

Date: February 1, 2023

To: Thomas B. Modica, City Manager 

From: Meredith Reynolds, Special Deputy City Manager, Recovery 
Bo Martinez, Economic Development Director 

For: Mayor and Members of the City Council

Subject: **Homelessness Emergency Proclamation: Small Business Recovery Support Programs**

Background

Since the onset of the COVID-19 pandemic in 2020, small business support has been a critical component of Long Beach's recovery. The City of Long Beach (City) has conducted several support programs over the last two years, providing financial and guidance opportunities to small businesses, including: BizCare Business Resource Hotline, providing technical assistance to local businesses in multiple languages; Small Business Restart Grants, that provided relief to qualified businesses that sustained property damage and loss of inventory on May 31, 2020; Storefront Reopening and Board up Removal Program, that provided a grant to property and business owners for the removal and haul-away of boarding materials used to cover windows and storefronts in response to either the COVID-19 pandemic, State and local health orders or civil unrest that occurred; Small Business Transition and Technology Grants, that provided financial relief to Long Beach businesses impacted by the COVID-19 pandemic; Commercial Rental Assistance Grant Program, that provided grants to help businesses pay commercial lease payments that were outstanding in 2021; and Small Business and Nonprofit Relief Grants, recovery programs to help small businesses and nonprofits that experienced financial hardship due to the COVID-19 pandemic.

On January 10, 2023, the City Council adopted the City Manager's proclamation of a local homelessness emergency. The local emergency will strengthen the City's preparedness and ability to respond to homelessness. As a part of the emergency effort, the City Council directed City staff to work on establishing grant funds for local businesses that have been affected by impacts potentially related to the homelessness crisis. As the City focuses efforts on creating and strengthening structures, programs and resources to assist people before they enter into homelessness or to support them back into housing if they start to experience homelessness, the City will continue to support small businesses that may be affected by the crisis as many are still recovering from the events of the last three years. Supporting small businesses at this time is also a form of upstream prevention as many small businesses work from tight margins, and during times of emergency and crisis can use assistance to keep their businesses operating and people employed.

Staff looked at the Long Beach Recovery Act (LB Recovery Act) and a combination of State, local, and federal funds, to determine which programs could be repurposed to support these local emergency efforts.

City staff has identified \$510,000 from repurposed LB Recovery Act funds to directly support small businesses through the following activities:

1. Business Improvement District (BID) Grants (\$100,000): in additions to the grants awarded to BIDs during the roll out of the LB Recovery Act, BIDs will receive grants to support sidewalk activation, special events, and clean and safe initiatives.
2. Visual Improvement Grant Program (\$350,000): This grant program will support local small businesses impacted by crime and vandalism on or after October 1st, 2022. Grant applications will open February 2023 and remain open until funding is exhausted. Grant awards will be issued on a rolling basis to eligible applicants. Program details and eligibility requirements will be forthcoming. Property crime as a whole has increased from 2021 to 2022, and the City, through this program, is helping ease the burden on small businesses. It should be noted that crime and vandalism can be committed by people who may be housed or unhoused and is often exacerbated by mental health challenges and increases in societal stressors, such as the COVID-19 pandemic and its associated economic effects.
3. BizCare (\$60,000): The City's BizCare team, which connects business owners and nonprofit leaders to important resources and information, will provide support and proactive outreach for these programs.

Next Steps

Staff is developing these programs and plans to launch them in February 2023. The Economic Empowerment Fund program and the Business License Tax and Fee Grant program budgets will be reduced to make these new programs possible; both programs are still anticipated to roll out with modified scopes. Two existing Long Beach Recovery Programs under the Economic Recovery category will be redesigned with reduced budgets to make these new Small Business Support programs possible as the major goals for these programs were already substantially achieved under other grant programs such as the Small Business Relief Grant, Nonprofit Relief Grant, Restaurant Brewery, and Bar Relief Grant, and the Personal Services and Fitness Relief Grant. Additional LB Recovery Act business support programs, Inclusive Business Navigators and ActivateLB Customer Activation are also preparing to launch early this year to assist local small businesses in their economic recovery. These programs will be tracked through, reported on, and communicated via the Long Beach Recovery Act. As these new programs come online, City staff will continue to provide detailed information through memoranda, press releases, and updates to the City's Long Beach Recovery Act website. For more information, visit the Long Beach Recovery Act website at: <https://longbeach.gov/recovery/reporting-data/>.

Homelessness Emergency Proclamation: Small Business Recovery Support Programs

February 1, 2023

Page 3

If you have any questions, please contact Meredith Reynolds at 562-570-6677 and Bo Martinez at 562-570-5282.

CC: DAWN MCINTOSH, CITY ATTORNEY
DOUGLAS P. HAUBERT, CITY PROSECUTOR
LAURA L. DOUD, CITY AUDITOR
LINDA F. TATUM, ASSISTANT CITY MANAGER
TERESA CHANDLER, DEPUTY CITY MANAGER
KATY NOMURA, DEPUTY CITY MANAGER
APRIL WALKER, ADMINISTRATIVE DEPUTY CITY MANAGER
KEVIN LEE, CHIEF PUBLIC AFFAIRS OFFICER
MONIQUE DE LA GARZA, CITY CLERK (REF. FILE #XX)
DEPARTMENT HEADS