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April 29, 2020

Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814
VIA E-mail: ExternalAffairs@gov.ca.gov

Re: COVID-19 Funding for California Cities

Dear Governor Newsom:

The City of Arcata thanks you for your leadership and efforts to protect and support Californians during this unprecedented public health crisis. Cities remain on the front line helping residents stay safe and in their homes, delivering emergency services, and supporting local businesses and community organizations. However, as emergency costs continue to grow, city revenues to fund local services are plummeting. COVID-19 is having devastating impacts on city budgets and services statewide.

Based on the League of California Cities analysis, California cities are projecting a nearly **\$7 billion general revenue shortfall** over the next two fiscal years. This shortfall will grow by billions of dollars if stay-at-home orders to protect public health extend into the summer months and beyond.

The City of Arcata projects that these shortfalls will require reductions and delays of essential projects, purchasing and staffing that will significantly impact our core city services, including police, parks, recreation, planning, building, housing, streets and alternative transportation. Reduced City staff starting with parks, recreation and streets summer staff will further affect core city services for residents, as well as the employees.

Since the beginning of the COVID-19 crisis, the City of Arcata has stepped up to protect and serve our community. The City has worked to set up emergency sheltering locations for those experiencing homelessness, collaborating with local non-profits to supply meals, porta-potties, handwashing stations, charging access as well as other resources and services. The City has provided assistance in locating and transporting those most vulnerable who qualify for hotel sheltering during this period. The City has rerouted and maintained safe trails and open space areas to allow people to exercise and have recreational opportunities while maintaining social distancing practices. The City has worked tirelessly with local businesses to implement either closures or safe practices for those meeting the essential definition and has provided immediate loan funding to small businesses when State and Federal funds were not yet available. In further support of our community's local businesses, the City has dedicated

staff to develop and maintain a centralized website (www.visitarcata.com) with information on Arcata businesses currently open for take-out, online orders, delivery services, virtual classes, and the purchase of gift certificates. The City has also made a large investment in protective measures to keep City employees protected while working daily on the front lines.

The necessary measures our City has taken are costly. In order to continue to be a full partner with the State in saving lives, protecting our communities, and ultimately recovering from this crisis, **we need your help.**

The City of Arcata is asking you to support the following actions immediately:

- Establish at least a \$7 billion city revenue stabilization fund for direct aid to all cities to address the general revenue shortfall over the next two fiscal years;
- Allocate a share of the State's \$8.4 billion CARES Act funding for cities with populations under 500,000 to support COVID-19 expenses; and
- Create a COVID-19 financing vehicle that all cities can access to support immediate cash flow needs.

The City of Arcata appreciates your consideration of our requests and looks forward to discussing further in the coming days how we can continue to best protect Californians and reopen our economy together. Thank you again for your leadership and partnership during these uncertain times.

Respectfully,



Michael Winkler, Mayor
City of Arcata

cc:

Senator Mike McGuire, Senator.McGuire@senate.ca.gov & VIA FAX: (916) 651-4902

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

Assembly Member Jim Wood, Ruth.Valenzuela@asm.ca.gov & VIA FAX: (707) 445-6607 & (916) 319-2102

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