

R-18

Date September 7, 2021

To: HONORABLE MAYOR AND CITY COUNCIL

From: Councilwoman Mary Zendejas, District 1
Vice Mayor Rex Richardson, District 9
Councilmember Cindy Allen, District 2
Councilmember Roberto Uranga, District 7

Subject: Fresh Start Long Beach Program for Businesses Closed by COVID-19

RECOMMENDATION

Request City Manager to work with the Economic Development Department to create a Fresh Start Long Beach Program that allows City Staff to allocate American Rescue Plan Act Funds to lessen the financial burden on Long Beach business owners who held valid Long Beach business licenses, were in good standing, were within those industries identified as the most impacted by COVID-19 restrictions, and who have not renewed that license due to closing the business as a direct result of COVID-19 hardships.

DISCUSSION

Long Beach has always been a city that has embraced entrepreneurship. It is also a city that prides itself in aiding those who need it. There is currently an opportunity to renew those commitments to Long Beach business owners who risked it all to follow their dream but lost it all due to an unforeseeable pandemic. Fresh Start Long Beach seeks to find funding to allow for our most effected businesses to emerge from a horrible situation with the least amount of financial burden. By doing so, we seek to strengthen the businesses' love for Long Beach and foster a renewed desire to reinvest in this city.

As COVID-19 and its effects on our economy continue to impact our residents, the City of Long Beach continues to work diligently to lessen that impact through continued eviction moratoriums, rental assistance programs, Business License Tax and Fee Grants, and payment deferrals. There have also been partnerships when implementing Federal and State grant programs, loan application programs, and other financial tools to help people keep their homes and businesses throughout the pandemic. As we begin to emerge from COVID-19 (despite the Delta Variant providing further evidence for the need to be vaccinated), now is the time to pause and make sure that we have offered help to all who have been affected by this pandemic.

The immediate need for funding was to prioritize assistance to prevent residents from falling into homelessness and businesses from having to close, and we are continuing to work to prevent as much damage from this pandemic as possible. With that as the goal, we must be mindful to create opportunities for those who are already a victim of COVID-19. Many business owners took on loans to try and weather the storm and are now saddled with large debts with no way to earn income. In order for these men and women to be successful moving forward,

we have to give them the most opportunity to emerge from this terrible situation with the least amount of financial burden as possible.

The average business in Long Beach has the following fees, taxes, and costs just to do business:

- Initial Plan Check Fee
- Inspection Costs
- Business License Tax
- Insurance Cost
- Fire Fee
- Health Fee
- Employee Fees
- Construction Cost
- ...

We are all aware that this past year and a half has not allowed many of our businesses to operate as usual but many of these fees and taxes are still due even if the business closed and completely separate from any costs associated with closing the business. We must work, as a city, to minimize our impact as business owners try to keep their heads above water, remain in their homes, and support their families all while coming to the realization that their dream is coming to an end.

I am confident that we can find creative ways to include closed businesses in allocated funds from our County, State, and Federal partners designed to lessen the impact of COVID-19 on businesses. By doing so, we can rebuild relationships with residents and businesses who may feel left out, marginalized, or even forgotten and provide, at a minimum, a small gesture that they are heard, we do care, and we want to see them be successful here in Long Beach.

Due to the urgency of the item, no Financial Review was possible.

TIMING CONSIDERATIONS

As moratoriums are being lifted and property owners struggle to find tenants that can pay rents immediately, it is extremely pressing that the City find ways to help business owners who have already lost everything not fear continually mounting debt, fees, or costs at the hands of the City.

FISCAL IMPACT

No Financial Management review was able to be conducted due to the urgency and time sensitivity of this item.

SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mary Zendejas". The signature is written in a cursive, flowing style.

Councilwoman Mary Zendejas

