

City of Palo Alto

Office of the Mayor and City Council

April 9, 2020

The Honorable Gavin Newsom
State Capital, Room 1173
Sacramento, CA 95814

The Honorable Jerry Hill
State Capital, Room 5035
Sacramento, CA 95814

The Honorable Marc Berman
State Capital, Room 6011
Sacramento, CA 95814

Re: COVID-19 Response: Request for local assistance

Dear Governor Newsom, Senator Hill, and Assembly Member Berman,

On behalf of the Palo Alto City Council, I would like to thank the three of you and your respective staff for your strong leadership, tireless work, and focus on statewide mitigation and recovery during this time of unprecedented vulnerability. We appreciate your open communication in keeping our residents and businesses informed while directing them to relief resources. As the Administration and Legislature contemplate the long-term recovery from COVID-19, I would like to extend our support and partnership.

As the Mayor of Palo Alto, I write to respectfully request the following for inclusion in the 2020 budget or through legislative relief, especially through the lens of COVID-19's impact on our City and the surrounding region and through our mutual commitment to moving California forward towards recovery.

Direct allocation to cities from California's portion of the Phase 3 Coronavirus Relief Fund

Funding is desperately needed to help our local economy, backfill the massive loss in sales tax, and fulfill various other local needs. As part of the CARES Act (S.3548) signed into law on March 27, 2020, a Coronavirus Relief Fund was established to provide state and local government assistance for those local governments with a population exceeding 500,000. Unfortunately, our population does not meet that mark, yet we are still expected to respond to the pandemic while maintaining city services, assisting residents and businesses, and providing for our workforce.

We respectfully request a direct allocation from the Coronavirus Relief Fund sent to the State of California. It is critical that we receive some financial support to sustain our workforce and services, assist our businesses, and support our local economy. One suggestion would be to mirror formulaic funding such as SB 2 funds or CDBG funds.

Funding to backfill the loss of local sales tax, local Transit Occupancy Tax, and other local funding sources

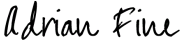
Many cities up and down the state are reeling due to the complete shutdown of non-essential businesses, which means a steep reduction in sales tax, Transit Occupancy Tax, and other local revenue sources. [As noted by the League of California Cities](#), these resources pay for the firefighters, police officers, code enforcement officers, and others who are working around the clock to protect us all during this pandemic. We therefore request funding from the State to help backfill these significant losses, and urge you to move forward on any legislative efforts needed to ensure cities receive reimbursement from the delay or loss of sales tax payment deferrals for businesses.

Extend the deadline and grant agreements for current State-funded City CIP projects

Due to the shelter-in-place order at both the State and County levels, a number of the City's Capital Improvement Projects are now temporarily suspended, except for those deemed Essential Public Works projects. This means we have grant funds at stake which require extensions from a number of State agencies into 2021 for all construction projects deemed non-essential.

Thank you again for your consideration of these elements in the State's response to COVID-19. We look forward to serving as a resource for suggestions on specific funding allocations so we can continue to properly combat the effects of this pandemic.

Sincerely,

DocuSigned by:

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Adrian Fine
Mayor
City of Palo Alto

Cc:
Palo Alto City Council
Ed Shikada, Palo Alto City Manager