

# A LETTER FROM MONTEREY BAY AREA CITIES

Honorable Gavin Newsom  
Governor, State of California  
State Capitol  
Sacramento, CA 95814  
VIA E-mail: [ExternalAffairs@gov.ca.gov](mailto:ExternalAffairs@gov.ca.gov)

May 4, 2020

Governor Newsom,

First, we want to express our appreciation for your decisive leadership in the midst of one of the greatest challenges the State of California and the nation has ever faced. Not since the Great Depression, has there been such broad and significant impacts across all economic sectors and people of all socioeconomic backgrounds.

We also acknowledge there is no perfect response to these unprecedented challenges. Your willingness to take swift action in response to a rapidly changing situation, is in large part why California will be successful in flattening the curve and managing this pandemic.

As a former Mayor, we know you hold a deep appreciation for the important role that local governments play in both combating this virus and providing essential services to preserve the health and well-being of our communities. Cities and Counties across the State, including the Monterey Bay region, are now facing a dire financial reality. Many of the critical revenue streams that we depend upon have been significantly impacted by COVID-19, and the measures required to slow the spread of the virus.

We write to you today, asking for your help. The anticipated losses in revenues from sales tax, transient occupancy tax, and service fees and charges, will significantly undermine our ability to provide essential services, including police and fire protection to our communities, and also to continue to do the necessary work on housing and homelessness.

## **COVID-19 Fiscal Impact**

While it is difficult to quantify the financial impact with certainty under the current circumstances, we can provide some examples of the potential impact, based on past performance and local experience. The total sales tax generated cumulatively across all Monterey Bay area Cities is approximately \$96,000,000 annually. The total transient occupancy tax (TOT) generated in our region is approximately \$70,000,000 annually. As the pandemic and shelter in place measures extend, we anticipate a total loss in sales and TOT tax revenues of \$40,000,000 in FY 2019-2020, and a loss of \$122,000,000 in FY 2020-2021.





**Jamie Goldstein**  
City of Capitola



**Chip Rerig**  
Carmel-By-The-Sea



**Danial "Dino" Pick**  
City of Del Rey Oaks



**Rene Mendez**  
City of Gonzales



**Paul Wood**  
City of Greenfield



**Brett I. Miller**  
City of Hollister



**Steve Adams**  
City of King City



**Layne Long**  
City of Marina



**Hans Usler**  
City of Monterey



**Ben Harvey**  
City of Pacific Grove



**Ray Corpuz**  
City of Salinas



**Don Reynolds**  
City of San Juan Bautista



**Aaron Blair**  
City of Sand City



**Martin Bernal**  
City of Santa Cruz



**Tina Friend**  
City of Scotts Valley



**Craig Malin**  
City of Seaside



**Michael McHatten**  
City of Soledad



**Matt Huffaker**  
City of Watsonville

cc: Assemblymember Mark Stone  
Assemblymember Robert Rivas  
Senator Anna Caballero  
Senator Bill Monning