



**DOWNTOWN  
LONG BEACH  
ALLIANCE**

The Honorable Steven Mnuchin  
Secretary of the Treasury  
Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

April 2, 2020

RE: Associations and Local Business Alliances Need More Federal Emergency Relief to Survive  
Coronavirus Impact

Dear Secretary Mnuchin:

On behalf of the Downtown Long Beach Alliance Board of Directors and our 1,600+ member businesses, I urge you to include additional, direct emergency support in the next coronavirus aid package for Internal Revenue Code Section (Section) 501(c)6 and 501(c)4 organizations, such as our local business membership organization which supports neighborhood revitalization and economic development through public-private partnership. To help mitigate the coronavirus pandemic's harmful impact on our sector, we further support all downtown management associations, the International Downtown Association and the American Society of Association Executives (ASAE) request for \$25 billion in aid for business associations facing financial losses due to the revenue shortfalls directly related to the coronavirus pandemic.

We ask specifically that all 501(c) organizations be made eligible to access small business interruption loans to prevent layoffs and continue to pay our employees; and a pandemic risk insurance program to create a federal backstop for prospective insurance claims related to a pandemic or epidemic.

The downtown management industry is comprised of over 2,500 neighborhood revitalization groups with more than 100,000 employees and a collective payroll exceeding \$3 billion in wages. We serve and support commercial properties and local small businesses in our downtown districts and on our main streets who in turn drive, on average, 13% of sales tax revenue, 17% of property tax revenue, and 38% of hotel tax revenue. When these businesses return to operations, they rely on our organization to be fully functional as does our local governments.

We are extremely grateful the Administration and Congress took swift action to help our businesses and millions of Americans withstand the coronavirus pandemic, which jeopardizes our collective livelihood, welfare and safety. Provisions within the Coronavirus Aid, Relief and Economic Security (CARES) Act will prove vital to help stabilize our economy and keep Americans safe. The Downtown Long Beach Alliance has already started to equip our local businesses and employers with this information and tools that will hopefully ensure their survival in our city.

The CARES Act does not, however, provide sufficient and critically needed emergency funds for organizations like ours which support urban properties, businesses, and continues to provide added sanitation, security, safety, and assistance to people living on our streets. Section 501(c)(6) and (c)4 organizations can indeed access certain aid through an employee retention tax credit (Section 2301), and the Small Business Administration is accepting applications from 501(c)(6) organizations for expanded Economic Injury Disaster Loans (EIDL; Section 1110). While helpful, it will be challenging for members of our community to qualify for aid – particularly through Section 2301 and secure the funds they need to avoid bankruptcy. Moreover, statutory language for EIDLs is unclear in exactly how it treats 501(c)6 and 501(c)4 organizations.

Local 501(c)6 and (c)4 business alliance organizations vary in size and function but all play an important role across the country to support local businesses, commercial properties, train

America's workforce, clean and manage our urban centers, and disseminate essential information and resources to people in need – particularly during times of crisis. We are now being relied upon to help coordinate local, state, and federal resources to combat the coronavirus pandemic, and we require staff to fulfill this duty.

Thank you for your consideration and continued support of our country during this challenging time. If you have questions regarding any aspect of this urgent request for critically needed support please contact me or, for a national perspective, you may contact David T Downey, President & CEO, International Downtown Association at [david@downtown.org](mailto:david@downtown.org) or 202-438-8714.

Sincerely,

Kraig Kojian, President & CEO



CC:

The Honorable Nancy Pelosi, Speaker United States House of Representatives  
1236 Longworth House Office Building Washington, D.C. 20515

The Honorable Mitch McConnell, Majority Leader United States Senate  
317 Russell Senate Office Building Washington, D.C. 20510

The Honorable Kevin McCarthy, Minority Leader United States House of Representatives  
2468 Rayburn House Office Building Washington, D.C. 20515

The Honorable Charles Schumer, Minority Leader United States Senate  
322 Hart Senate Office Building Washington, D.C. 20510

The Honorable Richard Neal, Chairman Committee on Ways & Means  
United States House of Representatives  
1102 Longworth House Office Building, Washington, D.C. 20515

The Honorable John Thune, Majority Whip United States Senate  
511 Dirksen Senate Office Building, Washington, D.C. 20510

The Honorable Kevin Brady, Ranking Member Committee on Ways & Means  
United States House of Representatives  
1102 Longworth House Office Building, Washington, D.C. 20510

The Honorable Charles Grassley, Chairman Committee on Finance  
United States Senate  
219 Dirksen Senate Office Building, Washington, D.C. 20515

The Honorable Ron Wyden, Ranking Member  
United States Senate Committee on Finance  
219 Dirksen Senate Office Building, Washington, D.C. 20510

The Honorable Richard Shelby, Chairman Committee on Appropriations  
United States Senate

S-128 the Capitol, Washington, D.C. 20510

The Honorable Patrick Leahy, Vice Chairman Committee on Appropriations  
United States Senate S-128 the Capitol, Washington, D.C. 20510

The Honorable Nita Lowey, Chairwoman Committee on Appropriations  
United States House of Representatives  
H-307 The Capitol, Washington, D.C. 20515

The Honorable Kay Granger, Ranking Member Committee on Appropriations  
United States House of Representatives  
H-307 The Capitol, Washington, D.C. 20515

The Honorable Lamar Alexander, Chairman Health, Education, Labor and Pensions Committee  
United States Senate  
428 Dirksen Senate Office Building, Washington, D.C. 20510

The Honorable Senator Mike Crapo, Chairman Committee on Banking, Housing and Urban Affairs  
United States Senate  
534 Dirksen Senate Office Building, Washington, D.C. 20510

The Honorable Sherrod Brown, Ranking Member Committee on Banking, Housing and Urban  
Affairs United States Senate  
534 Dirksen Senate Office Building, Washington, D.C. 20510

The Honorable Senator Marco Rubio, Chairman Committee on Small Business & Entrepreneurship  
United States Senate  
428A Russell Senate Office Building, Washington D.C., 20510

The Honorable Ben Cardin, Ranking Member Committee on Small Business & Entrepreneurship  
United States Senate  
428A Russell Senate Office Building, Washington D.C., 20510

The Honorable Senator Susan Collins, Chairman Special Committee on Aging  
United State Senate  
413 Dirksen Senate Office Building, Washington, D.C. 20510

The Honorable Nydia Velázquez, Chairwoman Committee on Small Business  
United States House of Representatives  
2361 Rayburn House Office Building, Washington, DC 20515

The Honorable Steve Chabot, Ranking Member Committee on Small Business  
United States House of Representatives  
2361 Rayburn House Office Building, Washington, DC 20515

The Honorable Senator Roger Wicker, Chairman Committee on Commerce, Science and  
Transportation  
United States Senate  
555 Dirksen Senate Office Building, Washington, D.C. 20510