



THE NEW
LOCALISM

BRUCE KATZ · JEREMY NOWAK



RELIEF for Main Street Act: The Next Phase of COVID-19 Recovery

BRUCE KATZ, MICHAEL SAADINE AND COLIN HIGGINS · MAY 20, 2020

NEWSLETTER

SHARE



On April 8, the three of us — along with two close colleagues, Rick Jacobs and Jamie Rubin — published a piece entitled [Needed: A Main Street Emergency Act](#). Our thesis was stark and straightforward. The COVID-19 crisis is wreaking havoc on small businesses across cities, suburban municipalities, and rural towns, particularly micro businesses that employ fewer than 20 employees and offer services vital for our communities. The local relief funds established by public, private and civic stakeholders, while fit to purpose, are already oversubscribed and undercapitalized. And the federal responses enacted as part of the CARES Act are already proving to be insufficient in scale, timing, product and distribution scope to address the needs of Main Street businesses.

Our solution: send flexible resources directly to cities, counties and states so that they could top-up their relief funds and provide additional assistance to small businesses likely to be missed by the bank-administered Paycheck Protection Program.

The passage of time has confirmed our concerns and reinforced the need for new federal legislation. There has been a growing consensus that the SBA programs, even with recent modifications that provided much needed carve outs for CDFIs and community banks, haven't reached multitudes of Main Street businesses. Additionally, though these programs provide some very specific relief, they do not address the choppy recovery period to come, which is also likely to devastate the Main Street business districts and commercial corridors where local-serving businesses tend to congregate and co-locate.

For the past five weeks, we have been working closely with Senator [Cory Booker](#) from New Jersey on using our idea for a Main Street Emergency Act as the basis for federal legislation. Last week, Senator Booker introduced the \$50 billion [RELIEF for Main Street Act](#). Significantly, he co-sponsored the legislation with Democratic senator [Patty Murray](#) from Washington and Republican Senator [Steve Daines](#) from Montana, exhibiting not just bipartisanship but also an important urban-rural connection. We have also worked closely with Congressman [Dan Kildee](#) to introduce the same legislation on the House side alongside Republican co-sponsors.

The leadership of Senator Booker and Congressman Kildee should not be surprising. Senator Booker served as Mayor of Newark, New Jersey from 2006 to 2013 where he catalyzed the economic turnaround of his hard-hit city. Congressman Kildee, for his part,

BRUCE KATZ · JEREMY NOWAK

FOR MEDIA INQUIRIES AND SPEAKING

[@bruce_katz](#) | bruce.katz@thenewlocalism.com

[JOIN OUR MAILING LIST](#)

SHOP ABOUT NEWSLETTERS CONTACT
RESEARCH EVENTS PODCASTS MEDIA

© 2017-2020 The New Localism. All rights reserved. [Website by Roni Lagin & Co.](#)