



Legislation Details (With Text)

File #: 19-0563 **Version:** 1 **Name:** CD1 - Fund Transfer Opportunity Zones

Type: Agenda Item **Status:** Approved

File created: 6/7/2019 **In control:** City Council

On agenda: 6/11/2019 **Final action:** 6/11/2019

Title: Recommendation to increase appropriations in the General Fund Group in the Economic Development Department by \$25,000, offset by the First Council District one-time District Priority Funds transferred from the General Fund Group in the Citywide Activities Department to support the hiring of a temporary, part-time staff member to develop a program for Opportunity Zones business development; and

Decrease appropriations in the General Fund Group in the Citywide Activities Department by \$25,000 to offset a transfer to the Economic Development Department.

Sponsors: COUNCILWOMAN LENA GONZALEZ, FIRST DISTRICT

Indexes:

Code sections:

Attachments: 1. 061119-NB-45sr&att.pdf

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

Recommendation to increase appropriations in the General Fund Group in the Economic Development Department by \$25,000, offset by the First Council District one-time District Priority Funds transferred from the General Fund Group in the Citywide Activities Department to support the hiring of a temporary, part-time staff member to develop a program for Opportunity Zones business development; and

Decrease appropriations in the General Fund Group in the Citywide Activities Department by \$25,000 to offset a transfer to the Economic Development Department.

The City of Long Beach has 19 census tracts designated as Opportunity Zones, spanning more than 2,300 acres, and the First Council District has the most Opportunity Zones in the city. Opportunity Zones are defined as economically distressed communities where new investments, under certain conditions, may be eligible for preferential tax treatment. Residents living within Long Beach Opportunity Zones have 39% lower median household income compared to those who do not, and the unemployment rate of residents age 16+ in Long Beach Opportunity Zones is 11.7% compared to 8.2% in the rest of the city.

Traditionally, Opportunity Zones are utilized for funding real estate developments, yet many businesses in Opportunity Zones also lack access to capital and resources that will help them grow. This Council recommendation requests a fund transfer to hire a temporary, part-time staff member to identify innovative approaches to assist businesses operating within Opportunity Zones and to develop a strategic toolkit to promote economic development in

these areas. The staff member will conduct research and community outreach to local businesses in Opportunity Zones to begin the process of identifying ways that businesses can benefit from Opportunity Zone Funds and venture capital investment.

This focus on business growth within Opportunity Zones will advance the City of Long Beach's goals to be a leader in economic inclusion. The recommendation supports the objectives outlined in the Economic Development Blueprint to "Increase investment in low-income business corridors" and to "Develop plans and strategies to attract investment, improve business corridors, encourage business formation and retention, and support job creation in low-income communities."

This matter was reviewed by Budget Manager Grace H. Yoon on June 6, 2019.

This recommendation provides funds to the Economic Development Department to hire a temporary, part-time staff member to develop a program for business development in Opportunity Zones. The total appropriation increase in the General Fund Group in the Economic Development Department in the amount of \$25,000 is offset by a decrease of appropriation of First Council District one-time District Priority Funds in the General Fund Group in the Citywide Activities Department. Completing this work is anticipated to result in a moderate impact to staff hours beyond normal budgeted scope of duties-to recruit, hire, and supervise the activities of the coordinator-and a moderate impact on City Council priorities.

Approve recommendation.

LENA GONZALEZ
COUNCILWOMAN, FIRST DISTRICT