



City of San Antonio

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CITY OF SAN ANTONIO GOVERNMENT & PUBLIC AFFAIRS DEPARTMENT MEMORANDUM

TO: Intergovernmental Relations Council Committee

FROM: Jeff Coyle, Director of Government & Public Affairs

SUBJECT: Federal Legislative Update

DATE: June 5, 2020

At the Intergovernmental Relations Committee meeting on June 10, 2020, Government & Public Affairs staff will provide a federal legislative update regarding the status of additional Congressional Coronavirus stimulus funding and other pending legislation.

HEROES Act (H.R. 6800)

On May 15, the U.S. House of Representatives passed the Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act). The legislation would provide \$3 trillion in additional stimulus funding to help address COVID-19. This funding is in addition to the \$2.2 trillion CARES Act aid signed into law on March 27. Currently, the bill is stalled in the U.S. Senate and the bill has little chance of passage in the Senate and the White House has threatened to veto. However, the HEROES Act does create a foundation for negotiations to move forward.

The Heroes Act establishes new State and Local Coronavirus Relief Funds through the Department of Treasury. Funds can be used for COVID-related expenses, to replace lost revenues, and to respond to the negative economic impacts of COVID. Funds would be available until expended, providing flexibility over the next several years.

The bill proposes \$375 billion in 2020 and 2021 for local governments using a modified CDBG formula for distribution of allocations.

The HEROES Act also proposes to address economic and community development by proposing the following allocations.

CDBG - \$5 billion for coronavirus response and to mitigate the impacts in communities to be distributed by formula to current grantees.

Child Care and Development Block Grants - \$7 billion for childcare services.

Homeless Assistance Grants - \$11.5 billion for Emergency Solutions Grants to assist individuals and families who are homeless or at risk of homelessness.

Assistance to Homeowners- \$75 billion assistance for homeowners for assistance with mortgage payments, property taxes, property insurance, utilities, and other housing related costs.

Emergency Rental Assistance - \$100 billion to provide emergency assistance to help low income renters at risk of homelessness avoid eviction.

Administration for Community Living - \$100 million for direct services such as home delivered meals, and supportive services for seniors and disabled individuals, and their caregivers.

Housing Assistance for Seniors - \$500 million for operations at properties providing affordable housing for low-income seniors. \$300 million set aside for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects.

Supplemental Nutrition Assistance Program (SNAP) - Provides \$10 billion to support anticipated increases in participation.

The Emergency Food Assistance Program (TEFAP) - Includes \$150 million to help local food banks meet increased demands.

Violence Against Women Act (VAWA) programs - \$100 million, to combat violence against women and for transitional housing.

Justice Assistance Grants (JAG) - \$300 million to help prevent, prepare for, and respond to coronavirus, including for purchasing personal protective equipment.

Community Oriented Policing Services (COPS) - \$300 million for law enforcement hiring grants and for the purchase of personal protective equipment.

Legal Services Corporation - \$50 million to address legal needs arising from coronavirus

Broadband - \$5.5 billion for Wi-Fi hotspots, devices for students and libraries and for emergency home connectivity needs.

Small Business Assistance - \$10 billion in grants to small businesses with financial losses.

Workforce Development - \$2 billion for worker training.

Health Services - \$7.6 billion for health centers capacity expansion to provide COVID-19 testing and health care services.

Public Health Departments - \$2 billion for state and local public health agencies to prevent, prepare, and respond to the coronavirus.

SMART Act (S. 3752)

On May 18, Senators Bob Menendez (D-NJ) and Bill Cassidy (R-LA) introduced the *State and Municipal Assistance for Recovery and Transition (SMART) Fund*, which would provide \$500 billion in flexible emergency funding for State and local governments. The SMART Act is a bipartisan bill and the National League of Cities (NLC), National Association of Counties (NACO) and U.S. Conference of Mayors have all demonstrated support for this legislation.

The SMART Act funds can be used to cover the costs of State and local governments that are “necessary expenditures incurred” due to COVID-19. The bill proposes the distribution of funds in three parts based on population, revenue losses and COVID-19 infection rates.

Payroll Protection Program Flexibility Act (H.R. 7010)

On May 28, the House of Representatives passed a provision to grant flexibility to small businesses receiving forgivable loans from the Small Business Administration’s (SBA) Paycheck Protection Program (PPP).

The *Paycheck Protection Program Flexibility Act* will create more flexibility for small businesses by:

- Extends the forgiveness period to 24 weeks.
- Reduces the share of funding that must be directed toward payroll costs, to 60% from 75%.
- Allows businesses that receive forgiveness to also receive payroll tax deferment.

On June 3, the Senate unanimously passed the *Paycheck Protection Program Flexibility Act* and the President signed it into law on June 4.