



March 20, 2020

Co-Chairs Roblan and Holvey
Joint Special Committee on Coronavirus Response
State Capital
Salem, OR 97301

Dear Co-Chairs Roblan and Holvey and Members of the Committee,

Oregon Smart Growth (OSG) appreciates the opportunity to share our thoughts about actions the State and local jurisdictions can provide to help businesses and, most importantly, their employees during this challenging time. As an organization committed to policies that encourage walkable, compact development that is economically, environmentally and socially sustainable, we urge the following actions take place as quickly as possible.

First and foremost, help employees and their families maintain stability by protecting and adequately funding the Unemployment Insurance (UI) Fund so that all workers are covered if laid off or faced with reduced hours, or if they are quarantined or caring for family members that are quarantined. In addition, the one week waiting period and work search requirements should be waived and UI benefits should be excluded as taxable income. Employers should also be protected from increased rates due to additional unemployment claims.

Provide incentives, wage credits and tax credits for job retention and additional paid time off. This could also include immediate interest-free loans to cover payroll and other operations, if there are no employee layoffs, with repayment over five years. For small business, provide substantial grants to firms who filed Oregon returns last year and reported annual receipts of \$5,000,000 or less, as they do not have the ability to repay even interest free loans.

Provide support/relief for property owners whose own stability is significantly impacted by a tenant's inability to pay rent due to the coronavirus and eviction moratoriums, for both residential and commercial. Ideally, direct rental and small business assistance would prevent a chain of instability in housing and employment and that should be a top priority for the State. If that is not enough to avoid significant impacts, and recognizing the limits of the State, it would be very helpful if there was a suspension of commercial mortgage payments until the emergency is over, with six months to repay without penalty or interest, and at a minimum a commercial foreclosure moratorium. Many multifamily properties have 1.1 debt service coverage ratios, so it won't take much to put them underwater. Many building owners are already reducing tenant payments (multifamily and storefront/office) to help and they realize that other businesses, especially hospitality and small businesses, have shuttered and have little ability to pay rent—there needs to be some relief on debt payments if income significantly drops.

Extend tax filing deadlines and waive penalties for delayed quarterly estimated tax payments. It's critical that cashflow be focused on employee paychecks during this crisis. Tax filing deadlines should be delayed until Q3, with a reasonable payment extension for 2020 business taxes and Q 1-2 quarterly estimated payments.

Ensure that Property & Casualty insurance is required to cover instances of civil authority closures and the resulting regulations. For those business that have access to P&C insurance and coverage for loss of sales, the coverage does not include loss of sales from required closures due to the coronavirus and closures required by the State or local jurisdictions, such as workplace closures or shelter-in-place orders.

Delay the Corporate Activities Tax (CAT) implementation until Q3 or later. The CAT has been challenging to implement already in Q1, with the rules not finalized and

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uncertainty in which activities and businesses are included and which are not. With the additional confusion and disruption to all business operations in Oregon, it's likely that many businesses will be out of compliance, if implementation is not delayed.

Last, please consider housing production of *all types* Essential Infrastructure, especially those that include affordable housing or housing for houseless persons, should a shelter-in-place order be issued. It's also critical that Essential Government Functions related to keeping housing projects moving forward (e.g. permit revisions/deferred submittals, inspections, etc.) be clearly identified as an essential government function and allow them to be performed through virtual means (Electronic files, FaceTime, Video, Photo, etc.) so projects can continue without delays.

Thank you for your work on behalf of all Oregonians in this challenging time.

Sincerely,

A handwritten signature in blue ink that reads "Gwenn A. Baldwin". The signature is written in a cursive, flowing style.

Gwenn A. Baldwin
Executive Director

cc: Nik Blosser, Office of the Governor
Christian Gaston, Office of the Governor