

The Honorable Mitch McConnell  
Majority Leader  
S 230, U.S Capitol  
Washington, DC 20510

The Honorable Chuck Schumer  
Minority Leader  
S 221, U.S Capitol  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker of the House  
H-232, U.S Capitol  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
H-204, U.S Capitol  
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi and Leader McCarthy,

On behalf of the undersigned organizations representing the major national economic development stakeholders, we thank you for your leadership and swift action to respond and contain the public health crisis caused by COVID-19. It is now time to address the economic crisis communities across the country are already feeling due to whole sectors of the economy coming to a halt, at stunning speeds. The federal response to this crisis must be substantial, sustained, and swift.

We are writing to urge both the House and Senate Appropriations Committees to address economic response concerns in the next round of supplemental funding for COVID-19 response. Specifically, we are asking for targeted funding through the **U.S. Economic Development Administration (EDA)**. This funding is necessary to address the business and entrepreneurship, technical assistance, infrastructure, planning and implementation, and innovation needs of communities as they respond to the severe economic slow down and resulting job losses due to COVID-19.

The National Disaster Recovery Framework (NDRF) identifies the U.S. Department of Commerce, through EDA, as the lead agency on the economic Recovery Support Function (RSF). In this role, EDA helps local, state, and tribal governments and the private sector access federal economic development assistance to support long-term community economic recovery planning, project implementation, and redevelopment. EDA provides lasting assistance years after a disaster to help communities as they work to make their economies more resilient against future disasters and disruptions.

We urge Congress to provide the Economic Development Agency with the financial resources and authority to effectively address the growing financial crisis as a result of COVID-19. Specifically, we are asking for a significant increase in programmatic funding for the agency and for the following programmatic reforms to be included in any funding supplemental aimed at addressing the economic crisis of COVID-19. These recommendations would allow funding to be targeted and disbursed quickly to meet local needs.

- Providing surge staffing authority for EDA, similar to that which other agencies have during times of crisis, is essential.
- Surge staffing authority for EDA should be paired with a directive to temporarily place hiring authority with the Regional Directors, in consultation with the Deputy Assistant Secretary for Regional Affairs, in order to further expedite the process.

- Funds of 2% of the total allocation should be directed toward salaries and expenses to support surge staffing.
- Defederalize EDA Revolving Loan Funds. Currently, EDA RLF operators must report on funding received from EDA “in perpetuity,” even on loans they made decades ago. This requirement significantly decreases the efficiency of this program. RLF defederalization would reduce the reporting burden by specifying in legislative language that “*the Secretary shall release the Federal Government’s interest in connection with a grant after 7 years.*”
- Capitalizing the RLFs with forgivable, non-match, work-plan flexible funds will immediately inject fast-moving resources into businesses desperately needing assistance.
- The EDA RLF program has a 2:1 leverage ratio requirement, meaning that some “matching” dollars must be put up. This requirement should be eliminated for disaster loans.
- Make loans forgivable: specify in legislation that local RLF operators shall have the discretion to make forgivable loans, and that loan forgivability will not affect RLF operators’ EDA risk rating

As Congress continues to fund response and relief efforts for COVID-19, we ask that you provide robust support for EDA so communities will be able to quickly receive the resources they need to respond to this crisis.

Thank you for your consideration of our request. We look forward to working with you and your staff to help communities respond to the emerging economic crisis.

Sincerely,

International Economic Development Council (IEDC)

National Association of Counties (NACo)

National Association of Development Organizations (NADO)

National Association of Regional Councils (NARC)

National League of Cities (NLC)

Rural Community Assistance Program (RCAP)