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Date: May 10, 2011

To: Mayor & City Council

**From: Patrick H. West
City Manager**


**Subject: Building Healthy
Communities Grant**

**Comments: Supplemental
Information for Item #NB 18 on
the May 10, 2011 Council
Meeting Agenda**



Date: May 10, 2011

To: Mayor and Members of the City Council

From: Patrick H. West, City Manager 

Subject: **Building Healthy Communities Grant**

On March 30, 2011, the City Manager's Office announced that Long Beach had received two planning grants totaling \$300,000 related to Healthy and Sustainable planning. The first grant is a \$200,000 Southern California Association of Governments (SCAG) grant through the Compass Blueprint Program award to prepare a new Specific Plan for Long Beach Boulevard. The second grant was a \$100,000 grant by the California Endowment through its Building Healthy Communities initiative for a new Health and Wellness Element for the Long Beach 2030 General Plan Update.

Each grant that the City considers undergoes a rigorous review process to ensure that the City will not incur any unbudgeted costs or obligations that cannot be met in the future. Each grant is examined to determine the City's matching requirement and source of those matching funds, and if there are any issues that would create future costs or increase the City's exposure to uncontrolled costs as a result of accepting the grant. This review occurs before the City formally accepts the grant.

In the case of the \$100,000 Building Healthy Communities grant, the grant review process has revealed several areas of concern. Of the \$100,000 grant, \$85,000 will fund consultants not selected by City staff and will result in a work product that is not supervised by City staff, adding uncertainty and potential for increased cost. The first year cost of the project is expected to be \$197,200, with the City responsible for any and all costs exceeding the \$100,000 grant. This will require a General Fund commitment of at least \$97,200 and potentially more, as the City will not have the ability to control the consultants' work product or costs. As no General Fund is available, it will result in an increase to the City's structural deficit in violation of the City Council's financial policies.

Further, by creating a new element of the General Plan, this creates an unfunded mandate to update this plan in the future, including hiring new staff for implementation and enforcement of future programs. Because this is an element to the General Plan, the City must dedicate the funding and resources towards implementation. If the City does not do this, future development projects could be at risk and legal challenges could occur.

The grant application was made nearly a year ago, in May 2010. Since that time, the workload and planning initiatives requested by City Council have increased. There no longer is the staff capacity to develop a new Element to the General Plan. Development Services staff must focus their attention on completing

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projects such as the 2030 General Plan update and the various Zoning Ordinance amendments recently requested by the City Council.

While it is unfortunate that this issue was not detected prior to award and announcement of the grant, given the costs and staffing impacts associated with this grant, the City Manager will not be moving forward with a recommendation to the City Council to accept the grant. The City's review process does not indicate any issues with accepting the SCAG grant, and the City Manager will bring a recommendation to the City Council shortly to accept those funds.

Although we will not be able to take advantage of the Building Healthy Communities grant, the City has many other programs in place that address health and wellness in Long Beach. The Long Beach Health Department has a multitude of programs that focus on these issues. The General Plan also has a heavy focus on assessing development opportunities, improving pedestrian circulation and transit access, and supporting an overall transit-based revitalization effort. The City is also engaged with the Gateway Cities Council of Governments to create the Sustainable Cities Strategy required by SB 375, where walking, bike-riding and transit oriented development also are a key focus.

Staff will reach out to The California Endowment to discuss redirecting the grant funds to support initiatives adopted by the City Council that currently have insufficient funding to fully implement. One of these initiatives is the healthy store conversion. The other option would be to use the funding to support staff efforts to incorporate healthy community policies into the Land Use and Mobility Element updates presently underway.

Please contact Amy Bodek, Director of Development Services at (562) 570-6428 if you have any questions.

cc: Suzanne Frick, Assistant City Manager
Reginald Harrison, Deputy City Manager
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