



Update on Restaurant and Bar Retention Program

Prepared for the City of Long Beach Economic Development & Finance Committee
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Background

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- On August 18, 2020, City Council requested staff to explore solutions designed to improve the survival of Long Beach restaurants impacted by the COVID-19 pandemic
- The City Council has taken several steps to provide immediate financial relief to restaurants and other businesses including, but not limited to:
 - Small business grants (e.g., SBTT Grant Program)
 - Small business loans (e.g., Emergency Microloan)
 - Business license tax and fee deferrals
 - Business License Tax and Fee Grant Program (set to launch in January 2020)
 - Open Streets Program
 - CARES Act BID Grant Program
- The state of the COVID-19 pandemic and Health Orders continue to create an uncertain future for many restaurants and bars

State of the Restaurant Industry

California Restaurant Association Survey (Aug. 2020)

- 60% of respondents who had received help from the federal government's Paycheck Protection Program said they will run out of funds at the end of August.
- 63% of respondents have not received any rent relief and a staggering 76% say they need rent relief now
- 30% of restaurants say they will either close their restaurant permanently, or they will downsize by closing some locations.
- Capacity Limits: Restaurants struggle to pay their bills and hang onto their employees when they are forced to operate under strict capacity limits

L.A. County Statistics on Food and Drinking Places and Hospitality

- **Consumer spending** at L.A. County restaurants and hotels is down **47.6%** as of week ending November 1, 2020
- **Food and drinking places** in L.A. County lost **185,000 jobs** during shutdown
- Total employment for food and drinking places is about **74%** of what it was in February 2020 (81,300 jobs gained since shutdown)
- **25,671** of new Long Beach unemployment insurance claims come from the Accommodation & Food Services Industry (largest share of claims)

**Source: [Long Beach Quarterly Economic Forum – Economic Update Presentation](#)*

Restaurant Support Programs

Examples from Other Cities

Examples from other Cities

The following table summarizes some research conducted by staff of different models of responding to restaurants impacted by the COVID-19 pandemic.

Program Name City and State	Program Components	Funding
Santa Ana Cares Santa Ana, CA	Restaurant and Bar Relief Grant covers costs for deep cleaning services, rent, supplies/equipment to operate outdoors.	Grants of \$10,000 for small businesses with 10 or less employees.
Food Advocacy Seattle, WA	Technical assistance, legal advice, call center, open streets, loans, and grants. \$30 million will focus on small businesses owned or led by minorities and women.	CARES Act funding of \$55 million. Grants of \$5,000 to \$20,000 for small businesses.
St. Paul Bridge Fund ST. Paul, MN	Assist small businesses impacted by COVID 19 pandemic with funds to pay for utilities, payroll, personal protective equipment, marketing and other administrative expenses.	Grants of \$7,500 to 2,000 small businesses
Outside Dining Grant Orange County, CA	Assists restaurants with purchasing tents/canopies, lighting, heaters/warmers to assist with outside dining.	Up to \$1,000 to 1,000 restaurants
James Beard Foundation Good Food for Good New York, NY	Food and Beverage Industry Relief Fund to financially support under or unemployed staff.	Onetime \$15,000 payment to qualifying restaurant employees.

Recommendations for Helping Restaurants

Blueprint for Restaurant Revival

- In July 2020, the National Restaurant Association created a Blueprint for Restaurant Revival
- The Blueprint provides a plan for short-term restaurant survival and long-term industry recovery
- Recommendations include a combination of the following:
 - Grants
 - Forgivable loans and long-term loan options
 - Suspension of federal income and payroll taxes for wages earned by food workers
 - Creative partnerships with restaurants that prioritizes food access
- Most of these solutions will require action at the Federal level

Initial Recommendations for Restaurant and Bar Retention Strategy

Core Components

- Restaurant and Bar Industry Research and Retention Plan
- Continue to find ways to provide additional financial assistance through grants and affordable loans (City, County, State, CDFIs, etc.)
- Targeted Restaurant and Bar Outreach Strategy and Concierge Service
- Regulatory reforms (extending outdoor dining, 3rd party delivery fees, outdoor dining guide and specifications)
- Online Restaurant Resource Hub
- Restaurant and Bar Technical Assistance Program

Monitoring Progress

Key performance indicators should be developed to account for the following:

1. Restaurant and Bar Retention
2. Limiting Losses and Closures
3. Preserving Jobs and Workforce
4. Promoting Equity
5. Improving Resilience
6. Assessing Strength or Business Health
7. Improving Outreach (community partners)



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THANK YOU!