



CITY OF BEND

April 24, 2020

Honorable Governor Kate Brown
Office of the Governor
900 Court St NE, Suite 254
Salem, OR 97301

RE: Federal CARES Funding and Assistance for Local Governments

Governor Brown:

We write today to seek your support for strong local assistance via the federal Coronavirus Relief Fund. We request that you distribute a portion of the roughly \$1.6 billion in funding offset COVID-19 related costs to those communities most impacted by the pandemic. The City of Bend, due to its low permanent tax rate frozen by Measures 5 & 50 is heavily reliant on lodging and gas taxes for basic services. Further, due to the nature of our local economy, we have lost almost 12% of our local jobs making it difficult for our community members to make ends meet. As a result, our community is one of the cities most impacted economically from this crisis.

We have recently assessed impacts of COVID-19 both in terms of local government revenue losses and increased need for community assistance. In each case the impacts are substantial. In total, it is likely that the City of Bend will lose possibly \$10 million in revenue through fall 2020. This is roughly one-sixth of the City's General Fund and discretionary revenues. Such a drastic reduction in revenue in such a quick timeline greatly impacts our ability to provide basic services including public safety, transportation infrastructure and services as well as our continued work with social service agencies to provide affordable housing and other needed public health services.

Please note, we have not stood by without scrutinizing our own budgets to reduce costs while continuing providing services to our community. We are in the midst of a city-wide budget cutting exercise to reduce expenses by 5% & 10% to weather this storm without sacrificing service provision. The longer this lasts without additional financial resources to make up for losses from our typical revenues sources, we face the painful realization that services will be cut and possibly drastically at a time when many of those services are in dire need.

As mentioned, Bend's unemployment filings are extremely high due to the nature of industry in Bend that focuses on Health Care/Social Service, Retail, and Accommodation/Food Service. All of these industries have been very hard-hit by recent closures and layoffs. Deschutes County has the third highest percentage of

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our workforce who have filed for unemployment insurance compared to the other 35 counties in Oregon.

This all translates to a massive and unprecedented increase in the need for services. According to NeighborImpact, our regional Community Action Agency demand for services in our community increased practically overnight. This makes it impossible to address the entirety of the community's needs. Food pantries, for example, are strained not just due to the sudden increase in demand, but because grocery stores, farmers markets, and restaurants have little to no excess food to donate. Such donations typically provide half of the food to address demand.

We understand that the Legislature will consider additional funding for critical needs when it convenes a special session. Frankly, Bend can't wait. The timing of the CARES funding is paramount to the economic survival of many in our community. We need assistance now to address the immediate crisis created by COVID-19. It only gets worse the longer we wait. It is far more expensive to rehouse those who have become homeless than to intervene and preserve current living situations.

Final Remarks

Your actions to date have kept Oregon safe. These actions include the well-timed closure of our schools, restrictions around social distancing and sheltering in place. Your definitions of essential businesses were also well-timed and well-targeted, for example, allowing construction to continue. In Bend, that means allowing the construction of multi-family and affordable units to continue, which assists in our efforts to stabilize, preserve, and eventually help our community recover.

Your Executive Order to keep government working was crucial. Your framework for re-opening the economy is sound. And the rapid progress being made on how to re-open the economy responsibly is sorely needed. In short, your actions have kept us safe and have us poised for recovery.

As you continue your efforts to lead Oregon through this unprecedented crisis, we ask that you provide local governments and service providers with the resources we need to do our parts now. Not just in Bend, or Central Oregon, but throughout all of Oregon. This will allow us to continue keeping Oregonians safe and healthy. We don't have the luxury to wait for a special session of the Legislature.

Thank you for your consideration, and again for all your efforts. Please feel free to reach out with questions or for any assistance we can offer.

Sincerely,



Sally Russell, Mayor

Enclosures:

- Exhibit A – Detail of Local Revenue Impacts and Increased Needs for Community Services
- Exhibit B – Summary of Actions Taken to Assist Local Community