



Legislation Details (With Text)

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Title: Recommendation to request City Manager to work with the Department of Economic Development to evaluate the feasibility of establishing a special Economic Empowerment Zone (EEZ) program in the targeted areas of North, Central, and West Long Beach. Furthermore, request a report back on the program in 90 days.

Sponsors: COUNCILMEMBER REX RICHARDSON, NINTH DISTRICT, COUNCILWOMAN LENA GONZALEZ, FIRST DISTRICT, VICE MAYOR DEE ANDREWS, SIXTH DISTRICT, COUNCILMEMBER ROBERTO URANGA, SEVENTH DISTRICT

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Date	Ver.	Action By	Action	Result
6/11/2019	1	City Council	approve recommendation	Pass

Recommendation to request City Manager to work with the Department of Economic Development to evaluate the feasibility of establishing a special Economic Empowerment Zone (EEZ) program in the targeted areas of North, Central, and West Long Beach. Furthermore, request a report back on the program in 90 days.

Economic development in the City of Long Beach is undergoing impressive resurgence, and furthermore positioned a great priority, as millions of dollars have been invested in infrastructure and resources to support a thriving economy. However, for generations, some communities across the city haven't been able to keep up with the pace, creating a picture of economic segregation and inequity.

The face of Long Beach has changed, as over the past 30 years, the City became home to a majority people-of-color population. Despite people-of-color having a large share of the City's population, disparate outcomes in who can access economic opportunity persist in the everyday lives of Long Beach residents as homeowners, workers, and entrepreneurs. These persistent gaps exist in homeownership rates: where 55% of White residents are homeowners, compared to the 31 % of people-of-color residents that own homes (25% Black, 30% Latinx, and 40% Asian Pacific Islander)". Likewise, in the workforce, people of color earn lower hourly wages than White employee at every level of education. Lastly, as entrepreneurs, "large racial disparities are present in average annual receipts-." Black and Latinx-owned businesses average annual receipts were less than \$50,00, compared to the mean receipts for White businesses, which was close to \$490,000.

Long Beach cannot thrive unless it's communities and residents thrive. Ensuring equitable

access to economic opportunity is not just a moral imperative, but essential to Long Beach's economic prosperity.

The Problem

The communities of North, Central, and West Long Beach are layered with inequities in health, wealth, and opportunity, as northwestern and southwestern Long Beach communities are burdened by higher concentrations of pollutants", The same areas face lower median household incomes, higher rates of unemployment, and lower educational attainment, which can be attributed to challenges in access.

North, Central, and West Long Beach have historically been home to majority-minority populations". Data shows these areas have more families with young children" compared to other parts of the City; conversely, life expectancy is lower in the North, Central, and West neighborhoods. These communities are growing, and they are diverse, but the need for investment in opportunities and resources persist.

The Elimination of Redevelopment, Enterprise Zones, and Promise Zones

In 2013, the state of California eliminated the most significant local tool to revitalize community communities. The Redevelopment Agency (RDA) was an essential proponent in revitalizing neighborhoods and improving the quality of life. With project areas in North, Central, and West Long Beach, RDA led revitalization efforts along major corridors; in our parks, businesses, and residential areas. Redevelopment projects leveraged resources to grow economic activity, build affordable housing, attract new businesses, and create new jobs.

We also witnessed the demise of other state and federal programs that leveraged tax incentives to grow economic activity in distressed areas around the country, such as Enterprise Zones, Promise Zones. In addition to state and federal-led economic development programs, cities have also championed place-based initiatives to stimulate growth and development and relieve economic inequities.

The Opportunity

Despite the lack of state and federal tools to revitalize communities, cities are stepping up to champion place-based initiatives to stimulate growth and development and relieve economic inequities. Around the world, economic development programs are focusing resources in the communities that need help to grow.

Streamlined processes, alternative regulations, and tax savings are all incentives used to improve the quality of life and economic opportunity in an area. Most often designated in low-income neighborhoods, special incentive zones are delineated areas subject to different regulations and specialized services to attract investment.

A city-led initiative to grow good jobs, businesses, quality housing and amenities would be a dynamic first step towards fostering equitable growth. Furthermore, Economic Empowerment Zones in North, Central, and West Long Beach, established for a minimum of 5 years, would encourage public-private partnerships to improve the connectedness and overall quality of life for residents and businesses in these areas.

Due to the urgency and time sensitivity of this item, no Financial Management review was able to be conducted.

Approve recommendation.

REX RICHARDSON
COUNCILMEMBER, NINTH DISTRICT

DEE ANDREWS
VICE MAYOR, SIXTH DISTRICT

ROBERTO URANGA
COUNCILMEMBER, SEVENTH DISTRICT