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September 29, 2020

Municipal Clerks: Please forward to your Mayor, Governing Body and Department Heads.

To assist in providing guidance and information we have created a [COVID-19 resource page](#). We will continue to update the page as we get pertinent information and include announcements in our Daily Updates.

Federal COVID Relief Bill Adds Local Governments

House Democrats on Monday unveiled a scaled-back \$2.2 trillion coronavirus relief package, in the hope of kick-starting negotiations for a bipartisan deal before the elections.

[This pared-down HEROES Act](#) — \$1.2 trillion less than the original bill passed by the House last spring — includes \$436 billion in emergency aid for state and local governments; \$225 billion for schools and child care; an additional round of \$1,200 stimulus checks for most Americans; money to restore \$600 expanded unemployment payments through January; \$75 billion for testing, contact tracing and other health care efforts; billions for housing assistance; and funding to shore up the census, U.S. Postal Service and elections.

The proposed 'Coronavirus Local Fiscal Relief Fund' would distribute a total of \$179 billion as follows.

- \$62.65 billion directly to municipalities that qualify for Housing and Community Development Block Grant (CDBG) funding, to be distributed based on the CDBG formula;
- \$26.85 billion, through state governments, based on population, to all municipalities that do not qualify for CDBG funding; and

- \$89.5 billion to counties.

Regarding allowable uses of the 'Local Fiscal Relief Funding, HEROES Act 2.0 states, '...any entity receiving a payment from funds made available under this heading in this Act shall only use such amounts to respond to, mitigate, cover costs or replace foregone revenues not projected on January 31, 2020 stemming from the public health emergency, or its negative economic impacts, with respect to the Coronavirus Disease (COVID-19) ...'

HEROES Act 2.0 also includes a key provision backed by the Administration and others: \$25 billion to stave off thousands of layoffs at passenger airlines, as well as \$3 billion for airline contractors. The beleaguered restaurant industry would receive \$120 billion in aid under the Democratic plan.

Democrats rolled out the new package just minutes before Speaker [Nancy Pelosi](#) spoke by phone with Treasury Secretary [Steven Mnuchin](#), the top White House negotiator. The two agreed to speak again on Tuesday, an aide said.

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