

## CITY OF FORT BRAGG

Incorporated August 5, 1889

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March 8, 2021

The Honorable Dianne Feinstein U.S. Senate 331 Hart Senate Office Building Washington, D.C. 20510

The Honorable Alex Padilla U.S. Senate B03 Russell Senate Office Building Washington, D.C. 20510

## **RE: Support for Federal Relief Package for Cities**

Dear Senators Feinstein and Padilla:

The City of Fort Bragg writes today to offer our strong endorsement of the budget reconciliation language providing \$350 billion in direct and flexible aid for our states, cities, counties, tribes, and territories. We encourage the U.S. Senate to swiftly pass this urgently needed aid and distribute it to cities immediately.

Our country's economic crisis from the pandemic is not over, and our cities are still waiting to receive meaningful levels of federal aid. By separating, and ultimately dropping, state and local aid from the omnibus appropriations and emergency spending bill in December, Congress has injected significant uncertainty into the capability of local governments to carry out their operations, just as a third wave of COVID-19 infections threatened to spread uncontrollably.

Based on the most recently available fiscal data and updated survey results from the National League of Cities, municipal governments nationwide are facing a \$90 billion shortfall to their current year revenues.

For nearly a year, California cities have been on the front lines taking action to protect their residents and maintain the delivery of essential city services, despite the substantial unplanned expenses and revenue shortfalls caused by the pandemic. Cities The Honorable Dianne Feinstein The Honorable Alex Padilla March 8, 2021 Page 2

are managing resources to support the efforts of first responders, coordinating regionally with other leaders across jurisdictional lines, enacting difficult and fiscally challenging emergency measures to slow the coronavirus epidemic, passing ordinances to limit the worst economic outcomes for residents and small businesses on the margins, and spending as necessary to protect public health and the economy in this extraordinary time.

The City of Fort Bragg's COVID-19 response included:

- 1. Transient Occupancy Tax (TOT) filings and payment forbearance from March through June 2020.
- 2. Waiving all Penalties and interest on unpaid water and wastewater bills from March through June 2020. Moratorium on utility shut-offs for non-payment.
- 3. An eviction moratorium for residential and commercial tenants.
- 4. Landlord Assistance Fund for no-interest loans.
- 5. Three-month CDBG Business loan forbearances.
- 6. Temporary Zoning waiver program at no charge, allowing businesses to adapt in ways that comply with the SIP order and enable them to operate.
- 7. Advocated for access to Paycheck Protection program and Economic Injury Disaster Loans for local businesses.
- 8. Created <u>Smallbiz@fortbragg.com</u> to keep businesses informed and to promote local businesses.
- 9. Created FortBragg2Go to promote takeout and delivery from local restaurants.
- 10. Transitioned destination marketing campaign to focus on local businesses and restaurants.
- 11. Converted a HOME grant into tenant-based rental assistance program.
- 12. Developed a local mask campaign featuring Paul Bunyan, which is the namesake of a 75+ year local timber industry festival held on Labor Day weekend.
- 13. Translated all COVID-19 outreach materials and communications into Spanish. The City's Latinx community makes up 34% of the population.
- 14. Assistance with organizing and staffing local COVID-19 surveillance testing and vaccination clinics.

At the same time, the still urgent, unmet need for federal aid has struck at the heart of local capacity to both carry out emergency response and participate in economic recovery. Without support, cities have been forced to cut budgets, services, and jobs.

The City of Fort Bragg approved a COVID-19 Budget Reduction Plan in late April 2020, which was implemented in early May 2020. The Plan targeted a \$1.4 million annual reduction in General Fund expenditures or a 14% decrease in spending. The Plan included lay-offs, furloughs and freezing of both full-time and part-time positions. Overall, staffing levels were reduced by 18%, a significant impact to a small government with 57 full-time-equivalents (FTEs) prior to the pandemic. The City has been able to return the furloughed positions to full-time but still remains at 11% lower staffing than

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pre-pandemic. Even with the proactive reductions to spending, Fort Bragg's General Fund operated at a \$450k deficit for FY 2019-20 and saw a 14% reduction in Fund Balance.

Without additional emergency funding in appropriate, fair, and equitable allocations for all cities, counties, and states, a preventable setback to response, recovery, and vaccination distribution, will be unavoidable. We urge you to maintain the following provisions in the reconciliation bill to reverse the fiscal shortfalls resulting from the pandemic:

- Emergency funding should be fair and appropriate for each and every local government, with no minimum population threshold for eligibility.
- Aid should be directly allocated through familiar and proven government revenue sharing programs.
- Entanglement of state and local funding should be minimized.

To be clear, our cities are not asking for a "bail-out" of local governments. Rather, we are seeking an emergency lifeline so local governments can delay and ultimately 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 indefinitely cancelling capital projects that will further impact economic recovery.

Ultimately, we are seeking emergency federal assistance that will ensure local leaders are part of the solution to our country's economic recovery.

We appreciate the thoughtful work of the U.S. House of Representatives so communities of all sizes can receive the help they need. As the Senate considers this legislation we ask that you maintain the \$350 billion fund that will get aid quickly to all corners of the country including your constituents.

Sincerely,

Bernie Norvell Mayor

Jessica Morsell-Haye Vice Mayor

Teresa K. Albin-Smith Councilmember Lindy Peters Councilmember Marcia Rafanan Councilmember

cc: Sara Sanders, Regional Public Affairs Manager, League of California Cities, sanders@cacities.org League of California Cities, <u>SupportLocalRecovery@cacities.org</u>