

July 2, 2020

The Honorable Governor Kate Brown, State of Oregon
Senate President Peter Courtney
Speaker of the House Tina Kotek
Senate Republican Leader Fred Girod
House Republican Leader Christine Drazan
900 Court Street NE, Suite 254
Salem, OR 97301

RE: Maximum Distribution of Coronavirus Relief Funds to Local Governments

Governor Brown and Legislative Leadership:

We write today as business organizations and essential service providers to thank you for all you are doing to ensure that Oregon successfully manages the COVID-19 public health crisis and subsequent economic recovery.

The state has provided numerous meaningful solutions to date; in many cases, the state possesses the capacity and expertise to most effectively provide relief to individuals, families, and businesses. Yet often it's the communities themselves that are best equipped to meet local needs.

The organizations represented here each play crucial roles in creating and maintaining healthy communities. We have a symbiotic relationship where each of us depends on all of us working together to ensure that our collective needs are met. Never has it been more important to provide local leaders with resources necessary to guide our communities through the challenges that we, together, face.

It is critical to ensure that local governments receive the strongest possible distributions of Coronavirus Relief Fund (CRF) through the federal CARES Act so that they may support community-level solutions in partnership with local business organization, essential and social service providers. Distributions to date have fallen well short of the need.

We urge the state to expeditiously authorize the following uses of CRF funding:

- Award the full amount (\$624 million¹) authorized by the US Treasury to local governments.
- Allow local governments maximum flexibility under Treasury guidance on expenditures.
- Provide direct and equitable allocations to local governments statewide using the workgroup-created distribution model.

The third point is of crucial importance. Local governments statewide face both unprecedented revenue losses from COVID-19 combined with significant additional costs. Most can't afford to take the risk of granting money out to community partners without assurances that it will be reimbursed. Direct allocations are essential in enabling local governments to confidently pursue the partnerships we so desperately need to provide comprehensive solutions to our communities.

¹ US Treasury Guidance specifies that states should award 45% of their share of CRF, via direction allocations, to local governments. 45% of Oregon's \$1.38 billion allocation is \$624 million.
<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

Together local governments and community partners have the knowledge, expertise, and relationships to ensure highly effective use of CRF dollars. We know our small businesses and our under-represented businesses, and which local businesses face the greatest risks. We can help ensure not only that the greatest number of businesses are able to weather the current COVID storm successfully, but that the innovations, resources, and practices they develop and deploy can be shared throughout the community as well as statewide.

We know the needs of our individuals and families. We know their struggles in the face of housing shortages and their need for utility assistance, childcare, food, shelter, and so many other essentials of everyday life.

Federal Treasury guidance offers not only a clear indication that local governments are to be a priority recipient of CRF funds, but also that local government-based partnerships are an intended use of those funds, to be blended between local government essential service needs, business support, and social service programs. These funds are essential in ensuring that each community has the greatest ability to fill the gaps that remain after accounting for state and federally-directed dollars.

Thank you for considering our collective request. The need for additional funding remains critical for a successful recovery and CRF funds represent a crucial resource that's available now. We need the state to make significant direct allocations to local governments so that we can do our part in ensuring the strongest and fastest recovery possible statewide.

Sincerely,

