

# CDBG RECIPIENT TEMPLATE FOR TRAVEL PROMOTION WAIVER REQUEST

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[DATE]

The Honorable Ben Carson  
Secretary  
U.S. Department of Housing and Urban Development  
451 7th Street SW  
Washington, DC 20410-0001

Dear Secretary Carson,

As the Department of Housing and Urban Development (HUD) develops rules and regulations for the implementation of Community Development Block Grant coronavirus supplement (CDBG-CV), as authorized by the CARES Act (P.L. 116-136), we ask that you waive any requirements or restrictions under Sections 5304 and 5305 of Title 42 U.S. Code that would prevent DMOs from using the funds for standard travel promotion activities and tourism-based economic development—including media buys 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 U.S. 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 steps are not taken to support the needs of DMOs and small travel businesses—many of whom support low- and medium-income communities.

The CARES Act provides \$5 billion in funding for CDBG-CV grants to help states and local governments respond to COVID-19, including the economic disruptions caused by the outbreak. The Act also gives HUD the authority to waive any regulatory or statutory requirement that would prevent grant recipients from fully responding to the effects of the outbreak (except for requirements related to fair housing, nondiscrimination, labor standards and the environment).

In the past, HUD has issued guidance and waivers for CDBG funds to be used for travel promotion and

tourism-based economic development, including in 2018 in the wake of Hurricane Maria:<sup>1</sup>

*HUD recognizes that...tourism industry support, such as a national and international consumer awareness advertising campaign for an area...can be a useful recovery tool in a damaged regional economy...and because the measures of long-term benefit from the proposed activities must be derived using indirect means, 42 U.S.C. 5305(a) is waived only to the extent necessary to make eligible use of no more than \$5,000,000 for assistance.*

A similar waiver is needed in response to this current crisis to ensure DMOs can continue to operate normally and support their local travel economies.

While the travel industry is among the hardest hit by the COVID-19 crisis, it is also among the best equipped to lead the economic recovery. In 2019, the travel industry alone generated \$2.6 trillion in economic output, supporting 15.8 million jobs and generating \$179 billion in tax revenue. That is why it is important to consider the role travel and tourism plays in the overall economy and provide the support needed to save jobs, keep communities alive and shorten the road to recovery.

Thank you for your time and attention to this important matter.

Sincerely,