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**Chief Executive Officer/
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Clarence E. Anthony

November 3, 2020

The Honorable Richard Shelby
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Nita M. Lowey
Chairwoman, Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable Patrick Leahy
Vice Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Kay Granger
Ranking member, Committee on Appropriations
United States House of Representatives
Washington, DC 20515

Dear Chairman Shelby, Chairwoman Lowey, Vice Chairman Leahy, and Ranking Member Granger:

The National League of Cities (NLC) is the nation's foremost non-partisan resource and advocate for municipal governments and their leaders, representing all of America's 19,000 cities, towns and villages. For nearly a year, local governments have taken bold action to meet their duties and obligations despite substantial unanticipated expenditures and losses related to COVID-19. Although we remain grateful for emergency funding provided under the CARES Act, the fact remains that most municipalities still have not received meaningful levels of federal aid to help maintain public health and safety in the face of the pandemic. NLC's most urgent Congressional priority remains enactment of a new emergency appropriations package to address the immediate need for local budget relief by making direct emergency funding available to every city and town in need, regardless of population.

Until that well-warranted relief is provided for all cities and towns, local governments have few choices other than to reduce expenditures and employment levels to achieve a balanced budget as required by law. Local governments are both prohibited from running annual budget deficits, and preempted from fully offsetting losses with locally derived revenue by various federal and state tax and expenditure limitations. Ongoing uncertainty over additional emergency aid for states and localities is having a further destabilizing effect on local government operations. We write to urge the Appropriations Committees to turn this uncertainty around by prioritizing in FY2021 appropriations funding for programs that will most significantly aid localities in protecting residents and small businesses from avoidable harm related to COVID-19, and stopping abrupt declines in essential local government operations until a new source of emergency aid becomes available.

Taken together, the following policies and program recommendations would serve as meaningful, if temporary, intervention in COVID-19 related destabilization and decline at the local level:

Increase Funding for Block Grants to Local Governments

NLC is grateful for the broad range of supports approved by Congress thus far to protect public health and the economy, including emergency funding for programs like CDBG and Homeless Assistance Grants under the CARES Act. At the same time, that aid is running out and residents living on the economic margins are at great risk due to circumstances largely beyond their control. Block grants to local governments are a powerful tool to protect both the economy and our residents. Formula based block grants allocated directly to local governments have consistently proven to be the most efficient and effective means of quickly moving public funds to areas in need of relief, and to at-risk populations.

- **Community Development Block Grant Program (CDBG):** The Community Development Block Grant (CDBG) is ideal for funding immediate efforts to stabilize housing, neighborhoods, and economic opportunity. The CDBG Disaster Recovery program is perfectly suited for longer-term recovery efforts resulting from unanticipated natural and man-made disasters. With a few small adjustments, such as clearly authorizing expenditures to build or acquire housing, and to make payments on behalf of residents at risk of homelessness, local governments will use CDBG to immediately prevent housing instability and homelessness, provide emergency funding or credit to small-business and local NGO's, and rehabilitate or improve infrastructure critical to public health.
- **Surface Transportation Block Grant Program (STBG):** STBG provides flexible funding that may be used by states and localities for projects to preserve and improve the conditions and performance on any federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals. Although residents are being encouraged to engage in social distancing, maintaining mobility options for all our residents continues to be a paramount concern for local governments.
- **Social Services Block Grant (SSBG):** SSBG helps our nation's most vulnerable populations, who are precisely the most at-risk for the exposure and spread of coronavirus. SSBG would help local governments identify and stabilize eligible residents over the intermediate and long term.
- **Homeless Assistance Grants:** Congress should appropriate additional funding to both stop the spread of COVID-19 among the homeless population and provide the necessary housing to bring homeless residents into compliance with stay at home orders.
- **Economic Adjustment Assistance program:** Although this is not a block grant, the Economic Development Administration is well-experienced with administering adjustment assistance to industries impacted by unforeseen circumstances. These funds would be especially useful for rebuilding impacted industries, such as tourism or manufacturing supply chains.

Additional Areas of Need

- **Water:** Local governments fund 95% of all local water infrastructure needs, primarily through user fees. During this public health crisis, many local governments and water utilities have taken additional steps to ensure that all customers have access to clean and safe water, including moratoriums on water service disconnections and reconnecting delinquent accounts. The federal government should provide local governments and water utilities with funding to cover costs associated with these actions and to make payments on behalf of residents at risk of losing services due to non-payment.
- **Broadband:** The rapid shift to online-only work, education, worship, healthcare, and socializing for American communities has highlighted the crucial role of broadband access in our society, as well as the serious gaps in access that remain. Congress should increase funding to ensure that all households can access broadband at home during and after the crisis. This must include not only rural, isolated communities, but also urban and suburban communities that have been the victims of years of disinvestment and digital redlining.
- **Housing:** Without additional, flexible rental assistance funding to make good-faith payments to landlords, eviction moratoriums will end in an eviction cliff potentially large enough to cancel out the positive impact of any economic stimulus. Residents place significant trust in local governments, making them the most appropriate entity to negotiate and make good faith payments to landlords and property management companies to prevent evictions.
- **Employment:** Investment in our nation's workforce system will keep Americans and American businesses oriented toward recovery. With unprecedented numbers of Americans facing unemployment and an increased demand on our nation's workforce development system, it is imperative that a significant investment be made in the programming and services that meet the changing demands of local businesses, including adapting new trainings and programs, associated with the ongoing and long-term effects of the COVID-19 response.
- **Disaster Assistance:** Local government impacted by disasters including hurricanes, wildfires, tornadoes, and the coronavirus pandemic urgently need additional budget relief to restore their communities and economies. Additional relief is attainable under federal disaster assistance programs by adjusting the

Federal Emergency Management Agency (FEMA) cost share for all COVID-19 related Emergency and Major Disaster declarations from 75 to 100 percent, and by adjusting the FEMA cost share for all Emergencies and Major Disasters declared in calendar year 2020 to not less than 90 percent Federal and 10 percent non-Federal. Congress can also eliminate a costly uncertainty by clarifying that eligible expenditures of FEMA Public Assistance grants include procurement of personal protective equipment (PPE) and other services to prevent the spread of COVID-19 for applicants including public schools, public transit, courthouses, and local government buildings and offices.

Thank you for considering our urgent request for additional appropriations to protect residents and maintain local government operations. If NLC can be of further help to you, please contact Irma Esparza Diggs, NLC Senior Executive and Director of Federal Advocacy, at 202-626-3176 or diggs@nlc.org.

Sincerely,



Clarence E. Anthony
CEO and Executive Director
National League of Cities