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March 4, 2021

The Honorable Dianne Feinstein
U.S. Senate
331 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Alex Padilla
U.S. Senate
B03 Russell Senate Office Building
Washington, D.C. 20510

RE: Support for Federal Relief Package for Cities

Dear Senators Feinstein and Padilla:

The City of Arcata writes today to offer our strong endorsement of the budget reconciliation language providing \$350 billion in direct and flexible aid for our states, cities, counties, tribes, and territories. We encourage the U.S. Senate to swiftly pass this urgently needed aid and distribute it to cities immediately.

Our country's economic crisis from the pandemic is not over, and our cities are still waiting to receive meaningful levels of federal aid. By separating, and ultimately dropping, state and local aid from the omnibus appropriations and emergency spending bill in December, Congress has injected significant uncertainty into the capability of local governments to carry out their operations, just as a third wave of COVID-19 infections threatened to spread uncontrollably.

Based on the most recently available fiscal data and updated survey results from the National League of Cities, municipal governments nationwide are facing a \$90 billion shortfall to their current year revenues.

For nearly a year, California cities have been on the front lines taking action to protect their residents and maintain the delivery of essential city services, despite the substantial unplanned expenses and revenue shortfalls caused by the pandemic. Cities are managing resources to support the efforts of first responders, coordinating regionally with other leaders across jurisdictional lines, enacting difficult and fiscally challenging emergency measures to slow the coronavirus epidemic, passing ordinances to limit the worst economic outcomes for residents and small businesses on the margins, and spending as necessary to protect public health and the economy in this extraordinary time. Some of these specific efforts in Arcata include: adopting temporary restrictions on eviction of tenants for both residential and commercial (before and above State mandates); hosting a mask and sanitizer free giveaway for local businesses and non-profits; creating a Business Resiliency Emergency Loan Program; supporting food distribution for school-aged kids in City parks and through the Senior Resource Center and Food for

People; developing a COVID-19 economic recovery group including Arcata Main Street, Arcata Chamber of Commerce, and Humboldt State University; and establishing streamlined and no fee outdoor vending/dining permits to support restaurants and local retailers.

At the same time, the still urgent, unmet need for federal aid has struck at the heart of local capacity to both carry out emergency response and participate in economic recovery. Without support, cities have been forced to cut budgets, services, and jobs. While there are many expenditure reductions the City of Arcata was required to make to address the economic fallout and our budgetary shortfalls, some of the more significant ones include: imposing a hiring freeze of 10% of our 127 full-time staff positions; reducing work hours; layoffs and delayed hiring of all part-time employees; eliminating IT infrastructure maintenance and upgrades; freezing all new and replacement vehicle purchases; reducing public transit routes; and reducing, delaying or deferral of all General Fund allocated capital improvement projects.

Without additional emergency funding in appropriate, fair, and equitable allocations for all cities, counties, and states, a preventable setback to response, recovery, and vaccination distribution, will be unavoidable. We urge you to maintain the following provisions in the reconciliation bill to reverse the fiscal shortfalls resulting from the pandemic:

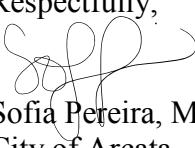
- Emergency funding should be fair and appropriate for each and every local government, with no minimum population threshold for eligibility.
- Aid should be directly allocated through familiar and proven government revenue sharing programs.
- Entanglement of state and local funding should be minimized.

To be clear, our cities are not asking for a “bail-out” of local governments. Rather, we are seeking an emergency lifeline so local governments can delay and ultimately avoid making temporary cuts permanent at a time when our communities need local services most, laying-off furloughed city and county employees who comprise a large share of America’s middle class, and indefinitely cancelling capital projects that will further impact economic recovery.

Ultimately, we are seeking emergency federal assistance that will ensure local leaders are part of the solution to our country’s economic recovery.

We appreciate the thoughtful work of the U.S. House of Representatives so communities of all sizes can receive the help they need. As the Senate considers this legislation we ask that you maintain the \$350 billion fund that will get aid quickly to all corners of the country including your constituents.

Respectfully,



Sofia Pereira, Mayor
City of Arcata

cc:

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Congressman Jared Huffman, John.Driscoll@mail.house.gov

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