THE UNITED STATES CONFERENCE OF MAYORS

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March 18, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives

The Honorable Mitch McConnell
Majority Leader
United States Senate

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives

The Honorable Charles E. Schumer
Democratic Leader
United States Senate

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

RE: $250 Billion Request for Direct Emergency Assistance to Cities

On behalf of The United States Conference of Mayors and the over 1,400 cities we represent, we write to thank you for passing the "Coronavirus Preparedness & Response Supplemental Appropriations Act" and moving forward the "Families First Coronavirus Response Act." Both of these important legislative packages - along with President Trump's National Emergency Declaration - will provide critical resources and administrative flexibilities to address the public health and economic crisis facing our nation as a result of the COVID-19 pandemic.

Cities are the front lines, immediately addressing this crisis and taking actions to protect public health and ensure public safety while continuing to provide core services to our citizens. But as you know, we are at the beginning of this pandemic, and further action must be taken to address the public health and economic impacts of this disaster.

Cities are the economic engines of the nation and home to the workers who make those engines run. The result of the growing pandemic is that most of these engines, which account for 91 percent of U.S. Gross Domestic Product and wage income, have slowed, and many have stopped. Reliable economic forecasters are reporting that the nation will experience economic contraction during 2020, with income and consumer sales down significantly in real terms. This means that cities will suffer significant revenue loss at the same time their expenditures are increasing in response to the crisis - clearly an untenable situation. It is critical that we have the fiscal capacity to respond to the crisis now and preserve the integrity of our cities as a foundation for future recovery.

As the spread of COVID-19 continues and demand for our services increases, cities will also experience significant declines in revenues in areas such as tourism and visitor-related hotel and lodging taxes; sales, use and general excise taxes; personal and corporate income taxes; and revenue from utility enterprise accounts, among others. Cities could be hit with additional pension liabilities due to market volatility while, at the same time, having to shoulder the cost of responding to the crisis. Lost revenue from economic contraction will put pressure on the ability to deliver basic services - including police, fire, water, and sewer - or aid business sectors that serve as the foundation of our metro economies.

Without significant federal assistance, we soon will be faced with having to make decisions that could include laying off employees, cutting budgets, and reducing or eliminating critically needed services.

The White House has stated that its "All of America" approach will be "locally executed" and "federally supported." **To that end, we respectfully request that $250 billion in flexible, emergency fiscal assistance be allocated directly to cities by formula as quickly as possible**. This will empower the nation's mayors to immediately take the bold actions necessary to protect the American public from both the pandemic and the subsequent economic fallout.

Direct fiscal assistance to cities will ensure that mayors can continue to provide vital public services (including public safety, water, sewer, solid waste, and municipal electricity) and that local governments are not forced to make cuts that further exacerbate the economic impact of this crisis. This funding will support those most critically impacted by the crisis - financially vulnerable residents, small businesses on the margins, and community-based organizations - and will protect public health, human services and the economy in this extraordinary time. Examples of how this funding would be used include:

- Covering all additional necessary costs incurred by cities, including overtime, sick time, other employee compensation, telecommuting equipment, collections forgiveness, default from other industries on payment obligations, gutted sales tax distributions, and other impacts yet to be fully known or understood;
- Supporting personnel costs for increased infectious disease capacity within public health departments, including public health nurses and hourly workers;
- Procuring personal protective equipment (PPE) such as devices for respiratory protection, disposable gowns, gloves, and eye protection;
- Funding dedicated to COVID-19 response units to decrease potential exposure of local personnel to COVID-19 and to decrease the burn rate of PPE;
- Establishing a moratorium on evictions or, at the least, funding eviction prevention;
- Provision of rental assistance for affordable housing and current workers;
- Offering direct cash assistance to small businesses;
- Preventing housing instability and homelessness for at-risk residents at a time when shelter-in-place orders are in effect;
- Addressing food insecurity;
- Removing restrictions on the use and documentation requirements for Emergency Shelter Grants and HPRP;
- Providing tax relief for workers and debt relief for all with mortgages, student loans, and small business loans;
- Providing funding to transit systems to cover lost farebox revenues and to our nation's airports, which are the backbone of our aviation and tourism industry;
- Covering payroll for school administrators and staff during closures, and compensating public universities for refunded fees and other expenses incurred;
- Providing support to child care operations which have been negatively impacted during this time and which fill a critical need in the economy;
- Providing substance abuse and mental health resource support services;
- Funding local workforce development boards to immediately assist job seekers and quickly connect them with reemployment;
- Providing funding to schools and libraries to assist residents without in-home broadband to file for unemployment insurance benefits and complete homework;
- Supporting the local arts, recreation and sports, and tourism sectors, including museums, local arts and sports organizations, and venues, to keep them operational; and
- Many other critical activities.

As part of our $250 billion supplemental request, we also urge Congress and the Administration to provide the flexible, dynamic, direct financial assistance needed through existing funding mechanisms, including:

- HUD Community Development Block Grant (CDBG) Program with Enhanced Flexibility;
- HUD Community Development Block Grant - Disaster Relief (CDBG-DR);
- HHS CDC Public Health Emergency Preparedness Grants (DIRECT ALLOCATION TO CITIES);
- HHS Community Services Block Grant (CSBG);
- HUD Continuum of Care (CoC), Section 8, Public Housing, HOPWA, and Emergency Shelter Grant (ESG) Programs;
- SBA Economic Injury Disaster Loans at ZERO INTEREST for the borrower and forgivable if the employer retains its employees;
- State Opioid Response Grants;
- Child Care and Development Block Grant (CCDBG), Head Start and Early Head Start; and
- EPA State Revolving Fund Loan Programs for Clean Water and Drinking Water.

Mayors will use newly appropriated funds to prevent further economic losses and provide security for our residents who lose jobs or wages and those who lack access to sick leave, stable shelter, or affordable childcare. We must ensure that no American is put in a situation in which they cannot afford their rent or mortgage, medication, food or other basic necessities because of a lapse in wages due to COVID-19.

How governments at all levels respond to a viral health threat never before encountered in modern history will determine the severity of its damage to American lives and livelihoods. The nation's leaders at all levels must do all in their power to protect the health of all people and restore the economic vitality on which they all depend. At this point in our battle with COVID-19, we rely on your leadership to help equip city leaders with the weapons we must have to defeat the deadly threat we face.

Thank you for your leadership during this time of national crisis, and please feel free to reach out to our CEO and Executive Director Tom Cochran at 202-744-9110 / tcochran@usmayors.org or Chief of Staff Ed Somers at 202-744-9223 / esomers@usmayors.org to discuss this priority request.

Sincerely,

Bryan K. Barnett
Mayor of Rochester Hills, MI
President

Greg Fischer
Mayor of Louisville, KY
Vice President

Nan Whaley
Mayor of Dayton, OH
Second Vice President

Steve Benjamin
Mayor of Columbia, SC
Past President

Elizabeth B. Kautz
Mayor of Burnsville, MN
Past President

Tom Cochran
CEO and Executive Director

cc: All Members of the United States House of Representatives and the United States Senate