



CARES Act Policy Paper

Stand Up Nashville

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Government Accountability, Community Benefits, Smart Policy, Empowered Neighborhoods

“Let the People Build the City We All Want to Live In!”

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) established the Coronavirus Relief Fund. Through this fund, Nashville and Davidson County have been granted \$121 million in order to provide much needed support to the citizens. On June 8, Mayor Cooper announced Metro would spend \$24 million to provide laptop computers and wifi hotspots to every student in Metro Schools. In order to guide where these funds are used, the Federal Government has set specific standards that must be met along with interpretations of the permissible use of fund payments. Payments from the fund may only be used to cover the costs 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 March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

In providing guidance and interpretation of the first prong, “due to the public health emergency,” the Department of Treasury has stated that both direct and second-order effects of this emergency are meant to be included. This includes economic support to those suffering employment or business interruption. “Necessary” is broadly defined to mean “reasonably necessary for its intended use in the reasonable judgement of the government official responsible for spending fund payments”

“Not accounted for in the budget most recently approved” has been interpreted to include costs that substantially differ from any expected use of funds. A cost is “incurred” when the responsible unit of government expends funds to cover that cost.

In order to facilitate increased demand on any board or commission, metro employees can be temporarily transferred from another department that currently does not require as much personnel. This would allow those employees to be paid out of this CARES Act funding. With these guidelines and interpretations in mind, Stand Up Nashville strongly believes the remaining CARES Act funding should be allocated in the following manner:

Racial Equity

As of May 27, there were 5,068 Covid-19 cases in Davidson County and there have been 58 deaths. Examining how Covid-19 impacts different racial demographics helps us identify the most equitable way to distribute CARES Act funds. While Black Nashvillians represent just 12.5% of the cases, they represent 41% of the deaths. White Nashvillians represent 39% of the Covid-19 cases, and 50% of the death. The death rate for Black Nashvillians is 3.8% compared to 1.7% for White Nashvillians. This disparity exposes the systemic inequity in Nashville that Stand Up Nashville - and other community groups - work to



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address. In light of this, we affirm that all decisions around the CARES Act must be made through a racial equity lens. The initiative to bridge the digital divide in schools is a great example of using a racial equity lens.

Housing Assistance -

Stabilizing the housing situation many Davidson County residences currently find themselves in should be among the highest priorities when allocating the CARES Act funds. Along with the following guidance, this support should be provided through non-profit organizations currently providing support for household expenses increased due to COVID-19, foreclosure prevention, rent relief or food security. Renters could qualify for up to \$1,400 in rental assistance. Homeowner assistance would be in the form of a one-time \$300 payment to qualifying homeowners.

In order for an applicant to qualify for this assistance, they should provide proof of the following:

1. A copy of their current lease of a property within Davidson County or Proof of homeownership of a primary residence within Davidson County;
2. Proof from their employer of being laid off, furloughed, or having their hours significantly reduced, and;
3. Income must be below 80% of the median income and attested to

In the case of rental assistance, if a tenant qualifies for and is awarded rental assistance, or if a landlord would like to apply directly on behalf of their qualifying tenant or accept the funds from such grant, the landlord must agree to:

1. Waive all late fees, penalties, and interest for 2 months;
2. Allow tenants to enter a payment plan for any excess rent that may not be covered by this relief, and;
3. Rescind any prior notice to vacate and halt any prior eviction proceedings for 2 months

With these specified qualification requirements in place, you will remain fully in compliance with the federal requirements and interpretations provided above.

Small Business Support -

Given the devastation felt by small businesses as a result of this pandemic, CARES Act funds should also be used to establish a grant program to specifically target those small businesses that have been impacted the most. In addition to the general grant program, it is imperative to establish a grant program for underserved neighborhoods and minority owned businesses. This should include specific language supporting Black-owned businesses, particularly owners with past criminal histories that may have previously had Small Business Administration loans denied. In order to help facilitate the healthiest and safest transition to a fully reopened Davidson County, small businesses must have the funds to purchase PPE and



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sanitation supplies. In order to streamline this process, these grants could be administered by the Industrial Development Board.

Workforce Development and Worker Safety -

CARES Act funding should also be used to establish grants for Apprenticeship Readiness Programs that prioritize displaced workers and Promise Zone residents for jobs with high-road employers. These programs should include compensation for lost wages during the time spent completing these training programs. This type of economic support and training to displaced workers throughout Davidson County will not only have a much-needed impact on their lives in the present, but many long-lasting positive effects to the future of Davidson County. Resources should be allocated to provide hazard pay for frontline workers. Furthermore, this time has once again highlighted the need for grants to support independent health and safety monitoring for businesses and contractors receiving public dollars in partnership with the Metro Health Department. A safe transition to a fully operating Davidson County will not happen without honest and up-to-date monitoring of health and safety conditions. Both of these grant programs fit within the guidelines and interpretations stated above. Again, in the interest of maximizing time and these CARES Act resources, these programs could be implemented through the Industrial Development Board and Metro Action Commission.