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

Police/Public Safety 84%
Public Works/Streets 82%
Planning/Community Development (Housing) 78%
Economic Development 70%
Fire Services 54%

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.