

Coronavirus Aid, Relieve, and Economic Security Act

Coronavirus Relief Fund Recommended Preliminary Uses

The County of Sonoma is included in the Governor's May State Budget revise to receive \$50.6 million from the state under the Coronavirus Aid, Relieve, and Economic Security (CARES) Act. The CARES Act established the Coronavirus Relief Fund (Fund) for payments for specified uses to states and certain local governments. Payments from the Fund may only be used to cover costs incurred as a result of the Coronavirus Disease (COVID-19), that were incurred during the period beginning March 1, 2020 and ending December 30, 2020. Payments can only be used for activities that were not accounted for in the County's budget and may not be used to cover shortfalls in revenues. The County's award is not final until the state adopts its budget no later than June 30, 2020.

The County has and will continue to incur a significant amount of necessary expenditures to respond to Coronavirus Emergency through December 30, 2020. Staff has found that guidance on the use of available funding is dynamic. For instance, a recent communication from the Federal Emergency Management Agency (FEMA) advised they will not be reimbursing the cost of contact tracing, which is a significant tool for combating the spread of COVID-19. The CARES Act Fund Guidance and Frequently Asked Questions (FAQ), included as an Exhibit to the Attachment, also identifies provisions of economic support through the provision of grants to small business and emergency financial assistance to cover housing payments to avoid eviction or foreclosure as examples of other eligible uses of the Fund.

Given the limitations of the funding, the ongoing public health need, and the impacts to the community, should the final Legislature approved state budget confirm allocation to our county, staff recommends the Board approve the following preliminary uses of the CARES Act Funds.

1. Allocate \$35.6 million to cover County costs incurred or to be incurred to respond to the Coronavirus Public Health Emergency. Examples of eligible costs outlined in the Guidance, include payroll costs for employees whose services are substantially dedicated to mitigating or responding to the emergency, costs for testing, establishing temporary medical facilities, quarantining efforts, protective equipment, and local FEMA match requirements.
2. Allocate \$8 million towards homeless solutions to mitigate COVID impacts.
3. Allocate remaining \$7 million to be available for community resource needs that qualify for funding under the regulations.

Once the state budget is approved, staff from the County Administrator's Office, the Department of Health Services, Community Development Commission, and Human Services Department will return with program details to support the preliminary uses. Staff will also provide periodic updates about the County costs incurred to determine if any adjustments are necessary with this preliminary spending plan.

See enclosed Federal Treasury [CARES Relief Fund Guidance FAQ](https://home.treasury.gov/policy-issues/cares/state-and-local-governments) Updated as of 6/4/2020. For latest updated information visit <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>