The CARES Act provides critical funding to States, local governments and airports, which can be used for a variety of purposes—including support for the tourism sector. The law also mandates a delay in the implementation of the REAL ID Act, until at least October 1, 2021, ensuring it doesn’t add to the harm already inflicted on the travel industry and become an impediment to economic recovery.

**COMMUNITY DEVELOPMENT BLOCK GRANTS**

**Overview:** The CARES Act provides $5 billion in additional funding for the Department of Housing and Urban Development’s Community Development Block Grant (CDBG) program to help states and local governments respond to the coronavirus outbreak. The funds are available until September 30, 2022.

- $2 billion has been allocated to FY2020 CDBG grant recipients using the same formula used to award those grants.

- $1 billion will be granted to states based on the public health impact and economic disruption caused by the coronavirus outbreak compared to the national average. These funds will be disbursed within 45 days of enactment.

- The remaining funds (at least $2 billion) will be distributed on a rolling basis at HUD’s discretion based on the severity of the coronavirus outbreak in individual areas. States and localities may use funds to cover coronavirus-related costs regardless of when those costs were incurred.

- HUD has already distributed some CDBG-CV funds and is encouraging states and localities to amend previously submitted spending plans for FY2019 and FY2020 CDBG allocations to incorporate any new measures needed to prevent or respond to COVID-19. HUD also invited states and localities to submit new spending plans for additional CDBG-CV grants.

**NOTE:** HUD plans to waive certain planning requirements to expedite the distribution of funds! All interested businesses, state tourism offices, and DMOs should contact eligible grantees in their area as soon as possible to request inclusion in their spending plans. To find a list of previous grant recipients in your area, please click [here](#).

**WHO QUALIFIES TO RECEIVE DIRECT CDBG FUNDING?**

- States

- The largest city in a Metropolitan Statistical Area;

- Other metropolitan cities with populations of at least 50,000;
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- Qualified urban counties with populations of at least 200,000 (excluding the population of otherwise entitled cities).

WHO QUALIFIES TO RECEIVE SUBGRANTS FROM CDBG GRANTEES?

- Individuals, businesses, and nonprofits may receive subgrants from states, cities or counties. Please see our template letters under CARES Act Relief Resources for requesting CDBG subgrants for impacted travel businesses and tourism promotion. To find a list of previous grant recipients in your area, please click here.

ADDITIONAL CONSIDERATIONS:

- CDBG funds cannot be used for tourism promotion unless a CDBG grantee receives a waiver from the Secretary of HUD. Please see our template letters under CARES Act Relief Resources that CDBG grantees can use to request a waiver for tourism promotion.

- Each activity must benefit low- and moderate-income people or address urgent community development needs where existing conditions pose a serious and immediate threat to the health or welfare of the community.

- At least 70 percent of CDBG funds must be used for activities that benefit low- and moderate-income people.

ECONOMIC DEVELOPMENT ADMINISTRATION GRANTS

Overview: The CARES Act provides $1.5 billion to the Economic Development Administration (EDA) to provide grants to state and local governments to respond to the coronavirus outbreak. Projects and activities funded through EDA grants must be consistent with an approved Comprehensive Economic Development Strategy (CEDS), which can include tourism strategies like tourism promotion.

NOTE: We strongly recommend reaching out to your local county or local government or a previous grant recipient to develop a CEDS that incorporates your needs while meeting all regulatory requirements. To find a list of previous grant recipients in your area or the nearest EDA Regional Office, please see here.

WHO QUALIFIES?

- Nonprofit organizations acting in cooperation with officials of a political subdivision of a state

- EDA-designated Economic Development Districts (EDDs)

- Indian tribes or a consortium of Indian tribes

- States and local governments

- Institutions of higher education or a consortium of institutions

NOTE: Please check with your individual state or local government and nearest EDA Regional Office to
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determine how you can access funds. To find a list of previous grant recipients in your area or the nearest EDA Regional Office, please see here.

ADDITIONAL CONSIDERATIONS:

- EDA funding generally leverages additional private sector financing.
- EDA funding may be used in Opportunity Zones, which are low-income urban and rural communities identified by the Treasury Department as eligible for tax-advantaged long-term investments.

AIRPORT IMPROVEMENT PROGRAM GRANTS

Overview: The CARES Act provides an additional $10 billion in federal grants by the FAA to help airports impacted by the coronavirus. Funds will remain available until used. The federal share for these grants is 100%.

WHO QUALIFIES?

- Funding is available for public or private owners of public-use airports.
- At least $7.4 billion in funding will be distributed according to the following formula:
  - 50 percent will be allocated among all commercial airports based on an airport’s 2018 enplanements.
  - 50 percent will be targeted to help airports with larger debt based on an airport’s FY 2018 debt service and its unrestricted capital reserves.

ADDITIONAL CONSIDERATIONS:

- At least $100 million will be reserved for general aviation airports.
- Hub airports receiving funds must continue to employ at least 90 percent of workers employed from the date of enactment until the end of 2020.
- Funds are only to be used for purposes directly related to the airport.

REAL ID RELIEF

At U.S. Travel’s urging, the CARES Act directed DHS to delay enforcement of REAL ID Act requirements until at least October 1, 2021. U.S. Travel will closely monitor this provision and work to secure further delays if needed.

1 The CARES Act permits HUD to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the CDBG-CV funds, FY2019 and FY2020 CDBG funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) upon a finding by the Secretary that any such waivers or alternative requirements are necessary to expedite or facilitate the use of such amounts to prevent, prepare for, and respond to coronavirus.