



## Contents

- Federal Legislative Update

## Contact us

### Brett Wilkinson

Managing Director

Brett.Wilkinson@dallascityhall.com

(214) 670-5797

### Clifford Sparks

State Legislative Director

City Attorney's Office

Clifford.Sparks@dallascityhall.com

(469) 222-9481

### Nicholas Totin

Sr. Legislative Coordinator

Nicholas.Totin@dallascityhall.com

(214) 670-3522

# *Federal Legislative Update on COVID-19*

**The following is an update on the Federal legislative efforts regarding the novel (new) coronavirus, also known as COVID-19, as of March 27, 2020.**

## *Federal Government enacts a third COVID-19 Relief Bill*

On Friday, March 27, 2020 the U.S House of Representatives passed, and the President signed into law, a third COVID-19 economic relief bill and stimulus package (Coronavirus Aid, Relief, and Economic Security Act - CARES). Highlights of the bill include \$175 billion for State and Local Government assistance, \$45 billion for disaster relief and \$377 billion for small business loans.

The package also includes \$260 billion for expanded unemployment insurance, \$290 billion in IRS payments to individuals, \$280 billion in business tax cuts, \$180 billion for healthcare, and \$500 billion to the Federal Reserve Emergency Lending Authority (\$454 billion for general funds and \$46 billion for airlines and aviation). Additional details about the package and programs of interest to the City of Dallas can be found below.

City staff will provide an overview of the relief bill to the Ad Hoc Committee on COVID-19 Economic, Recovery and Assistance on March 31, 2020, followed by a briefing, including a proposed implementation plan and timeline, to the full City Council on April 15, 2020.

## **Department of the Treasury**

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

- Sets aside \$3 billion for territories and the District of Columbia and \$8 billion for Indian tribes
- Sets a state minimum of \$1.25 billion for small states
- The adjusted remainder of the funding is allocated to states by population and to local governments with a population over 500,000
- In states with a qualifying local government, 45% of the state's allocation is subtracted from the state allocation and allocated to local governments with over 500,000 populations by population
- Funds provided under a payment made under this section may cover only those costs that (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the budget most recently approved as of the date of enactment of this section for the State or local government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

## **Department of Housing & Urban Development**

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

- \$2 billion will be allocated within 30 days using the regular CDBG formula
- \$1 billion will be allocated to the states within 45 days for use in entitlement and non-entitlement communities
- \$2 billion will be allocated 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)

- Extends the deadline for submission of the FY 2019 and FY 2020 plans to Aug. 16, 2021
- Suspends the 15% cap on public services
- 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)

### **Homeless Emergency Solutions Grants - \$4 billion.**

- \$2 billion will be allocated within 30 days using the regular ESG formula
- The remaining \$2 billion will be allocated within 90 days using a new formula (based on homeless population, population at risk of homelessness, risk of coronavirus transmission, etc.)
- 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% 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

**Section 8 tenant-based assistance - \$1.8 billion**

**Section 8 project-based assistance - \$1 billion**

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

- \$50 million will be allocated using the regular HOPWA formula
- \$10 million will be allocated to grantees to administer permanent supportive housing funded by FY 2010 and prior year HOPWA appropriation

***Department of Justice***

**Byrne Justice Assistance Formula Grants (Byrne JAG) - \$850 million**

- No sanctuary city prohibitions.

***Federal Emergency Management Agency***

**Disaster Relief Fund - \$45 billion**

**Assistance to Firefighter Grants - \$100 million**

- Funds are for the purchase of personal protective equipment for firefighters, including reimbursement

**Emergency Management Performance Grants - \$100 million**

**Emergency Food & Shelter - \$200 million**

***Department of Transportation***

**Transit formula grants - \$25 billion**

- Approximately \$14 billion for urbanized formula grants, \$1.9 billion for rural formula grants, \$1.7 billion for fast-growing-high growth formula grants, and \$7.5 billion for state of good repair formula grants.
- Allows funds to be used for operating expenses and reimbursement for operating costs and lost revenue to maintain service during the crisis, including the purchase of personal protective equipment and paying

administrative leave due to reductions in service

- Waives labor standards (49 USC 5333) for these funds
- Allows the match requirement for these funds to be waived

**Airport Improvement Program - \$10 billion**

- \$500 million to fund the local share (matching requirements) of fiscal year 2020 AIP grants with any remainder moved to the \$7.4 billion pot below
- \$7.4 billion for commercial service airports to be used for any lawful purpose, which means any activity airports can legally use funds now
  - 50% set aside for distribution based on each sponsor's calendar 2018 enplanements as a percentage of total 2018 enplanements
  - 50% set aside for distribution based on an equal combination of each sponsor's fiscal year 2018 debt service as a percentage of the combined debt service for all commercial service airports and each sponsor's ratio of unrestricted reserves to their respective debt service
  - 100% federal share (no local match)
- \$2 billion for distribution through AIP entitlement formula to be used for any lawful purpose with the following criteria:
  - Use double entitlement formula,
  - Eliminate maximum apportionment for largest airports
  - Maintain minimum apportionment for small airports (\$1 million or \$600k)
  - Eliminate any turnback for large and medium hubs with \$4.50 PFC
  - Any remainder after the formula run is moved to the \$7.4 billion pot above
  - 100% federal share

- \$100 million for general aviation airports:
  - Distributed based on proportional needs as determined by NPIAS
  - 100% federal share (no local match)
- Large, medium, and small hub airports must maintain 90% of workforce through end of 2020, with hardship waivers from DOT possible for economic hardship or reductions in aviation safety or security
- Any airport development project using these new funds must follow the AIP's prevailing wage standard

### ***Payments to Individual Taxpayers***

#### **IRS Payments to Individuals/Households who filed 2018 or 2019 tax returns - \$290 billion**

- \$1,200 for individuals
- \$2,400 for couples
- \$500 per child listed on their last tax return
- Begins phasing out at \$75,000 (\$150,000 couples) income (reduced \$5 for each \$100 above \$75,000)
- Completely phased out at \$98,000 (\$198,000 couples) income
- Filers without tax liability or with income entirely from government transfers will receive a payment

### ***Small Business Relief***

#### **SBA loans to businesses with fewer than 500 employees - \$377 billion**

- Loans = 250% of average monthly payroll, capped at \$10 million
- Self-employed and "gig" economy individuals eligible
- Loans can be used for payroll, rent, utilities, and mortgage interest
- The cost of participation in the program is reduced for both borrowers and lenders by providing fee waivers, and automatic deferment of payments for one year, and no prepayment penalties
- The bill aims to have loans available immediately through more than 800 existing SBA-certified lenders, including banks, credit

unions, and other financial institutions, and SBA is required to streamline the process to bring additional lenders into the program

- The Treasury Secretary is authorized to expedite the addition of new lenders and make further enhancements to quickly expedite delivery of capital to small employers
- The maximum loan amount for SBA Express loans is increased from \$350,000 to \$1 million. (Express loans provide borrowers with revolving lines of credit for working capital purposes.)

#### **Small Business Development Centers and Women's Business Centers - \$265 million**

- Counseling, training, and related assistance to small businesses affected by COVID-19
- \$10 million is for the Minority Business Development Agency to provide these services through Minority Business Centers and Minority Chambers of Commerce
- The bill also expands eligibility for entities suffering economic harm due to COVID-19 to access SBA's Economic Injury Disaster Loans (EIDL), while also giving SBA more flexibility to process and disperse small dollar loans
  - The bill allows businesses that apply for an EIDL expedited access to capital through an Emergency Grant—an advance of \$10,000 within three days to maintain payroll, provide paid sick leave, and to service other debt obligations
  - \$10 billion is provided to support the expanded EIDL program
- The bill requires SBA to pay all principal, interest, and fees on all existing SBA loan products, including 7(a), Community Advantage, 504, and Microloan programs, for six months to provide relief to small businesses negatively affected by COVID-19.

### ***Airlines & Aviation Industry***

Grants to airlines to retain employees - \$32 billion

Grants for airline contractors to retain employees - \$3 billion

Loans and loan guarantees for airlines and aviation industry - \$29 billion

Aviation tax holiday – fuel, cargo, and ticket taxes suspended

### ***Federal Reserve***

\$454 billion for Emergency Lending Authority for emergency loans to businesses and governments.

### ***Other Highlights***

- \$30 billion for schools
- \$15.5 billion for SNAP (food stamps)
- \$8.8 billion for childhood nutrition programs
- \$1 billion for Amtrak
- \$100 billion in HHS funds for hospitals
- \$3.5 billion for HHS Child Care Block Grants
- \$1 billion for HHS Community Service Block Grants
- \$750 million for Head Start
- \$900 million for LIHEAP
- \$955 million for Older Americans Act programs
- \$1.5 billion for CDC public health activities
- \$1.5 billion for the Economic Development Administration at Commerce
- \$1.4 billion to states for National Guard deployments
- \$400 million for election assistance to states (including vote-by-mail efforts)
- \$75 million each to NEA and NEH
- \$360 million in Labor Dept funds for job training
- \$50 million for libraries and museums to expand digital access