



CITY OF CHICAGO • OFFICE OF THE MAYOR



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**CITY COUNCIL APPROVES APPROPRIATION AUTHORITY FOR CARES ACT
FUNDING IN RESPONSE TO COVID-19**

*Authority allows the City to use grant funding to support Chicago communities
disproportionately impacted by global pandemic*

CHICAGO - The Chicago City Council today granted authority to the City of Chicago to appropriate \$1.13 billion in federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to bolster the City's coronavirus response and relief efforts. The appropriation is an important step in building on the investments already being made to support Chicago residents dealing with the impacts of COVID-19 and includes grant funding for mental health, housing, homelessness, violence prevention, small business support and internet accessibility for CPS students, among many other critical areas to help communities hardest hit by the global pandemic.

"The COVID-19 health crisis has laid bare the historic disinvestment being experienced in so many communities across the city as the health, housing and employment gaps have been widened due to the pandemic," said Mayor Lori E. Lightfoot. "My administration has made a commitment to addressing the inequities within our city, and we are thankful that the CARES Act funding can be used to supplement our current investments in underserved neighborhoods providing additional supports for residents with the greatest need."

The \$1.13 billion in CARES Act funding must be directed to COVID-related eligible costs that meet federal guidelines and are a result of a medical response or due to the direct economic and social impacts of COVID-19. The federal funding builds on public health, community investments and initiatives the Lightfoot Administration has already implemented to support neighborhoods throughout the city, including an additional \$50 million in the FY2020 budget. These initiatives include fines and fees reforms, INVEST South/West, the Solutions Toward Ending Poverty (STEP) framework and more. The appropriation comes as the City recently entered phase three of its reopening framework.



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“Like most cities and states across the country, Chicago’s response to the pandemic has placed a tremendous strain on the City’s finances,” said Susie Park, City of Chicago Budget Director. “The additional federal funding will offset many of the response costs but also assist with recovery efforts, particularly in areas of the City that have seen a disproportionate impact.”

The CARES Act appropriations come on the heels of the City’s announcement of an estimated \$700 million 2020 budget shortfall. The decline in City revenues comes from a combination of economically-sensitive areas including the amusement tax, hotel tax, parking tax and restaurant tax. Losses from March and April alone reached \$175 million and projections show similar losses from May, in large part due to the state-mandated Stay at Home Order. In order to close the shortfall, the City will use \$100 million in refinancing savings while seeking further savings and efficiencies by looking within departments and reprioritizing hires for 2020.

CARES Act grants total \$1,130,724,000, and proposed appropriations include funding for:

- Airport Assistance: \$376,744,000
- Public Health Response: \$189,346,000
- Homeless Services: \$39,602,270
- Small Business Assistance: \$35,000,000
- Housing Assistance: \$24,000,000
- Community Healthcare Infrastructure: \$11,000,000
- Workforce Assistance: \$10,000,000
- Violence Prevention: \$10,000,000
- Mental Health: \$10,000,000
- Senior Assistance: \$10,505,420
- Food Assistance: \$4,510,501
- Broadband Initiative: \$5,000,000
- Housing for Persons Living with HIV/AIDS: \$1,539,000
- Human Services: \$259,270
- Domestic Violence: \$207,000
- COVID-19 Direct Response: \$403,010,539

“As the City continues to make its way through this crisis, we have remained determined to deliver the supports and services where they are most needed while also keeping an eye toward how our financial resources are managed,” said Chief Financial Officer, Jennie Huang Bennett. “Now that the City is entering a new phase of reopening, these federal dollars ensure that we can continue to make the investments that align with our values.”



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Since the initial outbreak of the COVID-19 pandemic, the Lightfoot Administration has taken many steps to help residents who are struggling due to the financial pressures presented by the crisis, including a temporary suspension on some ticketing enforcements and creating the Small Business Resiliency Fund. The City has also closely monitored its expenditures related to COVID-19 and worked with federal and state agencies to determine what may qualify for federal reimbursement. For more information about the City's response to COVID-19 please visit [Chicago.gov/coronavirus](https://chicago.gov/coronavirus).

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