



ERIC GARCETTI
MAYOR

July 22, 2020

Dear Los Angeles Congressional Delegation:

From the moment COVID-19 reached our country, Los Angeles, and many other cities and counties, have not hesitated to pour every available resource into stopping the spread of this virus, saving lives, and protecting our residents' health and economic security. But with a pandemic unprecedented in scope and breadth, with a disease infecting people across municipal boundaries, and with this massive economic blow taking a direct and dramatic hit to our budget revenues and bottom lines — local governments simply cannot lead the response and plan for the recovery on our own.

We need federal action and partnership to ramp up testing and contact tracing; invest in our healthcare system; support workers, small businesses, tenants, and landlords; and lift up communities of color that were already struggling before this outbreak — and are now hit hardest by this crisis.

We know what's possible when Congress steps up to the plate with bold measures to support the American people in this moment. With your leadership, the landmark CARES Act made a massive difference in the lives of our families and households. While no bill is perfect, the CARES Act went a long way in giving employers, employees, and renters ample resources to stay afloat. And in the City of Los Angeles, we are putting those Coronavirus Relief Fund dollars to work with a \$100 million rental assistance program — the largest of its kind in the country — giving 50,000 households a critical lifeline to cover their rent and bills.

Even after four rounds of stimulus packages, there can be no doubt that more federal assistance is needed, and needed now. The virus is still raging in Los Angeles, growing in California, and surging in 41 states. And the political realities and calendar mean that this is likely the last chance for Congress to act this year.

So I am writing to you today to outline our City's requests for the next Coronavirus Relief Package currently under negotiation, to ensure Angelenos and people nationwide have what's required to scale up our immediate response, rebuild and recover in the months ahead, and reimagine our future. And top priority must be placed on addressing the structural racism laid bare by the devastation seen among the Black and Latino Americans in the face of COVID-19.

Pandemics are historic game changers, and this one will be no different. Our city, country, and planet will look different once a vaccine and treatment are available, and this chapter comes to a close. With each bill passed by Congress to help us defeat this virus, we can take vital steps forward on the path to a healthier, more sustainable, more equitable and fair America for ourselves, our children and grandchildren.

Below is the list of the top ten requests from the City that Congress must address in the next Coronavirus Relief Package:

Direct Local Emergency Fiscal Relief: Congress should appropriate \$1 trillion in direct emergency fiscal relief to state and local government, with \$250 billion in direct assistance to cities — especially those with populations under 500,000 — to cover lost revenue, support COVID-19 retrofitting of municipal buildings, and tackle other critical needs to fight the effects of this pandemic.

The importance of this issue is why I was an original sponsor of a bipartisan U.S. Conference of Mayors Resolution in support of state and local funding, which committed to guardrails around the funding and encouraged Congress to find a path forward on limited liability.

Direct Funding to Cities for Testing & 100% FEMA Match: The City is spending roughly \$2 million per day to support its testing program. The City has spent more than \$100 million on testing to date, but received no funds specifically under the CARES Act because it does not have a Department of Public Health. We need a replenishable direct funding program for testing and contact tracing through FEMA or HHS. This could

be achieved through Congress directing FEMA to eliminate the local cost share and expediting reimbursement specifically for testing on a quarterly basis. Further, direct testing funds should be eligible for hiring local Angelenos most at economic risk. This would also free up local dollars to address other important issues.

The City needs \$10 million in direct funding from the HHS Family Violence Prevention and Services Program as well to continue our domestic violence shelter program which could run out of funding by the end of July.

Direct Stimulus: Congress should include the *Monthly Economic Crisis Support Act* (S. 3784), introduced by Senators Harris (D-CA), Sanders (I-VT), and Markey (D-MA), which would get money to those hardest hit by this pandemic. The bill would provide \$2,000 per person each month until three months after the public health emergency ends. The immigrant community must also be eligible to receive this funding.

Last month, I was a proud founding member of Mayors for Guaranteed Income which supports the concept of universal basic income.

Extend Unemployment Insurance: With more than 33 million Americans receiving unemployment benefits, the *American Workforce Rescue Act* (S.4143), introduced by Minority Leader Schumer (D-NY) and Senator Wyden (D-OR), would extend the \$600 increase in weekly unemployment benefits beyond July 31, 2020, until a state's three-month average total unemployment rate falls below 11%. Additionally, Rep. Chu and Rep. Schiff's *Mixed Earner Unemployment Assistance Act* is needed to help our creative arts community in Los Angeles and around the country. Last, bipartisan solutions on workforce retention credits will be critical for the economy recovery. The federal government should be backing programs like this that invest in the Main Street economy and not making policy to just bolster the stock market.

Housing/Homelessness: To prevent another housing crisis, Congress should include Rep. Maxine Waters' (D-CA) H.R. 7301, the *Emergency Housing Protections and Relief Act*, which would provide \$100 billion for an emergency rental assistance fund, \$75 billion for a homeowners assistance fund, and \$18 billion for homelessness. This step will help prevent mass evictions and keep people in housing through robust eviction and foreclosure moratoria. Congress should also encourage HUD to distribute the \$2 billion in CARES Act CDBG funding it is sitting on.

Tens of thousands of Americans are struggling to make rent right now. Without bold action from Congress, cities across the United States will face an unprecedented surge of evictions. We cannot allow this pandemic to expand the homelessness and housing instability crisis.

Child Care: When the economy is able to fully reopen, we will need a robust childcare system to support working parents and families. We can do this by passing Senator Patty Murray (D-WA) and Rep. Rosa DeLauro's (D-CT) *Childcare Is Essential Act* (S. 3874/H.R. 7024) and Rep. Nita Lowey's (D-NY) *Child Care for Economic Recovery Act* (H.R. 7327). Recent estimates from the National Women's Law Center show that it would take at least \$9.6 billion per month to keep current child care providers in business.

CARES Corps/Contact Tracing: Congress should enact Senator Coons' (D-DE) *Pandemic Response and Opportunity Through National Service Act* (S. 3624). This bill would create 300,000 volunteer positions to serve as the basis for a contact tracing "army" around the country. This AmeriCorps expansion should also emphasize local hire when possible, a concept championed by Rep. Karen Bass (D-CA) and Senator Kirsten Gillibrand (D-NY). I was the original sponsor of a U.S. Conference of Mayors resolution in support of this legislation.

Small Business: Congress should set new guidelines to spend the remaining \$130 billion left in the Paycheck Protection Program, with updated transparency mechanisms and a set-aside for minority-owned businesses. In addition, Congress should enact the bipartisan *RESTAURANT Act* to provide \$120 billion to restaurants led by Senator Wicker (R-MS) and Rep. Earl Blumenauer (D-OR). Last, Congress should include the *RELIEF for Main Street Act* (S.3742) from Senator Cory Booker (D-NJ) to help small businesses and the nonprofit sector that is in desperate need of funding. Our non-profit arts community has been especially hard hit, as we've seen historic cultural institutions like the L.A. Philharmonic shut down for the first time in 90 years this summer.

Meals: Congress should include Rep. Jimmy Panetta's H.R. 6688 *Supplemental Nutrition Assistance Program (SNAP) COVID-19 Anti-Hunger Restaurant Relief for You (CARRY) Act of 2020*, which would expand the Restaurant Meals Program (RMP) and therefore help feed millions of out-of-work Americans and assist restaurants who have struggled with dramatically reduced revenues as a result of the COVID-19 pandemic.

Economic Justice Act: While we are seeking to combat the coronavirus, we must utilize this opportunity to begin to lay the groundwork for restorative economic justice for the Black Americans and communities of color who have disproportionately shouldered the human and financial costs of this pandemic. Congress should enact the Senate Democrats' *Economic Justice Act* proposal, which would begin this process through \$350 billion in funding to minority communities through child care, job training, infrastructure, homeowner down payment tax credit and more.

In addition to these requests from the City, I wanted to highlight the top asks from our proprietary agencies and departments who are the bones and lifeblood of what make our city and region work:

L.A. Metro: Due to the loss of up to \$1.9 billion in sales tax, fares, and other revenue, L.A. Metro needs additional funding to maintain operations, maintenance, and capital projects.

LAX: With passenger traffic still down about 80% from pre-COVID levels, we need to ensure that LAX can meet its debt obligations, operations, and COVID-19 retrofitting with at least \$330 million in additional funding.

LAUSD: Our local school district needs \$40 million in funding to reimburse the uncovered expenses of feeding families for four months of school closures and at least \$250 million to cover essential supplies, technology, and facility adjustments to safely offer in person instruction.

LADWP: Due to the significant reduction in electricity use and moratoria on electric and water shut off for nonpayment of bills, the agency needs funding to stand up a utility relief fund for customers hardest hit by this economic crisis and relief for load shortages in order to ensure its operations, maintenance, and capital projects move forward.

Department of Cultural Affairs: Given the devastating impact on Los Angeles' dynamic creative workforce, including a combined revenue loss of \$1 billion since March, the Department of Cultural Affairs requests \$20 million to stabilize the nonprofit arts and cultural sector. As an economic multiplier, this sector generates more than 68,000 local jobs, and will be essential to accelerating regional recovery efforts.

LADOT: Due to a 30 percent reduction in sales tax and fare revenues, the Department of Transportation is facing a shortfall of \$30.6 million. Transit is an essential service

allowing both essential workers to get to their jobs, and it provides essential trips to those most in need.

Port of Los Angeles: Both the trade war and the pandemic will drive a significant decline in container volume in 2020. The decline in volumes could jeopardize up to \$40 million in lease obligations to the Port, highlighting the need for relief to fortify marine terminal operators against damaging revenue losses. To date, the Port has spent \$1.3 million on COVID-19 response for operations and to protect essential workers and its tenants are spending up to \$350,000 in additional costs per week. The Port of Los Angeles is an economic driver for our city, region, and nation, and it seeks to bolster the country's recovery by supporting job creation and preservation efforts through investing in the development of a maritime workforce training center.

There is no more important time for close cooperation and coordination between our federal and local governments. Our people's lives and livelihoods depend on it.

I look forward to collaborating with you on these requests as we continue our response to this crisis and rebuild our economy and society through this pandemic and beyond.

Sincerely,



ERIC GARCETTI
Mayor
City of Los Angeles

Enclosed:

US Conference of Mayors Resolution on State and Local Funding
US Conference of Mayors Resolution on Pandemic Response & Opportunity Service Act

CC:

The Honorable Nancy Pelosi, Speaker of the House
The Honorable Mitch McConnell, Majority Leader of the Senate
The Honorable Kevin McCarthy, Republican Leader of the House
The Honorable Chuck Schumer, Democratic Leader of the Senate