



P.O. Box 3144
Los Altos, CA 94024
<https://citiesassociation.org>
408-766-9534

June 10, 2021

The Honorable Nancy Skinner
Chair, Senate Budget Committee
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Phillip Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Anna Caballero
Chair, Senate Budget Subcommittee #4
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Wendy Carrillo
Chair, Assembly Budget Subcommittee #4
State Capitol, Room 6026
Sacramento, CA 95814

Dear Chairs Skinner, Ting, Caballero, and Carrillo:

The Cities Association of Santa Clara County (CASCC) represents the fifteen cities of Santa Clara County, which is home to over 1.9 million Bay Area Residents. Since 1990, councilmembers from each of the cities have met to find and build consensus around ways to address regional issues. Our cities are diverse and range from populations of a few thousand to one million people.

We respectfully request a budget commitment to cities of at least \$10 billion in the 2021-2022 State Budget to help cities recover from the pandemic, bolster investment towards meaningful solutions to homelessness, improve housing affordability, and advance critical infrastructure.

The fiscal consequences of the pandemic have had real world impacts on the city services Californians depend on daily. 90 percent of California cities are currently experiencing a revenue shortfall due to the pandemic, 70 percent anticipate that this shortfall will continue into next year, and 75 percent will not, or are unsure if they can, balance their next budget without cutting services and staff.

For over a year, our cities have been on the front lines, taking action to protect residents and maintain deliver of essential services, despite the substantial unplanned expenses and revenue shortfalls caused by the pandemic. Cities have created micro loans for business; provided employees and venues for contact tracing, testing and vaccination sites; and contributed to food distribution services. Additionally, cities have experienced a loss of revenue from transient occupancy and hotel taxes. This combination of increased expenses and revenue loss has resulted in millions of dollars in city budget deficits.

While the local relief included in the American Rescue Plan will help cities continue to fight the pandemic and begin to rebuild their local economies, fiscal gaps still persist for many cities, whose revenue losses and unplanned expenditures far exceed the anticipated relief.

The state budget surplus presents a historic opportunity to invest in cities, to ensure an equitable and comprehensive recovery, and address generational crises that were exacerbated by the pandemic.

In Santa Clara County, additional state funding would act as an emergency lifeline so local governments can 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 further impede economic recovery by indefinitely cancelling capital projects.

We urge the State and Legislature to appropriate at least \$10 billion to cities, specifically:

\$2 BILLION IN DIRECT AND FLEXIBLE STATE AID. To address local budget gaps left by the American Rescue Plan Coronavirus State and Local Fiscal Recovery Fund and to prevent sustained cuts to good government jobs and jumpstart core services including the easing of municipal hiring freezes.

\$5 BILLION FOR EVIDENCE-BASED HOMELESSNESS AND HOUSING SOLUTIONS. To support cities in their efforts towards ending homelessness and increasing the construction of housing that is affordable to all Californians. This includes funds to provide housing and rent assistance, drug rehabilitation services, and landlord relief programs.

AT LEAST \$3 BILLION FOR BROADBAND INFRASTRUCTURE. To support expansion and related infrastructure upgrades in unserved and underserved communities to help cities catalyze projects statewide.

\$225 MILLION TO HELP FUND THE MANDATES TO DIVERT ORGANIC WASTE FROM LANDFILLS. To enable cities and the State stay on course to meet our ambitious goals to reduce landfill disposal.

Hon. Nancy Skinner, Phillip Ting, Anna Caballero, and Wendy Carrillo

June 10, 2021

Page 3

All levels of government have worked together to combat this pandemic. As our work together shifts to recovery for all, let us continue that strong partnership by ensuring that no community is left behind. Thank you for considering our request for assistance to protect local government operations and jobs, and to help our cities emerge from this pandemic stronger than ever.

Sincerely,



Marico Sayoc
President, CASCC
Mayor, Town of Los Gatos



Rich Constantine
Chair, Legislative Action Committee
Mayor, City of Morgan Hill

cc: Senators Wieckowski, Cortese, Becker, Laird
Assemblymembers Rivas, Kalra, Lee, Berman, Low, and Stone
Seth Miller, League of California Cities Regional Public Affairs Manager
League of California Cities, cityletters@cacities.org