

PROPOSED SUBSTITUTIVE TO FILE 20-3229

(Cook County Board Meeting – Items Requiring Board Action – Finance Committee Report 7/30/2020)

PROPOSED RESOLUTION

ECONOMIC DEVELOPMENT INITIATIVES TO IMPLEMENT THE COOK COUNTY COVID-19 RESPONSE PLAN: FROM RAPID RESPONSE TO EQUITABLE RECOVERY

WHEREAS, on March 13, 2020, the President of the United States issued a Proclamation, declaring a National Public Health Emergency as a result of the COVID-19 outbreak; and

WHEREAS, on March 27, 2020, the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”); and

WHEREAS, the CARES Act established the Coronavirus Relief Fund (“CRF”), which provides aid to eligible local governments to address necessary expenditures due to the COVID-19 Public Health Emergency; and

WHEREAS, on April 7, 2020, President Preckwinkle issued Executive Order 2020-9 which authorized the Cook County Bureau of Economic Development (BED) to develop, establish and administer a loan and technical assistance program for small businesses located in suburban Cook County in the amount of \$10 M; and

WHEREAS, Cook County qualified as an eligible local government and received \$429 M in CRF funding from the U.S Department of Treasury; and

WHEREAS, Cook County has received \$429 million of CRF and Cook County has allocated approximately \$ 133 Million of the County’s CRF allocation to address the impact of COVID on communities with \$51 M available to municipalities and \$82 M distributed via the BED to direct service providers to address economic and community development needs; and

WHEREAS, as a result of COVID-19, Cook County businesses and residents have been severely impacted and recovery initiatives are needed to assist Cook County businesses and residents as result of losses suffered and unforeseen expenses incurred; and

WHEREAS, on May 14, 2020 to ensure a comprehensive and coordinated response to the COVID-19 pandemic, President Preckwinkle released the Cook County COVID-19 Response Plan: From Rapid Response to Equitable Recovery. This Plan combines the County’s ongoing public health and healthcare priorities with parallel agendas that respond to the longer-term economic and social impacts of the virus; and

WHEREAS, the Equitable Recovery phase of the Cook County COVID-19 Response Plan details actions the Offices Under the President will take to address the significant economic impact residents, municipalities, businesses and civic institutions face. Due to the uncertain nature of the pandemic and its economic impacts, the County expects the recovery phase to last at least 18 to 24 months; and

WHEREAS, Cook County adopted an approach to the design and implementation of COVID-19 economic relief programs to ensure the equitable distribution of resources to residents and businesses with the greatest need and adversely impacted by COVID-19; and

WHEREAS, to achieve the above objectives, the BED collaborated with stakeholders to develop new programs that will help restore the economic well-being of residents and businesses; and

WHEREAS, the Plan outlines a commitment to expand BED's Community Recovery Initiative to assist renters and homeowners, dislocated workers, small businesses and address critical social service needs; and

WHEREAS, to primarily assist suburban Cook County businesses and residents, Cook County through the Office of the Chief Financial Officer has allocated nearly \$82 Million to fund specific economic and community recovery initiatives administered by the BED; and

WHEREAS, the BED developed the proposed menu of programs to support business and community recovery through a process that included surveys by the County of businesses, social service agencies and resident needs, review of publicly available research; consultation with subject matter experts including, the Boston Consulting Group, the Civic Consulting Alliance, the Greater Chicago Food Depository, and other local organizations; and review and discussion with the Cook County Economic Development Advisory Committee; and

WHEREAS, the *County's Equitable Recovery Plan* cites a "grave economic crisis" and notes that the existing Federal support does not provide enough resources to meet small businesses' needs and that smaller, minority-owned businesses were largely left behind; and

WHEREAS, the *County's Equitable Recovery Plan* states the County's continued intention to assisting small businesses, access relief and to identify resources to build a stronger small business ecosystem that supports recovery and foster resiliency; and

WHEREAS, the *County's Equitable Recovery Plan* expressed the County's intention of supporting Cook County residents seeking employment; and

WHEREAS, the *County's Equitable Recovery Plan* notes that residents are struggling to feed and house their families, social services are strained, and communities of color are suffering the harshest impacts of COVID-19; and

WHEREAS, the *County's Equitable Recovery Plan* establishes the County's commitment to providing rent, mortgage, and utility assistance, homeless and other social services, and assistance for those impacted by eviction and foreclosure; and

WHEREAS, to impactfully leverage funding and ensure efficient and effective program operation, implementation and administration consistent with federal guidelines the BED will need to work with experienced and established fiscal agents, program administrators, partner agencies and technical assistance providers to achieve the various recovery objectives.

NOW THEREFORE BE IT RESOLVED, that the Cook County Board of Commissioners hereby supports the Cook County initiatives to provide business and community recovery efforts as a result of COVID-19 and further supports the allocation of nearly \$82 million in CRF funds to support the following BED program and initiatives to address the needs in suburban Cook County, distributed as follows:

1. Implement the **Cook County COVID-19 Small Business Recovery Grant and Technical Assistance Program** in the amount of **\$15 M** to support small businesses in Cook County, who urgently require access to funding that will help businesses recover from the negative effects of COVID-19. Grant capital alone is insufficient in helping small businesses recover from the dampening effect of COVID- 19; small businesses will also receive technical assistance, business

advice and education.

Cook County will join a growing coalition of business service organizations, supported by funds from charitable organizations and potential private sector funders, across Chicago and the suburbs of Cook County, to help business owners sustain and grow their businesses, addressing the impacts of COVID-19. The \$15 M Program, which continues to seek further funding from outside sources, contains the following program components: program design, administration and implementation with \$12.6 M being used for grants to small businesses, \$2 M for providing free advising and educational services to small businesses and approximately \$400,000 for program administration. All businesses that receive a grant under the Small Business Recovery Grant Program will be required to receive technical assistance to maximize the impact of the grant.

2. Implement the **Southland Development Technical Assistance Network**, in the amount of **\$1M**, to provide free direct technical assistance services to small businesses located in Cook County's South Suburbs. The Southland Development Authority (SDA) in partnership with the Illinois Small Business Development Center at the Southland will assist businesses in re-opening safely, identifying financial resources to continue operations; apply for loans and grants; and connect businesses with mentors and advisors.

The South Suburban Economic Growth Initiative, Phase I report documents the importance of the South Suburbs to the regional economy, while offering potential for economic growth but represents the sub-region within Cook County with the greatest challenges resulting from years of disinvestment and population loss. As documented in the *County's Equitable Recovery Plan*, COVID only exacerbates the existing disparities and data from the Cook County Department of Public Health indicates the South Suburbs are among the hardest hit sub-regions in the County. As a result, the BED has targeted specific economic development resources to this region.

3. Implement the **Back to Work Cook County** program in the amount of **\$4M** to provide retraining and employment services to dislocated suburban Cook County residents due to COVID-19; \$ 1.5 will be distributed to support direct "training vouchers" to eligible dislocated job seekers; \$750,000 to American Job Centers to hire additional staff to serve the increased volume of dislocated workers at suburban locations, \$450,000 to suburban community colleges to provide career counseling and coaching, \$200,000 to provide laptops and hotspots/service to loan to individuals who wish to participate in remote job training, but lack the technical resources to do so; \$350,000 to develop a pilot Cook County Manufacturing Rapid Response System to avert layoffs triggered by COVID-19, and to support placement of trainees into "essential" manufacturing jobs, and \$800,000 funds for program management and administration.
4. Implement the **Cook County Manufacturing Cares Package**, in the amount of **\$500,000** to identify urgent and important needs for Cook County manufacturers as a result of COVID-19. All manufacturers that identify urgent needs will receive direct support from IMEC's team of improvement specialists and technicians dedicated to providing businesses in Illinois with the tools and techniques to create sustainable competitive futures. Assessment results will be compiled and shared in a comprehensive report outlining recommendations for business assistance to manufacturers in an ongoing COVID-19 environment. IMEC, the Illinois Manufacturing Excellence Center is the official Illinois representative of the U.S. Commerce Manufacturing Extension Partnership (MEP) National Network.
5. Implement the **Cook County Rental Assistance Program** to provide **\$20 M** in rental assistance payments for residents financially impacted by COVID-19, either for past due payments or upcoming payments. Payments made under this program will be made directly to the landlord.

6. Implement the **Cook County Mortgage Assistance Program** in the amount of **\$20 M** will provide mortgage assistance payments for residents financially impacted by COVID-19, either for past due payments or upcoming payments. Payments made under this program will be made directly to the servicer.
7. Implement the **Cook County Critical Social Service Programs** in the amount of **\$11.4 M** to provide services to the homeless (\$5 M); to provide legal aid, housing counseling, and foreclosure mediation services (\$1.1 million); to provide utility assistance to residents impacted by COVID-19 (\$2.1 M); to provide food assistance (\$1.1 million); and to provide direct financial assistance to residents impacted by COVID-19 (\$2.1 million), as follows:
 - a) The **Homeless Sheltering Program** funding will complement FEMA and other available sources of shelter funding to cover costs associated with providing hotel-based shelter to protect the high-risk homeless population during COVID-19 as well as costs for operating the few congregate shelter sites that have been housing residents. Prior to COVID-19, the suburban homeless system chiefly used a church-based rotating shelter model that is largely volunteer-driven. Under COVID-19, continuing congregate shelters is difficult, and most volunteers are unable to assist, so the system moved primarily to a hotel-based model for sheltering homeless individuals. Since the onset of COVID-19, the suburban shelter system has provided over 50,000 shelter nights and over 150,000 meals, and this level of service is expected to continue.
 - b) The **Legal Aid, Housing Counseling and Foreclosure Mediation Program** will provide these housing stability services to those at risk of eviction or foreclosure. BED will collaborate with the Cook County Justice Advisory Council and the Circuit Court of Cook County on these initiatives.
 - c) The **Utility Assistance Program** will provide utility assistance to suburban Cook County households struggling to pay their utility bills due to impacts from COVID-19. The program will focus on gas, electric, phone and water utility assistance for lower income households (up to 200% of the federal poverty level) impacted by COVID-19. Payments made under this program will be made directly to the utilities.
 - d) The **Food Assistance Program** will provide food assistance to residents and support the operation and staffing of food distribution sites. Funding will support new food distribution sites and partnerships, particularly black and brown-led distributions in priority communities in the south and west suburban regions.
 - e) The **Direct Financial Assistance Program** will provide one-time direct financial assistance to residents impacted by COVID-19, with the expectation of aiding at least 4,000 households with a \$500 one-time payment.

BE IT FURTHER RESOLVED, that the US Department of Treasury limits the use of CRF for eligible expenses by December 30, 2020, the Cook County Board of Commissioners recognizes that time is of the essence and, in addition to the Cook County Community Recovery Loan Fund that was implemented pursuant to Executive Order 2020-9 in the amount of \$10 million, authorizes the Chief of the Bureau of Economic Development to negotiate and enter into the various agreements that outlines the specific metric and impact data, and compliance with all CRF reporting and monitoring requirements with the following agencies to implement the above programs:

1. **Chicago Community Trust (CCT)** to serve as the fiscal agent of the Cook County COVID-19

Small Business Recovery Grant and Technical Assistance Program. CCT will be responsible for distributing the County's funds along with those from other philanthropic investors to local business service organizations for **\$15 M.**

2. **Southland Development Authority (SDA)** to implement the Southland Development Technical Assistance Network for \$1 million.
3. **Chicago Cook Workforce Partnership (Partnership)** to implement the Back to Work Cook County for \$4 M
4. **Illinois Manufacturing Excellence Center (IMEC)** to implement the Cook County Manufacturing Cares Package for \$500,000.
5. **Housing Authority of Cook County** to implement the Cook County Rental Assistance Program for \$20 M.
6. **Illinois Housing Development Authority** or other appropriate housing agency to implement the Cook County Mortgage Assistance Program for \$20 M.
7. The **Cook County Critical Social Service Programs**, as follows:
 - a) **BEDS Plus, Connections for the Homeless, Housing Forward, JOURNEYS, Respond Now, and South Suburban PADS** to implement the Homeless Sheltering Program for \$5 M.
 - b) **Lawyers' Committee for Better Housing** and other appropriate entities providing legal aid, housing counseling and foreclosure mediation services to implement the Legal Aid, Housing Counseling and Foreclosure Mediation Program for \$1.1 M
 - c) **Community and Economic Development Association (CEDA)** to implement the Utility Assistance Program for \$2.1 M
 - d) **Greater Chicago Food Depository** to implement the Food Assistance Program for \$1.1 M.
 - e) **Family Independence Initiative** to implement the Direct Financial Assistance Program for \$2.1 M.

BE IT FURTHER RESOLVED, that the Cook County Board of Commissioners hereby authorizes BED to seek and receive further funding and resources from outside sources to provide additional funding for, and/or expand, any or all of the above programs; the Cook County Board of Commissioners further authorizes the Chief of BED to modify the funding allocations provided in this Resolution based upon need and utilization.

BE IT FURTHER RESOLVED, that the Chief of the Bureau of Economic Development shall issue quarterly reports to the Cook County Board of Commissioners regarding progress of the above programs toward the Vital Communities goals outlined in the *Cook County COVID-19 Response Plan*.