

June 29, 2021

Dear Texas Congressional Delegation,

We write in deep appreciation of the enactment of the American Rescue Plan Act (ARPA). ARPA's comprehensive approach is already providing an important boost to our pandemic recovery efforts. We are especially appreciative that ARPA provides fiscal assistance to almost every local government in the nation via the Coronavirus Fiscal Recovery Fund. These funds are providing critical assistance to our cities and will continue to do so as we work to overcome the health, economic, and social impacts of the pandemic. As our cities reopen, we are pleased to see many signs of a strong economic recovery and a return to normal life. However, we are deeply concerned about recent proposals to rescind, recapture, or "clawback" the second tranche of the Coronavirus Fiscal Recovery Fund scheduled for allocation next spring.

When creating the Coronavirus Fiscal Recovery Fund, Congress and the Administration foresaw that while our economy would see rapid economic growth this summer and fall, many of the pandemic's social and economic impacts will take more time to fully address. In response, the program is designed to address short-term needs via an immediate allocation of half of the program's funds while also allowing for long-term recovery via a second allocation next spring and a provision providing us with three years to obligate the funds. The wisdom of this approach is becoming increasingly evident as we work on our recovery plans. Although the pandemic has given us renewed pride in the strength and compassion of our communities, it has also laid bare how much work we have to do, to fully address all of the pandemic's impacts and build a more resilient society.

All of our cities are already putting our Coronavirus Fiscal Recovery Fund allocations to good use and making plans to build stronger, more equitable, and more resilient communities. In Texas, cities felt hard losses in sales and property tax revenues while having catastrophic losses in hotel occupancy and entertainment taxes. These recovery funds allow us to fund delayed projects and support small businesses, pay for unexpected public health and safety costs incurred during the pandemic. We strive to build equitable and resilient communities in "responding to the COVID-19 public health emergency or its negative economic impacts," by using Coronavirus transformative investments.

Looking ahead, property tax revenue, especially commercial property tax revenue, which accounts for a significant portion of all of our budgets, has always been a lagging economic indicator. Budget and finance staff in our cities anticipate that we will see significant declines in commercial property tax revenue next year and possibly into 2023. This funding is critical to helping cities restore programs cut in response to the pandemic and avoid furloughs of employees. Our second allocation of these funds will be used to ensure that we continue essential public services to push through our final recovery.

For these reasons, we ask you to oppose any proposal to rescind, recapture, or "clawback" the second tranche of the Coronavirus Fiscal Recovery Fund scheduled for allocation next spring. We must not allow good economic news and joy about the reopening of our society to hide the fact that a full recovery from the pandemic and its social and economic impacts is a long-term project.

Congress and the Administration showed great wisdom in crafting the Coronavirus Fiscal Recovery Fund in a manner that provides local governments with the tool and the means to provide for a robust and sustainable recovery.

Thank you for your attention to our concerns and for all of your work on behalf of our nation.

Sincerely,



Mayor Sylvester Turner
City of Houston, Texas



Mayor Ron Nirenberg
City of San Antonio, Texas



Mayor Eric Johnson
City of Dallas, Texas



Mayor Steve Adler
City of Austin, Texas



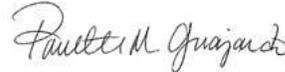
Mayor Mattie Parker
City of Fort Worth, Texas



Mayor Oscar Leeser
City of El Paso Texas



Mayor Jeff Williams
City of Arlington, Texas



Mayor Paulette Guajardo
City of Corpus Christi, Texas



Mayor John Muns
City of Plano, Texas



Mayor Pete Saenz
City of Laredo, Texas



Mayor Dan Pope
City of Lubbock, Texas



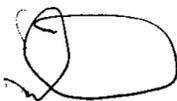
Mayor Rick Stopfer
City of Irving, Texas



Mayor Ginger Nelson
City of Amarillo, Texas



Mayor Ron Jensen
City of Grand Prairie, Texas



Mayor Joe Zimmerman
City of Sugar Land, Texas