



Legislation Text

File #: 20-545, **Version:** 3

Title

Ordinance No. 20-81 amending Ordinance No. 19-87 (2020 Appropriation Ordinance) for a supplemental appropriation to the Grant Fund in the amount of \$67,013,392, the Airport Grant Fund in the amount of \$24,340,290, and the CDBG Grant Fund in the amount of \$1,811,610 for the Coronavirus Aid, Relief, and Economic Security Act (CARES) grants funding response to and recovery from the coronavirus pandemic.

Presenter:

Charae McDaniel, Chief Financial Officer
Jen Vance, Grants Manager

Summary: The attached Ordinance is a supplemental appropriation of revenue and expenditure as follows:

- Grant Fund: \$67,013,392
- Airport Grant Fund: \$24,340,290
- CDBG Grant Fund: \$1,811,610

The expenditure appropriation is for response and recovery activities related to the coronavirus pandemic.

The source of funds for the Grant Fund consists of grant revenue from the Federal Emergency Management Agency (FEMA) through the Colorado Department of Public Safety (\$1,275,000), the U.S. Department of the Treasury (DoT) through El Paso County (\$37,526,357), the Federal Transit Administration (FTA) (\$21,562,532), the U.S. Department of Justice (DOJ) (\$665,100), and the U.S. Department of Housing and Urban Development's (HUD) Emergency Solutions Grant-CV (\$5,984,403).

The source of funds for the Airport Grant Fund consists of grant revenue from the Federal Aviation Administration (FAA) in the amount of \$24,340,290.

The source of funds for the CDBG Grant Fund consists of grant revenue from HUD's Community Development Block Grant-CV, in the amount of \$1,811,610.

Previous Council Action: On December 5, 2019, City Council approved the 2020 Budget per Ordinance No. 19-87, which included appropriations for the Grant Fund, Airport Grant Fund, and CDBG Grant Fund.

Background: On March 13, 2020, the President declared the ongoing Coronavirus Disease 2019 (COVID-19) pandemic of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia pursuant to section 501 (b) of the Robert T.

Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the “Stafford Act”). In response to the economic impact of responding to the COVID-19 pandemic, legislation was approved by Congress and signed into law by President Trump on March 27, 2020. This legislation is the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and authorizes more than \$2 trillion to address COVID-19 and its economic effects.

As part of the CARES Act, many federal agencies received allocations, providing grants to states and local governments for purposes specific to their organizations. The City of Colorado Springs received CARES Act funding through the FAA, FTA, DOJ, and HUD for purposes of responding to and recovering from the COVID-19 pandemic. Additionally, El Paso County received funding directly from the DoT, and elected to distribute a portion of that funding to jurisdictions within El Paso County, based on population. Finally, the City also has the ability to seek funding from FEMA for qualifying expenses for as long as the emergency declaration is in place.

Each grant program defines eligibility criteria for use of the funds. Supplementing revenue loss is not an eligible activity under any grant program. Included below is a non-exhaustive list of eligible expenses, by grant program.

- **FEMA Public Assistance Grant Program.** Under the COVID-19 Emergency Declaration, FEMA may provide assistance for emergency protective measures including, but not limited to, the following:
 - o Management, control and reduction of immediate threats to public health and safety, including disinfection of eligible public facilities,
 - o Emergency medical care,
 - o Medical sheltering,
 - o Purchase and distribution of personal protective equipment (first responders and public health employees with immediate response role),
 - o Communications of general health and safety information to the public; and
 - o Reimbursement for state, tribe, territory and/or local government force account overtime costs (first responders/public safety employees only).

- **DoT Coronavirus Relief Fund.** The CARES Act available through the U.S. Treasury provides that payments from the Fund may only be used to cover costs that:
 - o Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19),
 - o Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
 - o Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.
 - o Additionally, eligibility was further clarified by the U.S Treasury in the Coronavirus Relief Fund Frequently Asked Questions, attached to this presentation, which indicated the following:
 - Payroll costs for public health and public safety employees are eligible for reimbursement under the program,
 - Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer related to the COVID-19 public health emergency,
 - Governments have discretion to determine what economic support/business

interruption support is necessary. Governments also have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency, whether through a separate grant program, or through existing programs or contracts impacted by COVID-19.

- See attached FAQ's for additional eligibility guidance

- **FAA CARES Airport Program.**

- An airport owner/sponsor may use these funds for any purpose for which airport revenues may be lawfully used.
- The airport sponsor must continue to employ, through December 31, 2020, at least 90% of the number of individuals employed (after making adjustments for retirements or voluntary employee separations) as of March 27, 2020.
- See attached CARES Airport Grants FAQ's for additional information.

- **FTA CARES Act Apportionment**

- The primary goal of the FTA CARES Act Apportionment is to supplement the operating costs of transit systems.
- All FTA recipients, including those in urbanized areas of 200,000 or more in population, may utilize funds made available under the CARES Act for operating expenses incurred to maintain service on or after January 20, 2020.
- There is no limit on the amount of funds made available under the CARES Act that may be used for operating assistance.
- See eligibility FAQ's at:
<https://www.transit.dot.gov/frequently-asked-questions-fta-grantees-regarding->

- **DOJ Coronavirus Emergency Supplemental Funding Program.** The Coronavirus Emergency Supplemental Funding (CESF) Program will provide funding to assist eligible states, local units of government, and tribes in preventing, preparing for, and responding to the coronavirus

- CESF funds are not limited to only criminal justice activities.
- CESF funds must be used for preventing, preparing for, and responding to the coronavirus.

- **HUD Community Development Block Grant-CV.** Grantees should coordinate with local health authorities before undertaking any activity to support state or local pandemic response. Grantees may use Community Development Block Grant (CDBG) funds for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the coronavirus. Activities must meet an existing CDBG national objective to be eligible. Eligible uses could include:

- Buildings and improvements, including public facilities. The acquisitions must meet a defined public health need such as a facility for testing, diagnosis or treatment, or rehabilitation of building for purposes of compliance of a public health order,
- Assistance to Businesses, including Special Economic Development Assistance,
- Provision of New or Quantifiably Increased Public Services; and
- Planning, Capacity Building, and Technical Assistance

- **HUD Emergency Solutions Grant-CV.** Activities must meet an existing Emergency Solutions Grant eligibility criteria, and:
 - o Funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance.
 - o The funds will also support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19.

Financial Implications: There is no impact to the City's General Fund, or other funds with the exception of the added appropriation to the Grant Fund, Airport Grant Fund, and CDBG Grant Fund as requested by this action. The FEMA grant requires a 25% local match, however the match requirement will be covered through another eligible grant source.

Board/Commission Recommendation:

N/A

Stakeholder Process:

The Community Development Division (CDD) has completed the required Citizen Participation process for use of funds, as required by HUD. During this process CDD utilized stakeholder consultations, public notices, studies of state and local indicators, and public comments to determine best use of the funds allocated by HUD.

This request was discussed with the City Council Budget Committee on September 8, 2020.

Alternatives:

N/A

Proposed Motion:

Move approval of the attached ordinance amending Ordinance No. 19-87 (2020 Appropriation Ordinance) for a supplemental appropriation to the Grant Fund in the amount of \$67,013,392, the Airport Grant Fund in the amount of \$24,340,290, and the CDBG Grant Fund in the amount of \$1,811,610 for the Coronavirus Aid, Relief, and Economic Security Act (CARES) grants funding response to and recovery from the coronavirus pandemic.

Ordinance Language:

An Ordinance amending Ordinance No. 19-87 (2020 Appropriation Ordinance) for a supplemental appropriation to the Grant Fund in the amount of \$67,013,392, the Airport Grant Fund in the amount of \$24,340,290, and the CDBG Grant Fund in the amount of \$1,811,610 for the Coronavirus Aid, Relief, and Economic Security Act (CARES) grants funding response to and recovery from the coronavirus pandemic.