

GRANTS FOR TOURISM AND AIRPORTS

Delay on REAL ID Enforcement

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.

CORONAVIRUS RELIEF FUND

Overview: The CARES Act provides \$150 billion to states and other units of government through the Coronavirus Relief Fund (CRF). Funds have already been allocated to states, territories, tribal, and local governments for them to use at their discretion. To find a list of local governments that received CRF funding, please visit the Treasury Department's website [here](#).

According to the Treasury Department's [guidance](#), States and local governments are given broad discretion in how they use the funds, provided that their expenditures meet all of the following statutory requirements:

1. Expenditures must be for necessary costs incurred in response to the public health emergency or the secondary effects of COVID-19, such as the economic turmoil caused by the pandemic;
2. Expenditures must not be accounted for in the State or local government's budget most recently approved as of March 27, 2020, unless the previously accounted for expenditures are for activities that are "substantially different" than the expected use of funds in the budget; and
3. Expenditures must be made between March 1, 2020, and December 30, 2020.

SUPPORT FOR TOURISM

According to an updated [FAQ](#) by the Treasury Department, as requested by U.S. Travel, funds can be used to help the tourism industry through the following means—

- Grants to small businesses to reimburse them for the cost of shutdown orders related to the pandemic.
- Grants to Destination Marketing Organizations (DMOs) to remarket the state or local government's convention facilities and tourism industry.
 - DMOs can use the money to publicize the resumption of business activities and steps taken to ensure a safe and healthy travel experience, which would be considered activities in response to the public health crisis.¹
 - However, DMOs cannot use the money for long-term positioning or more traditional marketing campaigns unrelated to the pandemic.²

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HOW TO APPLY?

- Interested parties can request financial assistance directly from states and eligible local governments. To find more information about how much each state and local government was allocated, please see [here](#). We recommend that you ask both your state and local government how to apply for CRF assistance.

ADDITIONAL INFORMATION?

- [Coronavirus Relief Fund Website](#)
- [Treasury Department Guidance](#)
- [Treasury Department FAQ](#)

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.
- 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.

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](#).

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ECONOMIC DEVELOPMENT ADMINISTRATION GRANTS

Overview: The CARES Act provides \$1.5 billion to the Economic Development Administration (EDA) for grants to eligible entities to respond to the economic effects of the coronavirus outbreak. EDA began accepting grant applications on May 7 using the existing procedures of the Economic Adjustment Assistance (EAA) program.³

- Grants will be awarded on a rolling, competitive basis until funds are exhausted or the program ends.⁴
- Grant amounts are based on 80% of the estimated cost of the project or activity.
- Grants may be awarded within 60 days of a completed application (including supplemental materials) being submitted to EDA.⁵
- Eligible projects and activities must be consistent with a [Comprehensive Economic Development Strategy \(CEDs\)](#) or equivalent EDA-accepted regional economic development strategy.
- Applications must clearly explain how the project responds to the economic injury of the coronavirus and contributes to the economic recovery and resiliency of the community, such as by providing travel and tourism-related marketing campaigns⁶ or the establishment of a qualified [Revolving Loan Fund](#).
- Applications will be assessed based on sustainability, financial support from regional stakeholders (i.e. private, public, and nonprofit entities),⁷ financial and management capacity of applicant, alignment with a CEDS or approved equivalent, job impact, long-term regional impact, and feasibility.

WHO QUALIFIES?

- Nonprofit organizations⁸
- EDA-designated Economic Development Districts (EDDs)
- Indian tribes or a consortium of Indian tribes
- States and local governments
- Political subdivision of a state or local government, including a consortium of political subdivisions.
- Institutions of higher education or a consortium of institutions

ADDITIONAL CONSIDERATIONS:

Grant allocations are provided to Regional EDA offices as follows:

- Atlanta Regional Office - \$248,000,000
- Austin Regional Office - \$236,000,000
- Chicago Regional Office - \$225,000,000
- Denver Regional Office - \$193,000,000
- Philadelphia Regional Office - \$259,000,000

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- Seattle Regional Office - \$266,000,000
- Headquarters - \$40,000,000

HOW TO APPLY:

- You can apply [here](#) but are strongly encouraged to contact your nearest [regional EDA office](#) before submitting an application.
- Please see [here](#) for further information on this grant opportunity.

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. See the question and answer at the bottom of page 8 in the Treasury Department's [FAQ](#).
2. See the top of page 9 in the Treasury Department's [FAQ](#).
3. EDA intends to fast-track the applications of existing and past grantees.
4. Under the CARES Act, the funding opportunity must end on September 30, 2022.
5. Historical turnaround time, as provided by EDA.
6. See Question 3 in the [FAQ](#).
7. Grants will generally require a 20% cost-share, but grants can be awarded to cover 100% of costs if EDA determines the applicant or related parties have exhausted their taxing and borrowing capacity, or if the economic condition of the region necessitates full cost coverage.
8. Eligible nonprofits must either (1) act in cooperation with local government officials or (2) meet the definition of a District Organization.