



April 16, 2020

Gustavo Velasquez, Director
California Department of Housing & Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

Re: Public Comment on Distribution Plan for CDBG CARES Act Funds, and Expedited Allocation of FY 2019-2020 CDBG Economic Development Funds for Non-Entitlement Communities

Dear Director Velasquez:

We are writing on behalf of the California Association for Local Economic Development (CALED) and the League of California Cities (League) to state our strong support for the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Amendments to the 2015-2020 Consolidated Plan and 2019-2020 Annual Action Plan. More specifically, we are encouraged to see changes to the distribution methodology proposed by the Department of Housing and Community Development (HCD) for Community Development Block Grants CARES Act (CDBG-CV) funding.

As part of the federal CARES Act, HCD will receive \$19,331,744 in CDBG-CV funding for non-entitlement jurisdictions “to be used to prevent, prepare for, and respond to the coronavirus (COVID-19).” With the COVID-19 statewide shelter-at-home order, many businesses, jurisdictions, and local economies have been negatively impacted – especially, the smallest jurisdictions that have access to fewer resources and support for response and recovery. Support to re-open and keep businesses open in these communities will make a significant difference in recovery.

The community and economic development funds available through CDBG are an important resource to California’s neediest communities in responding to this global pandemic. An expedited and efficient method of delivery is necessary given the urgency of the situation. Under the CARES Act, all entitlement communities will receive their initial CDBG-CV allocations within thirty days of enactment of the Act. We agree with HCD that since non-entitlement communities are facing similar impacts, it is inappropriate to use HCD’s traditional lengthy Notice of Funding Availability process to distribute these funds as it simply will take too long.

Fund deployment needs to happen as quickly and efficiently as possible, in a way that all 163 non-entitlement jurisdictions can receive support for COVID-19 response. The following proposed amendments show HCD’s clear intent and deliberative action to help our businesses and communities during this challenging time:

- Communities would receive the funds through a formula similar to entitlement jurisdictions, which is noncompetitive.
- Communities could use the funds for activities directly related to COVID-19 response, including economic development as an approved activity.
- There will be a streamlined application process for communities to access the funds.
- Funds would not be subject to the 50% rule.

We would also encourage HCD to commit to approving applications and providing grant agreements in an expeditious way to hasten the delivery of CDBG-CV support within thirty (30) days of the approval of these plan amendments.

Furthermore, we support the effort to accelerate the allocation of FY 2019 and FY 2020 CDBG Economic Development funds through an over the counter process, and encourage HCD to facilitate access by local agencies to these funds by:

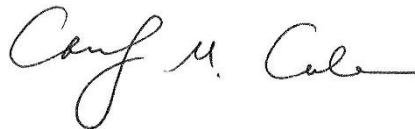
- Streamlining the application process to reduce administrative burdens on local agencies.
- Offering webinars, technical assistance and ensure the availability of knowledgeable staff to assist communities attempting to complete applications.
- Providing a quick turnaround on approved applications to ensure expedited access to funding.

With these points in mind, we strongly support HCD's efforts to amend their plans in a way that California's non-entitlement communities can access this relief as quickly as possible. Our organizations are fully prepared to constructively engage in those efforts. Please contact either of us if you have any questions. Gurbax Sahota can be reached at 916-448-8252 ext. 15, and Carolyn Coleman at 916-658-8275.

Respectfully,



Gurbax Sahota
President & CEO
California Association for
Local Economic Development



Carolyn M. Coleman
Executive Director
League of California Cities

cc: Governor's Office of Business & Economic Development
Senator Mike McGuire, Chair, Senate Governance and Finance Committee
Assembly Member Cecilia Aguiar-Curry, Chair, Assembly Local Government Committee