

# Kent County COVID Relief Subcommittee



June 4, 2020

Through responsible budgeting and thoughtful planning, Kent County government is committed to providing resources and services that promote a high quality of life for the entire community.

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# Kent County COVID Relief Subcommittee Executive Report

## Overview

Kent County was awarded a Coronavirus Relief Fund grant, as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, of \$114.6 million on Friday, April 24th, 2020. This award presented the County with an opportunity to cover not only County costs incurred due to this pandemic, but to also assist our local units of government, community partners, and local small businesses who experienced unexpected costs due to the COVID-19 battle.

To that end, the Kent County Board of Commissioners Chair Mandy Bolter proposed County Administration and a subcommittee of the Board of Commissioners develop a transparent, thorough, expedited strategy to define the County's processes and guidance for allocation and distribution of these funds.<sup>1</sup> Pursuant to Standing Rule 6.0, Chair Bolter established a COVID Relief Subcommittee to quickly and comprehensively analyze:

- a) all available funds allocated to the County and how they can be applied (FEMA, CDBG, Community Relief Fund, etc.),
- b) the needs of the community and most effective strategies to allocate and disburse the CARES Act funds under the guidelines established by the Federal government, and
- c) a process to quickly and transparently distribute funds to meet the needs established by the subcommittee and to inform the Board of Commissioners the activity and seek their approval for large expenditures.

## Committee Members

The following Commissioners were appointed to serve on the Subcommittee: Commissioners Bolter, Stek, Jones, Brieve, Talen, Morgan, Skaggs, and Womack.

## Committee Charter

The charge of the Subcommittee is to identify available funding sources and the allowable uses of each fund and to recommend to the Kent County Board of Commissioners guidelines for disbursement of the CARES funding. The timeline for the Subcommittee is as follows:

- No later than June 1, 2020, allocate funds to cover COVID-19 costs already incurred by the County and its estimate of future eligible costs.
- No later than June 1, 2020, recommend guidelines for dispersing funds to local units of government/municipalities to recover their COVID-19 emergency related costs.

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<sup>1</sup> COVID Relief Subcommittee Communication from Chair

- No later than July 20, 2020, recommend guidelines for fund disbursement beyond local/municipal costs (guidance of continued need of the community and usage for remaining funds under federal guidelines).
- No later than December 14, 2020, recommend disbursement of any and all remaining funds that may have been held back, to ensure all possible and allowable uses and needs have been met.

Funds can be allocated until December 30, 2020 so that expected costs and estimates for anticipated COVID related costs can be considered and distributed through the end of the year. The subcommittee sought immediate information from local units of government (LUOGs) to consider their expenses as well as the County's expenses. Additionally, consideration was given to reserve a small portion of funds in anticipation of a potential second wave of infections, should it materialize.

## Meetings

Pursuant to Governor Whitmer's Executive Order 2020-75, the Kent County Board of Commissioners COVID Relief Subcommittee conducted its meetings via electronic communications. All meetings of the subcommittee were open, public meetings. Any member of the public wishing to listen to the proceedings or provide public comment were able to do so using the electronic meeting information and/or phone numbers posted on AccessKent.com for meeting dates May 7, 12, 14, 19, 21, 26, 28, June 2, 4, 2020.

## CARES Fund Criteria

The CARES Act provides that payments from the Fund may only be considered to cover costs that:

- 1.) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- 2.) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
- 3.) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.<sup>2</sup>

## Process

### A. Internal Expense Review

Multiple internal measures were put in place to track the County expenses as a result of COVID-19. Fiscal Services instituted two COVID-19 expenditure tracking processes: 1) reporting code "COVID-19" for COVID-19 expenses<sup>3</sup> and 2) employee timesheet accounting overrides to track personnel hours directly related to COVID-19 tasks.<sup>4</sup> Human Resources provided a "Special Compensation" for employees that do not have the option to work from home and are required to work on site<sup>5</sup>.

<sup>2</sup> Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf

<sup>3</sup> Covid-19 reporting Code AP Memo

<sup>4</sup> COVID Timesheet Reporting.pdf

<sup>5</sup> COVID 19 Directive 03-18-2020-1 FINAL.pdf

Additionally, Kent County Health Department and the Sheriff's Office were asked to submit expense reports detailing COVID-19 related expenses. The KCHD requested funding to cover expenses associated with contact tracing, homeless isolation centers and staffing costs related to test centers. The Sheriff's Office experienced increased costs due to additional safety measures related to COVID-19 as well as due to having to reassign deputies who could no longer perform contracted duties such as the DPW recycling center, Road Commission, School Resource and Community Service Officers. These officers were redeployed with a focus on core functions, corrections and facilities, law enforcement, and communications. Many deputies were reassigned from their normal role in order to augment their front-line mandates. The reassignments required additional training, equipment purchases, and many new protocols and procedures. These measures were intended to mitigate the risks to staff and the community.

### **B. Available Funding Review**

The Administrator's Office staff was charged with reviewing and assessing available funds coming into the County and the application of those funds, (CDBG, ESG, Kent County Relief Fund, etc.), as well as assessing the needs of the community. The United Way (UW), in partnership with local foundations and funders, established a Kent County Coronavirus Response Fund to receive donations to meet the immediate needs in the community related to the COVID-19 pandemic. The fund was intended to support nonprofits who serve vulnerable populations. Other funding included small business relief grants from the Michigan Economic Development Corporation (MEDC) that were disbursed by The Right Place and small business grants distributed by the Grand Rapids Chamber of Commerce Foundation. This work included gathering relevant information to develop a weekly "Other COVID-19 Sources and Uses of Funds" report on Federal and State government, regional economic development agencies, and private foundations. The report included agency names, total funding disbursed, total funding requested, funding amount denied, and total approved. Through this process, staff identified an additional \$8,518,154 in COVID-19 related funding allocated to Kent County.

There are grant funds available from FEMA in Category B that can be used to support temporary isolation units to meet the needs of COVID-19 positive or exposed persons experiencing homeless or persons who do not have a safe place to isolate. The funding is available with a 25% cost share. The amount of FEMA CAT B dollars available is unknown and no deadline for funding applications has yet been established by the Federal government.

Kent County Community Action received a separate allocation of CARES Act dollars in the form of Community Development Block Grant (CDBG) funding \$1,023,791, Community Service Block Grant (CSBG) \$606,792, Emergency Solutions Grant (ESG) \$523,303, Housing Choice vouchers \$61,716 and Families First Corona Response Act (FFCRA) Emergency Food \$31,616.

### **C. Invitations for Community Presentations**

In addition to the estimation of available funding, Kent County community groups were invited to formally present their needs and concerns to the subcommittee. The presentations included the following areas:

- Community Homelessness Needs Report - May 12, 2020  
Presented by the Heart of West Michigan United Way (UW) Continuum of Care (CoC), Family Promise, and Community Rebuilders.

- Local Business Impact Report - May 14, 2020  
Presented by the following area Chambers of Commerce – Grand Rapids, West Michigan Hispanic, Sparta, Lowell, Grand Rapids Black, and Grand Rapids Area Black Businesses (GRABB), and Downtown Grand Rapids Inc., including the Grand Rapids Downtown Development Authority, Downtown Improvement District, and the Tax Increment Finance Authority by Tim Kelly.
- Local Business, Area Foundations, and Local Non-Profits Impact Report - May 19, 2020  
Presented by the following area Chambers of Commerce - Wyoming/Kentwood, Grandville/Jenison, Walker, Byron Center, Caledonia, Rockford, and Cutlerville/Gaines, a report from local Foundations and the United Way Response to COVID-19 and the impact on local Non-Profits presented by the Steelcase, Grand Rapids Area Foundations and the United Way.
- MEDC Small Business Grant Impact Report - May 21, 2020  
Presented by The Right Place.
- COVID-19 and Disproportionate Impact Report - May 26, 2020  
Presented by the Grand Rapids African American Community Task Force and LatinxGR.
- Small Business Relief Support Program - May 28, 2020  
Presented by the Grand Rapids Chamber of Commerce

#### D. Letters Received from the Community

The Subcommittee received and reviewed numerous letters from individuals and organizations representing wide cross-section of the Kent County community. The community letters included The Right Place, the Grand Rapids African American Community Task Force & the Boston Square Neighborhood Association, RideLink, Black Impact Collaborative, LatinxGR, Heart of West Michigan United Way, Kent Child Care Crisis Response Team, Gaines Township resident, City of Grand Rapids, Experience Grand Rapids, The Grand Rapids Organizing Team, and the Grand Rapids Community Foundation.

#### E. Local Units of Government Survey

A survey<sup>6</sup> was sent to every township, city and village requesting financial information related to current and anticipated COVID-related expenditures for March – December 2020. This allowed the subcommittee to evaluate the needs of our local units to consider allocating funds. Based on the survey results<sup>7</sup>, LUOGs estimated a total of \$16,000,000 in expenditures and projected costs related to COVID-19.

On June 2, 2020, updated direction from the federal government was addressed regarding guidance for the State to provide CARES Act funds to local units under a population of 500,000. As of the time of this report, no State CARES funds have been appropriated to local governments as stated in House Substitute for Senate Bill No. 690.<sup>8</sup>

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<sup>6</sup> Kent\_County\_Local\_Unit\_of\_Government\_Needs\_Assessment.docx

<sup>7</sup> LUOG Results 6 2 2020.docx

<sup>8</sup> SO1218'19 (H-1)

## Preliminary Initiatives

Based on recommendations from Administration staff and presentations by community partners, and with unanimous approval of the COVID-19 Relief Subcommittee, Kent County sponsored two initiatives to immediately respond to the COVID-19 public-health emergency. The initiatives were County-sponsored and utilized CARES Act Coronavirus Relief Funds.

- The Kent County Back-To-Work initiative, in partnership with Advanced Fulfillment, provides \$2 million in PPE for for-profit businesses with 100 or fewer employees.
- The Kent County Homeless Families initiative appropriates \$500,000 to support the continued provision of emergency non-congregate shelter care to homeless families.
- The Kent County Small Business Recovery Fund, in partnership with the Grand Rapids Chamber of Commerce, authorized \$25,000,000 to support for-profit businesses under 25 FTEs, with economic relief grants ranging from \$5,000 to \$20,000 each. The Chamber will administer this program subject to oversight by the County. Small businesses will receive wrap around support services from the Chamber as part of this program.
- The Kent County Non-Profit Relief grant, in partnership with the Heart of West Michigan United Way, is being considered to establish a program similar to the Small Business Recovery Fund to further address essential needs and non-profit assistance.

## Recommendations for the Allocation and Disbursement of Funds

**Basic Allocation** – Administration staff proposed a series of categories to broadly allocate the funds by topic area. The allocations were adopted by the Subcommittee on June 2, 2020, and the approved allocations are attached hereto as Exhibit 1. The allocation buckets are:

- County Expenses: \$35 million
- Business Assistance: \$28 million
- Mitigation of Homelessness: \$3 million
- Care for Vulnerable Populations: \$12.2 million
- Compliance with COVID-19-related public health measures: \$1 million
- Assistance to Local Units of Government: \$15 million
- Unallocated (Reserve for Possible Second Wave): \$20.334 million<sup>9</sup>

**Specific disbursement of funds** – Upon approval of this Report by the Kent County Board of Commissioners as set forth below, Kent County will adopt strategies for the distribution of funds within each allocation bucket to third parties subject to the following approval process:

- Any proposed distribution of less than \$250,000 may be approved by the County Administrator/Controller or his delegate;
- Any proposed distribution of more than \$250,000 but less than \$1 million may be approved by the agreement of the Chair of the Board of Commissioners and the County Administrator/Controller,

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<sup>9</sup> Recommendations for use of second-wave funds will be made so that funds may be expended on eligible expenses by December 30, 2020, as required by the CARES Act.

- For any distributions approved by the Chair and the County Administrator/Controller, prior notice will be given to the chair of the Finance and Physical Resources Committee as well as the vice-chair and minority vice-chair of the Board of Commissioners; and
- Any proposed distribution in excess of \$1,000,000 shall be presented to and considered by the Kent County Finance and Physical Resources Committee with final approval by the Board of Commissioners in the accordance with normal processes.
- Internal County expenditures are subject to normal financial processes.

## Requirements for all disbursements

- Avoiding Redundancy: All applications for funds will be reviewed to ensure that funds are not provided in a manner redundant with other distributions of Coronavirus Relief Funds by the County and the State of Michigan as well as other governmental and private COVID-19 relief efforts;
- Agreement: All recipients will be required to provide the County with an agreement that contains certifications, terms and conditions as deemed appropriate by the County; such an agreement will include certification that expenditures will be used in a manner that is fully consistent with the CARES Act, including specifically Title V of the Act relating to Coronavirus Relief Funds and related guidance from the U.S. Department of Treasury.
- Documentation: All recipients of funds pursuant to this Report must maintain and provide to the County upon request, documentation sufficient to prove that the application for funds was accurate and truthful, and that the funds received were used for the purposes set forth in the application. Documentation must be maintained for 6 years from the date of application.
  - Cooperation: All recipients must agree to fully cooperate with audit requests from the County.
  - Refund: All recipients will be required to agree to refund any funds later determined not to have been expended in a lawful manner.
- Funding Priority: Whenever possible, more-restricted funds provided to the County under other federal and state programs will be used before Coronavirus Relief Funds.

## Subcommittee & Board Approval Process

- This report will be presented to the Subcommittee for consideration and approval on June 4, 2020.
- If approved by the Subcommittee, this report will be submitted to the full Kent County Board of Commissioners for consideration and approval on June 11, 2020.

## Reporting

Monthly reports will be submitted to the Subcommittee regarding the distribution and use of the Coronavirus Relief Funds. A CRF expense report including narrative analysis, financial tracking, and progress to-date information will be submitted to the subcommittee each month to ensure the efficient use of distributed funds. Additionally, the Subcommittee will receive periodic reports on program outcomes and auditing, as well as a financial report to review and ascertain additional needs related to a potential second wave of COVID-19 infections no later than October 1, 2020.

## Audit

The County will retain a firm to perform an audit of the County's distribution and the County's use of the Coronavirus Relief Funds. As referenced above, all recipients must agree to cooperate with the audit as a condition to receiving funds.

## Conclusion

The COVID Relief Subcommittee served as a mechanism to establish strategic management and urgent county-wide engagement in response to the COVID-19 Public Health Crisis utilizing CRF funds in such a manner to create a positive impact by; strengthening our small businesses and our nonprofits, supporting a continuum of care to homeless families in shelter care, leaning in with local government leadership to better understand the impact of this pandemic, and leveraging the necessary and critical resources to ensure the resiliency of our Kent County community.