



REPORT TO CITY COUNCIL

Approved by:

Arnoldo Rodriguez
Arnoldo Rodriguez, City Manager

Council Meeting of: May 6, 2020

Agenda Number: B-6

SUBJECT:

Consideration of a Minute Order Acceptance of the submittal of support letter for H.R. 6467, the Coronavirus Community Relief Act

RECOMMENDATION:

Staff recommends the City Council approve Minute Order Approving:

1. Support H.R. 6467 and authorize signature by the Mayor in the support letter for H.R. 6467, the Coronavirus Community Relief Act.

SUMMARY:

The purpose of the support letter for H.R. 6467 stems for the need to have direct aid from the federal government to local governments with a population of less than 500,000 as they face unprecedented challenges related to the global COVID-19 pandemic.

DISCUSSION:

Congress passed the CARES Act, which provides financial assistance to meet the immediate needs of individuals and small businesses, as well as direct aid to states and local governments with a population greater than 500,000 to help offset costs directly related to the pandemic. Given this population threshold, only four of California's 482 cities will receive this much needed aid. H.R. 6467 creates a path for the other 99.2 percent of the California cities that were shut out of the CARES Act to receive direct federal aid.

FINANCIAL IMPACT:

If passed, H.R. 6467 may provide substantial relief to City of Madera, as the threshold of less than 500,000 population would be met. H.R. 6467 is being proposed at \$250 billion in direct aid. If bill was approved, specific amount designated for City of Madera is yet unknown.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

The information contained herein is not addressed by the Vision Madera 2025 plan, nor is the information in conflict with that plan.

ALTERNATIVES:

As an alternative, the Council may elect to reject submittal of support letter for H.R. 6467. Rejection of the support letter will result in staff's inability to advocate for needed funding to address COVID-19 related challenges for local governments with a population of less than 500,000.

ATTACHMENTS:

1. Support Letter for H.R. 6467



May 6, 2020

The Honorable Jim Costa
United States House of Representatives
855 M. Street, Suite 940
Fresno, CA 93721

Dear Representative Costa:

On behalf of the City Council of the City of Madera and as a member of the League of California Cities, I am writing to express support of H.R. 6467, the Coronavirus Community Relief Act and to urge you to cosponsor this bill. H.R. 6467 provides \$250 billion in direct aid from the federal government to local governments with a population of less than 500,000 as they face mounting challenges related to the global COVID-19 pandemic.

The scale of this global crisis is unprecedented, and so is the scope of the local government response. California cities of all sizes are coordinating across jurisdictional lines, enacting emergency measures to slow the spread of the coronavirus pandemic, taking action to protect individuals and small businesses on the economic margins, while spending such sums as necessary to protect public health.

City of Madera applauds Congress on the passage of the CARES Act, which provides financial assistance to meet the immediate needs of individuals and small businesses, as well as \$150 billion in direct aid to states and local governments with a population greater than 500,000 to help offset the news costs directly related to the pandemic. However, given the population threshold, only four of California's 482 cities will receive this much needed aid. H.R. 6467 creates a path for the other 99.2 percent of the California cities that were shut out of the CARES Act to receive direct federal aid.

The Coronavirus Community Relief Act also addresses some other gaps not covered by the CARES Act. The proposed bill allows units of local government to use allocated funds to cover losses. Section 601 of the CARES Act restricts use of funds to cover "necessary expenditures." Cities, towns, and villages will need federal assistance to persevere through the hardship resulting from rising costs and decreasing tax revenue and fees due to COVID-19. This change from the CARES

Act will help local communities deal with revenue shortfalls that will happen as a result of the COVID-19 crisis.

The Coronavirus Community Relief Act also provides the necessary flexibility on how allocated funds can be used. If one city needs more funds than it is allocated, while another city does not need all its allocated funds, these resources can be reallocated among cities within a state to ensure they are put to their best use. This is a change from the CARES Act.

Finally, the Coronavirus Community Relief Act changes the rule regarding when a city, town, or village must certify in order to receive funds. Instead of placing a burdensome "shot clock" by which cities, towns, and villages must apply, this legislation allows more time for an applicant to request funds. Smaller cities and towns are facing unprecedented challenges and could be facing layoffs. In this environment, a "shot clock" to apply puts unneeded pressure on smaller communities in crisis.

California's local leaders are, and will continue to be for some time, on the frontlines of responding to the coronavirus outbreak in their communities and doing what is necessary to ensure the health and safety of their residents.

I urge you to support and cosponsor H.R. 6467 to ensure they have the resources to maintain the essential services their residents need, especially in this moment.

To co-sponsor the bill, please contact Bo Morris in the office of Rep. Joe Neguse at Bo.Morris@mail.house.gov.

Sincerely,

Andrew J. Medellin
Mayor
City of Madera

Cc: Rajveer Rakkar, Regional Public Affairs Manager, League of California Cities, rrakkar@cacities.org
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