

Congress of the United States
Washington, DC 20510

March 24, 2021

The Honorable Janet Yellen
Secretary
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Yellen:

We are writing to express our strong support for the Department of the Treasury to provide maximum flexibility for the distribution of the federal relief in its upcoming guidance for the recently enacted American Rescue Plan (ARP) so that states can target these critical dollars at our most vulnerable communities. This sweeping \$1.9 trillion coronavirus relief package provides desperately needed aid to our states and communities as they continue to recover from the COVID-19 pandemic and the recession. The ARP provides \$350 billion for state and local governments for economic relief and efforts to address the COVID-19 pandemic.¹ As many of our states and municipalities have sustained massive budget shortfalls, we fought hard to ensure that this relief reaches those that have been on the frontlines on this pandemic, including our communities of color that have been hardest hit by this public health emergency. We fought hard to make these state relief funds available and flexible so that our hardest hit communities would get the help they need.

As you know, the ARP utilizes the existing Community Development Block Grant Program (CDBG) statutory formula to determine the amount of assistance provided directly to each community prior to the distribution of state relief funds. Under the CDBG formula, metropolitan cities with populations of at least 50,000 as determined by census data receive a substantial allocation of ARP federal assistance. Some municipalities can also qualify for designation without meeting the population threshold if they are considered principal cities in Metropolitan Statistical Areas with populations greater than 50,000, and pursuant to the Housing and Community Development Act, they qualify for direct entitlement funding from the Department of Housing and Urban Development (HUD).²

Unfortunately, this formula results in cities and towns that are just out of reach of qualifying for metro city designation receiving significantly less targeted relief than their similarly populated neighbors. In some cases, these non-entitlement cities are communities of color and immigrant communities, which have been historically undercounted by the census that ultimately determines metro city status. Some of

¹ Massachusetts Municipal Association, “MMA provides an analysis of municipal aid expected from American Rescue Plan,” press release, March 12, 2021, <https://www.mma.org/mma-provides-analysis-of-municipal-aid-expected-from-american-rescue-plan/>.

² Senate Democratic Caucus, “ARP State and Local Fiscal Recovery Funds Fact Sheet,” March 2021, <https://www.democrats.senate.gov/imo/media/doc/ARP%20State%20and%20Local%20Fiscal%20Recovery%20Funds%20Information%20Sheet%20FINAL.pdf>

these communities have experienced a disproportionate impact of the COVID-19 pandemic, meaning that they will need more federal support.

While we are grateful for the Biden Administration's ongoing efforts to respond to the COVID-19 pandemic and the relief that the ARP will provide, we must take additional steps to ensure our most vulnerable communities are not once again left behind. Congress built ARP in a way to help non-entitlement cities by allocating billions in aid to our state governments. Most states will be receiving billions of dollars and every state is guaranteed a significant allocation. This state funding is designed to give governors and state legislatures the flexibility to provide extra help to the communities that did not qualify for other larger pots of direct funding. We respectfully request that you use your discretion in issuing guidance for ARPA to delineate that the state allocations are flexible and can be used to help any municipality that may need extra funding as a result of being historically disadvantaged or that is in need of additional help as a result of the negative impacts of the pandemic. We also ask that you work with HUD and the Census Bureau to ensure that population and other relevant community data are accurate and up to date.

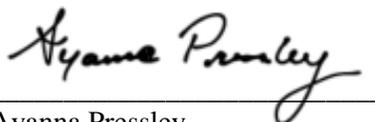
The Census is a matter of social justice and undercounts result in our most vulnerable and needy getting less than their fair share.³ We hope that you will use every tool at your disposal to help these communities, and that you provide states maximum funding flexibility under the statute to allow them to direct resources to those aforementioned communities.

We know that you share our concerns about ensuring that these federal dollars are directed to our most vulnerable populations to help them recover from the economic and health effects of the COVID-19 pandemic and the recession. It is critical that you work alongside Congress to develop an approach that mitigates the inequitable distribution of desperately-needed funding. We must work together to ensure that our hardest hit communities get the critical federal resources they need as Congress intended. Thank you for your immediate consideration of this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Ayanna Pressley
Member of Congress



Ron Wyden
United States Senator



Richard E. Neal
Member of Congress

³ See, e.g., Reuters, "How poor regions lose out because of U.S. census undercounts," Nick Brown, October 13, 2020, <https://www.reuters.com/article/us-usa-census-undercounts-insight/how-poor-regions-lose-out-because-of-u-s-census-undercounts-idUSKBN26Y1GC>.



Edward J. Markey
United States Senator



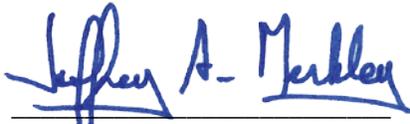
James P. McGovern
Member of Congress

/s/ _____

Robert P. Casey, Jr.
United States Senator

/s/ _____

Barbara Lee
Member of Congress



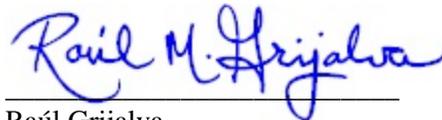
Jeffrey A. Merkley
United States Senator



Stephen F. Lynch
Member of Congress



Richard Blumenthal
United States Senator



Raúl Grijalva
Member of Congress



Chris Van Hollen
United States Senator

/s/ _____

Albio Sires
Member of Congress



Raphael Warnock
United States Senator

/s/ _____

William J. Keating
Member of Congress



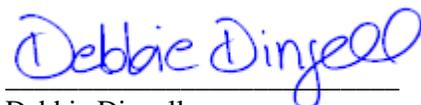
Suzanne Bonamici
Member of Congress



Juan Vargas
Member of Congress



Katherine Clark
Member of Congress



Debbie Dingell
Member of Congress



Seth Moulton
Member of Congress



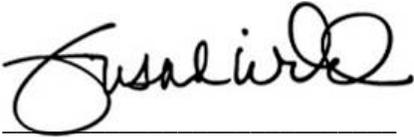
Brenda L. Lawrence
Member of Congress



Ro Khanna
Member of Congress



Jamie Raskin
Member of Congress



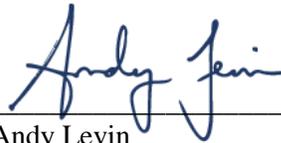
Susan Wild
Member of Congress

/s/ _____

Jesús G. "Chuy" García
Member of Congress



Josh Harder
Member of Congress



Andy Levin
Member of Congress



Tom Malinowski
Member of Congress



Rashida Tlaib
Member of Congress



Lori Trahan
Member of Congress



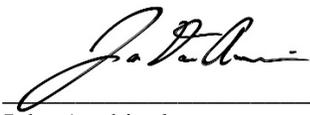
Jamaal Bowman, Ed.D.
Member of Congress



Nikema Williams
Member of Congress



Sean Casten
Member of Congress

A handwritten signature in black ink, appearing to read "Jake Auchincloss". The signature is written in a cursive style with a large initial "J".

Jake Auchincloss
Member of Congress