

CARES Act Funding for Building and Fire Prevention Departments

April 28, 2020

Although [DHS has determined construction and the code officials who regulate it as essential](#) to the nation's response to the coronavirus pandemic, 6 in 10 respondents to an [International Code Council survey](#) of code departments conducted between March 22 and April 1 did not have the capability to remotely carry out critical aspects of their work at a time when two-thirds have inspectors or plans examiners working remotely. Survey responses received in subsequent weeks have been consistent with these results. With many departments already under resourced and many state and local governments facing severe revenue downturns, it is critical that federal coronavirus response funding be directed to departments—and the building, fire, plumbing, and mechanical officials and inspectors that comprise them—that need it to continue their essential functions.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which was enacted March 27, 2020 provides hundreds of billions of dollars across several different programs to assist state, local, tribal, and territorial (SLTT) governments in responding to the coronavirus pandemic. Assistance for departments to develop virtual capabilities could be made available through one of three funding streams:

1. **The Coronavirus Relief Fund (CRF) for SLTT governments**

Available funding: \$150 billion allocated by the U.S. Treasury Department.

Funding recipients: Funding is provided to SLTT governments by formula. Specifics can be viewed on [Treasury's website](#). Local governments with populations above 500,000 are eligible for this funding directly (a list of these governments is available [here](#)). Other local governments need to work through their state, tribe or territorial government for this funding. Treasury has committed to allocating these funds to SLTT governments by April 24, 2020. SLTT governments will likely appoint people/departments to administer these funds.

Federal funding conditions: Expenditures must (1) be “necessary expenditures . . . incurred due to the public health emergency;” (2) “not [be] accounted for in the [SLTT] budget most recently approved as [March 27, 2020];” and (3) must be incurred during the period between March 1 and December 30, 2020. Additional guidance from Treasury is available [here](#) and a FAQ is available [here](#). Treasury has listed “Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions” as a non-exclusive example of eligible expenditures. It has also clarified that states can transfer funds to local governments.

Eligible activities and timeline for SLTT funding: Eligible activities will be determined by individual SLTT's through guidance based on the SLTT's own interpretation of “necessary expenditures.” The SLTT will also determine the timeline for distributing the funds.

What you can do: According to Treasury’s guidance, funding to assist departments in carrying out their essential functions virtually is a “necessary expenditure.” The Code Council has advocated the importance of these investments to SLTT governments. We encourage our members, partners, and allies to do the same. The best time to shape the scope of what activities will be funded is prior to SLTT’s developing initial guidance, which is why advocacy now (in April, and by May at the latest) is critical. [Talking points are available here](#). We encourage you to coordinate your efforts with [your Government Relations staff liaison](#). Until specific appointments are made to administer these funds, advocacy should be directed to the SLTT’s executive branch (e.g. Governor, Mayor, County Executive, etc.).

2. Community Development Block Grants (CDBG)

Available funding: \$5 billion, allocated by the U.S. Department of Housing and Urban Development (HUD).

Funding recipients: HUD has allocated \$2 billion to states and localities under its longstanding CDBG formula. Those allocations may be viewed [here](#). HUD will allocate an additional \$1 billion to help recipients “prevent, prepare for, and respond to coronavirus” by May 11, 2020. It can also provide an additional \$2 billion in assistance on a rolling basis. The allocations for this \$3 billion in funding will be determined by HUD.

Federal funding conditions: CDBG activities must advance [one of three national program objectives](#), one of which concerns meeting an urgent need. This objective is the best fit for CDBG administrators seeking to direct CDBG resources to assist code departments in developing virtual capabilities. Urgent need activities are (1) designed to alleviate conditions that recently arose (i.e., in the past 18 months) that (2) pose a serious and immediate threat to the health or welfare of the community where (3) the grantee is unable to finance the activity on its own and (4) other sources of funding are not available.

Eligible activities and timeline for state/local funding: Eligible activities will be determined by individual states and local governments based on the priorities they identify. State/local offices charged with administering CDBG—typically departments of housing, community affairs or economic development—must prepare a draft proposal for how they propose to allocate the funding for HUD’s approval. [Under the CARES Act](#), that draft is subject to public comment for at least five days. Some CDBG administrators are already allocating CDBG funds to support pandemic response capabilities. Others may post draft plans in the coming weeks or months.

What you can do: Based on conversations with state CDBG officials, the Code Council believes CDBG can provide funding to departments to develop virtual capabilities if the CDBG administrator chooses to allocate funds for this purpose. The Code Council will be sending letters to [CDBG administrators](#) on the importance of allocating funding for code department virtual needs, tracking posted draft CDBG plans, and submitting public comment on those plans. We encourage our members, partners, and allies to send similar letters to their local CDBG administrators as soon as possible and to stay in touch with [your Government Relations staff liaison](#) on future advocacy opportunities. [Talking points are available here](#).

3. **The Disaster Relief Fund (DRF)**

Available funding: \$45.4 billion, which FEMA allocates, by disaster, to declared states and counties. The majority of this funding will be allocated through FEMA's Public Assistance and Individual Assistance programs. The DRF also funds the [Hazard Mitigation Grant Program \(HMGP\)](#), which can proactively allocate funds in advance of incurred costs through [advanced assistance](#). FEMA has provided HMGP advanced assistance [previously](#) to help code departments incorporate electronic permitting solutions. However, FEMA has not yet turned on HMGP for COVID-19.

FEMA's mitigation directorate can also allocate DRF funding for code department electronic permitting solutions through Stafford Act [section 402\(5\)](#) which, importantly, does not require the 25 percent local match HMGP would otherwise require. However, to date FEMA has not allocated DRF funding for COVID-19 through Stafford Act section 402.

What you can do: The Code Council has urged FEMA to allocate funding to support code departments' virtual needs. We encourage our members, partners, and allies to join this effort. Please [contact our D.C. Office](#) for additional information.