

December 15, 2020

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file a report on the development of an Economic Recovery Strategy and provide input and policy direction to staff on economic recovery priorities to address the economic impacts of COVID-19, with an emphasis on equity, to promote the recovery of businesses and jobs across all sectors of the Long Beach economy following the COVID-19 emergency. (Citywide)

DISCUSSION

On March 17, 2020, the City Council directed the City Manager to work with the City Attorney, and all relevant departments, to evaluate the feasibility of implementing an Economic Relief Package (Relief Package) for working families and small businesses impacted by the COVID-19 emergency. On April 14, 2020, the City Council unanimously adopted 25 individual actions related to a historic local Relief Package designed to help working families and small business owners impacted by the COVID-19 pandemic. This historic action included a series of worker protection ordinances, eviction protections to tenants, fee deferments, emergency loans to small businesses, food delivery services, unemployment insurance benefits, rent relief and several other economic relief programs to help business owners and workers supplement lost income while COVID-19 health orders limited business activities.

On July 14, 2020, during the ongoing economic crisis caused by COVID-19, the City Council took additional action to approve budget appropriation adjustments of approximately \$40.28 million in Federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding and to utilize the funds to support critically needed activities and functions that are not supported by other funding sources. Since that time, the City has committed over \$10 million in economic support grants to help Long Beach businesses, nonprofits, workers, and residents deal with the ongoing economic emergency caused by a resurgence of the COVID-19 virus and the additional restrictions necessary to contain its spread. Although the economic transition period will continue until the COVID-19 virus has been contained and businesses can resume normal activities, it is important for the City to limit the extent of economic damages caused by COVID-19. This includes research, community outreach, planning and the identification of funding to create a robust economic recovery strategy for Long Beach business owners and workers.

Economic Development and Finance Committee

The purpose of the Economic Development and Finance Committee (Committee) is to review and recommend policies to the City Council for the growth of the local economy. On December 1, 2020, the Committee met to receive and file a report from staff regarding the Economic Equity Studies underway to measure the economic impacts of COVID-19 on the Long Beach economy—particularly those businesses and workers in sectors most impacted by the restrictions health orders—and refer to the City Council a recommendation for the City Manager to work with staff from the Economic Development Department, Office of Civic Innovation, Economic Development Commission, Long Beach Economic Partnership, Long Beach Center for Economic Inclusion, and industry partners to prepare an inclusive recovery strategy to help Long Beach businesses and workers quickly and effectively recover from the economic hardship caused by COVID-19.

In addition to the background information presented to the Committee at the meeting, the Committee approved the recommendation to refer this item to the City Council on the December 15, 2020 agenda, with the following priorities included for City Council consideration:

1. Develop a comprehensive Economic Recovery Strategy to accelerate the economic recovery of Long Beach businesses and workers from COVID-19, based on research from the Economic Equity Studies, addressing immediate and urgent items, identifying key performance measures, and recommending shovel-ready projects to be implemented immediately as funding becomes available.
2. Engage with staff from the Economic Development Department, Office of Civic Innovation, Economic Development Commission, Long Beach Economic Partnership, Long Beach Center for Economic Inclusion, and industry partners to conduct a robust community outreach program to solicit input and feedback regarding the Economic Recovery Strategy from local business owners and workers.
3. Incorporate goals and objectives from the Framework for Racial Reconciliation report to promote a more racially inclusive and equitable economic recovery.
4. Identify and implement the legislative agenda required to advocate for projects identified in the Economic Recovery Strategy and to secure funding from State and Federal governments in future stimulus bills.
5. Prepare and deliver to the City Council for approval no later than April 1, 2021, the Economic Recovery Strategy final report for distribution to the community and partners.

In addition to the five priorities identified by the Committee, staff provided a presentation (Attachment) that summarizes the Economic Equity Studies and proposed components to include as part of an effective Economic Recovery Strategy.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on December 8, 2020 and by Budget Management Officer Rhutu Amin Gharib on December 9, 2020.

TIMING CONSIDERATIONS

City Council action is requested on December 15, 2020.

STATEMENT OF URGENCY

Immediate City Council action is requested to provide staff with further input and policy direction on the next steps to develop an economic recovery strategy to support Long Beach business owners and workers impacted by the COVID-19 emergency.

EQUITY

The City has incorporated the Equity Toolkit in this recommendation, as requested by the City Council on April 21, 2020. For many, the pandemic has the potential to exacerbate existing racial, economic, health, education, and gender inequities. In response, the City will consider racial and economic equity and examine how the most vulnerable businesses and workers to the impacts of COVID-19 will be affected. As much as possible, any spending allocations will be made equitably to address the greatest COVID vulnerability in priority areas.

FISCAL IMPACT

This recommendation is to review a report on the Economic Recovery Strategy and to receive direction from City Council on economic relief and recovery strategies for Long Beach business owners and workers. The actual fiscal impacts of the specific options in the Economic Recovery Strategy are unknown at this time. Depending on City Council's input and policy direction on potential economic recovery strategies, staff will return with the fiscal impact and cost estimates of any proposed strategy along with the staffing impact, which could range from low to significant depending on the item. 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.

SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENT



Economic Equity Studies

Economic Development & Finance Committee

December 1, 2020

Overview

Background:

- Funding from CARES Act Grant: \$200,000
- Approved by City Council on July 14th
- Partnerships:
 - ✓ City Manager: Office of Civic Innovation & Office of Equity
 - ✓ Economic Development: Business Development & Pacific Gateway
 - ✓ CSULB: Economics & Marketing departments
 - ✓ State Employment Development Department (EDD)
 - ✓ Community-based non-profit organizations (multiple)

Overview

Purpose:

- To develop a series of action-oriented reports that establish the baseline economic, social, and demographic information.
- Inform the City and its partners about the economic impacts of COVID- 19 on the Long Beach community .
- Create an action plan.
- Ensure a racially equitable economic recovery from the economic impacts of the pandemic with an emphasis on high-risk populations.

** Will provide baseline research for the City Economic Recovery Strategy*

Deliverables

Studies (\$140,000)

- Economic Trend Analysis (CSULB): \$40,000
- Economic Impact Analysis (CSULB): \$40,000
- Ethnographic Impact Study (Consultant): \$25,000
- Small Business Survey (CSULB): \$10,000
- Restaurant Retention Study (Consultant): \$25,000

Other (\$60,000)

- Community Based Coordinators (Multiple): \$40,000
- Participant Incentives (Various): \$10,000
- Administration (Office of Civic Innovation): \$10,000

Deliverables

Deliverables

1. Executive Summary
2. Presentation
3. Data Analysis
4. Findings
5. Recommendations for Economic Recovery Strategy


Timeline

- Outreach & Analysis (October to December)
- Initial Report & Presentation (December 30th)
- Community Outreach & Testing (January & February 2021)
- Present Reports to Policymakers (February & March 2021)

REQUEST TO ADD AGENDA ITEM

Date: December 9, 2020

To: Monique De La Garza, City Clerk

From: Thomas B. Modica, City Manager 

Subject: Request to Add Agenda Item to Council Agenda of December 15, 2020

Pursuant to Municipal Code Section 2.03.070 [B], the City Councilmembers signing below request that the attached agenda item (due in the City Clerk Department by Friday, 12:00 Noon) be placed on the City Council agenda via the supplemental agenda.

The agenda title/recommendation for this item reads as follows:

Receive and file a report on the development of an Economic Recovery Strategy and provide input and policy direction to staff on economic recovery priorities to address the economic impacts of COVID-19, with an emphasis on equity, to promote the recovery of businesses and jobs across all sectors of the Long Beach economy following the COVID-19 emergency. (Citywide)

Council District	Authorizing Councilmember	Signed by
5	Stacy Mungo	(Digital – attached email)
7	Roberto Uranga	(Digital – attached email)
9	Rex Richardson	(Digital – attached email)

Attachment: Staff Report dated December 15, 2020