

Coronavirus Aid, Relief, and Economic Security Act CARES Act

The **Coronavirus Aid, Relief, and Economic Security Act**, also known as the CARES Act, is a \$2.2 trillion economic stimulus bill passed by the 116th U.S. Congress and signed into law by President Donald Trump on March 27, 2020, in response to the economic fallout of the COVID-19 pandemic in the United States.

Congress provided \$5 billion in the CARES Act for the **Community Development Block Grant (CDBG)** program to states, metropolitan cities, urban counties, and insular areas. At least 70 percent of every grant must be expended for activities that benefit low- and moderate-income persons by providing housing, a permanent job, a public service, or access to new or significantly improved infrastructure. The remaining 30 percent may be used to eliminate slum or blighted conditions, or to address an urgent need for which the grantee certifies it has no other funding. Activities must benefit residents within the jurisdiction of the grantee or as permitted by the CARES Act.

The City of Southfield received a special allocation of CDBG-CV funds to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). The initial amount of the Cares Act grant for the City of Southfield was \$256,818 and approved by City Council on June 22, 2020. A second rounds of funds was allocated to Oakland County. A third round of funding in the amount of \$409,829 was granted to the City of Southfield and approved by City Council on September 29, 2020.

The approved CDBG-CV Funding Plan for Round One includes:

| | |
|-------------------------------|----------------------------|
| Administration | \$ 38,522.00 (15%) |
| Business Support | \$ 51,364.00 (20%) |
| Personal protection Equipment | \$ 89,887.00 (35%) |
| Public Services | <u>\$ 77,045.00 (30%)</u> |
| Total | \$256,818.00 (100%) |

An amendment to the funding plan was approved on September 14, 2020, reprogramming \$89,887.00 from Public Safety Activities (Personal Protection Equipment) to Human Service Activities (food, rental, mortgage and utility assistance). The Public Safety equipment was purchased with other grant funds, and the demand for Human Service funds had exceeded original estimates.

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|-------------------------------|----------------------------|
| Administration | \$ 38,522.00 (15%) |
| Business Support | \$ 51,364.00 (20%) |
| Personal protection Equipment | .00 (00%) |
| Public Services | <u>\$ 166,932.00 (65%)</u> |

The approved CDBG-CV Funding Plan for Round Three includes:

| | |
|--------------------------------|-------------------------|
| Administration | \$ 61,474 (15%) |
| Public Services/Human Services | <u>\$ 348,355 (85%)</u> |
| Total | \$409,829 (100%) |