

May 28, 2020

Honorable Members of the Michigan Congressional Delegation:

Thank you for all you have done to address the COVID-19 pandemic and the related economic and fiscal crisis. Congress has been swift in passing three coronavirus relief bills and we urge you to soon pass a fourth measure that includes **direct and flexible fiscal assistance to all cities** across the nation. The budget calamity looming over local governments, **who are leading the pandemic response on the ground**, is real and it requires extraordinary measures.

We appreciate the inclusion of the Coronavirus Relief Fund in the CARES Act. We are pleased that the CARES Act's authors recognized the importance of direct fiscal assistance to states and cities. However, only cities with a population of 500,000 or more will receive direct fiscal assistance from this Fund. This language excludes every Michigan city but one. We simply do not understand the population cutoff in the CARES Act. Simply put, there is no magic force that will protect local governments under 500,000 population from revenue losses. This approach leaves hundreds of Michigan cities and millions their residents behind.

On May 12th, the House advanced the 4th COVID-19 supplemental, the "Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act," which allocates \$187.5 billion for all local governments. We are encouraged by this effort and look forward to House and Senate leadership reaching a bi-partisan agreement on this critical legislation in the days ahead. We respectfully request that the final bill incorporate **direct and flexible fiscal assistance to all cities** across the nation using the CDBG formula as the bill in its current form provides.

In addition, for cities like Detroit who will be receiving an allocation from the Coronavirus Relief Fund, Congress limited how those funds can be used. As the fourth bill is considered, we respectfully ask that you support a **correction to the Coronavirus Relief Fund that gives those cities flexibility** and allows them to fill the huge holes in their budgets. We also ask that you contact the Department of Treasury and encourage them to provide maximum flexibility in the use of these funds.

All of our cities are facing a devastating collapse in revenue. We are, at the same time, facing an exponential increase in demand for our services, especially on the public safety front, which accounts for the bulk of local government budgets. Michigan cities are major employers that provide core local government services to tens of millions of Michiganders that are critical to public health, safety, and welfare and that serve as the foundation of our economy. However, we are all mandated to balance our budgets; absent direct and flexible assistance, we will be forced to cut our workforce and reduce services, exacerbating the economic and public health crises created by this pandemic and slowing our recovery. Cuts have already taken place in many cities.

We also fear the impact that this crisis could have on the municipal bond market and our bond ratings. State and local governments account for 75% of our nation's infrastructure investment,

with most of those investments financed with municipal bonds. Absent direct and flexible assistance to local governments, the havoc this crisis wreaks on municipal budgets could dampen critical infrastructure investments for many years.

Thank you, again, for your efforts during this unprecedented time. We are confident that, working together, our nation can overcome this crisis.

Respectfully,

Mayor Gail McLeod
City of Allen Park

Mayor Derek Dobies
City of Jackson

Mayor Ken Siver
City of Southfield

Mayor Greg Mapes
City of Alma City

Mayor David Anderson
City of Kalamazoo

Mayor David A. Krueger
City of Swartz Creek

Mayor Christopher Taylor
City of Ann Arbor

Mayor Dennis Mitchell
City of Lake Angelus

Mayor Steven Rzeppa
City of Trenton

Mayor Mark A. Behnke
City of Battle Creek

Mayor Andy Schor
City of Lansing

Mayor Ethan Baker
City of Troy

Mayor Kathleen Newsham
City of Bay City

Mayor Maureen Brosnan
City of Livonia

Mayor James R. Fouts
City of Warren

Mayor Dan Terbrack
City of Berkley

Mayor Steve Miller
City of Ludington

Mayor Paul Frechette
City of West Branch

Mayor Carla J. Filkins
City of Cadillac

Mayor Stephen Gawron
City of Muskegon

Mayor William R. Wild
City of Westland

Mayor John O'Reilly Jr.
City of Dearborn

Mayor John W. Dupray
City of New Baltimore

Mayor Pro Tem Desana
City of Wyandotte

Mayor Jim Rynberg
City of Fremont

Mayor Brian Turnbull
City of Northville

Supervisor Kobylarz
Redford Township

Mayor Sheldon Neeley
City of Flint

Mayor Kurt R. Metzger
City of Pleasant Ridge

Roberto Valdez
Village of Blissfield

Mayor Susan Soderstrom
City of Grand Blanc

Mayor Oliver Wolcott
City of Plymouth

Mayor Eric Haven
Village of Clarkston

Mayor Thomas Sowle
City of Grand Ledge

Mayor Pauline Repp
City of Port Huron

President David Quick
Village of Lawrence

Mayor Rosalynn Bliss
City of Grand Rapids

Mayor Bryan K. Barnett
City of Rochester Hills

Mayor Ron LaPorte
City of Hart

Mayor Floyd Kloc
City of Saginaw