



**COUNTY OF LAKE
BOARD OF SUPERVISORS**

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April 21, 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:

First, on behalf of the County of Lake, we want to thank your department for your ongoing partnership. Community Development Block Grant (CDBG) funding of many types is critical to our ability to meet basic needs of the constituents we serve, and we are grateful for the collaboration of your staff, and your genuine interest in being responsive to rural Counties.

Today, we are writing 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 CDBG CARES Act (CDBG-CV) funding.

As part of the federal CARES Act, HCD will receive \$19,331,744 in CDBG-CV funding, "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. Small jurisdictions like ours have unique challenges; the needs are profound and unprecedented, and we have limited resources to support response and recovery. For our communities to successfully grow beyond the COVID crisis, businesses will need help to stay open or re-open.

Supporting regional employment centers in rural, geographically isolated areas must be considered a matter of statewide priority, as State level policies have crippled businesses, despite our relative distance from jurisdictions with the greatest concentration of COVID-19 activity. As you are aware, many such communities, including Lake County, are CDBG non-entitlement communities.

Lake County and our small businesses are additionally still recovering from repeated wildfire disasters that consumed greater than 60% of our land mass in just four years. Those effects were already exacerbated by the disruption of last fall's persistent and overlapping Public Safety Power Shutoff (PSPS) Events, which left many long-beloved Lake County businesses in a state of grave uncertainty and concern. Given our history, you will understand local business owners are also highly concerned about the dry winter we have experienced, and implications for the 2020 fire season.

Therefore, 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 share your department's perspective that, given non-entitlement communities are facing similar impacts, it is inappropriate to use HCD's traditional lengthy NOFA process to distribute these funds. It will take too long, and the needs will only deepen as we wait.

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

- Communities would receive the funds through formula, similar to entitlement jurisdictions.
- Communities could use the funds for activities directly related to COVID-19 response, including Economic Development as an approved activity.
- There would 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 facilitate 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 the Department to facilitate access to these funds for local agencies, 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.

Provided these amendments are implemented, the County of Lake's estimated CDBG-CV allocation of \$215,454 is expected to be used to provide forgivable loans through the Business Assistance program and/or another eligible supportive program.

For the reasons mentioned herein, we strongly support HCD's efforts to amend your plans in a way that allows California's non-entitlement communities to access this relief as quickly as possible.

If you have any questions, feel free to contact me at (707) 263-2368.

Respectfully,

COUNTY OF LAKE

Moke Simon, Chair

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