




**COUNCILMEMBER CHRIS CATE
CITY OF SAN DIEGO
SIXTH DISTRICT**

M E M O R A N D U M

DATE: May 6, 2020

TO: Alexandra Berenter, Policy Manager, Department of Government Affairs

FROM: Councilmember Chris Cate 

SUBJECT: Input on Potential Uses of the Coronavirus Relief Funds

On March 27, 2020, the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The Coronavirus Relief Fund, established through the CARES Act, provides \$150 billion in assistance for state and local governments.

On April 23, 2020, the City's Department of Government Affairs sent a memorandum to City Councilmembers outlining the details of the Coronavirus Relief Fund, and shared that the City of San Diego has received \$248 million in funding. The memo invited Councilmembers to submit ideas on how these funds should be spent. This memo is a response to that request.

COVID-19 has undoubtedly impacted the lives of all San Diegans and has significantly affected families, small businesses, and our City budget. The funding the City has received from the Coronavirus Relief Fund will be crucial as we evaluate how to pay for COVID-19 related expenses.

However, the funding is not a blank check for the City to spend on non-COVID related expenses. The millions of dollars in lost revenue due to the COVID-19 pandemic cannot be backfilled by Federal funding. We need to be extremely prudent, ensuring that the funds we use are directly related to the pandemic and used within the timeframe provided.

With that said, below are my priorities on how Coronavirus Relief Funds should be spent:

Childcare for Essential Workers

The need for childcare is critical for workers who are on the front lines of the COVID-19 crisis, especially our health care workers, so they can continue to do their jobs at full productivity despite the shutdown of schools and some childcare centers. On Tuesday, May 5th, the San Diego County Board of Supervisors unanimously voted to allocate \$5 million in CARES Act funding to make emergency childcare vouchers available to essential frontline workers and families. The Board approval was contingent on the City of San Diego also contributing \$5 million for this purpose.

As such, I recommend that the City allocate \$5 million in CARES Act funding to ensure that essential works and families have access to critical childcare vouchers.

Small Business Relief Fund

COVID-19 has dramatically impacted the sustainability of thousands of small businesses in San Diego as all non-essential businesses have been directed to close during the Stay-at-Home order, and many more businesses, such as restaurants, have been required to dramatically roll back their operations to take-out or curbside services. To ensure the viability of local businesses and assist in job retention, the Mayor and City Council established a Small Business Relief Fund (SBRF) providing loans and grants to help small businesses. The City received over 10,000 applications for assistance from the SBRF, indicating that the need is much greater than the \$6.1 million made available, so far. I recommend allocating a minimum of \$25 million in CARES Act funding to augment the SBRF, so we can help as many more small businesses as possible.

Public Safety COVID-19 Related Expenditures

The COVID-19 pandemic has significantly increased public safety related expenditures, such as increased overtime from the Police and Fire/Rescue Departments and costs associated with the procurement of large quantities of personal protective equipment, to name a few. I recommend that the City meticulously track all COVID-19 related expenses within our public safety departments to determine if we can use CARES Act funding to pay for these expenditures appropriately.

Homelessness Expenditures Related to COVID-19

The City has taken dramatic and necessary steps to help prevent the spread of COVID-19 among our homeless population. The utilization of the San Diego Convention Center to house homeless individuals in a socially-distant manner as recommended by the Center for Disease Control, the acquisition of hotel rooms to house homeless individuals suspected or confirmed to have contracted COVID-19, and many other programs and services, are new expenditures that were not budgeted for in our adopted Fiscal Year 2020 budget and were incurred as a direct response to COVID-19. I recommend that these expenditures also be meticulously tracked so that CARES Act funding can be allocated to cover these expenditures according.

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