



Legislation Text

File #: 20-0717, **Version:** 1

Recommendation to authorize City Manager, or designee, to augment the Small Business Restart Grant Program fund to provide more direct grants to eligible Long Beach small businesses that were impacted by damages, theft, and/or vandalism related to the events on May 31, 2020;

Increase appropriations in the General Fund Group in the Economic Development Department by \$1,000,000, offset by a transfer from the Employee Benefits Fund; and

Increase appropriations in the Employee Benefits Fund Group in the Citywide Activities Department by \$1,000,000 to the transfer to the General Fund Group, offset by a release funds from the Unfunded Liability Reserve. (Citywide)

On June 16, 2020, the City Council requested the City Manager to establish a Rebuild Long Beach Relief Fund to assist Long Beach small businesses with repair and loss recovery from damages sustained during the evening of May 31, 2020. Additionally, on June 16, 2020, the City Council approved the transfer of one-time funds to help create the City of Long Beach Small Business Restart (SBR) Grant Program, which is the first program that has resulted from the establishment of the Rebuild Long Beach Relief Fund.

The SBR Grant Program is designed to provide relief to help small businesses that were impacted by damages, theft, and/or vandalism related to the events that occurred on May 31, 2020. Approximately \$250,000 is currently available for the SBR Grant Program. This is a citywide program, with eligibility primarily determined by (a) the business owner's income for grants funded by Community Development Block Grant (CDBG) funding, and (b) the Council District in which a business is located for grants funded by Council District one-time funds. Currently, the SBR Grant Program is restricted to certain income limits or geographic boundaries depending on the funding source. The purpose of this City Council item is to allocate more funding to the SBR Grant Program to support businesses that are not currently eligible, and to fund it by releasing \$1,000,000 from the Unfunded Liability Reserve in the Employee Benefits Fund Group.

SBR Grant Program 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.

To qualify for the new funding allocated to the SBR Grant Program, applicants must meet the following criteria:

- Must have an active City of Long Beach business license (businesses who have fines/fees due from March 1, 2020 to current will be classified as having an active business license);
- Must be able to prove that damages were sustained on May 31, 2020;
- Must have a business storefront; and,
- Must submit a complete application including all required documentation.

The following is a general outline of the application process:

1. Applicant visits Rebuild Long Beach Fund [webpage](http://longbeach.gov/economicdevelopment/small-business-restart-grant-program/) [<http://longbeach.gov/economicdevelopment/small-business-restart-grant-program/>](http://longbeach.gov/economicdevelopment/small-business-restart-grant-program/);
2. Applicant completes City of Long Beach [Business Damage Assessment Form](#);
3. Applicant is contacted by City staff to confirm receipt of Business Damage Assessment Form;
4. City staff contacts applicant to provide SBR Grant Program application and to confirm required documentation that must be submitted via 4Biz@longbeach.gov [<mailto:4Biz@longbeach.gov>](mailto:4Biz@longbeach.gov);
5. Applicant submits SBR Grant Program application and required documentation via 4Biz@longbeach.gov for staff review;
6. Applicants selected to receive the SBR Grant will review and sign a Grant Agreement and other pertinent documents;
7. Grant fund disbursement may take up to three weeks from receipt of the completed application and required documentation; and,
8. Applicants may call or email the Economic Development Department Business Hotline with any questions at 562-570-4BIZ (4249) or 4Biz@longbeach.gov [<mailto:4Biz@longbeach.gov>](mailto:4Biz@longbeach.gov).

It is recommended, based on the initial survey of reported damages, that applicants receive a SBR Grant award within the following ranges of assessed damages:

- Low - \$500 - \$1,999;
- Moderate - \$2,000 - \$4,999; and,
- Severe - \$5,000 - \$10,000.

Due to limited funding, it is recommended that the maximum SBR Grant amount provided to any single applicant not exceed \$10,000. To mitigate potential abuse of funds, City staff will require that every SBR Grant recipient review and sign a SBR Grant Agreement, which clearly outlines use of funds and potential repercussions of abuse of funds.

To appeal a grant award decision, applicants must submit an application for appeal to the City of Long Beach Economic Development Department, Business Development Bureau by email at BusinessDevelopment@longbeach.gov <<mailto:BusinessDevelopment@longbeach.gov>>.

EQUITY LENS

The Economic Development Department has incorporated the Equity Toolkit into this recommendation as requested by the City Council on April 21, 2020. Efforts will be made to address issues of digital inclusion during outreach to impacted businesses including using digital, phone, and in-person contact. Additionally, multilingual strategies will be used to allow business owners and property owners to access the program in their preferred language. This recommendation is not anticipated to have any adverse equity impacts.

This matter has been reviewed by Principal Deputy City Attorney Gary J. Anderson on July 17, 2020 and by Finance Director John Gross on July 16, 2020.

City Council action is requested on August 4, 2020, to address the request to make SBR Grant Program funds available to a wider pool of businesses by augmenting the SBR Grant Program funds by reallocating \$1,000,000 of General Fund to the program.

This program is to be funded by releasing \$1,000,000 from the Unfunded Liability Reserve held in the Employee Benefits Fund in the Citywide Activities Department, which is itself funded from the annual set aside of 5 percent of any year-end General Fund surplus in accordance with City Council policy. This recommendation has a moderate 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.

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JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER