CITY OF LONG BEACH

Fiscal Year 2021 Proposed Budget

Mayor Robert Garcia

Budget Recommendations

MAYOR ROBERT GARCIA

2021 Budget Recommendations

I am presenting the FY 2021 Budget in partnership with City Manager Tom Modica and like the previous six budgets, it is balanced. I am also including some recommendations for the Council to consider. The City's total proposed FY 2021 budget is $2.6 billion and funds the operations of a major seaport, city water, storm drain, gas and refuse operations, as well as public safety, parks, libraries and other city functions. FY 2021, unique from past budgets, is a reflection of leading through the COVID-19 pandemic—the largest global public health crisis of our lifetime. Addressing COVID-19 requires sacrifice and hard budget decisions to preserve the future of our city. This budget reimagines ways in which public safety and healthcare services are delivered and continues making large investments to address infrastructure repair, homelessness and health to move Long Beach forward.

The COVID-19 Health Crisis

In March of this year, the city declared a local health and city emergency to strengthen preparedness and our ability to respond to the COVID-19 pandemic. More than 100 city personnel have been dedicated to this crisis and the city has already expended $100 million to provide 123,000 diagnostic tests, shelter for 300 persons experiencing homelessness, a field hospital, procurement of PPE and contact tracing for more than 8,000 positive cases. While some of these expenditures may be reimbursed by FEMA, much will have to be absorbed by our local budget. We led a coalition of mayors and cities to deliver $40.5 million from the State through CARES Act funding to support this work and $13.5 million from the County of Los Angeles to partner on testing. This pandemic has already cost the city more than 180 lives and is the leading cause of death in Long Beach.

Additionally, to support local public health and safety, I am calling for the creation of Public Health Councils, similar to that which is being considered by the County of Los Angeles, to facilitate education concerning workplace safety and health guidance in industries impacted by COVID-19.

A Post-COVID-19 Economy

Because of COVID-19 this country is facing the largest economic crisis since the Great Depression. I am asking the City Council to invest in our local workforce and continue supporting small businesses—especially those that have been negatively impacted by COVID-19 and businesses that were the target of vandalism the night of May 31. For businesses impacted by vandalism the night of May 31, I called for the creation of a $1 million fund to help repair damages and address losses. We also established an additional $6.7 million to support small business recovery and resiliency against COVID-19. The City Council should continue to think of ways to support our local small businesses with additional local, federal, and state dollars.

We must also support workers during this pandemic. While the proposed budget includes contracting out Parking Citation Customer Service, Public Works Surveying, and Parking Meter Collection and Maintenance, the City Council should restore these positions and not contract them out. We have good city employees doing this work and it's more reliable to keep our longtime employees performing these services.

The budget also includes a proposal to increase the cannabis tax by 1%. Given the City Council's recent actions to reduce the tax, the Council should give further consideration to this item and discuss how revenues would be spent, as well as opportunities for keeping local cannabis businesses regionally competitive.

In speaking with the community, and as proposed in the People's Budget document, I am asking the City Council to look at job training for disadvantaged workers and exploring and support penalties for workplace non-compliance.

Looking to the future, I propose the city take meaningful steps to support two innovative initiatives that can address income inequality: public banking and universal basic income (UBI). To begin this work, I support hiring an Economic Equity Specialist to support the work of these programs. Long Beach should lead on the creation of a local municipal bank focused on community reinvestment and launch a pilot with foundation partners on universal basic income. We would join 15 cities across the country launching UBI pilots and there is significant private foundation support to do this work.

Racial Justice and Equity

I am proposing to make the Justice Fund and Language Access Programs structural components of the city's budget. Black Americans, Latinos, Cambodians, and other people of color have every right to be included in the city's programs and services—and that means access to information, opportunity and representation. Long Beach has come a long way toward addressing systemic racism, but more work needs to be done to support our local communities. The city's commitment to senior and youth programming is another step in that direction with investment at 11 Be SAFE locations throughout the city and senior programming at the EXPO Center.

The City Council should also look for opportunities to reinvest in Black and communities of color by funding health partnerships, community led-crisis response, violence prevention programs, and investments in public social workers and mental health professionals.

Housing and Homelessness

In FY 21, the city expects to invest $52 million in addressing homelessness. This includes $14.8 million in funding from the U.S. Department of Housing and Urban Development to support emergency shelter, homeless prevention, rental assistance and street outreach. In addition to the multiple homeless shelters that have been set up with physical distancing precautions, state funding totaling $6.9 million will help bring even more unsheltered people indoors to prevent the spread of COVID-19.

To prevent new cases of homelessness, the city adopted a moratorium on all COVID-19 related non-payment of rent evictions on commercial and residential units and a prohibition on late fees and termination of Section 8 housing. Even during the pandemic, we continue to break ground on affordable housing projects and the city passed the first inclusionary housing policy, which I proposed in my FY 20 budget recommendations to encourage future affordable housing.

COVID-19 is causing a national eviction crisis and the City should create a Right to Counsel program, similar to the representation provided to our immigrant community through the Justice Fund. The work of keeping people housed in safe conditions is a large component of community well-being and economic strength and will prevent future homelessness.

Public Health and Safety

We have heard strong community support for new community-based policing models and public health investments. This budget expands that work by combining the Police Department's Quality of Life teams with the Mental Health team to bring a wider breath of resources to incidences that require a more sensitive approach. It also realigns the Police Department's budget with resources across the city to meet community needs. I support the transfer of the city's School Crossing Guard Program out of the Police Department and to the Department of Public Works.

I am also asking the City Manager to actively recruit new individuals with mental health and social services training for the newly created civilian positions that respond to calls for service. In addition, the City should begin a review of all calls for service and explore transitioning non-emergency calls for service to new models and staffing which focus on public health. This could include critical mental health services.

Infrastructure

Measure A, initially passed by Long Beach voters in 2016, was affirmed and extended beyond the original 10-year sunset by voters in 2020 to support infrastructure repair and public safety. I am asking the City Council to begin work on a new 5- year infrastructure plan to begin in 2023 when additional Measure A revenues materialize. Long Beach is already in the midst of the largest infrastructure program in a generation: 380 lane miles of local streets have been resurfaced, 4.25 miles of dirt alleys paved, and repairs and upgrades have been made to more than 70 public facilities. This work continues in the coming year and is outlined in the Capital Improvement Program.

Arts & Culture

Measure B was passed by voters in 2020 and the $1.7 million in new revenues it will generate to support the arts could not come at a more important time. The arts have been an industry particularly devastated by COVID-19, and as promised, we are proposing to invest all Measure B revenues into supporting local arts organizations and the Long Beach Convention and Entertainment Center where many of these artistic performances are held. We expect Measure B revenues will increase as the economy and tourism rebounds as the world recovers from COVID-19.

Libraries and Youth Sports

As an educator, I know access to libraries is critical. We should maintain the existing library structure until such time all libraries can be reopened safely and library hours and locations can be evaluated with public health guidance in mind. We should not reduce library hours and days from five to three days a week as proposed. The City Council should continue to look at opportunities to reopen primary libraries to seven days per week.

Youth sports are also important to our quality of life and families. The staff proposal includes a new $25 youth sports registration fee. In a time when families are hurting financially, the City Council should not adopt this new fee.

Climate Change & Action Plan

Global warming is the single largest global threat we face in the future. I urge the City Council and City Manager to begin implementation of the Climate Action and Adaptation Plan (CAAP) with a study on the city's dependence on oil production. We must transition to cleaner energy and more sustainable funding models. There must be long-term alternative funding plans for critical programs, services and obligations currently dependent on oil revenues. This plan should set clear goals, a timeline, and should be completed in 2021.

A New Budget Approach For FY 2022

This budget was prepared while responding to a major health emergency and during rapidly changing economic conditions. The COVID-19 health crisis and our commitment to racial justice and equity will require new approaches to budgeting in the future. I propose the Council direct the City Manager to evaluate and begin a zero-based budgeting approach during this upcoming fiscal year, with earlier community outreach and participation. This approach will allow us to rethink our budget, departments, spending, and better manage pension liabilities, while providing core services. I look forward to working with the Council to adopt and implement this new budget process.

My recommendations total $2.3 million, funded by Measure B, the City's Budget Stabilization Fund that voters approved in 2016 and additional budget reserves.

For more information on the budget, community budget meetings, and budget survey, visit:
longbeach.gov/finance

The 2020 Census is still underway! Secure millions of dollars of funding and fair representation for the next ten years by completing the census TODAY. Visit www.my2020census.gov or call 1-844-330-2020.
Be Counted, Long Beach!

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