

United States Senate
WASHINGTON, DC 20510

May 27, 2020

The Honorable Benjamin S. Carson, Sr.
Secretary
U.S. Department of Housing and Urban Development
451 7th Street SW
Washington, DC 20410

Dear Secretary Carson:

We write regarding funding for critical health facilities, child care centers, senior services, food banks, affordable housing and services for individuals experiencing homelessness included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As states and local governments respond to the COVID-19 public health and the economic crisis, it is essential that they receive the \$9 billion in Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funding Congress provided in the CARES Act without delay, as well as guidance from HUD to make rapid use of it. We are concerned that \$5 billion remains to be awarded from both the CDBG and ESG programs, and that HUD has yet to make comprehensive guidance available for awards already announced—holding states and local governments back from spending the federal funds we worked to ensure they receive.

The CARES Act included \$5 billion for CDBG to enable nearly 1,240 states, counties, and cities to respond to the public health, economic, and housing challenges we now face. As required by the bill, HUD made an initial \$2 billion available to states and entitlement communities through the existing CDBG formula on April 2. The second round of funding, this time directly to states to support a coordinated response across entitlement and nonentitlement communities, was allocated on May 11. While we appreciate HUD's work to announce this funding, states and local communities are still waiting for comprehensive guidance from HUD about how CARES Act and prior year funds can be used to address COVID-related needs, as well as administrative requirements they'll need to follow.

Further, HUD has not yet developed a formula or established a date for allocating the \$2 billion in remaining funds that are to be distributed to states and units of local government. Under the requirements of the CARES Act, we expect that formula will target hardest-hit areas, based on factors reflecting the direct effect COVID-19 has had on states and localities, prioritizing risk of transmission of coronavirus, number of coronavirus cases, and economic and housing disruptions as a result of the coronavirus. Using these data sets simply as a back-end adjustment factor could seriously underestimate the impact of regional epicenters and would contradict the intent of the CARES Act.

The CARES Act also included \$4 billion in Emergency Solutions Grant funding to address the impact of COVID-19 among families and individuals who are experiencing homelessness or are at risk of homelessness. This funding is to be used to support additional homeless assistance and prevention, as well as eviction prevention assistance, including rapid rehousing, housing

counseling and rental deposit assistance. With the initial allocation of CDBG funding in early April, HUD also allocated \$1 billion to local governments under the existing ESG formula. However, like CDBG, HUD has yet to publish guidance on the use of these funds and grantees are still waiting on the remaining \$3 billion for ESG funds targeting hardest-hit areas. The CARES Act requires HUD to prioritize areas with the greatest risk of transmission of coronavirus, high rates of sheltered and unsheltered homeless, and economic and housing market conditions for the second round of ESG grants.

While HUD has made announcements informing grantees about the amount of a portion of CDBG and ESG funds available from the CARES Act, without the associated programmatic guidance published in the Federal Register, grantees do not have the program requirements, additional waiver authorities, or management recommendations from HUD to ensure funds are used effectively. This creates a disincentive for communities to execute grant agreements and additional administrative burdens, should a grantee need to ultimately amend its grant based on alternative requirements and waivers made available in an impending notice. We ask that HUD work quickly to allocate all remaining CDBG and ESG funds from the CARES Act and publish comprehensive guidance for use of those funds, including for previously announced funding.

We appreciate your attention to this important matter.

Sincerely,



Tammy Baldwin
United States Senator



Shelley Moore Capito
United States Senator



Charles E. Schumer
United States Senator



Richard J. Durbin
United States Senator



Dianne Feinstein
United States Senator



Benjamin L. Cardin
United States Senator

/s/ Robert P. Casey, Jr.

Robert P. Casey, Jr.
United States Senator



Ron Wyden
United States Senator

/s/ Chris Van Hollen

Chris Van Hollen
United States Senator



Sheldon Whitehouse
United States Senator

/s/ Mazie K. Hirono

Mazie K. Hirono
United States Senator



Jacky Rosen
United States Senator



Kirsten Gillibrand
United States Senator



Richard Blumenthal
United States Senator



Joe Manchin III
United States Senator