THE FEDERAL RESPONSE TO COVID-19: WHAT YOU NEED TO KNOW

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Fifth Third Bank

Strengthening our communities.
Jessica Love, Executive Director
PROSPERITY INDIANA
Carey W Craig, Capacity Development Manager
PROSPERITY INDIANA
SNAPSHOT

• Founded in 1986 as the Indiana Association for Community Economic Development

• “Prosperity Indiana builds a better future for our communities by providing advocacy, leveraging resources, and engaging an empowered network of members to create inclusive opportunities that build assets and improve lives.”

• RESOURCES, ENGAGEMENT, ADVOCACY, and PROGRAMS
OBJECTIVES

• To disseminate information about the phases of Congressional action to alleviate the impact of COVID-19 on nonprofit organizations

• To educate community development organizations on the effect of federal legislation on affordable housing and other programs

• To connect communities, organizations, and individuals to appropriate resources
• Thank you to the **National Council of Nonprofits, National Low Income Housing Coalition**, and the **Center for Budget and Policy Priorities** for which some of this information and analysis is borrowed and which is based on their best understanding

• The federal government and federal agencies are starting to release rules, regulations, or guidelines around these new Acts

• State governments have most likely not released rules, regulations, or guidelines around these new Acts

• **THIS WEBINAR SHOULD NOT BE CONSTRUED AS LEGAL OR FINANCIAL ADVICE**
PHASES

**PHASE I:** Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020

**PHASE II:** Families First Coronavirus Response Act

**PHASE III:** Coronavirus Aid, Relief, and Economic Security Act

**PHASE IV:** To be determined

**PHASE V:** To be determined

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Strengthening our communities.
CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES)

(Public Law 116-136)
• $2 trillion in appropriations
• Significant relief for nonprofits (including faith-based and religious organizations)
Ronda Crouch, Economic Development Specialist
U.S. SMALL BUSINESS ADMINISTRATION
(Indiana District Office)
Coronavirus (COVID-19): Small Business Guidance & Loan Resources

LEARN MORE

SBA.gov/coronavirus
SBA.gov/updates
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**SBA Indiana District Office**

Website: [SBA.gov/in](https://SBA.gov/in)

E-newsletter: [SBA.gov/updates](https://SBA.gov/updates)

Email: indiana@sba.gov

Twitter: [@SBA_Indiana](https://twitter.com/SBA_Indiana)

**Coronavirus (COVID-19):**

Small Business Guidance & Loan Resources

[SBA.gov/coronavirus](https://SBA.gov/coronavirus)

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**SBA Resource Partners**

No-cost business counseling via video or teleconference, webinars, online resources, local funding options

[SBA.gov/local](https://SBA.gov/local)

SCORE Mentors

Small Business Development Centers

Women’s Business Centers

Veterans Business Outreach Centers
• CARES Act Resources – National Council of Nonprofits


FAMILIES FIRST
CORONAVIRUS RESPONSE
ACT (FFCRA)

(Public Law 116-127)
• Paid Sick and Family Leave
• Refundable Payroll Tax Credit
FFCR ACT

• **Employer Size:** Fewer than 500*
• **Effective Date:** 1 April 2020
• **Expiration Date:** 31 December 2020
• Emergency Paid Sick Leave*
  
  • Two weeks (up to 80 hours) of **paid** sick leave – at the employee’s **regular rate of pay** (up to $511/day / up to $5,110 over the entire paid sick leave period)
  
  • quarantine or under an isolation order
  
  • advice to self-quarantine, or
  
  • experiencing symptoms of COVID-19 (seeking a medical diagnosis)
• **Emergency Paid Sick Leave***
  - Two weeks (up to 80 hours) of *paid* sick leave – at two-thirds the employee’s *regular rate of pay* (up to $200/day / up to $2,000 over the entire paid sick leave period)
  - *bona fide* need to care for an individual who is subject to quarantine
  - care for a child (under 18 years) due to school, care center closure
  - child care provider is unavailable
• **Family and Medical Leave***

  • Up to ten (10) weeks of **family and medical leave** – at two-thirds the employee’s **regular rate of pay** (up to $200/day)

  • **bona fide** need to care for a child (under 18 years) due to school, care center closure or unavailability due to COVID-19

  • protects employee’s position within the organization – exceptions for organizations with fewer than 25 employees, if the Act is a hardship
• What if my organization’s worksite closes?
  • The paid leave requirement is canceled.
  • Employees who are laid off may qualify for unemployment insurance.
• Refundable Payroll Tax Credits
  • Applicable only to the employer share of payroll taxes
  • At the end of each quarter, leave costs exceeding payroll taxes owed will be refunded. (IRS Form 941)
• **Links**
  
  • United States Department of Labor (USDOL)
    
    • [https://www.dol.gov/agencies/whd/pandemic](https://www.dol.gov/agencies/whd/pandemic)
  
  • National Council of Nonprofits
    
Andrew Bradley, Policy Director
PROSPERITY INDIANA
## OVERVIEW OF HOUSING PROVISIONS

### Coronavirus Response Package

March 25, 2020

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<thead>
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<th>House Democrat Proposal</th>
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*Reflects authorized levels. In the House bill, Homeless Assistance Grants were provided an appropriation of $5 billion and emergency rental assistance did not receive an appropriation.

** Congress provided an additional $150 billion in a Coronavirus Relief Fund that can cover many of the same uses as CDBG.

Source: [https://nlihc.org/sites/default/files/Coronavirus-Budget-Chart.pdf](https://nlihc.org/sites/default/files/Coronavirus-Budget-Chart.pdf)
MORATORIUMS ON EVICTIONS AND FORECLOSURES

• Institutes a moratorium on foreclosures for all federally-backed mortgages, including those covered by HUD, USDA, FHA, VA, Fannie Mae, and Freddie Mac, for 60 days beginning on March 18, 2020.

• A borrower with a federally-backed mortgage experiencing financial hardship due to coronavirus may also request a forbearance for up to 180 days, which may be extended for another 180 days at the request of the borrower.

• Multifamily housing owners with a federally-backed mortgage to request a forbearance for up to 30 days, which can be extended by another 60 days at the request of the borrower, on the condition that they agree not to evict tenants or charge tenants’ late fees.

MORATORIUMS ON EVICTIONS AND FORECLOSURES (cont’d)

• Institutes a moratorium on filings for evictions for renters in homes covered by a federally-backed mortgage for 120 days of enactment.

• Provides a temporary moratorium on evictions for most residents of federally subsidized apartments, including those supported by HUD, USDA or Treasury (Low Income Housing Tax Credit developments). The bill also institutes a moratorium on filings for evictions for renters in homes covered by federally-backed mortgages for 120 days of enactment.


Emergency Solutions Grants

• Provides $4B in Emergency Solutions Grants to help prevent an outbreak among sheltered and unsheltered people experiencing homelessness and very low-income households (earning less than 50% of Area Median Income) at risk of homelessness.

• The funds can also be used for eviction prevention assistance, including rapid rehousing, housing counseling, and rental deposit assistance will mitigate the adverse impacts of the pandemic.

• Of the total amount provided, up to $2 billion may be distributed according to allocations made in FY20 within 30 days of enactment. The remaining amount will be distributed within 90 days to communities with the greatest needs, based on criteria determined by the HUD Secretary, such as risk of transmission, rates, and numbers of unsheltered and sheltered homeless populations, and economic and housing market conditions. The bill dispenses of any existing match requirements.

Emergency Solutions Grants (cont’d)

• ESG funds can be used for temporary emergency shelters, waiving federal habitability and environmental review standards. Funds may also be used to cover staff costs, training, and hazard pay.

• HUD Secretary has broad authority to waive or set alternative requirements for any statute or regulation (outside of those related to fair housing, nondiscrimination, labor standards, and the environment) if the Secretary finds good cause for the waiver and if the waiver is necessary to prevent and respond to coronavirus. In addition to using these funds to address coronavirus, the bill allows ESG funds allocated in previous Fiscal Years (FY) to be used for this purpose.

• However none of the funds provided may be used to require people experiencing homelessness to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services.

Community Development Block Grants

Congress provides $5 billion for CDBG to cities and states.

- $2 billion will be allocated to states and units of local governments that received an allocation under the FY20 formula.
- Another $1 billion will go directly to states and areas based on public health needs, the risk of transmission, the number of coronavirus cases, and economic and housing market disruptions.
- Remaining $2 billion will be allocated to states and units of local government based on the prevalence and risk of COVID-19 and related economic and housing disruptions resulting from coronavirus.

Community Development Block Grants (cont’d)

- Bill provides broad authority to the HUD Secretary to waive or set alternative requirements for any statute or regulation, outside of those related to fair housing, nondiscrimination, labor standards, and the environment, if necessary, to expedite the use of these funds to prevent and respond to coronavirus.

- This broad authority could allow jurisdictions to use CDBG funds to provide emergency rental assistance or address the needs of people experiencing homelessness, for example.

Community Development Block Grants (cont’d)

• The bill eliminates the cap on the amount of funds a grantee can spend on public services, removes the requirement to hold in-person public hearings in order to comply with national and local social gathering requirements, and allows grantees to be reimbursed for COVID-19 response activities regardless of the date the costs were incurred. This funding builds on $6.7 billion provided in fiscal years 2019 and 2020 by allowing grantees to combine prior year funds with new funding in order to prevent, prepare for, and respond to COVID-19.

• An additional $150 billion in flexible funds was provided to state and local governments through the Coronavirus Relief Fund for many of the same purposes as CDBG. (More details are provided in that section.)

Tenant-Based Rental Assistance

• The bill provides $1.25 billion for tenant-based rental assistance to help public housing agencies maintain normal operations and take other necessary actions to respond to coronavirus. Of this amount, $850 million can be used for a combination of administrative costs and other expenses for activities including those to “support and maintain the health and safety of assisted households” and to retain and support participating landlords. The remaining $400 million is to adjust renewal funding for public housing agencies that experience a significant increase in voucher per-unit costs and would otherwise need to terminate rental assistance for families due to the lack of funds.

• These funds will be distributed based on need, as determined by the HUD Secretary, and provides broad authority to the Secretary to waive or set alternative requirements, for any statute or regulation, outside of those related to fair housing, nondiscrimination, labor standards, and the environment, if necessary for the safe and effective administration of these funds to prevent and respond to coronavirus.

• The Secretary may award unobligated funds from prior FYs for incremental TBRA.

Project-Based Rental Assistance

- The bill provides $1 billion for project-based rental assistance to maintain normal operations and to take any other necessary actions during the period that the program is impacted by coronavirus. It provides broad authority to the Secretary to waive or set alternative requirements for any statute or regulation, outside of those related to fair housing, nondiscrimination, labor standards, and the environment, if necessary, to expedite these funds in responding to coronavirus.

Public Housing

- The bill provides $685 million for the public housing operating fund to maintain normal operations and to take any other necessary actions. The bill allows – through the end of the 2020 calendar year – for public housing agencies to combine its capital and operating funds, including some funds from past FYs, to respond to coronavirus. It allows the HUD Secretary to extend this flexibility in additional 12-month increments if needed, and it provides broad authority to the Secretary to waive or set alternative requirements for any statute or regulation, outside of those related to fair housing, nondiscrimination, labor standards, and the environment, if necessary for the safe and effective administration of these funds to respond to coronavirus.

Other Housing and HUD Programs

- $65M for Housing for Persons with AIDs (HOPWA) to address operations, rental assistance, and other actions to prepare for and respond to coronavirus.

- $50 million for Section 202 Housing for the Elderly, including $10 million for service coordinators, and $15 million for Section 811 Housing for Persons with Disabilities.

- A total of $2.5 million is provided for fair housing activities, including $1.5 million for the Fair Housing Assistance Program Partnership for Special Enforcement grants and $1 million for the Fair Housing Initiatives Program.

- No funds were provided to address needs in USDA's rural housing portfolio.

Indiana Formula Allocations: $40.3M in CBDG, $20.1M in ESG, $464K in HOPWA

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Source: [https://www.hud.gov/program_offices/comm_planning/budget/fy20](https://www.hud.gov/program_offices/comm_planning/budget/fy20)
Unemployment Insurance

• Creates a Pandemic Unemployment Assistance (PUA) program that provides federally funded unemployment benefits to many — though certainly not all — workers who lose their jobs but are ineligible for the state’s regular UI program. This includes workers lacking an extensive enough work history or looking for part-time work as well as those who have exhausted their regular UI benefits. Workers can receive up to 39 weeks of PUA benefits. This program is only in effect through December 31.

• Provides a $600 per week, federally funded benefit increase through July 31 for recipients of PUA or regular UI. This sizable increase will help workers and their families stay afloat and boost overall consumer demand to mitigate the downward economic trends.

Unemployment Insurance (cont’d)

• Extends the maximum number of weeks of regular UI benefits. For those eligible for regular UI, the bill allows states to provide an additional 13 weeks of federally funded extended benefits; workers who exhaust those benefits can receive PUA benefits, but only as long as that program is in place.

• Provides funding to states that have approved short-time compensation (work-sharing) programs, in which employers reduce certain employees’ hours in lieu of layoffs and the affected workers receive partial UI benefits. The bill also provides funding to help states establish such programs.

FEMA Disaster Relief Fund

• The bill provides $45 billion for the Disaster Relief Fund, the primary funding source for FEMA disaster recovery programs, including direct federal assistance to states, municipalities, and tribes, as well as Public Assistance (PA), Individual Assistance (IA), the Disaster Unemployment Program, and more. An additional $200 million is provided to the Emergency Food and Shelter Program which provides shelter, food, and supportive services through local service organizations.

• President Trump’s National Emergency Declaration under the Stafford Act permits both Federal Assistance and Public Assistance grants for emergency protective measures.

• Under Governor-requested Major Disaster Declarations – which currently exist in California, Iowa, Louisiana, New York, and Washington State, Florida and Texas – FEMA can provide their full suite of programming to assist in pandemic response. The activation of these programs is contingent upon approval by FEMA.

Coronavirus Relief Fund

- Congress provided a $150 billion Coronavirus Relief Fund for state, tribal, and local governments to help broadly cover any “necessary expenditures incurred due to the public health emergency” created by COVID-19. The bill specifies that within 30 days of passage the funds will be released to states based on their relative populations, receiving at least $1.25 billion. These state funds can also be separated out to provide funding directly to local governments. The funding cannot be used to replace already-allocated state funds.

- Because of the broad nature of these funds, state and local governments could use these dollars to help address the needs of people experiencing homelessness and low-income renters impacted by the pandemic.

- Of the total amount provided, $3 billion will be provided to territorial governments and D.C., while $8 billion is reserved for tribal governments.

Coronavirus Relief Fund (cont’d)

Indiana is estimated to receive $2.61 Billion in its share of the Coronavirus Relief Fund, according to the Center on Budget and Policy Priorities.

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<th>STATE</th>
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Supplemental Nutrition Assistance Program (SNAP)

- CARES Act fails to increase SNAP benefits, one of the most effective stimulus policies of the Great Recession.

- SNAP benefits are extremely modest, averaging about $1.40 per person per meal.

- The Families First Coronavirus Response Act (enacted previously) gives states important flexibility to expand SNAP benefits, but these expansions are only available during the public health emergency.

- However, many CARES Act provisions assume that the economic fallout will outlast the public health emergency; assistance for families facing food insecurity needs to be expanded throughout the course of the downturn.

• **Links**


- Summary of COVID Phase 3 Unemployment Insurance and Tax Provisions - via NACEDA: [https://naceda.memberclicks.net/assets/25MAR20_Senate_Stimulus_Section-by-Section.pdf](https://naceda.memberclicks.net/assets/25MAR20_Senate_Stimulus_Section-by-Section.pdf)

QUESTIONS?
covid19response@prosperityindiana.org