



HARRIS COUNTY, TEXAS

BUDGET MANAGEMENT DEPARTMENT

Administration Building

1001 Preston, Suite 500

Houston, TX 77002

(713) 274-1100

COVID 19 Agenda Item

July 14, 2020

To: County Judge Hidalgo, and
Commissioners Ellis, Garcia,
Radack, and Cagle

Fm: Shain Carrizal *HSC*

Re: **CARES Act – Establishment of the Small City Assistance Program**

The CARES Act established the Coronavirus Relief Fund (CRF), and Harris County received a direct allocation of \$426 million. On April 28, 2020 Commissioners Court authorized forming a committee consisting of a representative from each office of Commissioners Court to work with BMD/HRRM and all relevant departments to make recommendations on the expenditures of the funds. Attached for your approval is a recommendation from the committee to establish the Small City Assistance Program in an amount not to exceed \$28.5 million.

The committee will continue to work with Guidehouse in making further recommendations to Commissioners Court before the CRF expiration date of December 30, 2020.

Thank you for your consideration.

Attachment



COVID-19 Small City Assistance Program July 10, 2020

BACKGROUND

The COVID-19 pandemic is stretching the ability of State, County, and City governments to both meet their obligations to protect their citizens and to ensure complete economic recovery and long-term resiliency. While each situation is unique, we understand that Harris County faces considerable demands resulting from this outbreak and the 34 cities it represents, and the County seeks to establish a program to provide appropriate reimbursement of Coronavirus Relief Funds (CRF) to the respective small cities.

PROGRAM PURPOSE

The COVID-19 Small City Assistance Program's purpose is to provide financial assistance for the needs of cities with <500K population.

The following are the program considerations:

- **Coordination.** Need to ensure that the County's response is coordinated so that it addresses the unprecedented public health and societal impacts impacting the small cities.
- **Grants Management.** Need to ensure support of the management of grant applications, eligibility verification, grant awards, management of grant and subrecipient agreements, and management of approval processes for funds requested by cities within Harris County related to the CRF.
- **Eligibility.** Need to ensure expenses incurred and to be reimbursed to the small cities are captured in a manner that makes them reimbursable in accordance with U.S. Department of Treasury guidance for the Coronavirus Relief Fund
- **Compliance.** Need to ensure that the County is complying with the rules and regulations that will ensure expenses are reimbursable and avoid a loss of stakeholder and community confidence.

ELIGIBILITY CRITERIA

Cities with <500K population that demonstrate need for financial assistance may qualify for assistance by meeting any of the following criteria:

Criteria	Name	Description	Additional Considerations
#1	FEMA 25% Match	Cities would submit their approved FEMA Public Assistance (PA) requests showing the 75% reimbursement requested. Harris County then provides the remaining 25% of eligible reimbursements.	Technical assistance provided to help cities apply for FEMA PA
#2	Eligible activities not covered by other funding sources	Expenses incurred by small cities that are typically not covered by FEMA or other grants, that are eligible for CRF. This includes, but is not limited to, the following activities: <ul style="list-style-type: none">- COVID dedicated payroll expenses- Paid sick and medical leave- Government payroll support program- Unemployment insurance costs- Telework capability improvement	Educate cities about these expense activities

#3	Other COVID Related Expenses	Other related expenses not identified in Options #1 and #2 that will be evaluated by the County for duplication of benefits on a case-by-case basis	Educate cities about these expense activities
-----------	-------------------------------------	--	--

ALLOCATION MAXIMUMS

Per the chart below, \$55 per capita is used to determine a ceiling of available CRF funding per small city within Harris County. This amount is based on the criteria established by the Texas Department of Emergency Management (TDEM) for other cities and counties in Texas with <500K populations.

City	2018 Census Population Data	Allocation Ceiling
Baytown	72,879	\$4,008,345
Bellaire	18,966	\$1,043,130
Bunker Hill Village	3,982	\$219,010
Deer Park	33,931	\$1,866,205
El Lago	2,727	\$149,985
Friendswood	11,575	\$636,625
Galena Park	10,931	\$601,205
Hedwig Village	2,669	\$146,795
Hilshire Village	819	\$45,045
Humble	16,041	\$882,255
Hunters Creek Village	4,891	\$269,005
Jacinto City	10,625	\$584,375
Jersey Village	7,962	\$437,910
Katy	15,251	\$838,805
La Porte	35,423	\$1,948,265
League City	1,984	\$109,120
Missouri City	6,273	\$345,015
Morgan's Point	345	\$18,975
Nassau Bay	4,037	\$222,035
Pasadena	153,219	\$8,427,045
Pearland	5,237	\$288,035
Piney Point Village	3,449	\$189,695
Seabrook	14,291	\$786,005
Shoreacres	1,611	\$88,605
South Houston	17,583	\$967,065
Southside Place	1,881	\$103,455
Spring Valley Village	4,333	\$238,315
Stafford	309	\$16,995
Taylor Lake Village	3,625	\$199,375
The Woodlands	13,000*	\$715,000
Tomball	11,761	\$646,855
Waller	600	\$33,000
Webster	11,201	\$616,055
West University Place	15,676	\$862,180
Total	519,087	\$28,549,785

*Estimated census data for the portion of The Woodlands included in Harris County, per The Woodlands Area Economic Development Partnership

TECHNICAL ASSISTANCE

With the purpose of helping small cities, especially those not familiar with federal funding, the small cities will be provided with technical assistance to better understand the process of successfully identifying eligible CRF activities, and guidance around other potential funding sources (ex. FEMA PA). The main components of the technical assistance will include (but is not limited to)¹:

1. Conducting outreach activities to:
 - Inform small cities about the program
 - Engaging City management to actively participate in program
2. Hosting webcast and online training for:
 - Overall process of the County's program for small cities
 - Eligible activities under the CRF grant and overlap with other funding sources
 - Workflows, forms, tools, and documentation requirements for reimbursement
 - Brief overview of other federal funding sources
3. Providing tools and templates for reimbursement requests including:
 - Excel based cost tracking mechanism
 - Checklist of eligible activities with required documentation
 - Frequently asked questions (FAQs)
 - Workflow steps for transparency
4. Providing one-on-one support including:
 - Questions around eligibility and/or process
 - Developing reimbursement requests
 - Understanding any rejected/returned reimbursement requests

AGREEMENT FOR DISTRIBUTION

To receive CRF distributions, the small city mayor or city manager must review, agree to the terms and conditions, and sign certification forms similar to those developed by TDEM. ² The CRF Terms and Conditions released by TDEM addresses the grant acceptance, project period, general responsibility, amendments and changes to the grant agreement, and jurisdictional cooperation that a subrecipient must adhere to when receiving CRF distributions.

¹ See Attachment A for framework of technical assistance

² See Appendix for example of modified CARES Act Coronavirus Relief Fund Eligibility Certification from TDEM

APPENDIX
CARES ACT CORONAVIRUS RELIEF FUND ELIGIBILITY CERTIFICATION³

I, _____, am the Mayor or City Manager of _____ ("Municipality"), and I certify that:

1. I have the authority on behalf of Municipality to request grant payments from Harris County ("County") for federal funds appropriated pursuant to section 601 of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (Mar. 27, 2020).
2. I understand that the County will rely on this certification as a material representation in making grant payments to the Municipality.
3. I acknowledge that Municipality should keep records sufficient to demonstrate that the expenditure of funds it has received is in accordance with section 601(d) of the Social Security Act.
4. I acknowledge that all records and expenditures are subject to audit by the United States Department of Treasury's Inspector General, Harris County, or designee.
5. I acknowledge that Municipality has an affirmative obligation to identify and report any duplication of benefits. I understand that the County has an obligation and the authority to deobligate or offset any duplicated benefits.
6. I acknowledge and agree that Municipality shall be liable for any costs disallowed pursuant to financial or compliance audits of funds received.
7. I acknowledge that if Municipality has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the United States Department of the Treasury.
8. I acknowledge that the Municipality's proposed uses of the funds provided as grant payments from the County by federal appropriation under section 601 of the Social Security Act will be used only to cover those costs that:
 - a. are necessary expenditures incurred due to the public health emergency and governor's disaster declaration on March 13, 2020 with respect to the Coronavirus Disease 2019 (COVID-19);
 - b. were not accounted for in the budget most recently approved as of March 27, 2020, for Municipality; and
 - c. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

In addition to each of the statements above, I acknowledge on submission of this certification that my jurisdiction has incurred eligible expenses between March 1, 2020 and the date noted below.

By: _____

Signature: _____

Title: _____

Date: _____

³ Per Texas Department of Emergency Management, tdem.texas.gov, with modifications

ATTACHMENT A
TIMELINE OF TECHNICAL ASSISTANCE AND ADMINISTRATION

The following table details technical assistance and administration activities provided to the County and small cities within Harris County. All activities will be ongoing through December 30, 2020 with auditing and close-out activities continuing into 2021.

Month Activity Begins	Activity
July	<ul style="list-style-type: none"> - Outreach effort to notify small cities about the Small City Assistance Program including webcasts about the overall process - Small cities execute certification form ahead of receiving CRF distribution from the County
August	<ul style="list-style-type: none"> - Training to help cities identify expenses eligible for FEMA PA and other federal funding sources - Providing training materials about other federal funding sources - Assistance to apply for other federal funding - Provide a mapped flow of documentation and requirements of the Grant Management program lifecycle to small cities to understand all necessary documentation - Provide tools and templates for tracking costs for reimbursement - Provide eligible cost checklists for CRF reimbursement - Assistance to develop reimbursement requests including holding office hours to answer questions about eligibility - Training cities about duplication of benefits, how to prevent them, and how to notify the County if any assistance that could fall into this category is received
September	<ul style="list-style-type: none"> - Track the disbursement of funds, at the County level, to ensure they are being used as they were intended and in a timely fashion - Provide access to workflows, forms, tools, and documentation requirements for reimbursement of each individual transaction
October	<ul style="list-style-type: none"> - Support to understand any denied benefits and reapply, if possible
November	<ul style="list-style-type: none"> - Trainings about how subrecipients can properly close out use of funds received and what documentation is required
December	<ul style="list-style-type: none"> - Report on the assistance provided to small cities, the maximization of benefits realized from various federal funding sources, and measure CRF distribution utilized