

City of Palo Alto

Office of the Mayor and City Council

June 3, 2020

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

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

Re: Increased CARES Act allocation for cities in the May Revision

Dear Senator Hill and Assemblyman Berman:

On behalf of the City of Palo Alto, I thank you for your efforts to protect and support Californians during this unprecedented public health crisis. As you are each aware, since the beginning of the COVID-19 outbreak, cities have been coordinating across jurisdictional lines, enacting emergency measures to slow the spread of the pandemic, taking action to protect individuals and businesses, and in doing so, incurring significant unplanned expenses.

We in Palo Alto appreciate the May Revision's allocation of \$450 million of the state's CARES Act funding to cover COVID-19-related costs incurred by cities. However, under the current formula our city will only receive about \$700,590. This is not nearly enough to provide adequate levels of personal protective equipment to front line workers, to disinfect and sanitize facilities, or to take other needed public health actions to begin the process of reopening.

We therefore respectfully ask for an increase in the state's CARES Act funding allocation to cities of \$50 million, for a total of \$500 million. Under such a formula, Palo Alto could expect an increase of about \$152,000. This funding will help our city recover faster and help us reopen our community without furthering city revenue shortfalls and threatening core city services.

It is important to note that CARES Act funding is only for COVID-19-related expenses. Our city still needs direct state and federal funding to address the devastating impact stay-at-home orders have had on our budget and local economy. In total, cities around the state are facing a nearly \$7 billion revenue shortfall over the next two years, and this shortfall grows by billions of dollars as modified stay-at-home orders extend into the summer months and beyond.

I appreciate your consideration of our budget request; thank you again for your leadership and partnership during these uncertain times.

Sincerely,

DocuSigned by:

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Adrian Fine
Mayor, City of Palo Alto

Cc: Governor Gavin Newsom
Palo Alto City Council
Ed Shikada, Palo Alto City Manager
Seth Miller and Meg Desmond, League of California Cities