May 20, 2020

The Honorable Dianne Feinstein
331 Hart Senate Office Building
Washington, DC 20510

RE: City of Beverly Hills Support of H.R. 6800, the HEROES Act

Dear Senator Feinstein:

On behalf of the City of Beverly Hills, I respectfully urge you to support and pass H.R. 6800, the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, which, in part, addresses the devastating fiscal toll COVID-19 is having on municipal budgets across the country. The HEROES Act is both timely and necessary if the nation is to avoid a deep economic recession.

Because of the sudden and protracted closure of our local economy, Beverly Hills is experiencing one of the most precipitous declines in revenue in our City’s history. As a result of the pandemic, the City anticipates a $39.3 million deficit next fiscal year and a $23.9 million deficit in the following fiscal year. In fact, our budget analysts predict deficits through Fiscal Year 2024-25. While our local tax base decreases, the City is incurring COVID-19 expenditures in providing critical services to our residents, which further exacerbates our budget shortfall. The City estimates it has spent $3.1 million to date in direct costs related to the pandemic. Without direct federal assistance in the shape of the HEROES Act, the City will have to implement significant budget cuts affecting everything from capital improvement projects to personnel, including first responders and frontline workers.

We therefore applaud the HEROES Act’s nearly $1 trillion assistance to states and localities. This aid will help local governments mitigate the most painful cuts to our budgets and lay the foundation for a more robust economic recovery. Beyond supporting federal assistance in keeping our frontline “heroes” on the City’s payroll, we also are pleased to see the inclusion of other key provisions that will help us survive this pandemic. For instance, we are grateful that the bill removes the exclusion disallowing the paid sick and family leave tax credits enacted in the Families First Coronavirus Response Act for state and local governments. The City also endorses the two-year State and Local Tax (SALT) relief provision that temporarily waives the $10,000 deduction cap imposed by the Republican controlled Congress in 2017. With the high cost of housing in California, this measure will be of great financial assistance to millions of taxpayers in our state. In light of the highest unemployment figures since the Great Depression, the City also supports the emergency rental and homeowners’ assistance included in the bill. This is a necessary step to take in order to stabilize the nation’s housing and rental sectors.
Finally, the City of Beverly Hills, as a founding member of the Interagency Communications Interoperability (ICI) System, which provides mission critical voice communications and interoperable communications to more than 6,000 first responders in Los Angeles County, strongly supports the repeal of the T-Band auction mandate in this legislation. This single provision will save the federal government and some of the largest metropolitan areas of the country, including Los Angeles County, New York City, Boston, Chicago and Philadelphia, billions of dollars in unnecessary costs in replacing communications systems that are critical to keeping our communities safe and healthy during this pandemic and beyond.

Thank you again for your review and consideration of the City of Beverly Hills’ request.

Sincerely,

Lester J. Friedman
Mayor, City of Beverly Hills