

Date: September 1, 2022

To: Thomas B. Modica, City Manager



From: Kevin Riper, Director of Financial Management



For: Mayor and Members of the City Council

Subject: **Response to Questions from the Budget Oversight Committee and the City Council Budget Hearing on August 23, 2022**

During the Budget Oversight Committee and Budget Hearing held on August 23, 2022, City staff provided a report on the feasibility of reducing the adult-use cannabis retail tax and the feasibility for repealing the tax for cannabis cultivation and the Departments of Library Services, Economic Development, Development Services, and Disaster Preparedness and Emergency Communication provided overviews on the Proposed Fiscal Year 2023 (FY 23) Budget. This memorandum provides responses to questions raised by members of the City Council during that time that require further clarification.

From Budget Oversight Committee

1. **Please provide background information on how the taxes on the cannabis industry were established, including why we charge a tax on cultivation.**

Taxation on the cannabis industry within the City of Long Beach (City) is informed by Proposition 64, Measure MM, and Measure MA. Information on each of these is provided below.

- *Proposition 64 - California Marijuana Legalization Initiative* (also known as the Adult-Use of Marijuana Act) was approved by 57 percent of the voters in California on November 8, 2016. A "yes" vote supported legalizing recreational marijuana for persons aged 21 years or older under State law and establishing certain sales and cultivation taxes. This State-initiated ballot measure created a new cannabis excise tax to be imposed on purchasers of cannabis or cannabis products sold in this State at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer and a cultivation tax to be imposed a cultivation tax on all harvested cannabis that enters the commercial market. Proposition 64 also granted local jurisdictions authority to adopt and enforce local Ordinances to regulate cannabis businesses including but not limited to, local zoning and land use requirements, business license requirements, requirements related to reducing exposure to secondhand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

- *Measure MM – Regulation of Marijuana Businesses* was approved by 60 percent of the voters in Long Beach on November 8, 2016. A “yes” vote was a vote in favor of permitting marijuana businesses, including dispensaries, cultivators, and manufacturers, to operate within Long Beach, and imposing taxes of 6 percent of gross receipts on dispensaries, \$10 per square foot on cultivators, and \$1000 per year on all other marijuana businesses.
- *Measure MA – Marijuana Business Taxes* was approved by 68 percent of the voters in Long Beach on November 8, 2016. The following question appeared on the ballot: “To fund public safety, 9-1-1 emergency response, police officers, homelessness, and general City services, shall Long Beach update gross receipts tax rates between 6-8 percent for medical marijuana dispensaries, 8-12 percent for nonmedical marijuana dispensaries, 6-8 percent for processing, distributing, transporting or testing marijuana/related products and a square foot tax between \$12-15 for marijuana cultivation, raising approximately \$13 million annually, requiring annual expenditure reports, until ended by voters?”.

2. Are there other industries that we charge similar to the cannabis tax? Should industries only be taxed to cover expenses related to regulating those industries?

There are five private-sector industries in Long Beach that the City taxes in order to raise substantial amounts of revenue for the General Fund: cannabis, oil, lodging (transient occupancy tax), electricity, and telephone (utility users tax). The City allocates little of the General Fund revenue it raises from those private-sector industries to the regulation of those industries. Rather, the General Fund revenue raised from those five industry-specific taxes supports non-revenue-generating activities in the General Fund like public safety, libraries, parks, recreation, general government, and much of public works. Similarly, the City’s business license tax is assessed on all licensed businesses as a revenue-generating mechanism, not merely to cover regulatory costs. Cities throughout California and the country often tax to generate revenue, not because impacted industries impose costs on city government. With Prop 13 limiting property tax revenue, and with a State cap on sales tax rates, that is the only way to raise additional tax revenue in California for the General Fund functions noted above.

3. How much does it cost administratively to provide oversight on cannabis cultivation industry?

The total Cannabis Regulatory and Enforcement Program totals \$2.2 million as part of the Proposed FY 23 Budget. Part of this budget includes positions that administer and enforce cultivation taxes as part of their regular duties. Additional information on these positions and descriptions of work conducted is provided in the Proposed FY 23 Budget Book in the Ballot Measures Chapter:

- Office of Cannabis Oversight
 - Manager of Cannabis Oversight/Assistant to the City Manager
 - Cannabis Program Specialist
- City Attorney
 - Deputy City Attorney
- City Prosecutor
 - Deputy City Prosecutor
 - Paralegal
- Financial Management
 - Administrative Analyst
 - Business License Inspector

The City recently received \$3.9 million in grant funding from the Department of Cannabis Control (DCC) to hire staff and consultants to assist with streamlining local permitting processes and processing applications, including preparation of CEQA documents, equity applicant eligibility, building and safety plan reviews, and inspections through 2025. This is also known as the Local Jurisdiction Assistance Grant (LJAG). In addition, the City has received \$250,000 in grant funding from the Governor's Office of Business and Economic Development (GO-Biz) to support and hire staff to administer the Cannabis Equity Program.

4. Please provide more information on how the potential rebate program (that would provide funds back to cannabis businesses for any revenue above a certain baseline revenue amount) would work.

The tax rebate program will be developed by City staff upon receiving further direction from the City Council. The tax rebate program could include a baseline for Measure MA revenues and any tax revenues received above the baseline will be returned to cannabis businesses who paid taxes for each annual and quarterly reporting period during the fiscal year. If directed by the City Council, details of this program would be developed and City staff would return to the City Council after further research with information on program implementation. City staff recommend given the complexity of this issue that sufficient time be allocated to explore all the financial and other potential implications to a tax rebate program, and be done after the budget adoption process.

5. If the baseline revenue utilized in the potential rebate program is lowered to \$8 to \$10 million, and/or if the retail tax is lowered to as low 4 percent, what would the fiscal impact be and what are some options?

As noted in the [memorandum](#) on the Cannabis Cultivation Tax and Retail Tax Feasibility Studies that was issued on August 17, 2022, if both the adult-use and medical cannabis

retail tax were reduced to 4 percent, the revenue loss would be \$5 million annually, compared to the current revenue in the FY 23 Budget. If the baseline revenue utilized in the potential rebate program were lowered to \$8 million, that would be a revenue loss of \$4 million annually compared to the revenue projected in the FY 23 Budget. Both of these scenarios combined would be a total structural revenue loss of \$9 million per year.

The FY 23 Budget is still in a projected structural shortfall situation for the General Fund, currently at \$20.2 million. For FY 23, the shortfall is anticipated to be covered using one-time funding sources including funds made available through the Long Beach Recovery Act and reserves previously set aside to help mitigate the immediate impact of the Measure M litigation. Any additional structural or one-time costs added to the FY 23 Budget will need to be covered with additional one-time funds, if available, or reductions in other budget service areas as directed by the City Council. Any structural costs added or reductions to structural revenues will add to the projected shortfall in FY 24 unless a structural offset is identified and approved for reduction.

There are potential one-time funds anticipated to be available if the City Council chooses to redirect and utilize them as part of the FY 23 Adopted Budget. There is \$2 million in a critical needs reserve that was established as part of the Proposed FY 23 Budget to address any unexpected labor or other critical costs that might arise during the year. Additionally, it is anticipated that in the current fiscal year (FY 22) revenues will perform better than budgeted and there will be savings in expenditures compared to budget due factors such as the tight labor market, hiring challenges, and vacancy savings. As reported in the FY 22 Mid-Year Performance Report that went to City Council on May 24, 2022, the FY 22 General Fund was estimated to end the year at a shortfall of \$18 million versus a shortfall of \$30 million anticipated at the time of budget development. This FY 22 shortfall is still planned to be covered with funds made available through the Long Beach Recovery Act – Securing our City's Future. If the shortfall ends up being smaller than projected at the end of FY 22, there may be additional Long Beach Recovery Act Funds available.

The City Council could potentially utilize some of these funds for additional adds in the FY 23 Budget or prioritize a list of projects to be considered at FY 22 year-end with any funds available. Staff recommends that Long Beach Recovery Act funding under the Securing our City's Future be preserved to address the projected shortfall in FY 24, as well as other cost needs such as supporting funds like the Special Advertising and Promotions Fund that was heavily impacted by the pandemic. Additionally, there have already been City Council directions that will draw down on the one-time sources listed above including costs related to healthcare worker minimum wage enforcement and staffing related to the Citizens Police Complaint Commission (CPCC). In a situation where City Council makes enhancements or reduces revenues for FY 23 that turns out not to be covered with funds made available through the Long Beach Recovery Act, the City conceivably would need to make FY 23 mid-year budget reductions and/or utilize the Operating or Emergency reserves.

From Budget Hearing

6. Please provide information on various options to expand library services hours, including but not limited to increasing hours of library branches to be open 48 hours a week and expanding library hours but with limited services/programming.

The 2021 Library Services Program Performance Audit cited limited open hours as a barrier to library use. Long Beach Public Library (LBPL) locations are currently open 34 hours at its 11 neighborhood branches and 38 hours at the Billie Jean King Main Library, averaging 34.33 hours across all 12 locations. Per the Audit, peer library systems average 48-61 hours of service. To bridge this gap, the City Council requested cost scenarios for the addition of library hours up to 48 hours, an increase of 10-14 hours of public service.

BACKGROUND

Library Services staffing was significantly cut in 2008, reducing the number of staff by an estimated 40 percent. This level of staffing has never been restored. As a result, all libraries currently have only enough staff to run a single shift. A single, full-time, weekly shift consists of 34 public service hours and 6 hours for daily opening procedures and reporting, collection development, program preparation, and professional development. Staff are currently piloting staggered shifts at the Billie Jean King Main Library which allows for 38 hours of public service per week. This is possible because of the large number of staff necessary to run a nearly 100,000 square foot facility which is four times larger than the City's largest neighborhood branch (Michelle Obama).

At all locations, the addition of 10-14 service hours requires the addition of staff so that two shifts can stagger coverage over a six-day period. Per Civil Service job classification requirements, fully functioning libraries can only be supervised by employees at the General or Senior Librarian level, therefore a general or senior librarian must be present in the building during open hours. Additionally, to maintain operational safety for both patrons and staff, Library Services requires a minimum staffing level of three (3) people at smaller branches such as Brewitt Library and 4-5 at the largest branch locations: Michelle Obama, Mark Twain, and El Dorado.

The following are three different scenarios for increasing LBPL open hours and their associated fiscal and staffing impacts. Additionally, a staff recommended approach to address additional resource needs utilizing currently available Long Beach Recovery Act Funds is also included:

Scenario A: 48 Hours of Service (6 Days) at all 12 Library Locations

| Day of the Week | Current Schedule | # of hours | Proposed Schedule | # of hours | Change in hours |
|-----------------|----------------------------------|---|-------------------|-------------|--|
| Monday | Closed | 0 | 10 AM – 7 PM | 9 | +9 |
| Tuesday | 12 PM - 7PM (Main: 10AM -7PM) | 7 (Main: 9) | 10 AM – 7 PM | 9 | +2 (Main: 0) |
| Wednesday | 12 PM – 6 PM | 6 | 10 AM – 7 PM | 9 | +3 |
| Thursday | 12 PM - 7PM (Main: 10AM -7PM) | 7 (Main: 9) | 10 AM – 7 PM | 9 | +2 (Main: 0) |
| Friday | 10 AM – 5 PM | 7 | 11 AM – 5 PM | 6 | -1 |
| Saturday | 10 AM – 5 PM | 7 | 11 AM – 5 PM | 6 | -1 |
| Sunday | Closed | 0 | Closed | 0 | 0 |
| TOTAL | 5 days | 34 hrs. per week (Main: 38 hours per week) | 6 days | 48 hrs/week | +14 at all branches +10 at BJK Main |

The additional cost for 48 hours of service at all 12 LBPL locations is approximately \$3 million with a net addition of 46 FTE staff. The total increase in public hours is 10 hours at BJK Main and 14 hours at each of the 11 branches. Mondays were chosen as the 6th day of service based on feedback received through a resident survey conducted by Library Services in the summer of 2021.

Additionally, the Department explored scaling this model of service down to 40 hours. It was determined that since full-time positions would need to be added to achieve a 48-hour schedule, there would be no cost savings by reducing to a 40-hour schedule. The amount of staff needed to be open 40 hours is the same cost as 48 hours.

Scenario B: 6 Days of Service at Main Library Plus 2 Branches, 5 Days Of Service at 8 Branches

Proposed schedule at 3 of 12 locations:

| Day of the Week | Current Schedule (8 branches would maintain this schedule) | # of hours | Proposed Schedule at BJK Main, Michelle Obama, Mark Twain | # of hours | Change in hours |
|-----------------|---|----------------|---|------------|-----------------|
| Monday | Closed | 0 | 10 AM – 7 PM | 9 | +9 |
| Tuesday | 12 PM - 7PM (Main: 10AM - 7PM) | 7 (Main: 9) | 10 AM – 7 PM | 9 | +2 (Main: 0) |

| Scenario B: 6 Days of Service at Main Library Plus 2 Branches, 5 Days Of Service at 8 Branches – continued | | | | | |
|---|-----------------------------------|---|--------------|--------------------------------|---|
| Wednesday | 12 PM – 6 PM | 6 | 12 PM – 6 PM | 6 | 0 |
| Thursday | 12 PM - 7PM (Main: 10AM - 7PM) | 7 (Main: 9) | 10 AM – 7 PM | 9 | +2 (Main: 0) |
| Friday | 10 AM – 5 PM | 7 | 10 AM – 5 PM | 7 | 0 |
| Saturday | 10 AM – 5 PM | 7 | 10 AM – 5 PM | 7 | 0 |
| Sunday | Closed | 0 | Closed | 0 | 0 |
| TOTAL | 5 days | 34 hrs. per week (Main: 38 per week) | 6 days | 47 hrs. per week @ 3 locations | +13 at Michelle Obama, Mark Twain +9 at BJK Main |

The additional cost of adding these additional hours at Billie Jean King Main, Mark Twain, and Michelle Obama Libraries is approximately \$1.04 million with a net addition of 16.5 FTE library staff. This scenario B adds nine hours of service at Billie Jean King Main and 13 hours of service at Mark Twain and Michelle Obama Libraries bringing the total number of hours at three locations to 47. These locations were chosen because they serve socioeconomically challenged areas of the City that could most benefit from library services. Wednesday, Friday, and Saturday hours were kept at the current schedule to maintain the same time slot for staff professional development (9 AM – 11:30 AM on Wednesdays) and to align Friday and Saturday hours across all 12 locations. The alignment of hours on certain days minimizes some public messaging confusion regarding library open hour schedules.

Scenario C: 6 Days of Service at Main Plus 3 Branches, 5 Days of Service at 7 Branches

Proposed schedule at 4 of 12 locations:

| Day of the Week | Current Schedule (7 branches would maintain this schedule) | # of hours | Proposed Schedule at BJK Main, Michelle Obama, Mark Twain, El Dorado | # of hours | Change in hours |
|-----------------|---|----------------|--|------------|-----------------|
| Monday | Closed | 0 | 10 AM – 7 PM | 9 | +9 |
| Tuesday | 12 PM - 7PM (Main: 10AM -7PM) | 7 (Main: 9) | 10 AM – 7 PM | 9 | +2 (Main: 0) |
| Wednesday | 12 PM – 6 PM | 6 | 12 PM – 6 PM | 6 | 0 |
| Thursday | 12 PM - 7PM (Main: 10AM -7PM) | 7 (Main: 9) | 10 AM – 7 PM | 9 | +2 (Main: 0) |

| Scenario C: 6 Days of Service at Main Plus 3 Branches, 5 Days of Service at 7 Branches – continued | | | | | |
|---|--------------|---|--------------|--------------------------------|--|
| Friday | 10 AM – 5 PM | 7 | 10 AM – 5 PM | 7 | 0 |
| Saturday | 10 AM – 5 PM | 7 | 10 AM – 5 PM | 7 | 0 |
| Sunday | Closed | 0 | Closed | 0 | 0 |
| TOTAL | 5 days | 34 hrs. per week (Main: 38 per week) | 6 days | 47 hrs. per week @ 4 locations | +13 at Michelle Obama, Mark Twain, El Dorado +9 at BJK Main |

Scenario C mimics Scenario B but adds El Dorado Library as a 47-hour branch and provides access to an extended hours library to East Long Beach residents. The cost of Scenario C is approximately \$1.5 million with a net addition of 18.5 FTE library staff.

LB RECOVERY ACT OPTIONS

\$250,000 in funding through the Long Beach Recovery Act was originally allocated to Library Services to waive library fines. Now that the elimination of fines has been implemented and incorporated as a policy change within the Proposed FY 23 budget, that \$250,000 could be used to extend hours temporarily.

The following are proposed options for reallocating that \$250,000 toward a temporary increase in library hours. Staff recommends Option 1 with the note that utilizing overtime model for expanded hours can have limits and challenges from an operational viewpoint due to fluctuating staff availability and scheduling challenges. However, with the funds currently available, this is the recommended approach for FY 23:

LBRA Option 1 (Recommended Approach):

- Add five Monday hours at two branches (Michelle Obama and El Dorado) by offering overtime to existing staff for one year.
- Maintain current open hours (34-38) at nine locations.
- Two locations increase service to six days; service hours at these locations increases from 34 to 39.

LBRA Option 2:

- Open two hours earlier on Tuesdays and Thursdays at Michelle Obama and Mark Twain.
- Addition of 3 FTE - Long Beach Recovery Fund would only temporarily cover the cost of the FTEs for one-year. Structural costs would add to the FY 24 structural shortfall.

- Maintain current open hours (34-38) at nine locations.
- Maintains five days of service at all locations, with 34 hours at nine branches. Number of locations offering 38 hours of service increases by two for a total of three libraries at 38 hours.

LBRA Option 3:

- Apply the \$250,000 toward one of the scenarios A - C above as a one-time offset. This would only be a temporary offset and the structural costs would add to the FY 24 structural shortfall.
- For example, the FY23 cost of Scenario B would be \$850,000 rather than \$1.1 million.

7. Can you clarify the new positions added to Economic Development in the Fiscal Year 2023 Proposed Budget and why there were reductions to Workforce Development?

To continue our focus on business support, retention and attraction, the Department of Economic Development is proposing several key positions. An Administrative Analyst II is proposed to serve as a business liaison for business owners and entrepreneurs, a Public Affairs Assistant will help coordinate messaging across the department's many programs, and two staff members, a Community Development Specialist II and a Community Development technician II, will provide the operational support for critical on-going business support programs.

Three positions are proposed to improve the management and oversight of key City assets in the Long Beach Convention and Entertainment Center (LBCEC) and the Queen Mary. At the LBCEC, an Administrative Analyst II is proposed to oversee the new Management Agreement for the LBCEC offset by additional revenues anticipated from the new contract. A Pier H Bureau Manager is proposed to manage and oversee the Queen Mary and surrounding areas on Pier H offset by revenues expected from activation of the Queen Mary and surrounding area.

Along with the above, the department will reallocate staff members from the Workforce Development Bureau to the Business Development and Business Operations Bureaus to more accurately reflect departmental operations and create oversight efficiencies. The Cannabis Equity Hire program including a Community Development Specialist III, will be reallocated from the Workforce Development Bureau to the Business Development Bureau to better align with other Cannabis programs in the department, and several fiscal/grant staff will be reallocated from the Workforce Development Bureau to the Business Operations Bureau to more accurately reflect departmental operations and create oversight efficiencies.

8. Can you clarify in the last year, how many people we have hired and how many people we have lost from dispatch?

In 2021, the Disaster Preparedness and Emergency Communications Department hired 15 new Public Safety Dispatchers (PSDs). During the same year, there were also the following departures:

- 2 Probationary PSDs hired in 2021 resigned
- 2 Journey-level PSDs resigned to other agencies (Redondo Beach PD and Harbor Dept)
- 2 Journey-level PSDs resigned and moved out of state
- 3 Journey-level PSDs retired

In summary, 15 new full time Public Safety Dispatchers were hired with 9 departures.

9. Please provide a status update on the Justice Fund.

Since spring 2019, the Long Beach Justice Fund has been providing legal representation to immigrants who are residing or working in Long Beach and are facing the threat of deportation. For the first two years of implementation, Vera acted as the fiscal sponsor and ImmDef provided legal defense services to clients who were referred through the Long Beach Immigrant Rights Coalition (LBIRC) and a few other sources.

During the first year of implementation, the Office of Equity facilitated the development of the Long Beach Justice Fund Oversight Committee (Committee), comprised of stakeholders actively engaged in monitoring and advising the implementation of the Justice Fund. In response to the challenges posed by COVID-19, the Committee recommended adding a Community Connection Services component to help align recipients to not only the legal services, but to wraparound supports as well.

In October 2021, the City Manager Department, Office of Equity, took over program management responsibilities to continue program implementation and released an RFP seeking the continuation of the legal services and the community connection component. Three organizations were chosen: LBIRC, Centro Cha, and St. Mary Medical Center Foundation (Families in Good Health) to provide direct referrals to the Justice Fund legal service provider (ImmDef), serve as a liaison with client's families, and provide referrals to community services.

As mentioned, the Office of Equity released an RFP in June 2021 seeking the community connection and a non-profit legal services provider. Below is a brief timeline of events starting from the June 2021 RFP process:

Justice Fund Timeline

| | |
|----------------|---|
| June 2021 | Office of Equity released an RFP to continue the Justice Fund by contracting with a community connection service provider and a non-profit legal services provider |
| August 2021 | Second Request for Proposal released |
| September 2021 | City Manager made a final recommendation to fund three community connection service provider(s). |
| February 2022 | City Council awarded contracts for three community connection service providers (LBIRC, Centro Cha, St. Mary's Medical Center) and one legal services provider (EmmDef) |
| April-May 2022 | City Manager approved contracts/ Contracts finalized |
| June 2022 | Office of Equity facilitated a capacity-building workshop for the community connection service providers (covering Universal Representation and Best Practices). |

There is ongoing funding of \$300,000 that is budgeted in the City Manager's structural fund budget and will be available in FY 23. In addition, the Long Beach Recovery Act has set aside \$300,000 to support the efforts of the Justice Fund as well as funds from FY 22 up to \$300,000 expected to be encumbered for spending in FY 23. The combination of all these sources is expected to sufficiently support all the planned efforts of the Justice Fund in FY 23.

If you have any questions, please contact Budget Manager Grace H. Yoon at (562) 570-6408.

CC: CHARLES PARKIN, CITY ATTORNEY
DOUGLAS P. HAUBERT, CITY PROSECUTOR
LAURA L. DOUD, CITY AUDITOR
LINDA F. TATUM, ASSISTANT CITY MANAGER
TERESA CHANDLER, DEPUTY CITY MANAGER
KATY NOMURA, DEPUTY CITY MANAGER
APRIL WALKER, ADMINISTRATIVE DEPUTY CITY MANAGER
KEVIN LEE, CHIEF PUBLIC AFFAIRS OFFICER
MONIQUE DE LA GARZA, CITY CLERK
DEPARTMENT HEADS

Date: September 1, 2022

To: Thomas B. Modica, City Manager



From: Kevin Riper, Director of Financial Management



For: Mayor and Members of the City Council

Subject: **Responses to Questions from the Budget Oversight Committee and City Council Budget Hearing on August 16, 2022**

During the Budget Oversight Committee and Budget Hearing meetings held on August 16, 2022, City of Long Beach (City) staff provided an overview on the use of Measure A in the Proposed Fiscal Year 2023 (FY 23) Budget; a presentation on the Measure A 5-year Infrastructure Program; and, the Departments of Health and Human Services and Public Works provided overviews of their Proposed FY 23 Budgets. This memorandum provides responses and further clarification to questions posed by members of the City Council during those meetings.

1. Please provide more information on the funding for Fire Station 9 in the FY 23 Budget and the overall funding plan for the project.

The Proposed FY 23 CIP Budget includes \$1,699,718 of Measure A funding dedicated towards the new Fire Station 9 project and there is an additional \$1,500,000 included in the Proposed FY 23 Measure A Bond funding plan. In addition to the \$6,661,792 of Measure A funding currently appropriated for this use, this totals \$9,861,510 allocated to this project. However, the total estimated cost of the project is approximately \$30 million, resulting in a \$20 million funding gap to fully fund the Fire Station 9 project. When the Five-Year Infrastructure Investment Plan (FY 23 – FY 27) was being developed, funds were not allocated to completely fund the Fire Station 9 funding gap, as that would have greatly decreased the ability to fund other critical projects throughout the City. City staff are currently working to identify other options and solutions for this funding gap. The current budgeted funds of nearly \$10 million will allow City staff to complete design, entitlements, and pursue additional funding sources to complete the project.

2. How does the \$2.1 million Measure A funds for river cleanup compare to past and current funds being expended for cleanups? What are some ways we will be able to identify progress and improvements from the FY 23 investments?

The Measure A funds of \$2.1 million for a two-year effort will provide an additional 10,440 work hours for Quality of Life (QoL) Officers in the Police Department to focus on encampment cleanups along the Los Angeles and San Gabriel Riverbeds located within the Long Beach jurisdiction. For many years, there were only a few QoL officers who supported the City with outreach and cleanup efforts. However, in FY 23, four QoL positions are proposed to be added, bringing the total to four teams of two officers (one team per

division). Before QoL officers were recommended to be added to the team, when encampment cleanups were needed along the riverbeds, patrol officers were paid overtime to provide the necessary safety support to the Public Works Clean Team members and Outreach workers from the Health and Human Services Department. Encampment cleanups require interdepartmental coordination to efficiently offer services to people who are experiencing homelessness before the cleanup occurs and to keep the teams safe as they enter encampments to complete the work. These Measure A funds of \$2.1 million will allow the Police Department to double the current capacity for the QoL program, allowing the City to focus specifically on offering services to people and cleaning the encampments along the riverbeds. The funds also allow the Police Department to return Patrol Officers back to regular Calls for Service deployment.

Additionally, as part of the Interdepartmental Coordinated response, the Public Works Department Clean Team has been tasked with cleaning up encampment areas and other locations across Long Beach that are inhabited by people who are experiencing homelessness (PEH). Actual spending has ranged around \$280,000 to \$614,000 in the past few years, funded through a combination of Measure MA funds, Health Department funding, one-time funding, and savings from the General Fund. In partnership with other City Departments, the Clean Team has been able to increase the amount of encampment cleanups performed year-over-year. See the table below.

| HOMELESS ENCAMPMENT CLEANUPS STATISTICS | | | |
|--|------------|----------------------------|----------------------------|
| Number of homeless encampment cleanups performed | | | |
| | # Cleanups | % increase from Prior Year | # increase from Prior Year |
| FY 18 | 402 | | |
| FY 19 | 604 | 50.25% | 202 |
| FY 20 | 756 | 25.17% | 152 |
| FY 21 | 862 | 14.02% | 106 |
| FY 22* | 1,350 | 56.61% | 488 |
| *FY 22 estimate | | | |

Other funding to support cleanup efforts include the Long Beach Recovery Act, which has also allocated \$3.9 million to support Clean Streets and \$100,000 for Parks cleanup, both of which can also include PEH encampment cleanups. Additionally, in the Proposed FY 23 Budget, structural funding of \$255,000 has been added for the Proactive Homeless Initiative including rapid response, cleanups, and outreach; and one-time funding of \$125,000 has been added for cleanup of large PEH encampment sites in parks and open spaces. The City is also currently in negotiations with the County to establish two Memoranda of Understanding for the County that may potentially give the Long Beach Public Works and Police Departments additional funding to provide safety support and cleanup along the County sections of the riverbeds.

Both departments will utilize a data-informed analysis to evaluate the progress and will also look at how the additions will increase City staff's capacity to support the growing number of current and future citywide homeless related outreach and cleanup efforts. In addition, this funding will allow City staff to maintain specific homeless response and outreach, while minimizing the impact on day-to-day operations. For the Police Department specifically, staff anticipate a reduction in overtime costs associated with redirecting officers from their regular assignments to assist with outreach and cleanup requests. Two performance measures that will help identify progress and improvements are (i) number of people from encampments who are connected and engaged in services and moving toward permanent housing; and (ii) reduction in number of encampments in the focus areas due to connection to services.

For the Clean Team, tracking includes maintaining daily logs of tasks performed including monthly reporting of encampment cleanups, tonnage collected and removed, number of complaints received and resolved, and hazardous waste manifested.

As this is a new effort, actual costs are unknown. City staff will review and come back to the City Council if additional financial support is needed for other departments.

3. How many community-based organizations does the Health and Human Services Department partner with for street outreach?

The Long Beach Department of Health and Human Services (DHHS) currently contracts with the following nonprofits for ongoing programs:

- 1736 Family Crisis Center
- Catholic Charities
- Family Promise of South Bay
- First To Serve
- Goodwill
- Harbor Interfaith
- Illumination Foundation
- Interval House
- Lutheran Social Services of Southern California
- Mental Health America of Los Angeles
- PATH (People Assisting the Homeless)
- The Children's Clinic
- US Vets
- Volunteers of America Los Angeles

Over the past two years DHHS has also provided one time grant funds to the following organizations:

- AOC7
- Christian Outreach in Action
- Healthcare In Action

- His Little Feet, Inc.
- Long Beach Community Table

The following are agencies or organizations that have been partners in providing direct services but are not currently being funded by DHHS:

- AIDS Healthcare Foundation
- Anthem Blue Cross
- Ascent
- Ashley's Fund
- Bienestar
- Care Closet LBC
- Century Villages at Cabrillo
- City HEART
- Downtown Long Beach Alliance (DLBA)
- Help Me Help You
- His Nesting Place
- Holiday's Helping Hands
- Jovene's Inc.
- LA Community Health Project
- LA County Department of Mental Health
- LA County Probation
- Linc Housing
- Long Beach City College
- Long Beach City Prosecutor's Office
- Long Beach Rescue Mission
- Long Beach Veteran's Affairs Hospital
- Los Angeles Centers for Alcohol and Drug Abuse (LACADA)
- Mercy Housing
- Safe Refuge
- Searchlight Society
- Serenity Recuperative Care
- St. Luke's Episcopal Church
- Su Casa
- The Asian American Drug Abuse Program (AADAP)
- Urban Community Outreach
- Women's Shelter of Long Beach

4. Can a reassessment of the slurry seal project be conducted to consider the timeline of eligible streets to be based on the percentage of asphalt streets within each district?

The process to select streets eligible for slurry sealing is based on multiple factors but the primary determinant is the pavement condition index (PCI) of the asphalt and subsurface base materials. All streets in the City with a PCI between 60-85 have been deemed eligible for slurry seal and are included within the proposed 5-year infrastructure program.

If you have any questions, please contact Budget Manager Grace H. Yoon at (562) 570-6408.

CC:

CHARLES PARKIN, CITY ATTORNEY