



Legislation Text

File #: 20-0567, **Version:** 1

Recommendation to decrease FY 20 appropriations in the General Fund Group in the Citywide Activities Department by \$25,000 to reflect the use of the Fourth Council District One-time District Priority Funds for District Restart Grants to Fourth District businesses damaged by the events of May 31st;

Allocate \$50,000 from the one-time Business Corridor Improvement funds appropriated by City Council in the FY 19 Budget for Pacific and Anaheim corridors to be used for First and Sixth District Restart Grants to businesses located in the First and Sixth districts businesses damaged by the events of May 31st;

Allocate \$25,000 from the one-time sale of Successor Agency Citywide funds appropriated by the City Council in the FY 20 Budget to be used for Seventh District Restart Grants to businesses located in the Seventh District businesses damaged by the events of May 31st; and

Direct City Manager to look at expanding the current CDBG grant program to incorporate eligible businesses damaged by the events of May 31st.

On May 31, 2020, an estimated 290 businesses reported damages, theft, or vandalism in the City of Long Beach. In an effort to assist very small businesses that reopen and restart as soon as possible, the City Council has directed the City Manager to identify resources that may be made available to business owners facing the greatest financial hardship; and, may struggle to access credit or other sources of working capital. The purpose of this request is to redirect \$100,000 of existing one-time City Council District funds to provide impacted business owners with \$1,000 to \$2,000 Small Business Restart (SBR) grants.

Small Business Restart Grant Program

Although the City operates an SBR grant program through its Community Development Block Grant (CDBG) program, the SBR grant program is designed to provide emergency relief to help small businesses within specific Council Districts that have made additional funding available to businesses impacted by property damages related to the events that occurred on May 31st. SBR Grant funds may be used for the following purposes:

- Replacing lost inventory;
- Making repairs to the exterior/interior of a business;
- Replacing lost equipment;
- Repairing damaged equipment,
- Paying business interruption insurance deductibles; and

- Working capital to continue operations.

The SBR Grant Program will be available on a first-come, first-served basis, to businesses to the extent funds are available based on location and need. Following is a general outline of the application and award process:

1. Business owner visits www.longbeach.gov/4biz to download application information.
2. Business owner submits a complete application (including all required documentation).
3. Business owner is contacted by City staff to confirm receipt of application.
4. City staff begin process of assessing program eligibility. Completed applications, with all required documentation, will be reviewed. Incomplete applications will be rejected.
5. Business owners chosen to receive a SBR Grant will review and sign the grant agreement and all other pertinent documents.

Due to the urgency of this item, no review by the department of Financial Management was possible.

STATEMENT OF URGENCY

Many small businesses impacted by the events of May 31st have yet to reopen due to the cost of repairs. City Council action is requested on June 16th given the urgency of small businesses to repair and reopen storefronts as soon as possible.

This matter has been reviewed by Deputy City Attorney Richard Anthony on June 11, 2020 and Finance Director, John Gross on June 11, 2020.

This recommendation has no fiscal impact as it is a transfer of funds already intended to benefit specific areas of the City to a different purpose servicing the same general area. The SBR grant program will model a similar process for the existing CDBG grant program, but it is somewhat different with significant new administrative overhead and will require a moderate level of staff hours beyond normal budgeted scope of duties and is expected to have a moderate impact on existing City Council priorities. Some adverse impact on other important activities to City Council will likely occur.

Approve recommendation.

MARY ZENDEJAS
COUNCILWOMAN, FIRST DISTRICT

DARYL SUPERNAW
COUNCILMAN, FOURTH DISTRICT

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VICE MAYOR, SIXTH DISTRICT

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COUNCILMEMBER, SEVENTH DISTRICT

