Sen. Baldwin: Leads bipartisan group of senators calling on HUD Secretary Carson to take action on CDBG funding and guidance

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WASHINGTON, D.C. **–** U.S. Senator Tammy Baldwin (D-WI) led a bipartisan group of Senators calling on U.S. Department of Housing and Urban Development (HUD) Secretary Ben Carson to take action and work quickly to allocate all remaining Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funding from the CARES Act and publish comprehensive guidance for use of those funds, including for previously announced funding.

In a letter to Secretary Carson, Baldwin and Senators Shelley Moore Capito (R-WV), Joe Manchin (D-WV), Richard Blumenthal (D-CT), Ben Cardin (D-MD), Bob Casey (D-PA), Dick Durbin (D-IL), Dianne Feinstein (D-CA), Kirsten Gillibrand (D-NY), Mazie Hirono (D-HI), Jacky Rosen (D-NV), Charles Schumer (D-NY), Chris Van Hollen (D-MD), Sheldon Whitehouse (D-RI) and Ron Wyden (D-OR) wrote:

"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 public health, economic, and housing challenges. 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. However, 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.

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.

The bipartisan group of Senator wrote; ***"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."***

Read the full letter here.