



R-17

Mayor Robert Garcia
City of Long Beach

September 1, 2020

To: Members of the City Council

From: Mayor Robert Garcia

RECOMMENDATION:

1) Request the City Attorney to draft a Council resolution in support of the universal basic income initiative established by the Mayors for a Guaranteed Income, as well as federal and state efforts to support residents disadvantaged by the COVID-19 pandemic; 2) Request the City Manager to seek grants and private foundation support to fund the pilot and to bring back specific grant approval to City Council, and; 3) Report back to the City Council on progress of pilot development.

DISCUSSION:

The Coronavirus has affected every corner of the nation wreaking havoc on people's lives and the overall economy. This toll has highlighted and exasperated the income gap in America and how families are unable to pay basic costs like housing and food. Though many have received unemployment insurance benefits, those funds have fallen short of basic needs and left many out of payments altogether.

The income gap continues to grow unabated and is more pronounced for people of color who earn less than their counterparts and neighbors. Housing is becoming scarcer and less affordable. Unemployment filings continue to increase. People are suffering tremendously during this pandemic, and many were suffering before as well.

Universal Basic Income, or a guaranteed income, is being piloted in cities across the United States, and is part of the Mayor's FY 21 Budget recommendations. It's an innovative approach to supporting people in a rapidly changing economy. Ongoing direct payments to individuals and families would help to start to address the inequalities being experienced across the country. It would provide immediate relief to the recipients and help stimulate the economy. Long Beach would greatly benefit from these direct payments to all residents, and it would help those most in need.

This matter was reviewed by Budget Manager Grace H. Yoon on August 21, 2020.

FISCAL IMPACT:

This recommendation requests the City Attorney to draft a Council resolution in favor of a universal basic income pilot in Long Beach; the City Manager to seek grants and private foundation support to fund the pilot; and for staff to report back to the City Council on progress of pilot development. City staff will report back on any specific grants or private foundation support for this pilot program and bring back to City Council for approval. The Mayor's recommendations for the Proposed FY 21 Budget also includes a proposed \$100,000 to hire an Economic Equity Specialist to address income inequality and explore public banking and universal basic income, to be funded from General Fund reserves. Developing a Universal Basic Income pilot program is anticipated to require a moderate to significant impact on staff hours beyond normal budgeted scope of duties and is expected to have moderate to significant impact on existing City Council priorities, due to limited staff capacity impacted by things such as the pandemic response and other priority projects. Any additional fiscal impact, including impact on staff time and City Council priorities, of the implementing the Universal Basic Income program will need to be identified and brought back to City Council prior to Council action to proceed with any pilot program.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert Garcia", with a stylized flourish at the end.

Mayor Robert Garcia

August 24, 2020