



CITY OF LONG BEACH

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OFFICE OF THE CITY MANAGER

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PATRICK H. WEST
CITY MANAGER

March 24, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve the City's Guiding Principles for Stimulus Funding. (Citywide)

DISCUSSION

On February 17, 2009, the President signed H.R. 1, the American Recovery and Reinvestment Act of 2009 (Stimulus), which provides over \$787 billion to jumpstart the spiraling national economy, as the nation faces the worst economic downturn in the last 80 years. This bill is roughly a third each of infrastructure investments, increases to social programs, and tax reductions and changes that together are designed to create and save jobs, and help the nation recover. Long Beach has been very involved in both the creation of the stimulus package, as well as now in the implementation of the Stimulus, as we work to ensure that Long Beach is in a position to secure as many of those dollars as possible.

Guiding Principles

At the March 10, 2009 City Council meeting, the City Council directed staff to create draft guiding principles on how Stimulus dollars should be used in the City of Long Beach. The following are staff's recommended guidelines for the City Council to consider:

- The City shall apply for Stimulus funding in as many accounts as possible to maximize the dollars to Long Beach for eligible projects.
- Shovel-ready eligible projects shall take priority, as it is one of the guiding principles set by Congress.
- Projects should create or preserve as many private sector jobs as possible, while ensuring that projects are a cost-effective use of taxpayer dollars. To the extent possible, these jobs should help those affected most by the recession.
- The City should ensure an efficient and effective process for applying for funds, so that Long Beach is not put at a competitive disadvantage.

- The City should not create programs that will require an unbudgeted funding commitment after Stimulus dollars are spent, as Stimulus dollars cannot be used to fund ongoing programs in the future.
- Projects should align with the City's Council's Budget goals, and priorities on the Federal and State Legislative Agendas.
- Projects should be as green and sustainable as possible, and the City should focus on projects that will improve energy efficiency, water conservation, water quality, and help develop renewable energy sources.
- The City should pursue eligible dollars that improve human infrastructure, such as social services, homelessness assistance and prevention, emergency housing services, job training, etc.
- The City should consider eligible projects and programs that improve the quality of life for residents, and programs that benefit the most vulnerable (seniors, youth and the working poor), as federal guidelines permit.
- Projects should comply with federal, state and local laws on living wages.
- The City should coordinate with our partner agencies to maximize the potential dollars to Long Beach, and ensure that Long Beach projects compliment each other.
- Projects and programs should maintain and enhance the City's economic development and workforce development efforts to reshape and add to our economic base, with a focus on becoming a leader in the green economy and other key sectors.

This letter was reviewed by Principal Deputy City Attorney Charles Parkin on March 13, 2009 and Budget Management Officer Victoria Bell on March 12, 2009.

TIMING CONSIDERATIONS

City Council action is requested on March 24, 2009 to ensure that the City remains competitive in its ongoing efforts to access and apply for federal Stimulus dollars.

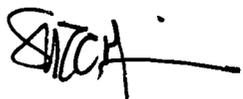
FISCAL IMPACT

Currently the City expects to receive between \$46 million and \$51.7 million in formula funds that will come directly to the Long Beach area. Additionally, the City has developed a preliminary list of over \$600 million in projects that may be eligible to compete for additional federal funds. Appropriation increases will be requested for each awarded grant, as funding is awarded.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


PATRICK H. WEST
CITY MANAGER