

Guide to Federal COVID-19 Funding for Local Governments

Coronavirus Relief Fund (CRF) (Treasury [guidance](#) & allowable expenses [guidance](#))

- Current allocation to locals up to \$150 million (state administered) per [S.L. 2020-4](#).
- Funds can be used for new expenditures related to COVID-19, such as public health staff and program costs, personal protective equipment (PPE), public safety staff expense, including overtime or mandatory pay, distance learning and teleworking requirements
- Expenses must be incurred between March 1, 2020 – December 30, 2020
- At this time, CRF funds cannot be used for lost revenue
- For expenses that are eligible for both CRF and FEMA-PA, FEMA dollars should be used FIRST as CRF is eligible for the required 25% FEMA match

FEMA-PA ([FEMA guidance](#))

- Reimbursable expenses include medical response, PPE, National Guard deployment, coordination of logistics, safety measures, and community services
- Should be used first before CRF to stretch the use of federal dollars

Community Development Block Grants (HUD [guidance here](#))

- State has received \$28.5 million in the first tranche of funds; eligible locals will receive \$18.6 million directly in CDBG-Covid funds. NC is expected to receive an additional tranche of \$28.3M and then a 3rd tranche (amount currently unknown). 2nd tranche is geared towards public health, coronavirus, and housing and economic disruption needs.
- CDBG funds allocated in the CARES Act can only be used for activities related to coronavirus. NC Department of Commerce guidelines are forthcoming.
- Current NC grantees of CDBG funding can redirect funds to meet coronavirus needs.
- Funds can also be used for building and improvements to repurpose for COVID-19 use, business assistance (including to avoid job losses for low and moderate-income persons), and expanding microenterprises providing home health and food delivery services
- HUD allows for flexibility regarding FY2019 and FY2020 standard CDBG funding

Emergency Solutions Grants

- Emergency Solutions Grant funds activities to prevent homelessness and help homeless such as rapid rehousing and rental deposit assistance (\$36.8M state/\$10.6M local split)

Housing Opportunities for Persons With AIDS (HUD [guidance here](#))

- HOPWA can fund temporary relocation services to help limit spread of virus and maintain rental assistance (\$525K state/\$696K local split)

Byrne JAG ([CESF Grant Solicitation](#) guidance)

- State is eligible for \$15 million; locals are eligible for \$8 million directly; no match required
- State and local entities must apply for these funds by May 29, 2020
- Allowable projects and purchases include overtime, equipment, hiring, supplies, training, travel expenses, and addressing medical needs of inmates in jails, prisons, and detention centers

FTA Supplemental Public Transportation Apportionments

- \$319 million for local transit agencies; \$224 million is directed to Urbanized Areas
- May be used for expenses incurred on or after Jan. 20, 2020 and are available until expended
- Funding is provided at 100% federal share with no match
- Eligible uses of these funds include planning, capital, and operating expenses

CARES Act Provider Relief Funds ([HHS guidance](#))

- The [CARES Act](#) and the [Paycheck Protection Program and Health Care Enhancement Act](#) provide \$175 billion in relief funds to hospitals and other healthcare providers.
- Eligible providers are public entities, Medicare or Medicaid enrolled suppliers and providers, and such for-profit entities and not-for-profit entities as the HHS Secretary may specify, within the United States (including territories), that provide diagnoses, testing, or care for individuals with possible or actual cases of COVID-19.
- \$50 billion of the Provider Relief Fund is allocated for general distribution to Medicare facilities and providers impacted by COVID-19, based on eligible providers' net patient revenue.
- Another \$50 billion is allocated to providers in areas particularly impacted by the COVID-19 outbreak, rural providers, and providers who serve low-income populations and uninsured Americans.
- These funds **can** be used to replace lost revenues resulting from the pandemic unless already reimbursed from a different source.
- Funds may also be used to reimburse healthcare providers, at Medicare rates, for COVID-related treatment of the uninsured.

Future Options

Municipal Liquidity Facility (preliminary Federal Reserve guidance [here](#))

- \$500 billion in total funding available for loans of up to 24 months to help with liquidity
- Eligible: States, counties with more than 2 million people, and municipalities with 1 million
- North Carolina could take out a loan on behalf of local governments to cover revenue loss
- Repayment cost could be around 1-2%

FEMA Community Disaster Loan Program (pending federal approval)

- Local governments must show a financial loss of greater than 5% in the year of federally declared disaster or the subsequent year
- Loan may not exceed 25% of annual operating budget of the locality for the fiscal year, up to \$5 million
- Loan term is 5 years but may be extended to 10 years
- Funds must be used for immediate needs to continue existing essential municipal services or expanding existing services needed to meet disaster related needs