

# CARES ACT 2020 LOCAL STRATEGY - CONCEPTS

October 6, 2020

Northfield, Minnesota

# NORTHFIELD CARES ACT: CRF FUNDS

- The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27th, provides over **\$2 trillion in federal economic relief** to protect the American people from the public health and economic impacts of COVID-19. The CARES Act provides assistance for American workers, families, and small businesses, and preserves jobs for American industries.
- CORONAVIRUS RELIEF FUND (CRF) Section 5001 of the CARES Act established the **\$150 billion Coronavirus Relief Fund (CRF)**, providing payments to State, Local, and Tribal governments navigating the impact of the COVID-19 outbreak. The CARES Act **sets criteria that expenses must meet to be eligible for CRF funding**.
- State of Minnesota **\$853M Distributed to MN Cities** for COVID-19 Response
- **City of Northfield Allocation = \$1,538,900**

# NORTHFIELD CARES ACT: CRITERIA

- **"NECESSARY"**: Expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.
- **"DUE TO"**: Expenditures must be used for actions taken to respond to the public health emergency; including expenditures incurred to respond directly to the emergency, as well as expenditures incurred to respond to second-order effects, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.
- **"NOT ACCOUNTED FOR"**: (a) the COST CANNOT LAWFULLY BE FUNDED using a line item, allotment, or allocation within that budget; or (b) the cost is for a SUBSTANTIALLY DIFFERENT use from any expected use of funds in such a line item, allotment, or allocation.
- **"MOST RECENTLY APPROVED" budget**: the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency.

# POTENTIAL GOALS



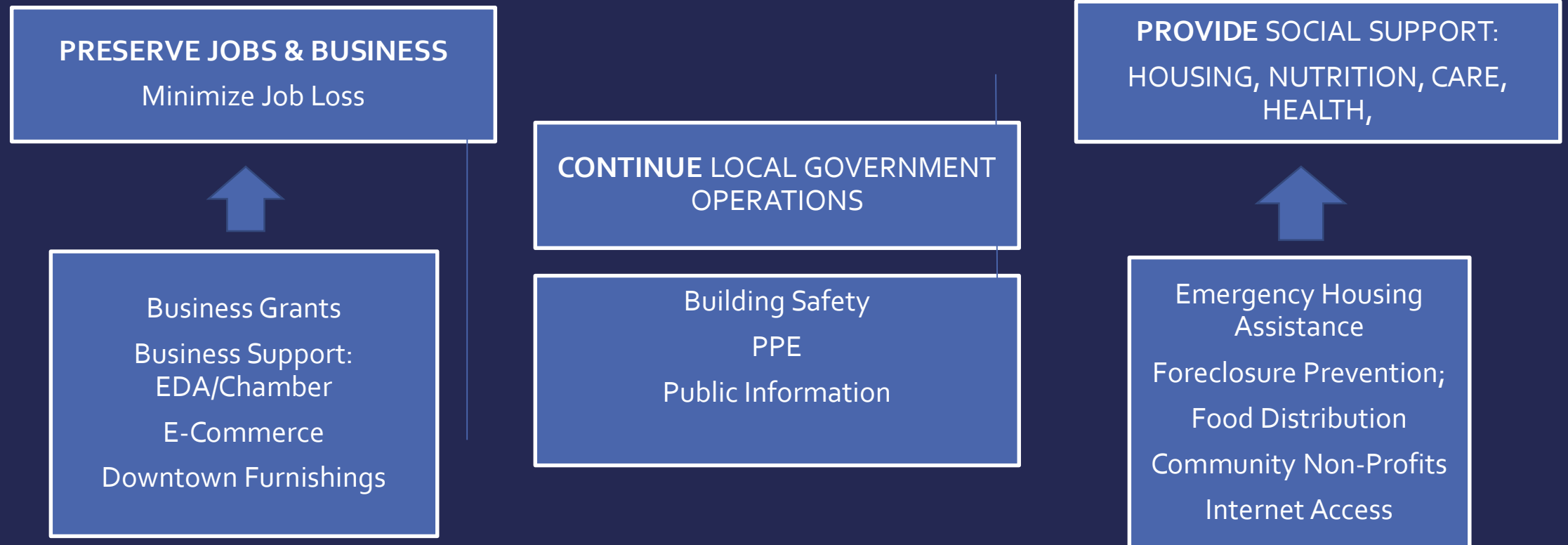
Stabilize Local  
Economy

Stabilize  
Households  
& Provide  
Social Support

Stimulate  
Local  
Economy for  
Recovery

Invest  
Strategically  
For Long Term  
Impact

# STABILIZE THE LOCAL ECONOMY



# DISTRIBUTION AMOUNTS – PREVIOUSLY APPROVED

ORGANIZATION	AMOUNT	DESCRIPTION
Northfield Community Action Center (CAC)	\$145,000	Public health measures related to expenses for food delivery and distribution to residents including senior citizens and vulnerable adults. The funding would build out and establish a satellite food shelf and mobile distribution site at the Northfield Community Education Center (ie: the former Greenvale School location).
Northfield Healthy Community Initiative (HCI)	\$40,500	Mobile computer devices and internet technology. Available to facilitate distance learning related to school closings and for job seekers. Adult learners, local graduates pursuing postsecondary education through distance learning, GED Students, family access to school and early childhood development.
City	\$75,000	Downtown Area Outdoor Furnishings and Equipment for Added Physical Spacing, Increased Small Business Enhancements Attracting Customers and Activity

# BUSINESS & NON PROFIT GRANTS

## Purpose

- Provide temporary financial support to small businesses and nonprofits to help through economic crisis and retain jobs

## Structure

- Business grants - \$300,000 total up to \$10,000 each with \$50,000 reserved for minority owned businesses
- Nonprofit grants - \$200,000 total up to \$10,000 each with \$25,000 reserved for organizations that specifically serve minority and low-income residents

# BUSINESS & NON PROFIT GRANTS

## Process

- Applications online (English and Spanish) September 8 – September 30
- Lottery system to select recipients if more qualifying applications than funds.
- Managed by Nate Carlson, Community Development Department
- Guidelines document provides information on eligibility and documentation
- Funds dispersed on reimbursement basis
- Funds must be encumbered by November 15, 2020



# CARES ACT – RECOMMENDED ELIGIBLE SUBMISSIONS

CITY COUNCIL ACTION DATE	AMOUNT (\$)	DESCRIPTION
8-22-20	260,500	CAC (FOOD DISTRIBUTION), HCI (EDUCATION TECHNOLOGY), CITY (OUTDOOR FURNITURE DINING)
9-1-20	500,000	BUSINESS AND NON-PROFIT GRANTS: OPEN APPLICATIONS
PROPOSED 10-4-20	* 778,400	474,864 (HRA, EDA, Liquor, Staff Time (non-police) <b>303,536 (15% Police Allocated Time = \$379,943)</b>
SUB-TOTAL	1,538,900	

\* FOR PURPOSES OF FULFILLING CARES ACT ELIGIBILITY REQUIREMENTS AND RELATED **DEADLINES OF NOVEMBER 15, 2020**. Re-allocation of received dollars would be decided by the City Council. See draft summary for discussion on next slide

# CITY USES OF CARES FUNDING

- Even though the City would be retaining \$778,400 for eligible direct expenses to meet the CARES Act, **the City Council has the ability to determine how to re-use those funds**
- Recommending to retain a portion for anticipated other city needs **but also redistribute a significant portion out**
- As one possible allocation on the next slide there is about a concept illustration for a **1/3 allocation** between business support and stimulus, social service support, and general governmental **as just one possibility**
- Utilizing direct City expenses for remaining CARES Funds **will give the City Council the greatest flexibility** on re-use of CARES Funds received
- Can approach that full re-use to also be **consistent and within the intent of the CARES Act** even if not specifically submitted for documentation to the State

	Entity	Description	Council Approval	Preserve/Stimulate Jobs	Social Support	Government/Ed
	CAC	Food distribution	X		145,000	
	HCI	Education Support	X		40,500	
	City	Outdoor Furn.	X	75,000		
	Bus.Apps	Grants	X	300,000		
	Non-Profit Apps	Grants	X		200,000	
	Chamber/CVB	Marketing & Business Recovery		75,082		
	NPS	PPE Schools Open				43,532
	EDA	E-Commerce		*14,993		
	HRA	Emergency Housing			*53,000	
	City Licensees	Liquor Refunds		*2,500		
	City	*Reimbursement/ Recovery Support				*432,000
	Grants o(\$25,000 max)	Grants		50,000	50,,000	
	<u>Subtotal</u>	<u>\$1,430,607</u>		<u>517,575</u>	<u>488,500</u>	<u>475,532</u>
	Undesignated	*\$69,393				

# GENERAL FUND & CARES ACT

## *PRELIMINARY*

GF Excess Reserve	\$ 50,000
<u>CARES</u>	<u>\$432,000</u>
Subtotal	<u>\$482,000</u>
CARES COSTS 9-1-20	(\$78,000)
<u>Pending PD Costs</u>	<u>(\$120,000)</u>
Subtotal	<u>*\$284,000</u>

\* Could use to one time uses (unbudgeted items, reducing levy, additional contingency, etc.)



# RECOMMENDED ACTION

Recommend Resolution Approving 778,400 in eligible City Expenditures for CARES Act Funding and authorizing police patrol room expenditures.

## OCTOBER 13<sup>TH</sup> Worksession

- Discuss community contributions and City uses of CARES process not already committed to partners or city purchases

## OCTOBER 20<sup>TH</sup>

- Resolution approving remaining community funding from CARES proceeds.