



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

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June 15, 2020

Senator Holly J. Mitchell
Chair, Senate Budget and Fiscal
Review Committee
State Capitol, Room 5019
Sacramento, CA 95814

Assemblymember Phil Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

**Subject: Support for Funding for Local Government Agencies in the
Fiscal Year (FY) 2020-21 State Budget**

Dear Chair Mitchell and Chair Ting:

On behalf of the Regional Council of the Southern California Association of Governments (SCAG), the nation's largest metropolitan planning organization (MPO) representing six counties, 191 cities, and 19 million residents, I write to respectfully urge support for local government agencies in the FY 2020-21 State Budget.

SCAG is eager to provide a local and regional perspective on the tools we need to address the state's many challenges and opportunities, including responding to the Coronavirus Disease 2019 (COVID-19) and welcoming new housing to ease the state's severe shortage.

1. Increase CARES Act (P.L. 116-146) support to \$500 million total and establish a minimum of \$50,000 for all cities.

As you know, the CARES Act established the \$150 billion Coronavirus Relief Fund (CRF) to provide direct federal financial assistance to all fifty states and some units of local government with populations over 500,000 to cover the necessary expenditures incurred due to the COVID-19 pandemic. Of the \$9.5 billion that California received from the CRF, the May Revision proposes to allocate \$450 million to cities that did not receive a direct allocation.

SCAG appreciates the May Revision allocation of \$450 million of the state's CARES Act funding to cover COVID-19-related costs by cities. However, under the current formula several cities in the SCAG region would not receive an allocation that is substantial enough to provide



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adequate levels of personal protective equipment to front line workers, disinfect and sanitize public facilities, or to take other needed public health actions to begin the process of reopening.

SCAG supports the Legislature's increased CARES Act allocation to \$500 million for cities and the establishment of a floor allocation of \$50,000 per city. As the state's seventh largest city with a population of 475,000, the City of Long Beach would receive \$40.5 million to assist with COVID-19 relief efforts. The City of Eastvale, with a population of 66,000 would have its allocation increased by \$144,664 to \$811,750 and the City of Big Bear Lake, with a population of 5,500 would see its allocation increased by \$11,714 to \$67,087. In addition, the establishment of a floor allocation would greatly benefit eight cities in the SCAG region with a minimum award of \$50,000. The Legislature's leadership in this area recognizes that cities need this additional funding and that a minimum allocation ensures that CRF dollars are distributed fairly and equitably, and are a meaningful amount for all jurisdictions.

The May Revision also proposes to allocate \$1.3 billion to counties, based on population, to be used toward homelessness, public health, public safety, and other services to combat the COVID-19 pandemic. **SCAG is supportive of this proposal** as all counties would receive an award, and the minimum awards are substantial. The County of Imperial, which did not receive a direct allocation from the CRF, would receive \$18.5 million.

2. Protect Funding for the Infill Infrastructure Grant (IIG) program.

The May Revision proposes to redirect \$200 million in funding away from the IIG program. The IIG program provides grants to city and county governments to fund capital improvement projects, such as water, sewer, streets, roads, transit linkages, or sidewalks that support infill projects or infill areas. **SCAG supports the joint legislative budget plan, which protects funding for this important program.**

In AB 101 (Chapter 159, Statutes of 2019) the legislature provided a one-time allocation of \$500 million for the IIG, the first infusion of state resources for this program in many years. This grant program is a critical tool that assists cities to accommodate and welcome new housing stock, alleviating our state's critical housing shortage, while also promoting the reduction of climate warming greenhouse gases.



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Without infrastructure funding sources like the IIG, these costs get imposed on housing development in the form of development fees, further exacerbating the barrier to affordable housing development.

Currently, 32 applications from small and large jurisdictions in the SCAG region have applied for a total of \$123 million in assistance under the first round of IIG funding provided by AB 101. The joint legislative budget proposal would allow for more small and large jurisdictions to apply for future funding opportunities.

SCAG understands that tough decisions must be made in order to address an unprecedented budget deficit. We stand at the ready to assist you and your colleagues in whatever way we can. To that end, SCAG has been advocating our federal lawmakers for additional aid to U.S. States and all cities and counties to assist with response efforts to the global pandemic and to backfill lost tax revenues upon which public services rely.

In closing, I would like to take this opportunity to express my sincere gratitude for your efforts in developing a budget in the midst of such difficult and uncertain times. Thank you for your leadership during this unprecedented public health crisis. SCAG appreciates the dialogue you have always afforded and if we can provide any additional information on the requests above, please do not hesitate to contact Kevin Gilhooley, Legislation Manager, at (213) 236-1878.

Sincerely,

Rex Richardson
President