.

SECTION 5. Organizations that could be recipients of this:

- **Family Independence Initiative (FII)** has developed the tools to process cash transfers to targeted families within 24 hours. Given the crisis situation, they are absorbing all operational costs (typically there is a 20% overhead cost) and will allow anyone to invest directly in people at no cost while families get their cash transfer directly to their bank accounts. Starting on April 1st, FII will be able to provide existing social service organizations access to authorization codes for them to distribute to low-income residents in their programs or services who are experiencing a financial hardship. It will be entirely up to those trusted partners to determine eligibility and distribute these codes which will give household access to enroll in the cash transfer fund. FII currently has 380 families who have benefited from cash transfers over the past 15 months and have seen how money helps accelerate economic mobility and to stabilize families when in crisis. Their system will be ready to deploy dollars out as soon as investment from local government and philanthropy are received.