

R-25

May 10, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to enter into contracts, including any necessary subsequent amendments, in an aggregate total amount not to exceed \$1,200,000 with organizations that contract with the City of Long Beach (City) to manage Business Improvement Districts to deliver programs funded by the Long Beach Recovery Act Business Improvement District Grant Program. (Citywide)

DISCUSSION

Long Beach Recovery Act

On March 16, 2021, the City Council adopted the Long Beach Recovery Act (LB Recovery Act) becoming one of the first major cities to approve COVID-19 recovery programs made possible through the federal American Rescue Plan Act (ARPA) and other federal and State funding sources. Additional adjustments to the LB Recovery Act were made as part of the Adopted Fiscal Year (FY) 2022 Budget and periodic adjustments will be brought to the City Council as needed. Additional information about the LB Recovery Act is available at longbeach.gov/recovery. As part of the Long Beach Recovery Act, under the category of Economic Recovery, approximately \$1.58 million was allocated for the Business Improvement District (BID) Grant program to address financial hardship that has been created by COVID-19.

Long Beach Recovery Act BID Grant Program

The LB Recovery Act, as updated and approved by the City Council on March 8, 2022, includes funding for the Business Improvement District (BID) Grant Program to enable associations that manage BIDs (BID Associations) to continue delivering services that help businesses recover from the financial hardship caused by COVID-19, and generate consumer spending to advance local economic recovery across the City. BID Associations have been instrumental in supporting businesses impacted by the COVID-19 pandemic (pandemic) by connecting them to business resources and information, marketing business districts, promoting businesses, and more.

The LB Recovery Act BID Grant Program (Program) will enable BID Associations to continue delivering services that will help businesses cope with the financial hardship caused by the pandemic. Additionally, it will enable BID Associations to maintain service levels for the core

programming and services they are expected to deliver to their membership. The Program as presented to Council on March 8, 2022, will offer grants to BID Associations to provide assistance with customer generation, worker safety, customer safety, business transition, accounting, permitting, access to capital, business planning, application for grants, and other services to help service sector businesses survive and recover. In addition, the Program will be expanded to cover program costs that benefit businesses and administrative expenses associated with delivering programs, such as BID renewal expenses and consultant fees.

The Program is available to BID Associations that have supported businesses and local economic recovery through the COVID-19 pandemic and that are/have been responsible for managing BIDs under contract with the City. This includes the following BID Associations:

1. Belmont Shore Business Association
2. Bixby Knolls Business Improvement Association
3. Downtown Long Beach Alliance
4. Fourth Street Business Improvement Association
5. Long Beach Area Convention and Visitor's Bureau
6. Magnolia Industrial Group
7. Midtown Property and Business Owner's Association
8. Uptown Property and Community Association
9. Zaferia Business Association

To qualify for Program funding, BID Associations are required to submit a Scope of Work (SOW) to the City that clearly describes their plan for expending grant funds. The SOW will include the following elements:

- **District Background:** Provides background information on the BID and the BID Association.
- **District Boundary:** Includes a map of the BID (service area).
- **BID Grant Program Summary:** Provides a detailed summary describing the BID Grant Program the Association intends to deliver, the implementation timeline, and the administrative support required to execute the BID Grant Program.
- **Key Performance Indicators (KPI):** Provides a summary of the outputs and/or outcomes the Association intends to accomplish through the delivery of the BID Grant Program.
- **Equitable Distribution of Resources:** Provides a detailed summary of the Association's plan to ensure resources are distributed equitably and priority is given to businesses owned by diverse business owners and businesses hardest hit by the pandemic.

- **BID Grant Program Budget:** Provides a budget that estimates the costs of administrative expenses and program expenses that match the activities proposed in the BID Grant Program Summary.

The performance period for the Program runs from October 1, 2021, through December 31, 2023.

EQUITY LENS

To advance the City's equity and economic inclusion goals, BID Associations will be required to clearly define the strategies they will implement to ensure resources are spread equitably across the BID they manage. Examples of strategies that may be implemented include but are not limited to a) prioritizing resources for diverse business owners, b) creating marketing materials in languages other than English, c) making services available in languages other than English, and d) prioritizing businesses that have been hardest hit by the pandemic.

This matter was reviewed by Deputy City Attorney Lauren Misajon on April 21, 2022 and by Recovery Budget Officer Dee Okam on April 25, 2022.

TIMING CONSIDERATIONS

City Council action is requested on May 10, 2022, to allow the disbursement of much-needed funding as soon as possible to all BID Associations that submit an approved Scope of Work.

FISCAL IMPACT

The LB Recovery Act has identified \$1.58 million for the Business Improvement District Grant Program. The total aggregate amount of LB Recovery Act BID Grant contracts will not exceed \$1.2 million and will be funded through the Business Improvement District Grant Program of the LB Recovery Act. Sufficient appropriation for the contracts is currently budgeted in the General Fund Group in the Economic Development Department. For administration efficiency and reporting and auditing purposes, the funding source for this program is General Fund funds that were made available as a result of the City's approach in using federal American Rescue Plan Act (APRA) funds. In compliance with the U.S. Department of Treasury's Final Rule, APRA funds will largely be used to maintain existing, eligible City services, thereby freeing up General Fund monies, which are then used to deliver the Council-approved programs for the LB Recovery Act. This recommendation has a moderate staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The award of these contracts will provide continued support to our local economy by helping small businesses recover from the financial hardship created by COVID-19, which may assist in retaining and/or creating local private-sector jobs.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHNNY M. VALLEJO
ACTING DIRECTOR OF
ECONOMIC DEVELOPMENT

JV:ER

APPROVED:



THOMAS B. MODICA
CITY MANAGER