



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

April 21, 2020

Mr. 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:

On behalf of the Rural County Representatives of California (RCRC), I am writing to express our appreciation for the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Amendments to the 2015-2020 Consolidated Plan and 2019-2020 Annual Action Plan. RCRC is an association of thirty-seven rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from those member counties.

The CARES Act identified additional funding for several of the state's Department of Housing and Community Development (HCD) programs, including the Community Development Block Grant (CDBG) program, to support prevention, preparation for, and response to the community impacts of the COVID-19 pandemic. Jurisdictions could use the funds for activities directly related to COVID-19 response, including public services, public facilities, and economic development as approved activities. HCD will receive \$19,331,744 in additional funding via the CDBG-CARES ACT (CDBG-CV) to be deployed in the state's non-entitlement jurisdictions. The 2015-2020 Consolidated Plan and the 2019-2020 Annual Action Plan (AP) are being amended to incorporate the additional funding and to provide quick access to and deployment of the funding necessary to address the immediate crisis resulting from the COVID-19 pandemic.

RCRC supports the amendments that create an expedited and more efficient method of delivery for the CDBG-CV, Emergency Solutions Grant (ESG-CV), and Housing Opportunities for Persons with Aids (HOPWA-CV) programs. HCD's traditional process is lengthy and not conducive to distributing these funds quickly. These changes

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are needed in light of the urgency of the situation and to quickly get funds out the door to local governments. RCRC supports the following proposed amendments to help our jurisdictions access these funds for their emergency public health needs during this challenging time:

- Formulaic allocation to jurisdictions rather than a competitive application process.
- Removal of the CDBG public services cap.
- Waiver of the traditional CDBG set-aside requirements.
- Creation of a streamlined application process for accessing funds.
- Waiver of the traditional 50 percent rule.
- Elimination of the requirement for submission and approval of the Housing Element.
- Allowance of 17 percent for local administration costs.
- Making costs incurred prior to allocation of funds eligible for reimbursement

RCRC also supports the effort to accelerate the allocation of FY 2019 and FY 2020 CDBG Economic Development funds through an over-the-counter process, and encourages the 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 ensuring 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.

While RCRC supports your efforts to streamline distribution of funds, we request that you develop a more balanced allocation methodology that takes into consideration the state mandates imposed on county governments to implement public health and emergency response programs. The CDBG formula suggested was not designed to allocate funds in a public health emergency but rather is based on low-to-moderate housing and community development conditions. Given the reality of the unprecedented resources counties need for COVID-19 response, we respectfully ask that modify the use of the traditional CDBG formula to better reflect the needs of counties.

Counties are at the front lines of California's response to COVID-19, from public health departments leading the community health response to those that assist and maintain our state's social safety net. As a result, it is vital that these CARES Act COVID-19 funds are allocated based on direct service responsibilities for local pandemic response. The California safety net system is almost entirely delivered by counties and is under immense strain as we take all measures to support those impacted by COVID-19. Federal funds are critical to keeping our safety net in place and stable during this public health crisis.

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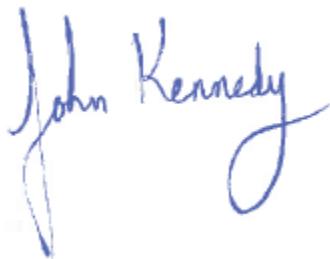
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We strongly support the proposed plan amendments that allow California's non-entitlement communities to access this relief as quickly as possible. While we suggest modifying the allocations to better reflect costs to counties, we are not interested in any lengthy delays in implementing these changes or deploying these funds. We are hopeful that you recognize that health and human services functions are delivered predominately by counties as you finalize these programmatic changes.

If I can be of assistance to expedite the approval of these documents, please do not hesitate to contact me at jkennedy@rcrcnet.org or (916) 447-4806.

Sincerely,

A handwritten signature in blue ink that reads "John Kennedy". The signature is fluid and cursive, with "John" on the left and "Kennedy" on the right, connected by a single vertical line.

JOHN KENNEDY
Legislative Advocate