



Legislation Details (With Text)

File #: 2021-473 **Version:** 1 **Name:**

Type: Consent **Status:** Agenda Ready

File created: 6/7/2021 **In control:** City Council

On agenda: 6/15/2021 **Final action:**

Title: CONSIDER APPROVAL OF TAKING A POSITION OF SUPPORT AND SENDING A LETTER REQUESTING STATE OF CALIFORNIA BUDGET FUNDS BEING ALLOCATED TO CITIES (CITY COUNCIL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. League of California Cities Request Letter, 2. City of Carson Request Letter

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, June 15, 2021

Consent

SUBJECT:

CONSIDER APPROVAL OF TAKING A POSITION OF SUPPORT AND SENDING A LETTER REQUESTING STATE OF CALIFORNIA BUDGET FUNDS BEING ALLOCATED TO CITIES (CITY COUNCIL)

I. SUMMARY

This item transmits a request by the League of California Cities for all cities to approve taking a position of support and sending a letter asking the California State Legislature to allocate at least \$10 billion to the State budget for California cities including Carson. Sending this letter supports the same effort currently underway by the League of California Cities (the "League"). The Legislative Ad Hoc Subcommittee comprised of Mayor Lula Davis-Holmes and City Councilmember Cedric Hicks recommend that the City Council take a position in support and send a letter so indicating.

According to the League, while the Cares Act and the American Rescue Plan are providing California cities much needed relief, there are more resources needed to support recovery from COVID-19 in many cities. The League is asking City leaders to continue to urge California lawmakers to appropriate at least \$10 billion to help California cities recover from the pandemic, bolster investment towards meaningful solutions to homelessness, improve housing affordability, and advance critical infrastructure projects.

According to the League, nine out of 10 cities are currently experiencing a revenue shortfall due to the pandemic and 3 out of 4 cities will not, or are unsure if they can, balance their next budget without cutting services and staff. While the local relief included in the American Rescue Plan will help cities continue to fight the pandemic and begin to rebuild their local economies, fiscal gaps still persist for many cities, whose revenue losses and unplanned expenditures far exceed the anticipated relief.

Carson City staff will work with our State Legislative Advocate to monitor the outcome of this effort and determine how best to allocate any additional funding the City of Carson could potentially receive from the State of California.

The letter of support prepared by the League is included as Exhibit 1 and the City of Carson letter is included as Exhibit 2.

II. RECOMMENDATION

APPROVE taking a position of support and sending a letter asking the California State Legislature to allocate at least \$10 billion to the State budget for California cities including Carson.

III. ALTERNATIVES

TAKE another action deemed appropriate by the City Council.

IV. BACKGROUND

The state budget surplus of at least \$38 billion and the \$26 billion in COVID-19 assistance provides the California Legislature and Governor with the resources to invest in California cities, to ensure an equitable and comprehensive recovery, and address generational crises that were exacerbated by the pandemic.

The League is recommending the State appropriate at least \$10 billion to California cities as follows:

- \$2 billion in direct and flexible state aid to address local budget gaps left by the American Rescue Plan Coronavirus State and Local Fiscal Recovery Fund and to prevent sustained cuts to good government jobs and jumpstart core services including the easing of municipal hiring freezes;
- \$5 billion for evidence-based homelessness and housing solutions to support cities in their efforts towards ending homelessness and increasing the construction of housing that is affordable to all Californians. These funds would be used to expand programs

such as Homekey; Homeless Housing, Assistance and Prevention (HHAP); and Homeless Emergency Aid Program that deliver rapid rehousing, rental subsidies, and subsidies for new and existing housing and emergency shelters;

- At least \$3 billion for broadband infrastructure to support expansion and related infrastructure upgrades in unserved and underserved communities to help cities catalyze projects statewide. This will ensure an equitable recovery for Californians in rural, isolated communities, as well as urban and suburban ones; and
- \$225 million to help fund the mandates to divert organic waste from landfills to enable cities and the State stay on course to meet our ambitious goals to reduce landfill disposal, including providing local governments additional implementation flexibility.

More detailed information on how the City of Carson could use this additional funding is included in the proposed letter attached as Exhibit 2.

V. FISCAL IMPACT

This item seeks City Council approval to advocate for additional funding from the State of California for cities including the City of Carson.

Any resulting fiscal impact to the City of Carson would depend on the final decision of the California Legislature.

VI. EXHIBITS

1. League of California Cities Request Letter (pgs. 4 - 6)
2. City of Carson Request Letter (pgs. 7 - 9)

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