



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE ▪ BEVERLY HILLS, CALIFORNIA 90210

Lester J. Friedman, Mayor

March 4, 2021

The Honorable Alex Padilla
112 Hart Senate Office Building
Washington, DC 20515

RE: Support H.R. 1319, American Rescue Plan Act of 2021

Dear Senator Padilla:

On behalf of the City of Beverly Hills, I urge you to support the House-passed H.R. 1319, the American Rescue Plan Act of 2021. President Joe Biden and congressional Democratic leaders are planning to enact the measure into law by mid-March.

In the wake of the pandemic related closure of our local economy, Beverly Hills has experienced one of the most precipitous declines in revenue in our City's history. The City suffered a \$2.3 million deficit last year and we anticipate a \$7.0 million deficit this fiscal year. Compared to the last 'normal' Fiscal Year 2018/19, our sales tax, business tax and hotel taxes collectively dropped \$24 million (17%) in Fiscal Year 2019/20 and are estimated down \$50 million (36%) for Fiscal Year 2020/21.

While our local tax base continues to take a significant hit, the City is incurring COVID-19 expenditures providing critical services to our residents, which further exacerbates our budget shortfall. We estimate having spent over \$3 million to date in direct costs related to the pandemic. Without direct federal assistance as proposed in the American Rescue Plan, the City will have to execute significant budget cuts affecting everything from capital improvement projects to personnel, including first responders and frontline workers who have been so critical to our response in addressing the health, safety and financial needs of our residents and businesses.

It is, therefore, imperative that the \$350 billion allocated in H.R. 1319 for state and local governments, tribes and territories remain intact during Senate deliberations. This aid package will help local governments mitigate the most painful cuts to our budgets and lay the foundation for a more robust long-term economic recovery.

We also are pleased to see the inclusion of other key provisions that will help Americans survive the pandemic, such as the financial lifeline it extends to the 19 million people who are collecting unemployment insurance and emergency assistance for renters and homeowners alike. In addition, we support funding nutrition programs for low-income families and the \$130 billion dedicated to reopening K-12 schools. We back additional resources for COVID-19 vaccinations, testing, treatment and prevention and support aid to small businesses, particularly the \$25 billion program for independent restaurants.

In closing, we encourage Congress to move with all deliberate speed in adopting H.R 1319. Thank you for your support of the City of Beverly Hills and for your leadership in Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Lester J. Friedman", with a long horizontal flourish extending to the right.

Lester J. Friedman
Mayor, City of Beverly Hills

cc: David Turch and Associates