CARES CRF Funding Spending Plan

Marvin Odum, City of Houston COVID-19 Response and Recovery Leader
CRF Spending Requirements

• The CARES Act has 3 elements for the CRF expenditures:

• “(d) USE OF FUNDS.— [The City] shall use the funds provided under a payment made under this section to cover only those costs of the [City] 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 the date of enactment of this section for the [City] [i.e. March 27, 2020]; and

  – (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.”
Spending Deadline

• Covered Period for Expenditures: 3/1/20 – 12/30/20

• Treasury’s Guidance, which is not binding or law, further explains:

  – [I]t must be necessary that performance or delivery take place during the covered period.

  – Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

  – Subrecipients of a grant or loan provided by the City using CRF must also use the funds only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period.
Approach to Funding Allocation

- Deliberate/Disciplined process
- Submissions from each department – ranked
- Each Director then put through challenge process to assess
  - Qualification for CRF
  - Impact of the expenditure
- Challenge team:
  - Recovery Team/Mayor’s office/Finance/Legal
- High-graded & Recommended ~200 items for approval.
## Amount Approved by Subcategory

### CORONAVIRUS RELIEF FUND SPEND PLAN

<table>
<thead>
<tr>
<th>Subcategories</th>
<th>Amount Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical</td>
<td>$23,357</td>
</tr>
<tr>
<td>Supplies / Materials</td>
<td>$27,207</td>
</tr>
<tr>
<td>Technology</td>
<td>$26,101</td>
</tr>
<tr>
<td>Personnel / Temp Services</td>
<td>$204,484</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$23,422</td>
</tr>
<tr>
<td>Vulnerable Populations</td>
<td>$16,936</td>
</tr>
<tr>
<td>Facilities</td>
<td>$7,686</td>
</tr>
<tr>
<td>Facilities (Zoo)</td>
<td>$10,408</td>
</tr>
<tr>
<td>Rental Assistance</td>
<td>$15,000</td>
</tr>
<tr>
<td>Small Business Assistance</td>
<td>$15,500</td>
</tr>
<tr>
<td>TRANS</td>
<td>$450</td>
</tr>
<tr>
<td>HHD Contingency</td>
<td>$25,000</td>
</tr>
<tr>
<td>Contingency (citywide)</td>
<td>$9,318</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>404,869</strong></td>
</tr>
</tbody>
</table>
Funding Allocation

Total CRF Relief Fund Spend Plan - $405 million

- Public Health: $235,412
- Other Pandemic Support: $169,457

Amounts In Thousands
Personnel and Temporary Services

Amounts In Thousands

- Citywide Disease Containment: $75,328
- Redeployment Cost: $62,998
- Contact Tracing Monitoring: $26,159
- COVID Related OT: $20,500
- HHD Infrastructure: $10,834
- Other/Misc. Personnel/ Temp Services: $8,665
Professional Services

Amounts In Thousands

- Financial Management, Administrative, and Consulting: $10,000
- Health Planning and Data Analysis: $5,919
- Economic Support to Creative Sector: $2,000
- Public Information Messaging: $1,621
- Other/Misc. Professional Services: $3,883
Supplies and Materials

- Other/Misc. Supplies and Materials $3,554
- Masks to Vulnerable Population $1,000
- ETHAN Hardware $1,140
- Public Health Equipment & Supplies $1,514
- General Personal Protective Equipment $20,000

Amounts In Thousands
Technology

Amounts In Thousands

- Other/Misc. Technology: $13,724
- Telework Support Cost: $7,887
- E-Resources Enhancement: $1,200
- HPD Specialized Equipment & Controlled Storage: $3,290
Facilities

Amounts In Thousands

- Other/Misc. Facilities $1,912
- Cleaning of HPW Facilities $1,885
- Discovery Green Park Preparation $800
- GRB Facility Modifications $1,105
- Mykawa Jail Preparation $915
- Sanitization of high touch PRD areas $1,069
All Remaining Expenditures

Amounts In Thousands

- HHD Contingency: $25,000
- Contingency (citywide): $9,318
- TRANS: $450
- Small Business Assistance: $15,500
- Vulnerable Populations: $16,936
- Facilities: $7,686
- Rental Assistance: $15,000
- Facilities (Zoo): $10,408
Currently Unfunded Priorities

• UV Lighting
• Electronic Invoicing
• Municipal Court Technology
• Pandemic Responsible Furniture Renovation
Previously Approved by Council

- PPE purchases (masks, gowns, sanitizer, face shields, etc.)
- Support for testing sites (staffing, supplies, etc.)
- Meals for older adults
- Contact Tracing Program (GRB, computers, furniture)
- Overflow sheltering at the Salvation Army
Future Items for Council Consideration

- Laboratory testing (Baylor and Rice)
- Contact tracing
- Wastewater COVID-19 Study
- At home and community testing
- Census 2020
Proposed Items for Council Approval

• Prior and Pending Emergency Purchase Orders (EPOs)
  – Approve in 1 motion all the previously issued and pending EPOs
  – The RCA will identify each vendor, the amount spent, and a brief description of expenditure

• Authorization for Future Items – applies to all remaining proposed Council actions
  – Only for expenditures using CRF dollars
  – Authorization only through the CRF deadline: 12/30/20
Proposed Items for Council Approval

• Delegation to the CPO and Process Changes for Future Items is critical to:

  – ensure the City meets the CRF spending deadline or we must return the funds

  – react and respond quickly as the market and supply/demand shifts

  – focus allocation of limited personnel resources
Proposed Items for Council Approval

• Future EPOs
  – CPO will bring them to City Council in batches as a single motion

• Authorize CPO to execute amendments
  – Expenditures for base contract + amendment cannot exceed the contract’s maximum contract amount in FY21
  – Amendments will most likely: extend contract term through 12/30/20, allow change orders or add to the scope of services, where feasible

• Cooperative Purchasing
  – Similar to the Motion for technology spending
  – Allow cooperative purchasing for all categories of spending
Continued Transparency

• Ongoing Oversight

• Departmental process improvements

• OBO remains actively involved in reviewing MWBE participation

• Financial oversight will continue

• Monthly financial report to City Council
Monthly Updates

• Part of Monthly Financial Report (MoFR) – Finance
  – Beginning July MoFR

• Similar to other Disasters – Harvey

• Monthly financial report to City Council will include spend by 7 CRF Categories
  – Medical Response
  – Public Health
  – Expenses to Facilitate Compliance
  – Economic Support
  – Redeployment
  – Compliance, Program Management, Administration
  – Other
Housing Stability Task Force

Co-Chairs:
- Judge Jeremy Brown, Harris County Justice of the Peace Court
- Ric Campo, New Hope Board and Camden Property Trust

- Claudia Aguirre, Baker Ripley
- Celeste Arredondo-Peterson, Texas Organizing Project
- Howard Bookstaff, Houston Apartment Association
- John Borjack, Veritas Equity Management
- Cynthia Colbert, Catholic Charities
- Steven Dow, LISC Houston
- Guadalupe Fernandez, Tahirih Justice Center
- Marcia Johnson, TSU
- Courtney Johnson Rose, Texas State Affordable Housing Corporation
- Mary Lawler, Avenue
- Jay Malone, AFL-CIO
- Dana Karni, Lone Star Legal Aide, Consumer Housing Unit
- Tom McCasland, City of Houston
- Zoe Middleton, Texas Housers
- Margaret Oser, United Way
- Chrishelle Palay, HOME Coalition
- Lori Pampilo Harris, Houston Housing Collaborative
- Ana Rausch, Coalition for the Homeless
- Jeff Reichman, January Advisors
- Mark Thiele, Houston Housing Authority
- Maria Verdeja, Harris County CSD
- Alan Watkins, A Way Home and Wells Fargo
- Diana Zarzuelo, GHCF