



## Legislation Text

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**File #:** 19-0864, **Version:** 1

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Recommendation to authorize City Manager, or designee, to execute a grant agreement with the Long Beach Community Development Corporation, a 501(c)3 organization to be located in Long Beach, in an amount not to exceed \$125,000, to support the establishment of a Community Development Corporation (CDC) to deploy programs and services that support economic development and financial empowerment of low-median income communities; and

Increase appropriations in the General Fund Group in the Economic Development Department by \$125,000, offset by proceeds received from the sale of Successor Agency properties. (Citywide)

On November 7, 2017, the City Council approved a package of initiatives to begin exploring strategies to address goals and objectives from the economic inclusion focus area of the City's Blueprint for Economic Development (Blueprint). The package of initiatives titled 'Everyone In,' proposed a number of activities, including a listening tour, to gather input and recommendations from the community for increasing access to economic opportunities in low-income communities and communities of color, with the goal of advancing economic equity and inclusion citywide. As follow-up to the listening tour, Councilmember Rex Richardson partnered with the Local Initiative Support Coalition (LISC) and Wells Fargo, to host a series of implementation discussions with the community to collect feedback on potential implementation strategies.

On June 11, 2019, Councilmember Rex Richardson presented the 'Everyone In' Implementation Plan (Plan) final report to the City Council for review, discussion, and approval. The Plan highlights five key strategies, including the establishment of a Community Development Corporation (CDC), to deliver programs that promote access to information and services at the individual or neighborhood level in low-median income (LMI) communities in City of Long Beach. Traditionally, CDCs are structured to enhance the economic and social strength of communities by expanding and promoting economic opportunity through equitable and inclusive programming. Long-term programming for the Long Beach CDC may include the following:

- Housing and homeownership;
- Entrepreneurship and small business support;
- Workforce and youth development;
- Economic resiliency (connectedness);
- Creative placemaking;
- Urban agriculture, green spaces and sustainability; and
- Business improvement district support.

To advance the development of the CDC, the local non-profit Long Beach Community Action Partnership (LBCAP) successfully secured a \$115,000 planning grant from Wells Fargo. LBCAP has a proven track record of working with the City through a variety of programs including the implementation of Public, Education, and Government Access Channel (PEG) funds, and other public service programs to assist individuals and families as they strive to achieve financial self-sustainability. As part of the grant award from Wells Fargo, LBCAP is required to secure a matching seed grant from the City to assist with the planning, development, and first year of operating the CDC. The required funding to develop and sustain the CDC for the first year is estimated by LBCAP to be \$240,000. As such, City staff is recommending City Council approval to execute a grant agreement with the CDC, once formed, and to provide up to \$125,000 from Successor Agency property sale proceeds from the North Project Area funds, to support the first year of development and operations. Ongoing cost to maintain operations of the CDC beyond its initial year will be funded through the nonprofit and is expected to continue to provide services to advance goals in the Blueprint.

This matter was reviewed by Deputy City Attorney Amy R. Webber on July 10, 2019 and by Budget Management Officer Rhutu Amin Gharib on July 21, 2019.

City Council action is requested on September 3, 2019, to provide Wells Fargo with confirmation that the match grant has been secured by LBCAP, and to draft the grant agreement that will be used to transfer the funds to the CDC once it has been established. Per the project timeline, the strategic planning process will begin in October with the expectation of operations launching in Spring 2020.

Expenses totaling \$240,000 are estimated to be necessary to provide LBCAP with sufficient resources to establish and operate the CDC in its initial year. Of this amount, \$115,000 will be provided to LBCAP by grant funds from Wells Fargo, and a \$125,000 matching contribution is requested from the City. Therefore, an appropriation increase is requested in the General Fund Group in the Economic Development Department by \$125,000 to fund the CDC, offset by proceeds from Successor Agency property sales (North Project Area funds). Ongoing cost to maintain operations of the CDC beyond its initial year will be funded through the nonprofit. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

JOHN KEISLER  
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

PATRICK H. WEST  
CITY MANAGER