

# National Community Development Association Analysis of the Coronavirus Aid, Relief, and Economic Security (CARES) Act

## Department of Housing and Urban Development

### **Community Development Block Grant Program - \$5 billion**

Use of Funds: prevent, prepare for and respond to the coronavirus

Distribution of Funds:

**\$2 billion** direct allocation to states and local governments through the regular program formula – 70% to entitlement communities and 30% to States (all grantees that received a CDBG allocation in FY20 will receive this funding). HUD must allocate the funds within 30 days of enactment of the bill.

**\$1 billion** to states based on a new formula (public health needs, risk of transmission of coronavirus, number of coronavirus cases compared to the national average, economic and housing market disruptions, and other factors determined by HUD). States will allocate the funds to entitlement/non entitlement communities. HUD must allocate the funds within 30 days of enactment of the bill.

**\$2 billion** to be allocated directly to states and local governments via a new formula to be developed by HUD (prioritizing risk of transmission of coronavirus, number of coronavirus cases compared to the national average, and economic and housing market disruption resulting from coronavirus). The funds will be used to cover or reimburse allowable costs incurred by a state or locality regardless of the date on which the costs were incurred. Allocations will be made on a rolling basis.

### **Provisions Related to the \$5 Billion CDBG Allocation**

- Extends the deadline for submission of the FY19 and FY20 con plan/action plans. Due date is now **August 16, 2021**.
- Suspends the 15% cap on public services, including FY19 and FY20 CDBG funds
- 5-day public comment period
- Eliminates in-person public hearings, but allows virtual hearings
- Suspends in-person public hearings; allows grantees the option of holding virtual hearings.
- Allows HUD to waive further program requirements (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment).

### **Emergency Solutions Grant Program - \$4 Billion**

Use of Funds: prevent, prepare for, and respond to the coronavirus among individuals and families who are homeless or receiving homeless assistance and homelessness prevention activities. Funds may be used to cover or reimburse allowable costs incurred by states/local governments to prevent, prepare for, and respond to the coronavirus incurred prior to enactment of this measure.

Distribution of Funds:

**\$2 billion** allocated through the regular program formula to all grantees that received funding in FY20 HUD must allocate the funds within 30 days of enactment of the bill.

**\$2 billion** allocated to states and local governments to areas with the greatest need via a formula to be developed by HUD (risk of transmission of coronavirus, high numbers or rates of sheltered homeless, and economic and market conditions). Very low-income individuals and families (50% or less of AMI) at risk of homelessness are eligible for homelessness prevention assistance. HUD must allocate the funds within 90 days.

### **Provisions Related to the \$4 Billion ESG Allocation**

- Allows recipients to deviate from regular procurement standards when procuring goods and services to prevent, prepare for, and respond to the coronavirus.
- Recipients can use up to 10 percent of the allocation for administrative purposes. In addition to the 10% for admin, these funds can be used to provide hazard pay, including for time worked prior to the date of this bill, for staff working directly to prevent, prepare for, and respond to coronavirus among the homeless or persons at risk of homelessness.
- The funds are not subject to the citizen participation requirements.
- No match requirement.
- No cap on emergency shelter activities.
- Funds can be used to provide temporary shelters (through leasing of existing property, temporary structures, or other means) to prevent, prepare for, and respond to the coronavirus.
- Environmental review standards will not apply to these funds.

### **Housing Opportunities for Persons with AIDS (HOPWA) - \$65 million**

- \$50 million will be allocated according to the regular HOPWA funding formula
- Up to \$10 million may be used to provide one-time non-renewable awards to HOPWA Public Supportive Housing grantees originally funded with HOPWA competitive grants in FY2010 or earlier.
- Up to 2% (\$1.3 million) may be used for non-competitive increases of awards to existing HOPWA Technical Assistance providers.

### **Provisions Related to the \$65 Million HOPWA Allocation**

- Housing payment assistance for rent, mortgage, or utilities payments to prevent the homelessness of the tenant or mortgagor of a dwelling may be provided for a period of up to 24 months instead of just 21 weeks.
- To protect persons who are living with HIV/AIDS, funds may be used to self-isolate, quarantine, or to provide other coronavirus infection control services for household members not living with HIV/AIDS.
- Funds may also be used to provide relocation services, including providing lodging at hotels, motels, or other locations, for persons living with HIV/AIDS and household members not living with HIV/AIDS.
- Allowable administrative costs have been increased from 3% to 6% for grantees and from 7% to 10% for project sponsors.

### **Tenant-Based Rental Assistance (TBRA) - \$1.25 billion**

\$1.25 billion for **TBRA operating assistance to public housing agencies** to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus.

- \$850 million for a combination of administrative costs, expenses to support and maintain the health and safety of assisted households, and to retain and support participating landlords.
- \$400 million to adjust renewal funding for voucher costs

Distribution of Funds: The funds will be distributed based on need, as determined by HUD.

### **Other Provisions:**

- HUD can waive or set alternative requirements, for any statute or regulation (other than those related to fair housing, nondiscrimination, labor standards, and the environment).
- HUD may award unobligated TBRA funds from prior fiscal years for incremental TBRA.

### **Project-Based Rental Assistance - \$1 billion**

\$1 Billion for to provide additional funds to owners or sponsors of properties receiving project-based assistance maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus.

HUD can waive or set alternative requirements, for any statute or regulation (other than those related to fair housing, nondiscrimination, labor standards, and the environment)

**Public Housing - \$685 million**

\$685 million for Public Housing Operating Fund to provide additional funds for public housing agencies to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus.

**Other Provisions:**

- HUD can waive or set alternative requirements, for any statute or regulation (other than those related to fair housing, nondiscrimination, labor standards, and the environment).
- PHAs can combine capital and operating funds through December 31, 2020, including funds from past fiscal years, to respond to coronavirus. HUD may extend this flexibility in additional 12-month increments, if needed.

**Housing for the Elderly (Section 202) Program - \$50 Million**

\$50 million to provide additional assistance to owners or sponsors of Section 202 properties to maintain normal operations and take other necessary actions during the period that the program is impacted by the coronavirus.

- Up to \$10,000,000 shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects.

**Housing for the Elderly (Section 202) Program - \$15 Million**

\$15 million for to provide additional assistance to owners or sponsors of Section 811 properties to maintain normal operations and take other necessary actions during the period that the program is impacted by COVID-19.

**Foreclosure/Eviction Moratorium/Forbearance on Federally Back Mortgages**

**Single-Family mortgage foreclosure moratorium and forbearance**

Provides for a moratorium on foreclosure of federally backed mortgage loans on 1-4 family properties for at least 60 days.

Allows borrowers facing financial hardship to request forbearance on payments on federally backed mortgages for up to 60 days. Borrowers may request extensions of the forbearance for up to four additional periods of 30 days each. This forbearance provision will be in effect for the earlier of the end of the COVID-19 state of emergency or December 31, 2020.

**Multi-family mortgage foreclosure forbearance**

Allows borrowers facing financial hardship to request forbearance on payments of federally backed mortgages for up to 30 days. Borrowers may request extensions of the forbearance for up to two additional periods of 30 days each. This forbearance provision will be in effect for the earlier of the end of the COVID-19 state of emergency or December 31, 2020.

Borrower may not evict or initiate eviction of tenants for non-payment during the forbearance period.

**Temporary moratorium on eviction filings (HOME and HOPWA Projects Included)**

In addition to prohibiting eviction of tenants in multifamily properties with federally backed mortgages during a forbearance period, there will be a general moratorium on the eviction of tenants in certain covered properties for non-payment of rent for 120 days after enactment of the Act. The covered properties include most federally assisted single and multi-family properties, including tax-credit projects and projects covered by the Violence against Women Act (VAWA). VAWA includes HOME and HOPWA assisted projects.

## **Coronavirus Relief Fund - \$150 Billion**

Use of funds: The funds are to be used for COVID-19 related expenditures incurred by State, tribal or local governments between March 1, 2020 - December 31, 2020 that were not already covered by their existing budget.

### Distribution of Funds:

\$150 billion is appropriated for allocation to states, tribal governments and local governments to pay for direct expenditures related to COVID-19.

- \$3 billion is set-aside for the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa
- \$8 billion is set-aside for tribal governments
- Each state will receive a pro-rata share of the remaining funds based on the state's population, but not less than a minimum allocation of \$1.25 billion.
- Allocates direct assistance to local governments with a population of 500,000 or more. The chief elected official must certify that the funds are being used for budget costs not accounted for in the most recent adopted budget, necessary expenditures incurred due to the COVID-19 and costs incurred between March 1, 2020 – December 31, 2020.
- Requires the Treasury to allocate the funds within 30 days.

## **CARES ACT ASSISTANCE BY FEDERAL DEPARTMENT/AGENCY**

### **Department of Agriculture**

- \$9.5 billion to provide support for agricultural producers impacted by coronavirus, including producers of specialty crops, producers that supply local food systems, including farmers markets, restaurants, and schools, and livestock producers, including dairy producers.
- \$8.8 billion for Child Nutrition Programs – National School Lunch and Breakfast Programs; Special Supplemental Nutrition Program for Women, Infants and Children; Child and Adult Care Food Program; and the Summer Food Service Program
- \$15.810 billion for the Supplemental Nutrition Assistance Program
- \$450 million for the Commodity Assistance Program for the emergency food assistance program.

### **Centers for Disease Control and Prevention**

\$4.3 billion for CDC-wide activities and program support to prevent, prepare for, and respond to coronavirus. Not less than \$1.5 billion shall be for grants or cooperative agreements with States, localities, territories, tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes, including to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities. Every grantee that received a Public Health Emergency Preparedness grant for fiscal year 2019 shall receive not less than 100 percent of that grant level.

### **Department of Commerce**

#### **Minority Business Development Agency**

\$10 million to provide grants to Minority Business Centers and Minority Chambers of Commerce for the education, training, and advising of minority business enterprises on federal resources and business response to COVID-19 for small businesses. No matching funds are required.

#### **Economic Development Administration**

\$1.5 billion for the Economic Development Assistance Programs including for necessary expenses for responding to economic injury as a result of coronavirus, provided the funds are used for economic adjustment assistance

### **Manufacturing Extension Partnership (MEP)**

\$50 million for distribution to the 51 MEP centers to assist manufacturers recover from the economic impacts of the coronavirus. Waives the match requirement.

### **Fishery Participants**

\$300 million for Tribal, subsistence, commercial, and charter fishery participants affected by the novel coronavirus (COVID-19), which may include direct relief payments for economic losses greater than 35% compared to their prior 5-year average revenue.

### **Department of Education**

#### **Education Stabilization Fund**

\$30.75 billion, including formula grants to state education departments from the Elementary and Secondary School Emergency Relief Fund. States are required to subgrant at least 90% of the funds to local education agencies.

### **Federal Emergency Management Agency**

#### **Disaster Relief Fund**

\$45 billion for the Disaster Relief Fund to provide for the immediate needs of states, local governments, tribal governments, territorial governments, and private non-profit organizations performing critical and essential services. Reimbursable activities include personal protective equipment, National Guard deployment, safety measures, coordination of logistics, and medical response.

### **Emergency Food and Shelter Program**

\$200 million for the Emergency Food and Shelter Program. The Emergency Food and Shelter Program supplements and expands the work of local social service organizations, both non-profit and governmental, to provide shelter, food and supportive services to individuals and families who have economic emergencies.

### **Assistance to Firefighters**

\$100 million (grants) for the purchase of protective gear, supplies and related reimbursements

### **Emergency Management Performance Grants**

\$100 million for grants to states, local, tribal, and territorial emergency management agencies to implement the National Preparedness System.

### **Department of Health and Human Services**

#### **Administration for Children and Families**

- \$900 million for the Low-Income Home Energy Assistance Program (LIHEAP) to help low-income, disabled and elderly populations pay for home heating and cooling.
- \$3.5 billion for payments to States for the Child Care and Development Block Grant, to supplement, funds for child-care assistance for low-income families. Funds may be used to provide continued payments and assistance to child-care providers in the case of decreased enrollment or closures related to coronavirus, and to assure they are able to remain open or reopen.
- \$1 billion for carrying out activities under the Community Services Block Grant (CSBG) for families with incomes up to 200% of the Federal poverty level instead of 125% of the poverty level.
- \$750 million for making payments under the Head Start Act.
- \$45 million for Family Violence Prevention and Services formula grants with such funds available to grantees without regard to matching requirements.

- \$25 million for carrying out activities under the Runaway and Homeless Youth Act without regard to matching requirements.
- \$45 million for child welfare services without regard to matching requirements.
- \$15.5 billion for the Supplemental Nutrition Assistance Program (SNAP).

### **Administration for Community Living – Aging and Disability Services Programs**

\$820 million for activities under the Older Americans Act

- \$200 million for in-home supportive services
- \$500 million for senior nutrition programs
- \$100 million support services for family caregivers
- \$20 million for elder rights protection activities

\$50 million for aging and disability resource centers

\$85 million for centers for independent living

### **Public Health and Social Services Emergency Fund**

- \$90,000,000 to the Health Resources and Services Administration for the Ryan White HIV/AIDS Program for modifications to existing contracts, and supplements to existing grants and cooperative agreements.
- \$100 billion for a Public Health and Social Services Emergency Fund to reimburse eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus.

### **Department of Justice**

\$850 million for state and local law enforcement assistance to be awarded pursuant to the formula allocation that was used in fiscal year 2019 for the Edward Byrne Memorial Justice Assistance Grant program.

### **Small Business Administration**

#### **Paycheck Protection Program**

\$349 billion in new loan authority to provide loans of up to \$10 million to small businesses impacted by coronavirus (including non-profits) with fewer than 500 employees. Borrowers must use the funds to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments. Loans may be forgiven in whole or in part based on the number of employees and their salary levels that are maintained. The forgiven amounts will not be taxable.

#### **Emergency Economic Injury Disaster (EID) Grants**

\$10 billion advances of \$10,000 for small businesses and nonprofits applying for SBA Economic Injury Disaster Loans. The grants will be provided within 3 days of applying for the EID Loans. The grants do not have to be repaid even if the EIDL loan is denied.

#### **Subsidy for Certain Loan Payments (Debt Relief)**

\$17 billion to provide debt relief for 6 months for new or existing borrowers under certain SBA programs, including SBA 7(a), 504 or microloans. The SBA debt relief will cover principal interest and fees.

#### **Direct Loans Program**

\$562 million for administrative expenses and program subsidy for SBA Disaster Loans Program to prevent, prepare for and respond to the coronavirus.

### **Department of Transportation**

\$25 billion for public transit. Allocated via a formula to urban and rural areas.

## **Treasury Department**

### **Economic Stabilization Fund - \$500 billion**

- \$25 billion to make loans and loan guarantees for passenger air carriers
- \$4 billion to make loans and loan guarantees for cargo air carriers
- \$17 billion to make loans and loan guarantees for businesses critical to maintaining national security
- \$454 billion for the Federal Reserve to purchase obligations of state and local governments to cover losses incurred as a result of COVID-19

### **2020 Recovery Rebates for Individuals**

Income Tax rebates of \$1,200 (\$2,400 in the case of eligible individuals filing a joint return), plus \$500 for each qualifying child for households with income up to \$150,000 in the case of a joint return, \$112,500 in the case of a head of household, and \$75,000 in the case of all other taxpayers. For households over these limits the amounts shall be reduced by 5% of the amount of income over these limits.

## **Department of Veterans Affairs**

\$15.86 billion to provide additional funding to VA hospitals to support the increased demand for health services due to COVID-19 and the purchase of personal protective equipment and test kits.

\$590 million for key VA programs, including the Health Care for Homeless Veterans (HCVC) Program which provides outreach, case management and residential treatment services to help veterans transition from the streets to permanent housing. Funding can also be used for the Supportive Services for Veterans Program (SSVF) to help very low-income veterans and their families who are homeless – or at risk of becoming homeless – obtain permanent housing. The bill also supports the Homeless Providers Grant and Per Diem Program which pairs VA medical center personnel with state, local and tribal grant recipients to fund, develop and operate transitional housing and service centers for homeless veterans.

## **OTHER IMPORTANT PROVISIONS OF THE CARES ACT**

### **Strategic National Stockpile - \$16 billion**

To replenish the Strategic National Stockpile of personal protective equipment, pharmaceuticals, and other medical supplies, which are distributed to hospitals, health agencies and other healthcare entities facing shortages during emergencies.

### **Extends the Temporary Assistance for the Needy Families (TANF) Program**

Extends TANF beyond its current expiration date of May 22, 2020 to November 30, 2020.

### **Suspension of Student Loan Payments**

Federal Loan Repayments are suspended through September 30, 2020. No interest shall be incurred during the period of the suspension.

### **Credit Protection During COVID-19**

From January 31, 2020 through the expiration of the national emergency declaration, reports to credit reporting agencies must show accounts current, even where there is a forbearance or agreement to defer or modify payments of a person affected by the COVID-19 crisis.

### **Unemployment Benefits - \$260 Billion**

**Emergency Unemployment Compensation.** Provides an additional 13 weeks of unemployment benefits through December 31, 2020 to help those who remain unemployed after the state unemployment benefits are no longer available in states that enter into federal-state agreements.

**Increase in Unemployment Compensation Benefits.** Employees will be eligible to receive an additional \$600 per week for up to 4 months from the federal government on top of whatever base amount a worker receives from the state.

**Pandemic Unemployment Assistance Program.** Allows self-employed people, freelancers, and contractors to apply for unemployment benefits through December 31, 2020.

**Increases access to unemployment insurance applications and assistance.** Directs states to ensure that applications for unemployment compensation, and assistance during the application process are accessible in at least two of the following formats: in person, by phone, or online.

#### **Employee Retention Credits – SSI Tax Credit**

Employers may be eligible for a refundable tax credit for the employer's share of the 6.2% Social Security Tax.

#### **Retirement Plans Relief**

The CARES Act temporarily waives the required minimum distribution rules for 2020 with respect to certain defined contribution plans and IRAs.

Individuals may take coronavirus-related distributions from qualified retirement plans of up to \$100,000 without being subjected to the 10% early distribution tax.

#### **Insurance Coverage**

The bill requires all private insurance plans to cover COVID-19 treatments and vaccine and makes all coronavirus tests free.

#### **Tax Returns**

Extends the filing deadline for federal taxes to July 15, 2020.

#### **Election Assistance Commission - \$400 million**

The bill includes \$400 million to the Election Assistance Commission to provide grants to States in response to COVID-19 for the 2020 election cycle.

Please contact Vicki Watson at [vwatson@ncdaonline.org](mailto:vwatson@ncdaonline.org) with any questions.