



## Legislation Text

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**File #:** 18-0036, **Version:** 1

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Recommendation to authorize City Manager, or designee, to execute a Memorandum of Understanding, and any necessary amendments, with the Long Beach Community Foundation, a California non-profit corporation, to establish and administer a disaster relief fund; and, authorize a one-time initial investment of \$2,500 from the General Fund (GF). (Citywide)

The Long Beach Community Foundation (LBCF) has been administering charitable funds and fostering philanthropy to benefit the City of Long Beach, local non-profits, and educational institutions for over 20 years. Their 150 charitable funds, totaling \$35 million, have created and sustained critical services offered by hundreds of Long Beach organizations, including the Long Beach Library Foundation, YMCA of Greater Long Beach, Long Beach Day Nursery, Long Beach City College, and California State University Long Beach. The LBCF has agreed to work with the Department of Disaster Preparedness and Emergency Communications to establish and administer a disaster relief fund to provide necessary assistance to Long Beach residents from economic hardships resulting from natural and manmade disasters.

The LBCF, through a Memorandum of Understanding (MOU), will create and administer the “Long Beach Disaster Relief Fund (LBDRF)” on a year-round basis providing residents and businesses the opportunity to make donations by cash, check or credit card. Available funds in the LBDRF will be a combination of individual donations and funds derived from an array of investment options managed by the LBCF as part of its \$35 million portfolio. The LBCF will provide donors with a receipt for their tax-deductible contributions.

Staff will work with LBCF to establish disbursement criteria so that residents who are victims of county-, state- or federally-declared disasters and lesser disasters, such as the 2015 Downtown Power Outage and the 2006 Paradise Gardens Fire, could also be eligible to benefit from the LBDRF. The criteria would enable the LBCF to distribute funds to reimburse non-profit organizations that provide disaster-related services to victims. The LBCF charges a foundation support fee of 1.25 percent to cover general operating costs including: fund establishment, fund administration, due diligence procedures, and verification of non-profit organizations. In addition, an LBCF investment fee of 15 basis points (0.15 percent) of the average fair market value of the fund’s assets will be charged to cover the cost of internal investment accounting and management.

LBCF is expected to comply with state and federal regulations as they relate to grants or contributions. The City will not be responsible for implementation, management, or administration of the funds. In addition, the MOU would provide that the City would incur no legal liability as a result of establishing the LBDRF. LBCF requires an initial, one-time investment of \$2,500 from the City to establish the relief fund, which will become part of the

pool of funds eligible for disbursement.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on December 18, 2017 and by Revenue Management Officer Geraldine Alejo on December 21, 2017.

City Council action is requested on January 16, 2018, to ensure prompt execution of the MOU with the LBCF, and to begin collecting and providing services to residents in need.

LBCF requires an initial, one-time investment from the City of \$2,500 to establish the LBDRF, which would become a part of the pool of funds eligible for disbursement. Funding has been budgeted in the General Fund (GF) in the Disaster Preparedness and Emergency Communications Department (DC). There is no local job impact associated with this recommendation.

Approve recommendation.

REGINALD I. HARRISON  
DIRECTOR, DISASTER PREPAREDNESS  
AND EMERGENCY COMMUNICATIONS

APPROVED:

PATRICK H. WEST  
CITY MANAGER