



# CARES Act Funding for COVID Response

**City Council Meeting - July 14, 2020**

# Presentation Topics

- CARES Act Funding
- Recommended Uses
  - City costs in response to the pandemic, including public health
  - Community and residents support
  - Business and economic resiliency support
- Recommended Action

# Background

- The Federal Coronavirus Aid Relief and Economic Security (CARES) Act established the Coronavirus Relief Fund, which appropriated \$150 billion to states and certain local governments
- Falling just below the population threshold of 500,000, the City did not receive a direct allocation from the federal government
- Governor Newsom's May Revision of the State's Proposed FY 21 budget provides \$450 million to all cities that did not receive a direct allocation
- On June 30, 2020, the State Legislature approved the State budget, and allocated approximately \$40.3 million in CARES Act funding to the City
- Funding must be obligated by September 1, 2020 and spent by October 30, 2020, or show that they will be spent by the end of 2020

# Background (Cont.)

- State CARES Act funding will help reduce the budget shortfall in FY 20 and help prevent the FY 21 budget from having a larger shortfall by offsetting the cost of staff diverted to the response
- State CARES Act funding cannot be used to offset government revenue shortfalls
- The City has several key goals in considering the most strategic use of State CARES Act funding:
  - Minimize the City's budget shortfall caused by the pandemic
  - Utilize the funds in a way to support critically needed activities and functions that are not supported by other funding sources
  - Use the funds in a way such that strategic combination with other available grants minimize the City's net costs related to pandemic response efforts and other associated costs

# Proposed Plan

- A proposed plan has been developed based on feedback from all City departments to meet these goals based on the final approved allocations and actual funding received
- Staff have identified a list of activities and functions eligible for State CARES Act funds, based on the most current available guidance
- Staff's recommendations have been organized under three categories:
  - City costs in response to the pandemic, including public health
  - Community and residents support
  - Business and economic resiliency support
- The programs will be refined as staff moves to implement new activities or continue the ongoing COVID response and will adjust, if additional funding sources become available, to achieve the maximum flexibility

# Recommended Uses

The recommended uses took the following input into consideration:

- Council requests since March
- Department requests based on demonstrated need during COVID response
- Informal community/business/resident feedback on the ground during the City's COVID responses
- Public comment at various City meetings
- An equity lens will be applied per City Council's direction as the program criteria are development to make key investments

# City COVID Response - \$19,130,494

## City COVID Response

- Offset the costs of City emergency response from March to December 2020, including staff costs not eligible for other funding

# Community Support - \$14,400,000

Funding to provide support for recovery and resiliency to those community members most impacted by the pandemic

<b>Program</b>	<b>Amount</b>
Homeless Sheltering	\$2,000,000
Housing Condition Improvements	\$500,000
Basic Needs – Case Managers	\$400,000
Food Insecurity and Meals for At-Risk and Senior Populations	\$3,000,000
Black Education Health	\$1,000,000
Older Adult Support	\$500,000
Mental Health and Domestic Violence	\$500,000



# Community Support - \$14,400,000 (Cont.)

<b>Program</b>	<b>Amount</b>
Public Health Case Management Support	\$500,000
Early Childhood Support	\$1,000,000
Non-Profit Relief	\$1,000,000
Youth Leadership & Ambassador Program	\$1,000,000
Youth Programming	\$500,000
Digital Inclusion	\$1,000,000
Grants to the Arts Community	\$1,500,000

# Business Support - \$6,750,000

Funding to provide support for recovery and resiliency to businesses most impacted by the pandemic

Program	Amount
Small Business and Non-Profit PPE Distribution	\$750,000
COVID-19 Small Business Transition & Recovery Grants	\$3,600,000
Business Improvement Districts (BIDs) Loans & Grants	\$1,000,000
Grants for Queuing Systems & Contactless Payment Systems	\$500,000
COVID-19 Business Call Center	\$150,000
COVID-19 Economic Inclusion Coordinator	\$150,000
COVID-19 Small Business Education Budget	\$100,000
Open Streets Initiative	\$300,000
COVID-19 Economic Equity Study	\$200,000

# Other Funding

- Staff has been researching, applying for, and tracking all available COVID-19 grant opportunities to maximize the City's access to available funding for emergency response and recovery activities
- Long Beach will be receiving several large grants amounting to support ongoing programs to address and lessen the impacts of COVID-19:
  - \$13 million from Los Angeles County, Centers for Disease Control and Prevention's (CDC) Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC)
  - \$13 million from the ESG Emergency Solutions Grants (ESG) from the U.S. Department of Housing and Urban Development (HUD), and \$1.8 million in ESG-CV, which will support emergency shelter, homeless prevention, rental assistance, street outreach, and administrative activities
  - \$3.6 million in round one of Community Development Block Grant -CARES (CDBG-CV) grant funds for tenant assistance (HUD). Additional CDBG-CV grant funds are expected

# Recommended Action

- Review a report on Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding and potential uses and provide input and policy direction; and,
- Approve State CARES Act related budget appropriation adjustments for Fiscal Year 2020 across various departments and funds, in accordance with existing City Council policy.



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