



Date: May 10, 2024

To: Thomas B. Modica, City Manager 

From: Meredith Reynolds, Deputy City Manager 

For: Mayor and Members of the City Council

Subject: **Long Beach Recovery Act Program Changes**

On March 16, 2021, the City Council adopted the Long Beach Recovery Act (LBRA) 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. Since then, City of Long Beach (City) staff have designed and launched 85 Long Beach Recovery Act (LBRA) programs aligned with the goals established in the LBRA [Collective Impact and Equity Implementation Framework](#) (Framework) and has made significant progress towards meeting the deliverables of all 85 programs.

As LBRA programs close, program funding may remain that can be invested in other LBRA programs through December 2024. The Recovery Office works with Departments to reprogram remaining LBRA funds after a program closes using the following criteria:

- Reprogramming LBRA funds to another LBRA program that meets the original intent of the funding;
- Reprogramming LBRA funds that have a nexus to collective impact;
- Reprogramming LBRA funds using an equity lens; and,
- Reprogramming LBRA funds does not create new programs or fund programs beyond the established LBRA program deadline (December 2024).

Every effort was made to ensure all reprogrammed funds were allocated to other LBRA programs with a similar goal or intent and continued to adhere to the principles established in the Framework.

LB Recovery Act – Reprogrammed Funds

To ensure LBRA goals and deliverables continue to be met and funding is exhausted by December 31, 2024, the LBRA Office has identified a number of LBRA programs that either completed and met their deliverables under budget, whose goals were more likely to be achieved by reallocating funds to another LBRA program with a similar scope, or could not complete their original scope by December 2024 due to delays beyond their control. The following LBRA programs have been identified to have remaining funds for reallocation between March 16, 2024, and April 5, 2024:

Fresh Start Program to Long Beach Pledge Expansion and Customer Activation Program
Reprogrammed Amount: \$476,623

The Fresh Start Program provided financial relief to select Long Beach businesses who had outstanding business license tax or fees, Health Department fees, or Fire Department fee balances with the City in sectors highly impacted by the COVID-19 pandemic. The program concluded with lower costs than initially anticipated and has \$536,623 remaining in its budget. Of the \$536,623 remaining, \$476,623 will be reallocated to the two programs listed below. The remaining \$60,000 of unprogrammed funds will be reallocated within the next several weeks.

- Long Beach Pledge Expansion: \$356,773
The Long Beach Pledge Pilot Program was originally made possible by LBRA. On [December 5, 2023](#), City Council authorized the City Manager, or designee, to amend the contracts with Fund for Guaranteed Income (F4GI) and California State University, Long Beach (CSULB) Foundation. As part of the City's upstream homeless prevention efforts, the City recently launched the second cohort of the Long Beach Pledge, the City's guaranteed income initiative, which will provide \$500 a month for 12 months to 200 additional households beginning in Spring 2024. The City is utilizing \$356,773 to support the second cohort through the extended contracts with F4GI to administer the program and CSULB Foundation to evaluate the program. All funds have been committed by the conclusion of the Long Beach Recovery Program on December 31, 2024. While the contracts have already been authorized by Council, this program is included to further codify Council's approval for these contracts in accordance with LBRA processes.
- Customer Activation Program's ShopLB: \$119,850
The Customer Activation Program encourages residents to buy local and attract investment in local service sector businesses experiencing the greatest economic impacts. As part of the program, the City facilitates ShopLB, a citywide initiative to support small businesses and strengthen the local economy by offering customer rewards for shopping at Long Beach small businesses. The program has participation from nearly 100 businesses including retail shops and eateries and over 1,700 consumer accounts. The additional \$119,850 will be used to extend the City's subcontract with Localight to continue to administer the program and recruit additional businesses and consumers through September 30, 2024. The additional dollars will also be used to fund consumer rewards to be spent at local businesses. All funds will be committed by the conclusion of the Long Beach Recovery Program on December 31, 2024.

Economic Empowerment Fund to Inclusive Business Navigators

Reprogrammed Amount: \$94,675

The Economic Empowerment Fund was intended to provide seed funding to local non-profit and economic development corporations to conduct a feasibility study and develop an implementation plan for creating a non-profit community development bank that would provide down payment assistance, guaranteed income, and other financial support services for non-profit organizations, business owners, and disadvantaged home buyers. However, after an analysis of existing resources, it was determined that much of this work is already in process or has been completed by other agencies including LBRA programs such as the Inclusive Business Navigators Program, First-Time Homebuyer Program and the Long Beach Pledge. To continue to support small businesses with financial resources, the \$94,675 will be used to enhance Inclusive Business Navigators, a program that provides small business owners with financial, marketing, and technical assistance to help them recover from the financial challenges created by the pandemic. The Inclusive Business Navigators program will use the funds to support the distribution of approximately 25 microgrants to eligible small businesses in amounts ranging between \$2,500 and \$5,000.

Next Steps

The City will proceed with implementation using the Council-approved goals and funding guidelines unless City staff receives further direction from the City Council, no later than the May 21, 2024, City Council meeting. The City's Recovery Act website will be updated to reflect the information included in this memo. As programs close and remaining funds are reallocated to other recovery programs, City staff will continue to provide detailed information through memoranda, press releases, and updates to the City's Long Beach Recovery Act website. If you have any questions, please contact Meredith Reynolds, Deputy City Manager, at (562) 570-6677 or Meredith.Reynolds@longbeach.gov

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