

May 15, 2020

Dean Lynch, CAE
Executive Director
Virginia Association of Counties
1207 East Main Street, Suite 300
Richmond, VA 23219

Michelle Gowdy
Executive Director
Virginia Municipal League
13 East Franklin Street
Richmond, VA 23219

Connie Long
Executive Director
Virginia Economic Developers Association
1340 N. Great Neck Road, #1272-128
Virginia Beach, VA 23454

Dear Mr. Lynch, Mrs. Gowdy, and Mrs. Long,

Earlier this week, all county and city elected officials, and their chief administrative officers, received the attached letter from Virginia's Secretary of Finance, Aubrey Layne, outlining the state's plans to distribute CARES Act funds to localities to address costs associated with COVID-19 response.

While the first priority for these funds should be to cover health care and public safety related costs incurred by local governments to address COVID-19 related issues, you will also notice that the guidance from the U.S. Treasury specifically allows funds to be used to assist small businesses impacted by the pandemic induced closures.

Thousands of small businesses across the state, particularly restaurants and other hospitality providers, have been devastated by this crisis through no fault of their own. The Virginia Restaurant, Lodging & Travel Association commends many Virginia communities for already taking steps to provide assistance to these impacted businesses through new loan or grant programs or policy actions related to deferrals of tax payments and the waiver of interest and penalties. Unfortunately, as the crisis has continued, and limitations on the ability of these businesses to reopen have extended beyond what anyone expected, the economic devastation to these companies has continued. Federal loans and other programs have also fallen short of addressing the full need.

A number of states and localities are already implementing programs similar to what is allowed in the Treasury guidance, and we urge you to consider similar efforts in your community. These programs can be set up through your local economic development office or in cooperation with entities such as Virginia Community Capital or other community lending entities which have the expertise to effectively manage these programs. We have attached to this letter some links to programs of which we are aware that may be useful in guiding these efforts.

Thank you for considering this request. Please let me know how the VRLTA can be of assistance to your ongoing

efforts to support our small businesses.

Sincerely,



Eric Terry
President
Virginia Restaurant, Lodging & Travel Association



Robert Melvin
Director of Government Affairs
Virginia Restaurant, Lodging & Travel Association

Attachment – Examples of Other State and Local CARES Act Small Business Association Programs or Other Local Business Support Programs
May 12 2020 Layne Memo on Distribution of CARES Act Funds to Localities