

May 2, 2023

The Honorable Nancy Skinner
Chair, Senate Budget and Fiscal Review Committee
1021 O Street, Suite 8630
Sacramento, CA 95814

The Honorable Roger Niello
Vice Chair, Senate Budget and Fiscal Review Committee
1021 O Street, Suite 7110
Sacramento, CA 95814

The Honorable Philip Ting
Chair, Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

The Honorable Vince Fong
Vice Chair, Assembly Budget Committee
1021 O Street, Suite 4630
Sacramento, CA 95814

Dear Senator Skinner, Senator Niello, Assembly Member Ting, and Assembly Member Fong:

In the spirit of a strong state and local government partnership that benefits all Californians, the City of Eureka respectfully calls on the state and lawmakers to take action to bolster local government efforts to support our most vulnerable residents and ensure California's economic strength.

City officials are on the front lines delivering essential services to more than 80% of the state's residents. They rely on collaborative partnerships with the state and other organizations to meet the challenges facing our communities. Every day, local leaders connecting individuals experiencing homelessness with wraparound services, delivering permanent supportive housing, and jumpstarting the construction of affordable housing in their communities. Clearly there's more work to do and that requires additional resources.

The City of Eureka calls on the Legislature to make a permanent funding stream of \$3 billion annually for cities to help more Californians find homes and prevent more Californians from having to live on the streets, under bridges, or in their cars.

Tougher fiscal times can exacerbate the challenges our communities face by contributing to a downturn in the production of affordable housing, an increase in the struggle for resources for unhoused residents, and ever-increasing economic inequity. In the face of another potential recession, we cannot afford for these gaps to widen.

An ongoing \$3 billion investment from the state can spur much-needed housing production, ensure that thousands more Californians experiencing homelessness get the support they need, and more importantly, prevent thousands more from losing their homes. This funding will further our state-local partnership to advance practical, data-driven, and effective strategies to two of the state's biggest challenges.

The City of Eureka has developed its own social services program that includes jobs skills training, housing assistance, supportive services outreach and mental health response and proactive programming. The social services program is fully funded through competitive grant awards and a small portion of the City's General Fund and has housed over 175 community members experiencing homelessness over the last two years, provided 100s of job opportunities for disadvantaged community members and responded to 100s of calls for service with mental health professionals diverting those calls from public safety response and emergency medical care.

It is also time for the state to finally pay down its growing backlog of unreimbursed claims — nearly \$1 billion — owed to local governments for state-mandated programs. The vitality of local governments is dependent upon fiscal stability, and local governments rely on the state to reimburse them in a timely manner for costs related to delivering a wide range of state-mandated programs.

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Equally important, the City of Eureka strongly opposes any action that would reduce or eliminate funding for local governments as a short-term solution to balance the 2023-24 state budget. Diverting funding would only compound cities' financial challenges and jeopardize the delivery of critical resources to our most vulnerable residents.

We look forward to engaging with you to realize an even stronger partnership for the benefit of all Californians.

Sincerely,

Kim Bergel
Mayor

Cc: Senator Mike McGuire, Assemblymember Jim Wood, Sara Sanders, League of California Cities