

# City of Palo Alto

*Office of the Mayor and City Council*

February 18, 2021

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, DC 20510

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

Re: Support for Direct Aid to Cities in the Current Stimulus Package

Dear President Biden, Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, and Leader McCarthy:

On behalf of the City of Palo Alto, I write to you to commend the newly released state and local funding formula that would directly provide our City with approximately \$11.5 million. This new funding will help our City start our path towards recovery. The replacement of lost, delayed, and decreased revenue is crucial to Palo Alto's full economic recovery and crucial to the residents of our City who are experiencing the impacts of our service reductions on their quality of life.

We are working at the municipal level to rebuild the economy and streamline our recovery process through our Community and Economic Recovery Strategy. Despite experiencing historic revenue shortfalls of 25 percent less than pre-COVID-19 levels, we continue to be on the frontlines of addressing COVID-19 while also delivering basic City services to our residents, businesses, and our own workforce. Previous federal legislation responding to COVID-19 provided important housing, homelessness, and business support, yet none allowed for the replacement of millions of lost municipal revenues to a community our size due to COVID-19.

The state and local funding formula proposed by the House Oversight and Reform Committee will provide our City with some necessary revenue to help us manage through COVID-19. In looking at future federal aid to local governments, we want to inform you of the extent of our funding shortfalls as well. In our long-range financial forecast, we anticipate a \$57 million loss in revenues from FY2021 through FY2026. In our current fiscal year, due to COVID-19, we decreased our workforce by 83 full-time and 107 part-time employees. We are looking at addressing the remaining \$17.6 million gap over the coming five-year period.

Amid managing financial loss, our County recently surpassed [100,000](#) confirmed COVID-19 cases. We are trying to ramp up our vaccinations to prevent this number from steadily increasing;


however, we face limited supplies. Our healthcare providers have had to cancel thousands of vaccine appointments, leaving our residents frustrated and concerned.

As Congress prepares its priorities for the remainder of 2021, we are urging Congress to propose an expanded formula in the next relief package to ensure cities can successfully bridge their financial gaps as the direct service providers in communities across the United States. Leaders in Washington have expressed support for fiscal aid to states and localities of all sizes, yet previous COVID relief packages have failed to adjust to our needs and thus our communities continue to suffer. More robust and direct stimulus is needed for local governments to rebuild their economy, maintain or restore essential services, and vaccinate our residents.

We are encouraged by the President's recognition of the need for the federal government to reimburse local governments for coronavirus-related expenses as indicated by his recent executive action to increase the Federal Emergency Management Agency Public Assistance cost share to 100 percent. We are eager to collaborate on new ways the federal government can help meet municipalities where they are and bridge the gap back to financial and physical health for our communities.

Local governments continue to be on the frontlines of this crisis. We implore you to prioritize the passage of expanded local funding formulas in future relief packages. We look forward to continuing to work with you to address our concerns.

Sincerely,

DocuSigned by:  
  
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Tom DuBois  
Mayor, City of Palo Alto

cc: Senator Dianne Feinstein  
Senator Alex Padilla  
Representative Anna Eshoo  
Palo Alto City Council  
Ed Shikada, Palo Alto City Manager