



## MEMORANDUM

**TO:** CITY COUNCIL

**FROM:** WHITNEY MCDONALD, ACTING DEPUTY CITY MANAGER

**SUBJECT:** CONSIDERATION OF A RESOLUTION AUTHORIZING THE CITY TO JOIN THE COALITION TO SUPPORT LOCAL RECOVERY IN SUPPORT OF THE LEAGUE OF CALIFORNIA CITIES (LOCC) COVID-19 RECOVERY EFFORTS AND AUTHORIZING THE MAYOR, ACTING CITY MANAGER AND ACTING DEPUTY CITY MANAGER TO SIGN LETTERS OF SUPPORT RELATED TO THE COALITION'S AND LOCC'S EFFORTS

**DATE:** JUNE 9, 2020

### **SUMMARY OF ACTION:**

The Council will consider joining the League of California Cities (LOCC) Coalition to Support Local Recovery (Coalition) due to the COVID-19 pandemic and authorizing the Mayor and the Acting City Manager/Acting Deputy City Manager to sign letters of support or take other action on behalf of the City of Arroyo Grande to support the LOCC's COVID-19 recovery efforts.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

There are no direct fiscal impacts to joining the Coalition or supporting LOCC COVID-19 relief efforts; however, joining the Coalition may allow the City to benefit from the efforts.

### **RECOMMENDATION:**

It is recommended the City Council adopt a Resolution authorizing the City to join the Coalition to Support Local Recovery, and authorize the Mayor, Acting City Manager, and Acting Deputy City Manager to sign any letters of support related to the Coalition's efforts and related to the LOCC's efforts to obtain COVID-19 relief for the City.

### **BACKGROUND:**

At its May 26, 2020 meeting, Mayor Ray Russom requested, and the Council concurred, to direct staff to look into joining the LOCC Coalition for Local Recovery due to the COVID-19 pandemic and to bring the item back to Council for consideration and authorization.

On March 27, 2020 the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law providing over \$2 trillion in economic relief and assistance to cities, states, tribal communities, companies and individuals and on May 15, 2020, the U.S. House of Representatives passed the Health and Economic Recovery Omnibus Emergency

**CITY COUNCIL**

**CONSIDERATION OF AUTHORIZATION FOR MAYOR AND ACTING CITY  
MANAGER/ACTING DEPUTY CITY MANAGER TO SUPPORT LEAGUE OF  
CALIFORNIA CITIES COVID-19 RECOVERY EFFORTS**

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Solutions (HEROES) Act which would provide direct and flexible federal assistance for all California cities to protect local jobs and core services. LOCC Executive Director Carolyn Coleman sent a letter to House Speaker Nancy Pelosi and House Minority Leader Kevin McCarthy in support of the \$1 trillion in dedicated and flexible funding for states and local governments, and specifically supporting the \$375 billion included in the bill for local governments. Other California organizations, businesses, and workers have joined with the Governor and State legislative leaders in seeking federal relief. The CARES and HEROES Acts are a starting point in the negotiations for a 4<sup>th</sup> stimulus bill. As the legislation now shifts to the Senate, LOCC will continue to make a strong case for the funding cities will need to maintain critical core services and rebound from the recession.

On the Senate side, U.S. Senators Bob Menendez (D-NJ) and Bill Cassidy, M.D. (R-LA) formally introduced the bipartisan State and Municipal Assistance for Recovery and Transition (SMART) Act. This legislation aims to deliver critical, federal relief and funding to cities, towns, and villages on the frontlines of America's response to and recovery from COVID-19 by establishing a \$500 billion fund to help local governments address the impact of COVID-19.

**ANALYSIS OF ISSUES:**

Cities throughout California and the nation are facing severe revenue shortfalls as a result of the COVID-19 pandemic. Revenue shortfalls may impact core city services, and for many cities, it already has. According to the LOCC website, cities face a \$7 billion revenue shortfall over the next two years due to the pandemic and response. An LOCC data analysis shows that this shortfall grows by billions of dollars as modified stay-at-home orders extend into the summer months. For many cities, this means fewer firefighters and police officers to answer emergency calls, delayed repairs to streets and roads, reduced garbage pickup frequency, and limited hours of operation for parks and senior centers. With drastically reduced revenues, many cities will no longer be able to fund programs that support businesses and local economic development projects.

The LOCC is organizing a coalition to effectively lobby officials at the federal and state level over the next couple of months to ensure local governments receive much-needed recovery funds. As part of the Coalition's campaign, the LOCC is currently encouraging cities to send a letter to the Governor with information regarding the needs of cities for relief in response to COVID-19. A sample letter of what is currently proposed is provided as Attachment 2.

The Support Local Recovery Coalition goals include:

- State Government: Secure \$7 billion in direct and flexible funding to support critical local services and secure CARES Act funding for all cities for COVID-19-related expenditures.

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- Federal Government: Secure \$500 billion in direct and flexible funding for all cities nationwide to support critical local services.

As reflected in the estimates, there is a significant amount of money at stake for our City in the bills being contemplated by Congress. Once a package is approved by Congress, it appears the Governor will allocate funds to California cities, including Arroyo Grande.

Staff is recommending that the City Council authorize the City to join the Coalition and authorize the Mayor, Acting City Manager, and Acting Deputy City Manager to sign any letters of support related to the Coalition's efforts. Because the LOCC's efforts to obtain relief for California cities may extend beyond the Coalition and may require swift action by the City to lend its support for those efforts, staff is also recommending that the City Council authorize the Mayor, Acting City Manager, and Acting Deputy City Manager to sign other letters of support for the LOCC's efforts to seek COVID-19 relief for the City.

**ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Adopt a Resolution to authorize the City to join the Coalition and authorize the Mayor, Acting City Manager, and Acting Deputy City Manager to sign any letters of support related to the Coalition's efforts and related to the LOCC's efforts to obtain COVID-19 relief for the City; or
2. Do not authorize joining the Coalition; or
3. Do not authorize the Mayor, Acting City Manager, or Acting Deputy City Manager to sign letters of support related to the Coalition's efforts and/or letters of support for other LOCC efforts to obtain COVID-19 relief for the City; or
4. Provide other direction to staff.

**ADVANTAGES:**

Joining the Coalition and authorizing the Mayor, Acting City Manager, and Acting Deputy City Manager to sign letters of support for the Coalition's efforts and the LOCC's efforts to obtain COVID-19 relief for the City will improve the likelihood of the City receiving funding to support the City's recovery efforts.

**DISADVANTAGES:**

No disadvantages have been identified.

**ENVIRONMENTAL REVIEW:**

No environmental review is required for this item.

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**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Application to join the Coalition
2. Sample Letter of Support

## RESOLUTION NO.

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AUTHORIZING THE CITY TO JOIN THE COALITION TO SUPPORT LOCAL RECOVERY IN SUPPORT OF THE LEAGUE OF CALIFORNIA CITIES (LOCC) COVID-19 RECOVERY EFFORTS AND AUTHORIZING THE MAYOR, ACTING CITY MANAGER AND ACTING DEPUTY CITY MANAGER TO SIGN LETTERS OF SUPPORT RELATED TO THE COALITION'S AND LOCC'S EFFORTS**

**WHEREAS**, cities are facing severe revenue shortfalls as a result of the Coronavirus (COVID-19) pandemic; and

**WHEREAS**, without relief, every Californian will face devastating impacts to core city services they depend on; and

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

**WHEREAS**, on March 27, 2020 the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law providing over \$2 trillion in economic relief and assistance to cities, states, tribal communities, companies and individuals; and

**WHEREAS**, on May 15, 2020, the U.S. House of Representatives passed the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act which would provide direct and flexible federal assistance for all California cities to protect local jobs and core services; and

**WHEREAS**, the bipartisan State and Municipal Assistance for Recovery and Transition (SMART) Act has been introduced in the Senate; legislation which aims to deliver critical, federal relief and funding to cities, towns, and villages on the frontlines of America's response to and recovery from COVID-19 by establishing a \$500 billion fund to help local governments address the impact of COVID-19; and

**WHEREAS**, the LOCC has organized a coalition to effectively lobby officials at the federal and State levels over the next couple of months to ensure local governments receive much-needed recovery funds and is generally undertaking efforts to support COVID-19 relief to California cities; and

**WHEREAS**, the City Council desires to join the Coalition and to support LOCC's local recovery efforts.

**RESOLUTION NO.**  
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**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Arroyo Grande authorizes the City to join the Coalition to Support Local Recovery and formally supports the Coalition's goals, including:

1. Securing \$7 billion in direct and flexible State government funding to support critical local services and secure CARES Act funding for all cities for COVID-19-related expenditures.
2. Securing \$500 billion in direct and flexible federal government funding for all cities nationwide to support critical local services.

**BE IT FURTHER RESOLVED** that the City Council hereby authorizes the Mayor, the Acting City Manager and the Acting Deputy City Manager to sign any letters of support related to the Coalition's efforts and/or related to the LOCC's efforts to obtain COVID-19 relief for the City.

On a motion by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and by the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

the foregoing Resolution was passed and adopted this 9<sup>th</sup> day of June, 2020.

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CAREN RAY RUSSOM, MAYOR

ATTEST:

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KELLY WETMORE, CITY CLERK

APPROVED AS TO FORM:

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BILL ROBESON, ACTING CITY MANAGER

APPROVED AS TO CONTENT:

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TIMOTHY J. CARMEL, CITY ATTORNEY

Cities are bracing for a nearly **\$7 billion general revenue shortfall** over the next two fiscal years. All cities, regardless of size and geography, are impacted. This will mean cuts and furloughs to city staff and a reduction to core services to the public. **Together, we must fight to support local recovery. Californians depend on it.**



## Join the coalition!

Yes, I/we want to join the Support Local Recovery coalition with the League of California Cities to call on the state to secure \$7 billion in direct and flexible funding to support critical local services and CARES Act funding for all cities for COVID-19 related expenditures, and the federal government to secure \$500 billion in direct and flexible funding for all cities nationwide to support critical local services.

Please select a category:

Organization

Individual

Elected

Please complete the following information:

Organization/Company (if applicable)

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First Name

Last Name

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Title/Occupation

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Mailing Address

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City

State

Zip

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Email

Phone

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Signature

Date

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*By completing this form, you agree to be listed as a supporter in campaign materials. You will be signed up to receive email updates and can unsubscribe anytime. Note: Title and organization are for identification purposes only.*

Please email this completed form to: [supportlocalrecovery@cacities.org](mailto:supportlocalrecovery@cacities.org)

For more information, please call Bismarck Obando at (916) 607-0873 or email [supportlocalrecovery@cacities.org](mailto:supportlocalrecovery@cacities.org).



\*\*\*City Letterhead\*\*\*

DATE

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

Dear Governor Newsom:

The City/Town of \_\_\_\_\_ 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/Town of \_\_\_\_\_ projects that these shortfalls will impact our core city services, including [Customize: police, fire service, emergency management, and planning and housing, and a majority of the cities surveyed anticipate lay-offs or furloughs, which will further impact core city services for residents, as well as the employees.]

Since the beginning of the COVID-19 crisis, the City/Town of \_\_\_\_\_ has stepped up to protect and serve our community. [Add any city specific details here.] 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.**

City/Town of \_\_\_\_\_ has joined the Support Local Recovery coalition and we are calling on you to immediately support the following actions:

- Provide **\$7 billion in direct and flexible state funding** to support critical local services and allocate CARES Act funding for all cities for COVID-19-related expenditures.
- Advocate to secure **\$500 billion in direct and flexible funding from the federal government** for all cities nationwide to support critical local services.

The City/Town of \_\_\_\_\_ appreciates your consideration of our requests and look forward to further discussing in the coming days how together we can continue to best protect

Californians and reopen our economy. Thank you again for your leadership and partnership during these uncertain times.

Sincerely,

NAME

TITLE

City/Town of \_\_\_\_\_

cc: Your Senator  
Your Assembly Member  
Bismarck Obando, League of California Cities, [SupportLocalRecovery@cacities.org](mailto:SupportLocalRecovery@cacities.org)

DRAFT