

THE FEDERAL CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

HIGHLIGHTS FOR COUNTIES APRIL 2, 2020



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CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

- Signed into law on March 27, 2020, effective immediately
- Third federal legislative response to Coronavirus
- \$250 billion - direct payments to individuals and families
- \$377 billion - small business loans
- \$260 billion - unemployment insurance benefits
- \$500 billion - loans for distressed companies
- \$150 billion - assist states and localities
- \$150 billion – health care providers for equipment, training, infrastructure



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UNEMPLOYMENT INSURANCE CHANGES

- Emergency Unemployment Insurance (UI) Relief for Governments and Nonprofits (reimbursing employers)
 - Federal govt. will support up to half the costs incurred UI benefits compensation from 3/13/2020 through 12/31/2020
 - State UI trust fund is not required to repay these amounts
- Additional \$600 per week for UI recipients for up to four months (exp. 7/31)
- 13 weeks extended UI benefits for recipients who exhaust regular state benefits (exp. 12/31)
- New pandemic UI benefits for self-employed, contractors, and individuals with limited work history



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COMMUNITY DEVELOPMENT BLOCK GRANT

- Additional \$5 Billion for CDBG program
 - \$2B allocated to state and local formula grantees
 - \$1B to states for coordinated response across entitlement and non-entitlement communities
 - \$2B to states and local governments based on prevalence of COVID-19 and related economic and housing disruption



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ELIGIBLE ACTIVITIES UNDER CDBG TO RESPOND TO COVID-19 (EXAMPLES)

- Acquiring, constructing, or renovating facilities
 - Facilities for testing, diagnosis, or treatment; expand hospital capacity
 - Making interim improvements for individuals to be quarantined at home
- Assistance to businesses
 - Grants or loans to businesses provide medical supplies;
 - Short-term working capital for job retention of low-income persons
- Provision of new or increased public services (capped at 15% of grant) – training, testing, diagnosis, supplies, meal delivery



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STATE CDBG PROGRAM RESPONSE OHIO DEPARTMENT OF DEVELOPMENT SERVICES

- 0% interest loans
- Working capital loans will not be capped at 30% of program income (principal, interest, and bank interest) received in one year
- Working capital loans may be approved without accompanying fixed-asset investment
- Deferred principal and interest for new and existing loans for up to 6 months with a 6-month renewal option
- New Economic Development and Revolving Loan Fund projects are still required to meet the low- and moderate-income (LMI) job creation and/or retention requirements



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CORONAVIRUS RELIEF FUND

- \$150 billion for direct payments to state and local governments
- For expenditures incurred due to COVID-19 emergency between 3/1/2020 and 12/30/2020, not for general fiscal relief
- Expenses are not accounted for in the most recently enacted budget for the state or local government
- Direct payments for local governments with population > 500,000
- \$4.5 billion total for Ohio (\$2.5B to state govt)



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CORONAVIRUS RELIEF FUND

- 45% of each state allotment is initially reserved for large direct pay local governments, based on their share of state population;
- Questions about distribution mechanism:
 - Law is silent about other local governments being sub-grantees of state
 - Does unused portion of direct payment revert to state?
 - How will federal regulations define COVID-19 expenses?



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FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

- \$45 Billion Increase for the FEMA Disaster Relief Fund, with \$25B earmarked for Stafford Act funding
- Additional \$400 million funding for federal assistance and prevention:
 - \$100 million for Assistance to Firefighter grants for the purchase of protective gear, supplies and related reimbursements;
 - \$100 million for Emergency Management Performance Grants; and
 - \$200 million for the Emergency Food and Shelter Program.



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STAFFORD ACT DISASTER RELIEF AND EMERGENCY ASSISTANCE

- Two types of declarations allow for federal assistance
 - Emergency Declaration – to save lives, protect property or public health and safety, or to lessen or avert the threat of a catastrophe
 - Presidential Declaration of 3/13/2020 for all 50 states related to COVID
 - Major Disaster Declaration – after an event has occurred; usually a natural disaster that causes damage of the severity to warrant major disaster
 - Presidential declaration for Ohio 3/31/2020
- These declarations trigger different categories of assistance
- Stafford Act uses 75% federal cost share



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EMERGENCY MANAGEMENT RESPONSE: CRITICAL ACTION STEPS

- Ensure that the community embraces mitigation – good hygiene and social distancing
- Integrate all emergency management and public health operations and form a unified EM-Public Health Team
- Collect public, private, and governmental hospital bed capacity data
- Actively Plan to stand-up alternate care sites
- Maintain awareness of ventilators that may be used across your area
- Identify sources of medical professionals to meet the increased hospital surge
- Manage Personal Protective Equipment carefully

Source: FEMA Administrator Letter to Emergency Managers, March 27, 2020



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FEMA FUNDING: PUBLIC ASSISTANCE CATEGORY ELIGIBLE EMERGENCY PROTECTIVE MEASURES

- ***These items must be within the legal responsibility of the county***
- Management, control, and reduction of immediate threats to public health and safety
 - Emergency Operations Center costs
 - Training specific to the declared event (e.g., corrections staff)
 - Disinfection of eligible public facilities (e.g., detention center)
 - Procurement of technical assistance for EM and control of immediate threats



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FEMA FUNDING: ELIGIBLE EMERGENCY PROTECTIVE MEASURES (CONT.)

- Emergency Medical Care
 - Medical treatment of infected persons in a shelter or temporary medical facility
 - Related medical facility services and/or supplies
 - Temporary medical facilities and/or enhanced medical/hospital capacity when existing facilities are overloaded
 - Use of specialized medical equipment
 - Medical waste disposal



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FEMA FUNDING: ELIGIBLE EMERGENCY PROTECTIVE MEASURES (CONT.)

- Medical Sheltering when existing facilities cannot accommodate needs
- All sheltering must be conducted in accordance with HHS/CDC guidance and implemented in a manner that incorporates social distancing
 - Non-congregate medical sheltering is subject to prior approval by FEMA
 - Purchase and distribution of food, water, ice, medicine; PPE; and hazardous suit materials
 - Security and law enforcement (e.g., necessary overtime)
 - Communication of health and safety information to the public
 - Reimbursement of local government force account overtime costs

FEMA Coronavirus Pandemic Fact Sheet: Eligible Emergency Protective Measures, March 19



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FEMA FUNDING FOR MAJOR DISASTERS INDIVIDUAL ASSISTANCE CATEGORY

- Temporary Housing Needs
- “Other Needs Assistance”
 - medical, dental, funeral, personal property, transportation, moving and storage, and other expenses that FEMA/EPR approves
- Crisis counseling
- Disaster legal services for low-income individuals



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DEPARTMENT OF HEALTH AND HUMAN SERVICES

- Public Health and Social Services Emergency Fund - \$100 Billion
- Grants or other mechanisms to eligible health care providers for health care-related expenses or lost revenues that are attributable to coronavirus
- Funds available on a rolling basis, including prospective payment
- Medicaid or Medicare providers or suppliers, or other organizations designated by HHS
- Am. Hosp. Assoc. proposal -- \$25k per bed, \$30 k for “hot spots”



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OTHER PROVISIONS

- Homeowners with federally-backed mortgages insured by a FHA or VA loan who are experiencing hardship may request forbearance for up to one year, regardless of delinquency status
- Servicers of federally-backed mortgages may not initiate foreclosure proceedings or evictions for sixty days beginning March 18, 2020
- \$4 billion for HUD for homeless assistance grants
- \$25 billion for public transit systems
- \$400 million for election security grants to prepare and respond to COVID-19 in the 2020 election



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CONTACT INFORMATION

For more information:

<https://ccao.org/resources/coronavirus-updates/>

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