



AMMAR M. RIZKI

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LEGISLATIVE AFFAIRS – FORM E COUNTY BOARD AGENDA ITEM BACK-UP DOCUMENTATION

Date: July 14, 2020

To: Honorable Toni Preckwinkle,
President, Cook County Board of Commissioners
and Members of the Cook County Board of Commissioners

From: Ammar M. Rizki, Chief Financial Officer

Re: Proposed Board Item #20-3228, COVID-19, Funding Response Plan –
Allocation of Cook County Coronavirus Relief Funds to Suburban Municipalities and
other units of Local Government

Dear Madam President and Cook County Commissioners:

The CARES Act established the Coronavirus Relief Fund (“CRF”) which provides aid to certain eligible local governments to address necessary expenditures incurred due to the COVID-19 Public Health Emergency (“COVID-19”). Under the CARES Act, governments received CRF if their population base was at least 500,000. Accordingly, Cook County qualified as an eligible unit of local government and received CRF from the U.S. Department of Treasury.

Federal guidance issued by the U.S. Department of Treasury indicates that a unit of local government may transfer a portion of its CRF to a smaller unit of local government provided that such transfer qualifies as a “necessary expenditure” due to COVID-19. Cook County acknowledges that there are local municipalities within Cook County that were not eligible to receive a portion of CRF based solely on population, and Cook County, through the spirit of intergovernmental cooperation, would like to provide a portion of its CRF to aid such local suburban municipalities and other units of local government in addressing the impacts of COVID.

In order to assist suburban municipalities and other units of local government within Cook County to cover necessary expenditures it has incurred or it will incur due to COVID-19, Cook County, through the Office of the Chief Financial Officer, created the Cook County COVID-19 Funding Response Plan (the “Plan”). Under the Plan, Cook County has assigned \$51,000,000 of the County’s CRF to be distributed to close to 130 municipalities for the purpose of covering approved eligible CRF expenditures.

The CARES Act requires that units of local government use the funds received to cover only those costs that 1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; 2) such expenditures were not accounted for in the budget most recently approved as of March 27, 2020 and 3) were incurred during the period that began on March 1, 2020 and ends on December 30, 2020. It is important to note that CRF cannot be used to cover revenue losses.

TONI PRECKWINKLE

PRESIDENT

Cook County Board
of Commissioners

BRANDON JOHNSON

1st District

DENNIS DEER

2nd District

BILL LOWRY

3rd District

STANLEY MOORE

4th District

DEBORAH SIMS

5th District

DONNA MILLER

6th District

ALMA E. ANAYA

7th District

LUIS ARROYO JR

8th District

PETER N. SILVESTRI

9th District

BRIDGET GAINER

10th District

JOHN P. DALEY

11th District

BRIDGET DEGNEN

12th District

LARRY SUFFREDIN

13th District

SCOTT R. BRITTON

14th District

KEVIN B. MORRISON

15th District

FRANK J. AGUILAR

16th District

SEAN MORRISON

17th District

The \$51 million allocated to suburban municipalities and other units of local government will not be distributed based on population alone. Cook County recognizes that there has been historic disinvestment in certain communities and such disinvestment has resulted in an unequal capacity for all suburban municipalities to respond to the challenges of COVID-19. To prevent a widening disparity gap throughout the County (as experienced during the last recession), the Bureau of Finance partnered with Chicago Metropolitan Agency for Planning to develop an equitable allocation strategy for suburban municipalities within the County.

Our equitable allocation strategy took into consideration the following factors: immediate needs of the municipality to respond to COVID-19, municipal population, municipal median income, and municipal public health statistics. Specifically, Cook County is allocating to each suburban municipality \$5.90 per person plus an additional allocation based on a weighted calculation of 4 suburban municipality demographic and public health metrics: 1) percent of the population in divested areas; 2) median income; 3) COVID-19 deaths per 100,000 residents, and; 4) tax base per capita.

Suburban municipalities seeking to use their allocated amounts under the Plan will be required to submit the Cook County Suburban Municipality Application for Coronavirus Relief Funds to receive funding under their allocation. In addition to the \$51 million allocated to suburban municipalities under the Plan, the Chief Financial Officer will set aside additional CRF that will be provided to other units of local government in Cook County, such as the Forest Preserve District of Cook County. Allocation of funds to suburban municipalities or other units of local governments will require the execution of Intergovernmental Agreements or Subrecipient Agreements.

I look forward to your continued support while we work together to navigate the effects of COVID-19. If you have any questions, please do not hesitate to call me.

Sincerely,

Ammar M. Rizki

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cc: Lanetta Haynes Turner, Chief of Staff
Jose Rivera, Deputy Chief of Staff
John Roberson, Legislative and Governmental Affairs
Matthew DeLeon, Secretary to the Board