

Coronavirus Relief Package

The U.S. House of Representatives this week advanced large portions of a \$1.9 trillion coronavirus relief package using budget reconciliation instructions, an arcane process that allows the majority—in this case Democrats—to fast-track legislation with a simple majority vote. Democrats are widely expected to advance this third round of COVID relief quickly, with or without Republican support. The wide-ranging package includes a new infusion of state and local aid, another round of transit emergency relief, and additional housing assistance. Those provisions are summarized below.

State and Local Assistance

The House COVID relief proposal includes \$350 billion in state and local aid, of which California's share is an estimated \$41 billion (\$26 billion in state aid and \$15 billion for local governments). As shown in the chart below, Bay Area cities and counties would receive an estimated \$3.1 billion in local assistance, which would be distributed based on population to counties and to cities and towns via a modified Community Development Block Grant formula. Of note, the House proposal would address the concerns raised by smaller local governments following the 2020 CARES Act – every local government, regardless of size, would receive local assistance via formula; and fund eligibility would be very broad, including uses to replace revenue lost, delayed or decreased as a result of the pandemic.

Individual Bay Area city and county aid estimates are listed in Attachment A.

Bay Area Local Assistance	
Estimated Aid from 2021 House Coronavirus Relief Package	
(\$ in millions)	
Counties	\$ 1,513
Cities over 50,000 in Population	\$ 1,353
Cities and Towns Under 50,000 in Population	\$ 283 - \$341
Total (Low Estimate)	\$ 3,149

Source: MTC analysis of House Oversight and Reform Committee allocation estimates

Transit Emergency Relief

Another influx of transit relief — \$30 billion — is included in the House proposal, which would bring the federal transit COVID relief total to \$69 billion, nearly 15 percent more than the entire transit budget from the 5-year FAST Act. This indicates just how devastating the pandemic has been to transit operators' budgets and the importance Congress is placing on preserving transit service through the rest of the pandemic and into the economic recovery. We estimate that the proposal would provide the Bay Area with approximately \$1.7 billion in formula funding, a portion of which is expected to flow to every urbanized area in the region. In addition, the package would provide an estimated hundreds of millions of dollars for Caltrain Electrification, BART Transbay Core Capacity and BART Silicon Valley Phase 2, and would include the opportunity to apply for \$2.2 billion in other emergency relief funds.

Formula Funds

We estimate that each Bay Area urbanized area would each receive funds under the large formula pot, which comprises \$26 billion of the total amount. As a reminder, the last coronavirus relief bill capped COVID relief funding to urbanized areas at the equivalent of 75 percent of their 2018 operating expenses, which limited the Bay Area's qualifying urbanized areas to San Francisco-Oakland, San Jose and Santa Rosa. This bill would raise that cap from 75 percent of 2018 operating costs to 132 percent, which would be a substantial boost for most of the region's urbanized areas. Even urbanized areas that already exceed the cap (Vacaville, Gilroy-Morgan Hill and Livermore), would receive a boost equal to 25 percent of 2018 operating costs.

Bay Area Transit Emergency Relief Estimated Aid from 2021 House Coronavirus Relief Package (\$ in millions)	
Urbanized Area	New Funds
San Francisco-Oakland, CA	\$1,250
San Jose, CA	\$259
Concord, CA	\$96
Santa Rosa, CA	\$28
Antioch, CA	\$26
Vallejo, CA	\$7
Napa, CA	\$4
Fairfield, CA	\$3
Petaluma, CA	\$2
Vacaville, CA	\$0.8
Gilroy-Morgan Hill, CA	\$0.7
Livermore, CA	\$0.5
Total*	\$1,677

*Totals may not add due to rounding

Housing and Homelessness

With regard to housing, the coronavirus aid package includes \$40 billion in relief for renters, people who are experiencing homelessness, and homeowners. These funds would be distributed as follows:

- \$25 billion to provide emergency rental and utility assistance. The vast majority of this funding (\$19 billion) would be allocated by the Department of Treasury to states and local governments to help stabilize renters during the pandemic and to help rental property owners of all sizes continue covering their costs.
- \$5 billion in homelessness assistance to be distributed to state and local governments through the HOME program formula.
- \$10 billion in homeowner assistance funding for states, territories and tribes to provide direct assistance with mortgage payments, property taxes and insurance, utilities and other housing-related costs.