



CITY OF
LONG BEACH

Fiscal Year

2022

Proposed
Budget

Proposed Budget Overview

A Budget to Build Back & Recover

- The city's total proposed FY 2022 budget is \$3 billion
- It reflects the city's recovery from the largest public health crisis of our lifetime
- This year's budget includes no cuts, no deficit and replenished reserves
- The FY 22 budget takes into account the City's Racial Equity and Reconciliation Plan
- It is supported by Measure US, approved by 57% of voters in November 2020



Long Beach Recovery Act

- Federal and state funds make it possible to avoid budget reductions during a recovery year
- The Long Beach Recovery Act infuses \$249 million federal and State funds into Long Beach
- On March 16, 2021, City Council approved the Long Beach Recovery Act. The Budget allocates:
 - ✓ \$64 million for Economic Recovery
 - ✓ \$108.5 million for a Healthy and Safe Community
 - ✓ \$76.7 million to Secure our City's future



Economic Recovery - \$64 Million

- Focuses resources on residents and businesses most impacted by the pandemic



COVID-19 Protection for
Businesses and
Non-Profits:
\$13 million



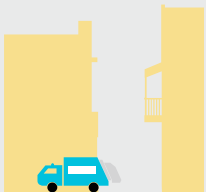
Direct Business
Support:
\$20.6 million



Airport
Operations:
\$15.1 million



Economic
Inclusion:
\$7.6 million



Clean Long
Beach:
\$4 million



Technical
Assistance:
\$500,000



Economic
Stability:
\$1.6 million



Micro/Public
Transit Pilot:
\$1.6 million



Healthy and Safe Community - \$108.5 million

- Addresses the underlying factors impacting health and prioritizes the basic mental and physical health needs of the community hardest hit by the pandemic



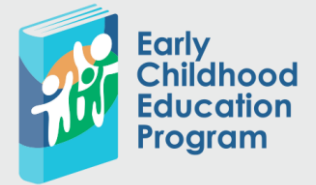
Public Health
COVID-19 Response:
\$15.7 million



Basic Needs:
\$6.3 million



Physical and Mental
Health Equity:
\$12.1 million



Early Childhood Education
and Support:
\$2.8 million



Violence Prevention
and Safe Cities:
\$3.6 million



Homelessness:
\$10.9 million



LB Justice
Fund:
\$300,000



Housing Support:
\$56.4 million



Language Access:
\$500,000



Securing Our City's Future - \$76.7 million

- Eliminates FY 2022 budget shortfall
- Replenishes reserves
- Ends furloughs



Maintaining Services for Residents
and Businesses in FY 22
\$35.2 million



In effect allows depleted
reserves to be restored by
funding current services:
\$41.5 million

Community Investments

- \$500,000 increase to the Health Department
- \$700,000 in additional funds and builds in Language Access support across city services
- \$600,000 for the Justice Fund
- \$1.8 million for digital inclusion
- Community land trust research and investment
- \$6.4 million in new youth investments from Measure US and Long Beach Recovery Act



More Information Available Online:
www.longbeach.gov/budget

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City Manager Budget Overview

July 20, 2021

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FY 22 Budget Continues Previous Year's Budget

- FY 22 Budget is \$3 billion, with 37 fund groups (made up of 126 funds), and 23 departments
- Maintains services despite fiscal challenges – essentially continuation of last year's budget
- Emphasis is on Pandemic Recovery

Emergency response including Priority 1 & 2 Police calls **Emergency medical and fire services** *Infrastructure funding for sidewalks and potholes* **Maintenance of safe/clean/accessible parks, facilities, and public spaces** *Major facilities' maintenance* **Graffiti abatement** *Landscaped median maintenance* **Clean Teams** *Core youth and senior programming* *Provision and improvement of affordable housing* *Business assistance programs* *Water and Gas customer service* *Support for economic development and business assistance* **Multi-faceted Homelessness response** **Investment in technology support** *Green fleet investments* *Energy efficiency investments and upgrades to City facilities* **Permitting and inspection for businesses and residential improvements** *Animal Care services* *Tree Trimming*

The City Has Been Facing Unprecedented Challenges

- Unprecedented time – operationally and financially
- Focused on minimizing impacts of pandemic
- Strained City resources and diverted staff capacity and financial resources
- First amendment demonstrations, civil unrest
- Systemic racial inequity in our society



A Few of Many Accomplishments While Addressing the Challenges

- A focus on safety and health during pandemic and recovery
- COVID-19 Relief Payment Plan Program: interest- and penalty-free payment options for business-related fees & parking citations
- Long Beach Emergency Rental Assistance Program - \$51.4 million in additional funding support for renters and landlords
- Long Beach BizCare – help for local small business through free one-on-one, in-person support
- Policies to suspend charging late fees to utility customers, suspended shut-offs of utilities for non-payment, and suspended collection efforts for customers under fiscal strain due to pandemic
- Open Streets Initiative that supported the installation of 120 parklets for Long Beach Restaurants



Accomplishments (continued)

- Expanded services for people experiencing homelessness: Project Room Key, Project Home Key, and 125-room Atlantic Bridge Housing Community – the City's first year-round shelter
- Airport with a tenant completed construction on the largest solar energy project in Airport's history; received the Airport Health Accreditation for commitment to passenger safety during pandemic
- Transitioned library programs online, contactless pick-up service (LBPL To-Go), free printing services, and Tech To-Go – a Chromebook and Mifi device lending service
- Development of a Youth Strategic Plan to elevate child and youth development
- Repaired over 25,000 potholes, trimmed 20,000 trees, removed 1,000 tree stumps, and replaced 3,000 traffic signs and street name signs
- Ranked a top ten "Digital City" for 10th year by Center for Digital Government; launched an online portal allowing community to support migrant children sheltered at Convention Center



Accomplishments of the Long Beach CARES Program

\$2.9 MILLION LEVERAGED TO INCREASE ACCESS TO FOOD



11,359
Grocery Boxes
Delivered

74,260
Prepared Meals
Delivered

OLDER ADULTS SUPPORTED WITH HEALTHCARE, FOOD, & TRANSPORTATION

21,153 Total Households Reached



585
Care Kits
Distributed

OVER \$1 MILLION TO SUPPORT DIGITAL INCLUSION



21,101
Persons Reached

1,093
Hotspots
Distributed



OVER \$2 MILLION LEVERAGED TO PROVIDE SHELTER TO INDIVIDUALS EXPERIENCING HOMELESSNESS



110 Project Homekey Units

115
People Sheltered
During the COVID-19
Pandemic

17,344 CHILDREN AND FAMILIES SUPPORTED



10,000
Cans of Formula

815,000
Diapers



34,560
Hours of Early Care
and Education

OVER \$1 MILLION IN SMALL BUSINESS OUTDOOR DINING GRANTS



144
Grants Paid Up to
\$10,000

OVER \$1.2 MILLION AWARDED TO NON-PROFITS SERVING BIPOC COMMUNITIIES



OVER \$1 MILLION IN SMALL BUSINESS GRANTS IN BUSINESS IMPROVEMENT DISTRICTS

202 Businesses Awarded



Provided PPE,
Sanitization & Cleaning
Services to Small
Businesses

\$500,000 SPENT ON HOUSING CONDITIONS IMPROVEMENTS



155
Residents Received
Home Repairs

\$1 MILLION TO SUPPORT BLACK HEALTH EQUITY



Grants to Support Majority
Black Serving Nonprofits
and Small Businesses

Access to Mental
Health Care



Health
Education and
Outreach

Long Beach Recovery Act Helps To Maintain Budget

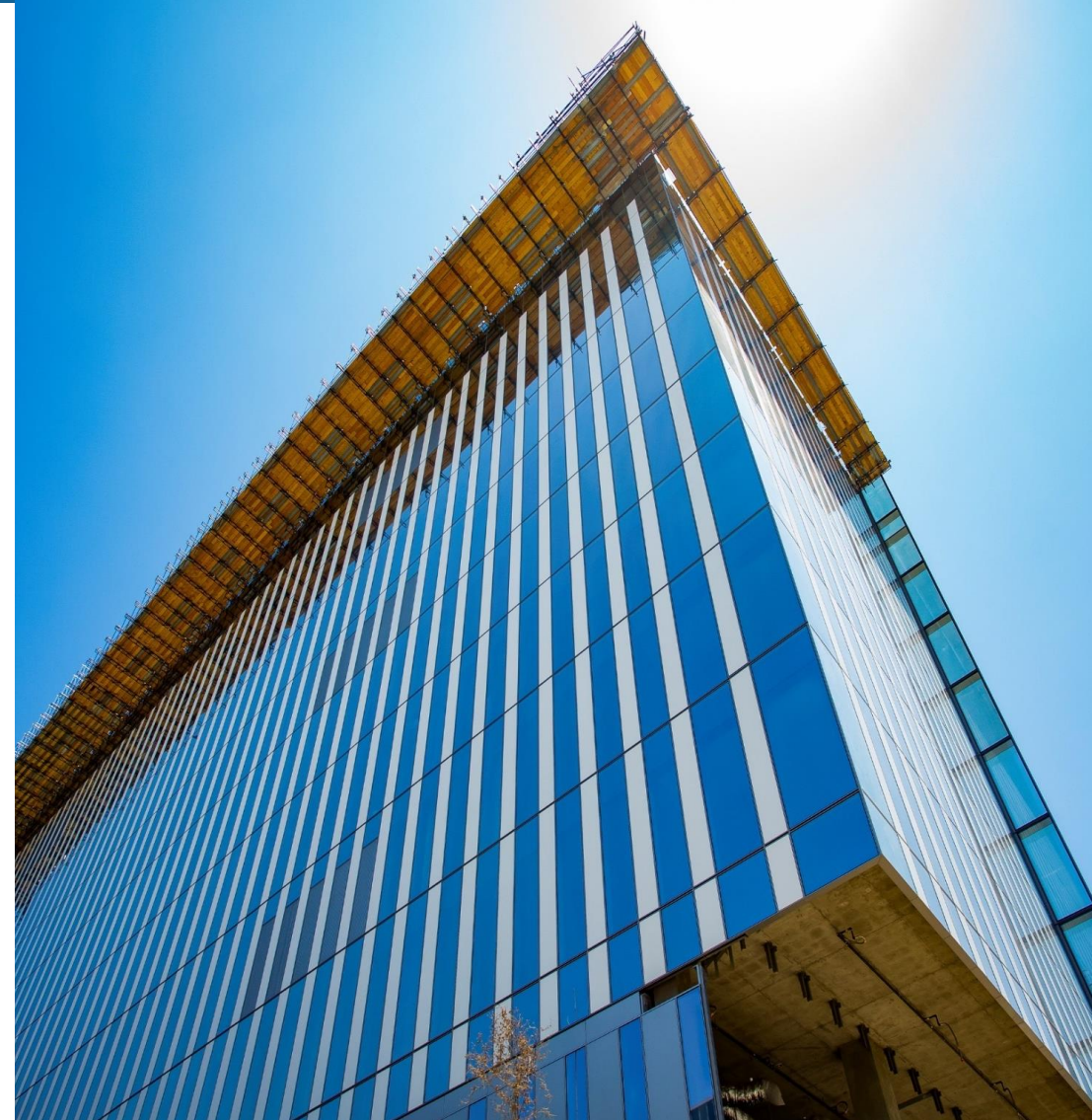
- March 16, 2021, City Council approved the Long Beach Recovery Act targeting three areas: Economic Recovery, A Healthy and Safe Community, Securing our City's Future
- This funding has temporarily solved a \$30m shortfall in the General Fund
- As an illustration to show a sense of scale, the structural shortfall converts to roughly 145 positions, with their associated services, that would have been at risk for elimination
- In the future, the City will seek a variety of budget balancing options to resolve shortfall, but it is likely that significant service reductions will be needed.
- The federal funds allow the City to avoid this for FY 22
- Strategic investments to support economic development programming is forward thinking as it helps to stabilize the wellness of business owners and property owners and allow the City the opportunity for better economic recovery and future revenue generation

Funding the Long Beach Recovery Act

- Funding for the Long Beach Recovery Act comes from federal, State and County grants, now a \$249.3 million plan, increased from \$235.5 million
- Since approved by the City Council, additional targeted funding has been received and some reductions in funding from the American Rescue Plan Act (ARPA) have occurred
- New targeted funding has been allocated as required by the grantor and the reductions of \$17.9 million in ARPA funding have been allocated to protect small programs and preserve all programs
- Program funding reduction methodology (due to reduced federal funding)
 - ✓ Programs of \$300K or less – no reduction
 - ✓ \$300K - \$2 million – reduce by 10%
 - ✓ Over \$2 million – reduce by 20%
- \$6.5 million also reduced from Restoring our Reserves category to lower total impact on programs

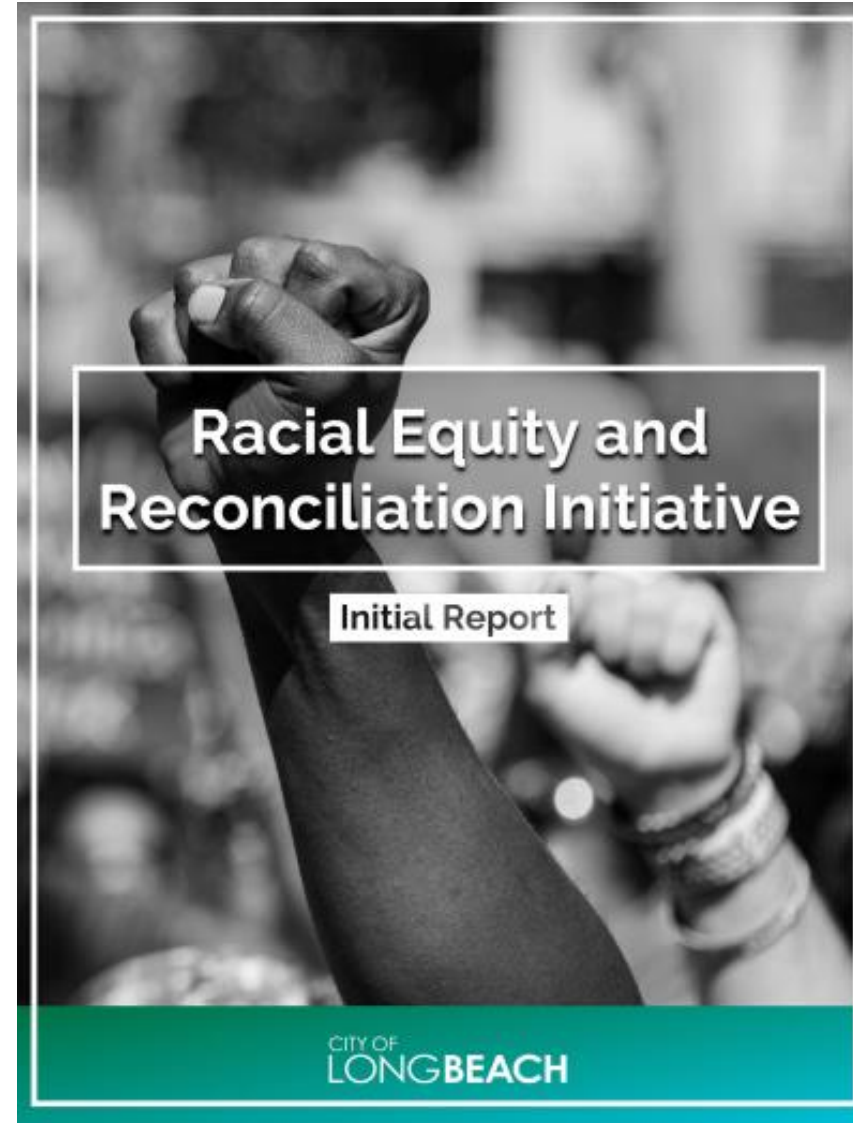
Long Beach Recovery Act – A Massive Initiative

- Long Beach Recovery Act programs are themselves larger (\$249.3 million) than the entire budgets of many California cities
- To ensure appropriate program and financial management, a three-year staffing and administrative plan has been implemented
- To minimize audit issues and to ensure program flexibility, the City is using the indirect funding option for ARPA funds by using these funds for current services and redirecting the associated savings to the Recovery Act programs



The Framework for Reconciliation

- On August 11, 2020, City Council adopted the Racial Equity and Reconciliation Initial Report
- Office of Equity has moved to City Manager's Office to ensure intersection of equity across all departments and increased capacity with 2 positions
- Equity Champions identified in each Department and implementation of Racial Equity 101 trainings
- Vaccine Equity and Outreach Subcommittee providing vaccine opportunities in hard hit neighborhoods



Long Beach Recovery Act Supports Racial Reconciliation

- Youth academic programming at libraries
- Youth life coaching and mentoring
- Be SAFE expansion for park activation at night
- Expanding the Long Beach Activating Safe Communities interventionist team in high impact communities
- Re-entry program pilot to integrate services for people reentering from incarcerated settings; economic empowerment zones
- Community land trust research and investment
- Digital inclusion programs for businesses and residents
- Mental health crisis response pilot
- Youth workforce development programs



General Fund Maintained with Critical Investments Added

- **Diversity Recruitment, Mentorship, and Partnership Program in the Police Department (\$220,000)** – structurally funded within police budget to foster a workforce that reflects the diverse community
- **Fire Diversity Recruitment Program (\$250,000 one-times)** – one-time funding to continue fostering diversity in the Fire Department
- **Elections and Redistricting funds (\$2.18 million one-times)** – one-time funding for primary elections and the independent redistricting commission work (Charter amendment)
- **Funding commitments and mandates** – including maintenance for new Wrigley Greenbelt (\$60,000) and Lincoln Park maintenance and programming (\$621,000)

Voter Approved Measure US Allows for Priority Investments

- The Budget includes new services, funded by a new oil barrel production tax revenue approved by voters in 2020, in the Council designated priority areas of **Children and Youth Services, Community Health, and Climate Change**
- **A Youth Fund** has also been created as directed by the City Council to invest in youth and youth services as informed by the strategic plan, the reconciliation plan and other youth planning efforts
- The City Council and community will have the opportunity to provide input on these proposals during the budget process



Measure US (continued)

Youth Fund - \$918K

- Direct youth community-based grants
- Youth Ambassador Program
- STEAM Ecosystem programming
- Youth mental health programming
- Annual Long Beach Youth Summit
- Communication efforts, data management, and youth grant support

Community Health - \$155K

- Staff support for the Older Adult program
- Staff support for racial equity efforts

Climate - \$243K

- Community Based Organizations grants for farms, community and teaching gardens, and tools
- Field Work Program for youth workers for expanded neighborhood tree planting, urban agriculture support and urban nature stewardship training
- Electric Lawn Equipment program

Measure A Provides Continued Support

- Continue to **support all the past restorations, public safety maintenance, and administrative support**
- \$2.5 million to **keep Engine 17 in service** in FY 22 in the Fire Department; previously funded with one-time funds only through FY 21
- \$2.2 million for **Neighborhood Safe Streets Initiative** in the Police Department
- \$13.6 million for **Public Safety Radio Replacement Lease Costs**
- \$1 million for **Community Hospital**
- \$20.8 million **Infrastructure**, which includes past commitments and funding for Police and Fire academy renovations and other infrastructure, as well as a new \$4.0 million for compliance with ADA sidewalk and curb requirements

FY 22 Capital Improvement Budget

- Capital Improvement Plan - \$470 million
 - Airport - \$1.0 million
 - Beaches - \$1.8 million
 - Mobility - \$51.8 million
 - Parks - \$1.6 million
 - Public Facilities - \$21.6 million
 - Utilities - \$60.8 million
 - Harbor - \$331.5 million



FY 22 General Fund Budget Balanced with One-times

- The proposed FY 22 budget is balanced, but with one-time funding; it is not a structural (permanent) balancing and will need to be addressed in FY 23
- The ongoing structural shortfall in FY 22 is \$27 million with \$3 million in additional one-time costs. The shortfall is all being funded by one-time Long Beach Recovery Act funding
- This unusual balancing approach, while not in conformance with normal City Council policy, is recommended to be able to maintain services and better allow our residents and businesses to recover from the pandemic
- Unfortunately, the FY 22 budget cannot support all needs, desired programs and City Council initiatives. The proposed budget provides a listing of some of the unfunded needs and unfunded liabilities.

General Fund Fiscal Outlook – Big Challenge in FY 23

Projected General Fund Budget Shortfall*

	FY 22	FY 23	FY 24	FY 25
Surplus/(Shortfall)	-	(9)	(11)	(9)
Shortfall from Previous Year	-	(27)	-	-
Final Surplus / (Shortfall)	-	(36)	(11)	(9)

* Shortfall in each year is assumed to be solved. Number for each year is the new projected shortfall for that year

- Challenging shortfalls projected over next few years, particularly the next budget year
- Includes revenue recovery over next couple years, but underlying issue of revenues growing slower than expense still remain
- Much of the FY 23 shortfall is a carry-over from FY 22 (\$27m of the projected shortfall)
- Assumes positive Measure M litigation outcome which currently seems likely; otherwise FY 23 will be \$9m worse
- It will be a high priority in FY 22, beginning early in the year, to develop approaches to address the structural shortfall for FY 23

Budget Timeline

Through today:

- **March 16** – City's Fiscal Outlook Study Session
- **April 20** – Budget Oversight Committee
- **July 16** – Mayor submits Proposed Budget to City Council

Upcoming:

- **July/August** – Community Budget Meetings
- **August** – BOC Meetings
- **July 20** – Budget Hearings
- **August 3** – Budget Hearings
- **August 10** – Budget Hearings
- **August 17** – Budget Hearings
- **August 24** – Budget Hearing and 1st Adoption Date
- **September 7** – Budget Hearing and 2nd Adoption Date

Many Opportunities for Community Engagement

- Attend Budget Hearings
- Attend Community Budget Meetings
- Attend Budget Oversight Committee Meetings
- Participate in the City of Long Beach Survey on funding priorities
- Assist with development of the Long Beach Strategic Plan – a major new outreach for resident and business input into the future of the City



A City Committed to Move Onwards and Upwards

- A City of many accomplishments
- A full-service City providing a wide variety of comprehensive services
- A City that addresses challenges head-on
- A City with committed and dedicated employees who have and are performing extraordinarily to address and recover from the pandemic
- Strong leadership from the Mayor and City Council
- The support and collaboration of the City Auditor, City Attorney, City Prosecutor, City Clerk, Civil Service Executive Director, Harbor Executive Director, and the Water General Manager



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