

# COVID-19

## Fiscal Impact on Local Economies

Cities are facing a nearly **\$7 billion revenue shortfall** over the next two years due to the COVID-19 pandemic and response. According to a League of California Cities data analysis, this shortfall grows by billions of dollars as modified stay-at-home orders extend into the summer months and beyond. **Without relief, that shortfall will have a severe impact on city services and local economies.**

**100%** of California cities, regardless of population size, **face projected revenue loss this year.**

**57%** of revenue shortfall is attributable to a **decline in sales tax revenue.**

**9** out of **10** cities are considering **layoffs, employee furloughs, or cutting public services.**

### Core Services Face Significant Impacts

Percentage of cities



Some **essential city services may be reduced or even eliminated.** This means fewer firefighters and police officers to answer emergency calls, reduced garbage pick up frequency, and **limited staff for required inspections, processing business licenses, and permitting.**

Cities understand that their **small businesses need to stay alive** in order for communities to recover and reopen. However, with drastically reduced revenue and increased costs, many **cities will no longer be able to fund local economic development projects and small business support programs.**

**Together, we must fight to support local recovery.**

From the state government we need **\$7 billion in direct and flexible funding** to support critical local services and CARES Act funding for all cities for COVID-19-related expenditures. From the federal government we need **\$500 billion in direct and flexible funding** for all cities nationwide to support critical local services.

**Californians depend on it.**



Join the coalition!  
Go to [www.supportlocalrecovery.org](http://www.supportlocalrecovery.org)

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