

DMO TEMPLATE FOR CDBG REQUESTS

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[DATE]

[Head of CDBG Recipient]

[CDBG Recipient]

[CDBG Recipient Address]

Dear [Head of CDBG Recipient],

As a Community Development Block Grant (CDBG) recipient, I write to request that you include support for Destination Marketing Organizations (DMOs) in your action plan for funding through the CDBG coronavirus supplemental (CDBG-CV), as provided by the CARES Act (P.L. 116-136). Specifically, please provide subgrants to eligible DMOs and small travel businesses and request a waiver from the U.S. Department of Housing and Urban Development (HUD) to allow the funds to be used for travel promotion, tourism-based economic development and convention and meeting sales.

The COVID-19 health crisis has had a devastating and disproportionate impact on the travel and tourism industry, including the many DMOs that are funded through a combination of local hotel room taxes and private sector contributions. The stay-at-home orders and social distancing measures that were put in place in response to the outbreak have abruptly upended private sector finances and severely reduced hotel room tax revenue.

According to current projections, these problems are only expected to get worse in the weeks and months ahead. According to data released by the U.S. Travel Association, in partnership with Tourism Economics, approximately 8 million jobs in the travel industry will be lost by the end of April, accounting for a third of all job losses in the U.S. Travel industry losses alone will wipe out over a half-trillion dollars from the economy, leading to an \$80 billion decline in tax revenue this year nationally.

Travel and tourism mean a great deal to [LOCATION], generating [\$\$\$\$\$] in annual spending and supporting [EMPLOYMENT #] jobs. These jobs are at risk of being lost permanently if more isn't done to support the needs of DMOs and small travel businesses—many of which support low- and medium-income communities.

The CARES Act provides \$5 billion in CDBG-CV funds to help communities respond to COVID-19, including efforts to avoid any job loss caused by social distancing measures. The Act also gives the HUD Secretary the ability to waive any regulation that would prevent grant recipients from fully responding to the effects of the outbreak.

In response to similar crises in the past, HUD has provided waivers for grantees to use CDBG funding for travel promotion and tourism management. Further, given the unique challenges facing the travel industry, it is appropriate to help DMOs and small travel businesses keep workers employed, particularly since many of them have not been able to access the Paycheck Protection Program.

As we continue to act in the interest of public health and safety, it's important that we not allow DMOs and small travel businesses wither at the vine and close permanently. The resulting job losses would make the road to economic recovery much longer and only put low- and medium-income communities further behind. Therefore, it is critical that you consider the needs of DMOs and small travel businesses in your CDBG-CV action plan. Thank you for your time and attention.

Sincerely,