



CITY OF HOUSTON

Sylvester Turner

Mayor

P.O. Box 1562
Houston, Texas 77251-1562

Telephone – Dial 311
www.houstontx.gov

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To the Honorable Members of the Houston Federal Delegation,

As Mayor of the City of Houston, I urge you to take action on a comprehensive coronavirus relief legislation, including providing direct fiscal assistance to all cities, which is long overdue. The \$1.9 trillion American Rescue Plan from President Biden includes such assistance as part of an aggressive strategy to contain the virus and create a path to nationwide recovery.

As we all know, America's cities and essential workers have been serving at the front lines of the ongoing COVID-19 pandemic for nearly a year. We have increased our capacity to provide support for residents and businesses who have been crippled by the economic decline caused by this pandemic. Local elected leaders like myself have been charged with managing public health efforts and an unprecedented emergency response. Despite tremendous fiscal pressure, the City of Houston continues to provide public safety while trying to maintain essential public services and keep our essential employees safe.

As the economic engines of our country, local governments will lead the long-term recovery of our nation. The City of Houston is grateful for the direct allocation we received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This funding went a long way towards providing needed services for the hardest-hit parts of our community affected by COVID-19. But the pandemic is far from over, and our allocation of CARES Act funding was not intended to last into 2021. At the same time, there is an urgent, unmet need for federal assistance for local capacity to both carry out emergency response and participate in economic recovery. The impending loss of capacity will be directly related to local government job losses.

As the pandemic rages on, we again ask for your assistance. The \$350 billion in direct relief to state and local governments included in President Biden's proposal will enable cities to preserve critical public sector jobs and help drive our economic recovery. Providing direct, flexible aid to cities is the most efficient and immediate way to help families and their communities who have been suffering far too long. It is critical that state and local governments be given the flexibility to replace revenues lost due to the ongoing pandemic.

Since March 1, 2020, the projected revenue loss for the City of Houston due to COVID-19 ranges from \$160 million to \$200 million. This revenue loss will continue even as the economy slowly begins to recover to the pre-COVID level. The table below details how dire the situation is:

Projected Revenue Losses (\$ in thousands)*

Revenue Category	FY2020 Actual Loss	FY2021 Projected Loss	Total
Sales Tax	(39,575)	(63,000)	(102,575)
Mixed Beverage Tax	(3,413)	(5,928)	(9,341)
Parking Revenue	(2,500)	(9,500)	(12,000)
Fines and Forfeits	(6,124)	(10,284)	(16,408)
Franchise Fees	-	(3,430)	(3,430)
Others	(2,575)	(13,721)	(16,296)
Total Loss	(54,188)	(105,863)	(160,051)

* Projection as of 2/5/2021 and subject to change.

Note: City of Houston's Fiscal Year period start from July 1 - June 30.

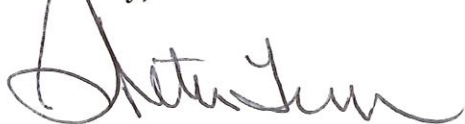
FY2020 period starts July 1, 2019 - July 1, 2020 - June 30, 2021.

FY2021 period starts July 1, 2020 - June 30, 2021.

As we head into our next budgetary cycle, the City of Houston is facing the largest budgetary gap in recent history. Without additional federal support, we will be forced to make deep and impactful cuts that will affect all our services, including public safety.

Your quick action in supporting the American Rescue Plan is a crucial step to making meaningful progress in one of the most challenging moments in our country's history. The City of Houston is eager to work with Congress and the new administration to meet this challenge. We encourage you to take up President Biden's plan as soon as possible in the 117th Congress. We are ready to partner with you to continue to ensure that America emerges from this pandemic even stronger than before.

Sincerely,



Sylvester Turner
Mayor