



April 14, 2020

The Honorable Steven Mnuchin  
Secretary  
U.S. Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

The Honorable Jovita Carranza  
Administrator  
U.S. Small Business Administration  
409 3rd Street, SW  
Washington, D.C. 20416

**Re: 8-Point Plan to Improve the SBA Payroll Protection Program**

Dear Secretary Mnuchin and Administrator Carranza:

I respectfully write your offices on behalf of the Association for a Better Long Island (“ABLI”), Long Island’s leading economic development organization, in support of the Real Estate Roundtable’s (“RER”) “8-Point Plan to Reform the PPP”. We applaud and fully support your agencies’ effort to interpret and implement the program to expeditiously provide funds to impacted individuals, families and businesses. However, we believe additional clarification and/or improvement should be taken to protect our regional and national economy.

The 8-Point Plan ensures workers and the businesses that employ them receive the intended assistance available under the S.B.A Paycheck Protection Program (“PPP”). Long Island, with its population of 2.7 million people, is located within the epicenter of the COVID-19 pandemic, with approximately 50,000 positive cases and over 1,500 fatalities. Our economy is closely tied to the New York City economy and, since the middle of March, it has been shutdown. It is anticipated that businesses will not resume until, at the earliest, middle of June and even those estimates are unsubstantiated. Therefore, Long Island workers desperately need PPP to go further than what it currently provides. The Long Island companies that employ Long Island workers need more protections to help cover ordinary operating expenses like mortgage payments, rents, utility bills, and other debt obligations. If our employers start going out of business on a massive scale, our workers will not receive a paycheck regardless of PPP.

Commercial and multifamily rents that are due and owing are not incoming to building owners and managers, because tenants do not currently have the money right now to meet their leasing obligations. Since March 20, 2020, when New York State issued an Executive Order that all non-essential businesses must close, rent streams on Long Island have disappeared as a direct result of COVID-19. Now Long Island building owners face dire prospects of defaulting on both the payments they owe to cover their mortgages and on the binding covenants in their mortgage contracts. The prospects of “payment default” and “covenant default” are serious, imminent, and real. Foreclosures

by lenders upon building owners who go into mortgage default, because rents are not being paid to cover debt service and will be devastating not just to Long Island but will have similar impacts on Main Street U.S.A. and the nation's business community at large.

Improvements to the PPP listed below and detailed in the attached 8-Point Reform Plan would significantly help avoid some of these calamitous consequences across the nation.

RER 8-Point Plan to Reform the PPP:

1. Expressly Waive SBA's Business "Ineligibility" Rule Governing its "Regular" Loan Programs, to Give Real Estate and Other Industries Clarity on Their PPP Eligibility.
2. LLPs and LLCs as Duly Formed and Recognized Under State Law Should be Their Own Entity Eligible for PPP Loans.
3. Congress Waived the SBA "Affiliation Rules" Only for Restaurants and Hotels. It Should Not Pick Industry "Winners and Losers," and Should Waive the Affiliation Rules for All Industries.
4. Loan Amounts Should be Calculated Relative to Business "Operating Expenses" — Not Only "Payroll Expenses."
5. SBA and Treasury Should Not Restrict PPP Loans and Forgiven Amounts with a "One Size Fits All" Rule that Limits Coverage for Rent and Other Business Expenses.
6. Property Owners Should Have Flexibility to Work with Their 3rd-Party Management Companies in Counting Workers for the "500-Employee" Threshold.
7. Businesses Should Have Flexibility to Not Count Part-Time Employees in the "500 Cap" — Because if the Cap is Exceeded None of Its Employees Get Payroll Protection.
8. Multifamily Building Owners Should be Eligible for PPP Loans to Help Cover Mortgage Principal — During the CARES Act Period that Tenants Are Protected from Evictions.

**ABLI urges Congress and the Administration's agencies to enact the RER 8-Point Plan to reform the U.S. Small Business Administration's Paycheck Protection Program as swiftly as possible.**

Sincerely,



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Kyle Strober, Executive Director  
*Association for a Better Long Island*

cc: U.S. Senator Kirsten Gillibrand  
U.S. House of Representatives Long Island Delegation



April 14, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
United States House of Representatives  
204 Capitol Building  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
S-230 Capitol Building  
Washington, D.C. 20510

The Honorable Charles E. Schumer  
Minority Leader  
United States Senate  
S-221 Capitol Building  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
Minority Leader  
United States House of Representatives  
H-204 Capitol Building  
Washington, D.C. 20510

**Re: 8-Point Plan to Improve the SBA Payroll Protection Program**

Dear Speaker Pelosi and Leaders McConnell, Schumer and McCarthy:

I respectfully write your offices on behalf of the Association for a Better Long Island (“ABLI”), Long Island’s leading economic development organization, in support of the Real Estate Roundtable’s (“RER”) “8-Point Plan to Reform the PPP”. We applaud and fully support your efforts to pass the *CARES* Act and its intent to expeditiously provide funds to impacted individuals, families and businesses. However, we believe additional clarification and/or improvement should be taken to protect our regional and national economy.

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