

Commercial Anti-Displacement Memo

Introduction

This memo was developed in response to community concerns about small business commercial displacement within the City Core area due to gentrification and rapid growth. It builds on the residential anti-displacement policies assessed in the Residential Anti-Displacement Memo and aims to review the City of Long Beach's commercial policies to give localized context to examples of potential commercial anti-displacement programs and strategies that the City may wish to adopt.

This memo is organized into the following sections:

- **Long Beach Policy Context:** Discussion of existing Citywide goals, policies, and strategic planning documents that are related to commercial uses
- **Commercial Anti-Displacement Programs and Strategies:** Review of commercial anti-displacement programs and strategies with applicability to the City, with a selection of detailed strategy profiles. Although the programs and strategies outlined in this memo do not represent an exhaustive list of commercial anti-displacement ideas and may sometimes overlap in their overall goals and intentions, this memo organizes them into five broad strategy categories. While most of these strategies can generally be considered economic development tools, this memo also specifically identifies policies that fall within the realm of local planning and zoning.

Defining Commercial Displacement and Key Issues

The following definitions of commercial displacement are used throughout this memo to contextualize key issues for small neighborhood businesses in the City Core area:

- **Direct commercial displacement** occurs when a business is involuntarily pushed out or no longer able to operate as a business due to property redevelopment, eviction or harassment, or rising operating costs such as rent increases.
- **Indirect commercial displacement** occurs when the business' customer base can no longer sustain the business' operating costs—sometimes due to their own residential displacement. The inability of would-be local businesses to afford start-up costs or commercial rents in their own communities is also considered an exclusionary form of indirect commercial displacement.

Oftentimes, changes in land use designations and zoning that support economic growth and real estate development can impact existing local businesses due to potential for direct or indirect commercial displacement. Commercial (as well as residential) displacement and the forces that cause it can often be seen, or experienced, simultaneously. Changes in commercial districts have been noted as both a causal factor and an outcome of residential gentrification, defined as demographic change favoring new middle- and upper-income residents in historically lower-income and disinvested neighborhoods¹. Academic research also suggests that “as the demographics of an area change, so do the businesses that serve it.”² Numerous studies on retail (commercial) revitalization, analyzing neighborhoods from around the world and across various decades, confirm that the forces driving retail change and potential residential gentrification are complicated to disentangle, and often result in both residential and commercial displacement.³

For both direct and indirect commercial displacement, it can be imagined that new activity, increased volume of patrons, or spending potential, has driven the cost of land higher and, with that, the operating costs of small businesses. Frequently, the small businesses adversely affected by these changes are Black, Indigenous, and/or People of Color (BIPOC)-owned establishments that often represent more than the retail merchandise and services they sell; they play community-building and culture-producing roles, especially for BIPOC communities. Evidence from two studies points to the decline of small, ethnically owned businesses in commercially gentrifying neighborhoods, implying a certain level of race- and class-based displacement.⁴

In the City Core area, residents and business owners experienced the effects of development pressure and ethnically owned business displacement in 2018, with the proposed redevelopment of two commercial properties, Poly Plaza and East Anaheim Plaza. Without prior communication from the property owners, commercial tenants were surprised by a City notice that their business spaces would be demolished. Poly Plaza was particularly important to the Cambodian community, housing the Cambodian-owned and operated La Lune Thmey restaurant and KH Market grocery store, and the announcement ignited action from the community to delay the demolition. Local officials voiced concerns over the proposal, ultimately prompting the developer to meet with existing tenants before a meeting with the Planning Commission. La Lune Thmey closed in 2019 and KH Market closed in 2021.

In addition to external market pressures, the COVID-19 pandemic exacerbated the instability of local businesses operating at the margins. The local nonprofit organization United Cambodian Community (UCC) has internally tracked the status of small, Cambodian-owned businesses in Cambodia Town throughout the pandemic, finding that approximately five percent of them have

¹ Chapple and Jacobus, (2009), [“Retail Trade as a Route to Neighborhood Revitalization”](#)

² Meltzer, Rachel (2016), [“Gentrification and Small Business: Threat or Opportunity?”](#)

³ Chen, Kasinitz, P., & Zukin, S. (2016). Global cities, local streets : everyday diversity from New York to Shanghai / edited by Sharon Zukin, Philip Kasinitz, and Xiangming Chen. (First edition.). Routledge. <https://doi.org/10.4324/9781315776194>

⁴ Meltzer and Schuetz (2012), [“Bodegas or Bagel Shops? Neighborhood Differences in Retail and Household Services”](#); Ong, Pech, and Ray (2014), [“TOD Impacts on Businesses in Four Asian American Neighborhoods.”](#)

closed. According to UCC's research, half of all the small businesses in the area, not just Cambodian-owned, are on the brink of closing down. To help counteract these displacement pressures, UCC provides technical skills and support services to small businesses, and has distributed over \$300,000 in grants and loans to help businesses pay down the debt they accrued during the pandemic.⁵

Commercial Displacement Pressures

As demonstrated in the example of Poly Plaza and the Cambodia Town business community at large, commercial displacement can occur as the result of a multiplicity of factors affecting small neighborhood businesses who may be less equipped to handle instability. These pressures include:

- **General market pressures:** Long Beach has undergone rapid change over the last ten years. While an analysis of actual commercial displacement was not undertaken for this area, local shifts in land uses that are attracting new residential and commercial development are likely drivers of the sharp increases in average land values that are affecting residential and commercial rents. Therefore, the risk of commercial displacement increases as development pressures push into historically underinvested neighborhoods, such as City Core.
- **Need for technical skills and support services:** Neighborhood businesses, particularly those owned by immigrants and people of color, tend to be small and have few employees. They commonly face challenges accessing resources, support, and navigating municipal codes and regulations, sometimes because of language barriers. These businesses may not be familiar with available resources, which puts them at a heightened risk of commercial displacement.
- **Need for financial assistance:** In addition to the lack of technical skills and support services, neighborhood businesses often have fewer capital resources than name-brand and big-box stores. This causes them to be particularly vulnerable to economic downturns because of credit constraints and narrow operating margins. In addition, BIPOC-owned and operated businesses are also subject to historical and ongoing discrimination that has suppressed personal wealth that they can leverage to maintain or grow.
- **Impacts of COVID-19:** Lastly, the effects of the COVID-19 pandemic on brick-and-mortar commercial businesses continue to exacerbate existing vulnerabilities and disproportionately impact BIPOC communities and businesses, especially neighborhood services such as food, personal services, and retail. For Asian-owned businesses, racist and xenophobic rhetoric surrounding the pandemic's origins has also created issues in some areas.

⁵ Niebla, Crystal. Interview with Susana Sngiem (Executive Director, UCC). [‘Disappearing one by one’: Longtime Cambodia Town businesses shutter amid pandemic](#), Long Beach Business Journal, October 6, 2021),

Summary of Findings

The memo finds that while the City is well-equipped to discourage commercial displacement from a broad policy perspective, it does not currently have targeted anti-displacement policies and programs that directly subsidize operational or capital costs of small businesses or directly provide space needs for businesses at all stages. Additionally, opportunities for the City to reimagine its role as a potential workforce mediator were identified, bolstering the City's potential to connect businesses with established partners, and identifying existing local labor needs and future workforce skills to connect with emerging talent.

Long Beach Policy Context

The City of Long Beach has adopted several policies that may have an impact, positive or negative, on commercial displacement. The policies below were reviewed to assess the current landscape of commercial policy in the City and identify existing policies that may be promoting neighborhood business stabilization or commercial displacement.

Land Use Element Goals and Polices

The City of Long Beach Land Use Element, which was last updated in 2019, contains citywide policies that provide holistic and general guidance for Long Beach. The Land Use Element aims to accommodate new business opportunities and expand job growth, revitalize corridors, enhance established neighborhoods, create a smarter city, protect the environment, and support sustainable planning practices. A full list of Land Use Element Policies pertaining to commercial uses can be found in Appendix B.

Strategies that address displacement issues inherently parallel many of the goals laid out in the Land Use Element but may not specifically target commercial displacement, as is done with residential displacement issues and the Housing Element. Notably, the Land Use Element only contains a handful of policies that expressly target commercial uses, none of which specifically address smaller neighborhood businesses:

- **LU Policy 3-1:** Implement land use regulations and economic development strategies that will help diversify the local economy and expand job growth. Accommodate a mix of industries in Long Beach, including high technology, telecommunications, aerospace, green technology, renewable energy, healthcare, higher education, manufacturing, port and shipping, professional services, restaurants, entertainment, and the film industry;
- **LU Policy 3-4:** Promote and attract a mix of commercial and industrial uses by emphasizing the flexibility of the PlaceTypes designations;
- **LU Policy 7-5:** Provide incentives for outdated and underperforming industrial areas to transition to commercial uses consistent with the PlaceTypes Map;
- **LU Policy 10-1:** Ensure neighborhoods contain a variety of functional attributes that contribute to residents' day-to-day living, including schools, parks, and commercial and public spaces;
- **LU Policy 10-2:** Complete neighborhoods by allowing low-intensity commercial uses to locate along neighborhood edges, in transition areas and at key intersections;
- **LU Policy 10-6:** Consider the needs of teens and youth in developing future retail, dining, and entertainment venue throughout the City; and
- **LU Policy 10-7:** Utilize development incentives to attract full-service grocery stores to all communities and encourage stores to sell fresh, healthy foods in underserved areas.

Additionally, some well-intentioned Land Use Element policies may be inadvertently stimulating commercial displacement through mechanisms that may be unsupportive of smaller commercial spaces that serve neighborhood businesses:

- **LU Policy 6-9:** Encourage the redevelopment of parcels with poor land utilization such as single-use commercial structures on parcels over 5,000 square feet.
- **LU Policy 6-11:** Pursue new developments and businesses that add to the City's economic base, particularly those that generate sales tax and property tax increment revenue.

Encouraging redevelopment of parcels with poor land utilization such as single-use commercial structures may result in new more intense (and likely more costly) commercial, mixed-use, or multifamily residential development. New development may require commercial rents that are out of reach for existing local businesses, while new residential development may change the composition of the neighborhood by contributing to potential residential displacement pressures, driving loyal customer bases farther away from culturally significant establishments and simultaneously attracting new residents whose commercial needs and spending patterns may compete with existing neighborhood businesses. At the same time, new development can catalyze economic activity and new residents can grow the local market available to existing businesses, expanding their visibility and customer reach.

Given the complex nature of balancing growth and overall economic development with creating an environment that is conducive to local business retention, other policy mechanisms in the City must be more explicit in their goals of commercial anti-displacement to complement the broader commercial policy issues tackled within the Land Use Element.

Historic Market Rate Rent

In 2020, the City released a draft of the North Long Beach UPLAN Zoning District Recommendations, which included development incentives for projects to provide specific community benefits. One such incentive, exempting participating developments from parking and floor area requirements, is directly aimed at preserving lower rental costs for community businesses. Encouraging preservation of historic market rate rents can help stabilize businesses by protecting them from unaffordable rent hikes that may partly arise from adjacency to new development. The policy states:

- Historic market commercial rents for community businesses. Projects which provide commercial rents at a historic market rate to existing local businesses shall qualify for the corresponding incentives, subject to the following:***
- a. "Historic market rate" rents shall be defined as the average per-square-foot market rent for the local market for the last three years prior to the proposed lease agreement. Maximum annual rent increase shall be limited to 4 percent;*
 - b. An existing local business shall provide evidence of business history, including business license history, with the City of Long Beach of at least 5 years in the corresponding local market, to the satisfaction of the Department of Development Services; and*

- c. *Submit annual certification of the lease agreement rate to the City of Long Beach Department of Development Services; a minimum commercial lease length of 5 years is required to qualify. For projects that comply with either or both of the community benefit requirements, said projects will qualify to have the corresponding commercial space(s) exempted from maximum floor area limitations and parking requirements.*

Note that the recent adoption of California State Law AB 2097 that removes parking minimums for properties near high-quality transit may lessen the effectiveness of this incentive, as the only advantage for a developer may be the floor area exemptions described above.

Recently Adopted Mixed Use and Residential Zoning

The City of Long Beach Zoning Code, last comprehensively updated in 1989, had allowed for an abundance of commercially-zoned land in Long Beach that did not permit residential development, thus reducing the number of sites available to meet housing needs and exacerbating the housing crisis. Recent updates to Long Beach City Zoning through UPLAN in North Long Beach and the Zone In rezoning efforts and state legislation passed in 2022 (SB6) will allow permitted mixed-use and housing development on commercially zoned properties, unlocking new value and increasing the likelihood of redevelopment for many commercial sites in City Core. However, the redevelopment of existing commercial uses into 100% residential or mixed use projects may lead to the displacement of small businesses, particularly on lower-intensity commercial properties deemed underutilized from a market perspective.

Parking Requirements

In the City of Long Beach, parking spaces are mandated for residential and commercial developments, often based on units or square feet. Commercial parking requirements for neighborhood-scale uses typically range from 1 space to 5 spaces per 1,000 square feet (SF) of Gross Floor Area (GFA). Large-scale and specialized commercial uses are sometimes required to provide a higher number of parking spaces, such as merchandise malls parked at 10 spaces per 1,000 SF GFA, dinner restaurants at 10 spaces per 1,000 gross SF of dining areas, and dancing establishments and skating rinks at 25 spaces per 1,000 SF GFA.⁶ In some cases, the financial burden of providing parking can be cost prohibitive to the provision of other uses, including smaller commercial developments that can support local, neighborhood businesses and other community uses, in turn further driving the potential for commercial displacement. Research suggests that an oversupply of parking can inflate building costs and prevent buildings from being adapted to new uses due to irreconcilable differences in required parking ratios. To combat these concerns, Long Beach recently adopted a provision that exempts new parking requirements for a change of use of existing square footage within a building more than ten (10) years old.⁷

⁶ Long Beach Municipal Code 21.41

⁷ Long Beach Municipal Code 22.30.090B.5

Because parking requirements can be physically or financially onerous, some developers request parking reductions. Reducing or eliminating the parking requirements for a project may allow for additional leasable square footage and result in a more financially feasible project. Recent standards for the Downtown and Midtown areas, as well as pipeline zoning code updates are refining the City's existing parking requirements to provide greater flexibility in transit-rich environments⁸. The City's Enhanced Density Bonus Ordinance for instance, increased affordable housing in transit-rich areas, in part due to reduced parking mandates. By doing so, the City may be able to better accommodate population growth with space-efficient infill developments, which may ease market pressure on commercial land with existing businesses.

In January 2023, California state law AB2097 effectively eliminated minimum parking requirements for most new development projects within a half-mile radius of a major transit stop⁹. This law frees most developments from parking requirements surrounding the eight light rail stations along Metro's A Line in Long Beach—with the Anaheim Street Station and Pacific Coast Highway Station having a direct impact on potential development in the City Core area¹⁰. The intended reduction in development costs associated with not providing parking can remove a barrier to and induce new development around these City Core stations, which may result in lower commercial rents that are more accessible to local businesses. The new law may improve the financial viability for new businesses, change of businesses or uses, and new commercial properties around these stations as well as provide placemaking enhancements by encouraging more dense infill development centered around more walkable neighborhoods and less reliance on private cars. Though these urban enhancements are likely to improve the business conditions for neighborhood commercial uses, local businesses may be displaced as properties redevelop into higher-valued and higher density buildings.

While it removes minimum parking requirements for applicable transit-adjacent areas, AB2097 does not prohibit property owners from building on-site parking. Developers often provide some level of parking as site conditions, project economics, and market demand allow. Some developers may provide more parking than required if they feel the market segment they serve has high demand for parking, such as higher-income households likely to own one or more cars, or a restaurant or retailer whose customers drive and are accustomed to easy parking. Some developers and business-owners might find difficulty accessing capital if they do not provide on-site parking. Lenders often hold to strict underwriting standards or formulas and may view the development project or business endeavor negatively for not providing a feature demanded by the market and, therefore, may choose to not underwrite the project. Although it is too early to tell, the advent of AB2097 can potentially change these standards and cities can play a proactive role in supporting parking efficiencies through local policies such as shared parking strategies, high-quality transit options, and roadside/valet services.

⁸ City of Long Beach Zoning Ordinance (2021)

⁹ California State Assembly Bill No. 2097 (2022)

¹⁰ <https://lbpost.com/news/california-will-soon-eliminate-parking-mandates-near-transit-heres-how-that-will-impact-long-beach>

Long Beach Mills Act Relaunch¹¹

The Mills Act is an economic incentive program in California that provides a financial incentive in exchange for property owners undertaking restoration, rehabilitation, or maintenance of a designated historic property. The incentive is achieved through property tax relief to owners of historic properties in exchange for the rehabilitation and restoration of the historic property under the terms of a contract with a City that has established a Mills Act program. For small businesses operating in historic properties, Mills Act benefits can reduce expenses related to maintenance and rehabilitation, freeing up resources for other business expenses and relieving financial displacement pressure.

The City of Long Beach established a Mills Act Program in 1993 under the authority of State legislation. After nearly a 10-year hiatus, Long Beach City Council revised and reinstated the program in 2015.

Although tax savings cannot be guaranteed through entering into a Mills Act contract, estimates can be made through the application process to determine likely potential property tax savings. The City's 2023 program applications were open between December 2022 and March 2023.

For the City of Los Angeles, a June 2022 assessment of LA's Mills Act Program by Chattel and AECOM found that 75 percent of savings went to multi-family and commercial properties. There are some caveats to the program, however. It was found that the savings disproportionately benefitted property owners in communities with lower barriers to opportunity, with 83 percent of savings going to these communities. Additionally, commercial and industrial buildings often under long-term ownership do not see a significant benefit from the program.

The Mills Act has been noted as beneficial for recent buyers of historic sites or owners who may have recently had a property transfer or tax reassessment. However, it is generally less beneficial for property owners who have owned their property for more than ten years. The number of historic designated commercial properties within City Core is very small, but this program has the potential to benefit business elsewhere in the City.

Mayor Rex Richardson 100-Day Plan

In January 2023, Mayor Rex Richardson delivered his first State of the City Address during which he explained the "Opportunity Beach" Agenda—his plan for his first 100 days in office¹². He revealed five sectors that are the pillars of his Plan:

1. Ensuring Quality and Stable Housing for All;
2. Building an Economy Where Everyone Thrives;
3. Creating Safe and Healthy Communities;
4. Supporting a Sustainable and Resilient City; and
5. Expanding Opportunities for Youth to Succeed.

¹¹ [Mills Act Property Tax Abatement Program](#)

¹² <https://longbeach.gov/globalassets/mayor/media-library/documents/mayor-rex-richardson-100-day-plan---opportunity-beach>

The Plan outlines the key components of each sector and describes deliverables to support each key component. The sectors directly relevant to commercial displacement and/or small businesses are discussed below and center around housing, the economy, and opportunities for the youth.

1. Ensuring Quality and Stable Housing for All

The housing crisis is the first topic discussed in the Plan. Although this sector opens with the undoubtedly important task of finding solutions for the homelessness emergency, the more relevant component of the housing sector is the “Long Beach Housing Promise.” The Housing Promise calls on industry partners to support the City in creating meaningful housing production, adding to the existing housing stock on surplus properties, and establishing more affordable housing. The Promise also aims to streamline Accessory Dwelling Unit (ADU) approvals, pursue a “Pro-Housing Designation” from the State of California, and launch a new Downtown Plan to guide future development with an emphasis on preventing displacement.

The existing customer base of small businesses is critical to avoiding commercial displacement, especially in BIPOC communities such as the City Core neighborhoods. Keeping current residents in their homes keeps loyal customers close to local businesses. Although new development is likely to expand the market size for local businesses, it also increases the risk of pushing out current residents due to rent hikes, increases businesses’ cost to operate, and, lastly, puts redevelopment pressure on sites with small businesses that may not be able to weather the financial cost of closing during construction or afford rent once the redevelopment is complete.

2. Building an Economy Where Everyone Thrives

According to the 100-Day Plan, the COVID-19 pandemic highlighted racial and economic inequities across all industries and sectors. It especially underscored the need to strengthen the resilience of our economy against future uncertainty and economic inequities across all industries and sectors. Some of the items laid out in this section are directly relevant to commercial displacement. But the goals of some of these economic development ideas (e.g., to grow emerging and established industries with high-paying jobs) seem to be in conflict with items that are more directly tied to general anti-displacement goals (e.g., establishing a Legacy Business Program for culturally significant local businesses).

3. Grow Long Beach Initiative

The Grow Long Beach Initiative will build on the existing industry clusters and economic assets of Long Beach, but also mentions emerging business sectors as a priority. The Mayor will develop partnerships with business advocacy groups like the LB Economic Partnership, the LB Center for Economic Inclusions, and the Long Beach Accelerator (a public-private tech incubator located at CSULB). The Mayor will also form the Strategic Growth Council, set to be comprised of leaders from several industries that have been earmarked as critical to the City’s future economic prosperity:

- Aerospace
- Ports/logistics/supply chain

- Entertainment and hospitality (trade, tourism, restaurants, arts)
- Healthcare and hospitals
- Educational institutions

The potential creation of a Strategic Growth Fund to support new opportunities for local, small, and diverse businesses may have a small impact in preventing commercial displacement. However, the rapid growth of local Science, Technology, Engineering, and Mathematics (STEM) industries has been associated with gentrification in other jurisdictions¹³, and the tourism industry is sometimes associated with gentrification and displacement.¹⁴

4. Delivering for Small Businesses

The small business policies outlined in the 100-Day Plan has the potential to prevent commercial displacement. *The Equitable Pathways to Small Business Recovery Guidebook*, co-published by non-profit organizations Local Initiatives Support Corporation (LISC) and Next City, identified these two concepts as strategies to raise access to capital and build small business capacity for growth and quality jobs:

1. Ensure all City departments are proactive in achieving higher rates of small local business procurement.
2. Highlight the creation of a Legacy Business Program, which can provide relief for beloved small businesses at risk of being put out.

5. Expanding Opportunities for the Youth

The Mayor’s 100-Day Plan also aims to invest in and provide new economic opportunities for local youth. The Mayor wants to build career pathways that ensure economic and social opportunities for youth and emerging adults by increasing the number of paid internships and fellowships available with the City. One of the Mayor’s strategies is to establish a Long Beach Trades Promise program that charts a clear path to apprenticeship and trade programs for students, strengthening their skillsets with valuable skillsets and work experience. This proposed program is inspired by the Long Beach College Promise¹⁵. Investing in the youth and partnering with local educational institutions prepares the workforce for future opportunities and allows youth to stay within the City to seek employment opportunities. Increasing opportunities for youth within the City will help shape the next generation of leaders because young people are the ones who drive the growth of communities. One of the most impactful ways to invest in youth leadership is by educating Long Beach youth on how to become civically involved, which the Mayor will pursue by coordinating the first annual Youth Advocacy Day Making investments in the youth is more of a long-term play to be more resilient against forces driving displacement in the future.

¹³ Kenan Insight (2022). “[The Role of High-Tech Firms in Driving Gentrification](#)”; Lee, Wendy (2023), “[Hollywood’s Culver City push raises gentrification worries](#)”; Kitayama, Grace (2016), “[Bay Area Gentrification: Technology Boom Pushing Out Locals](#)”

¹⁴ Cocola-Gant, Augustin (2023), “[Place-based displacement: Tourisification and neighborhood change](#)”; van Slooten, Hessel (2019), “[Airbnb and Tourism Gentrification: Implications in the Milanese Context](#)”

¹⁵ <https://www.lbcc.edu/post/what-does-promise-include>

Commercial Anti-Displacement Programs and Strategies

The wide range of market pressures and circumstances that can lead to commercial displacement demonstrates the need for a similarly wide-ranging set of strategies, policies, and programs to prevent commercial displacement. Some of these policies and strategies are targeted to directly prevent small business displacement (e.g., commercial tenant relocation assistance programs; eviction restrictions), whereas others have broader economic development goals and community benefits while also wielding the potential to ease commercial displacement pressures (e.g., community land trusts; public banking). Many commercial anti-displacement strategies reflect parallel residential anti-displacement policies, while others are uniquely designed for commercial establishments, some of which are further tailored to specific business types or land uses.

Through a review of case studies and literature, our research found that commercial anti-displacement programs and strategies typically fell into six categories (listed below), with varying levels of potential to prevent displacement and applicability to Long Beach's commercial environment. While each category includes numerous potential strategies, in the following section, we profile a selection of strategies with a detailed description and assessment of applicability, benefits, challenges, and relevant case studies.

- **Commercial Stabilization.** Tenant protections and financial/technical resources intended to directly assist businesses facing immediate displacement pressures. *Strategy Profile: Rental Assistance Programs*
- **Community Ownership.** Strategies that support broader community goals for business preservation or incubation through collective investments. *Strategy Profile: Cooperatives and Incubators*
- **Entrepreneurial Support/Local Hiring.** Strategies that help to ensure local businesses and workers are prioritized to participate in local economic growth and development. *Strategy Profile: Legacy Businesses*
- **Funding & Incentives.** Alternative funding sources providing small businesses with access to capital that they are unable to obtain from more traditional, risk-averse financing institutions. *Strategy Profile: Public Banking*
- **Place-Based Management.** District-based business associations or funding mechanisms that direct resources to shared benefits and investments. *Strategy Profile: Enhanced Infrastructure Financing District*
- **Planning & Zoning.** Land use and development standards aimed to prioritize small businesses or reduce onerous standards and development costs that can prevent local businesses from opening or operating in their own communities. *Strategy Profile: Leasing Incentives/Tenant Improvements; Alternative Parking Standards*

This selection highlights how a range of potential strategies can work together to mitigate commercial displacement in the City Core area and citywide. An extended list of potential strategies within each category is included in the appendix. Some of the identified strategies on

the extended list are currently being undertaken by the City or other community actors, and the Mayor's "Opportunity Beach" agenda addresses additional strategies that have displacement prevention goals.

Strategy Profiles

Rental Assistance Programs (Commercial Stabilization Strategy)

Rental Assistance Programs provide subsidies to small businesses that have experienced hardship associated with a historic event, such as the recent economic downturn brought about by the COVID-19 pandemic. Many jurisdictions were recently awarded federal grants through programs such as the American Rescue Plan Act (ARPA) that are distributed on competitive bids. In 2021, the City Council approved the development of the Commercial Rental Assistance Grant (CRAG) funded by the federal Coronavirus AID, Relief, and Economic Security (CARES) Act and Community Development Block Grant (CDBG) allocation to provide financial relief to small businesses located in low to moderate income areas. Approximately \$1.7 million was made available to businesses struggling to pay their commercial leases.

These programs provide temporary relief to businesses and landowners experiencing a downturn from a known event. They are not long-term subsidies for businesses, nor a form of rent-restricted commercial space designed to promote the development of community benefits such as childcare or social services. Applicants receive temporary relief to make up for disaster induced shortfalls with the intention of returning to normal business activities in the short-term.

Applicability to Long Beach

Long Beach applied for and was rewarded a CARES grant to fund rental assistance programs in the districts that qualify for CDBG grants. The areas of the City with lower resources relative to the City at large are eligible for these funds. Eligible businesses can receive up to \$4,000 through this program. Because Rental Assistance Programs are temporary relief for businesses experiencing hardships associated with a historic event, their general applicability for long-term planning is limited.

Strengths

Jurisdictions are awarded federal and state grants based on demonstrable impacts from wider economic events. The City has established a precedent to apply for and receive grant funds for rental assistance. Qualifying businesses must apply through a competitive bid process to guarantee readiness and efficiency of allocating the funding resources. Funds are funneled directly to businesses owners to pay expenses, which benefits both the business owner and landlord. The process is relatively simple and transparent, which encourages participation.

Challenges

Because commercial Rental Assistance Programs are relief funding to respond to historical events, they are not long-term programs designed to subsidize commercial tenants. Because the funds are often used to pay past due business expenses, such as rent, the program can be perceived as a subsidy to the landlord and not the local business. Also, qualifications for competitive bids may preclude the businesses most in need of rental assistance. For example,

any struggling businesses without a physical location in Long Beach’s districts eligible for CDBG grants do not qualify regardless of their financial situation.

Examples

- City of Los Angeles Small Businesses Relief Program, City of Long Beach Commercial Rental Assistance Grant¹⁶

Cooperatives and Incubators (Community Ownership Strategy)

Commercial cooperatives and incubators are similar strategies with unique approaches. Cooperatives are owned by their members, who often share common goals of community preservation. Incubators are owned by non-profits, universities, private corporations, or public entities in public-private partnerships. Both approaches often involve flexible leasing options and affordable rents relative to market-rate commercial spaces. These are effective at nurturing nascent, but high-potential start-ups in high-value industries and sometimes have a cascading economic impact. However, they are often associated with the tech industry, which is notorious for its rapid growth that sometimes leads to displacement. While being reliable vehicles of economic growth and catalysts for other industries that benefit from positive spillover effects, tech startups are often disrupters by nature. This has the potential to cannibalize legacy businesses or cause a spike in demand for commercial space in their proximity, leading to higher rents and probability of turnover for other commercial tenants.

Both cooperatives and incubators provide resources to emerging small businesses. These facilities often arise on their own when there is sufficient community support and available capital, while at other times they need support from the jurisdiction in the form of services or subsidized rent. They are typically most effective when they are operated through sustainable funding mechanisms, such as a Business Improvement District (BID), Tax Increment Financing (TIF), or other designated fee/tax revenues.

Applicability to Long Beach

Both commercial cooperatives and incubators are highly applicable to a large city such as Long Beach with a strong labor market, local entrepreneurial industries, and dynamic public universities, all of which provide resources and opportunities for emerging businesses. Long Beach has existing incubators, including the Long Beach Accelerator, which focuses on the tech industry. There are certainly opportunities to establish cooperatives and incubators in districts with vacant industrial and commercial space that focus on other industries. Numerous examples exist in California of cooperatives focused on food production, art, design, fitness, green tech, and other specializations.

Strengths

Cooperatives and incubators provide more flexible and affordable commercial leasing options for businesses that may otherwise be vulnerable to displacement. They are very effective when they are able to offer technical assistance through established programs and have industry-specific focuses that foster agglomeration effects and economies of scale.

¹⁶ <https://www.mayorsfundla.org/program/small-business-relief-grant-program/>;
<https://longbeach.gov/economicdevelopment/small-business-grants/commercial-rental-assistance-grant/>

Challenges

Cooperatives and incubators require significant upfront capital funding and often ongoing subsidies to cover operating expenses. They usually require private capital to initially fund efforts, and some businesses never become profitable.

Examples

- Long Beach Accelerator
- SoLa Impact Beehive in the City of Los Angeles
- La Cocina Incubator in the City of San Francisco¹⁷

Legacy Business Programs (Entrepreneurial Support/Local Hiring Strategy)

Legacy Business programs aim to support small businesses that have built a legacy of serving local communities in ways that also help to define a community's sense of identity, contribute to its sense of place, and/or hold cultural or historical significance. Cities such as San Francisco, San Antonio, Seattle, London, and Buenos Aires have established legacy programs, each with its own criteria for eligibility and offering different forms of support and assistance. The City of Long Beach has a pilot legacy business initiative led by the local nonprofit Long Beach Heritage and is in the process of establishing a City-run legacy business program.

San Francisco's "Legacy Business" registry was created in 2015 for culturally and historically relevant businesses at least 30 years old, as well as a voter-approved fund to financially support these establishments (76 businesses in its first year). Seattle's program is very different in comparison, designating just 7 businesses (one from each City Council district) in its first year of 2020, and with eligibility requirements including minimum of 10 years in operation, independent ownership, fewer than 50 employees, facing a significant risk of displacement, and serve a community function above and beyond "the basic sale of goods and services."¹⁸ Seattle's program offers technical assistance and promotional support, but does not offer funds to its designees.

In general, small businesses—despite a great diversity of industries—face many of the same challenges across the following themes: a rapidly changing marketplace marked by increased competition and evolving consumer behavior, narrowing profit margins, labor costs and shortages, and rising real estate value and commercial rents.

Legacy Business programs typically engage participating businesses through a series or combination of interventions. Such interventions fall into four main categories:

- Financial Assistance (direct grants, tax incentives, subsidized rent)
- Protections and Covenants (covenants to maintain use, restrictions on chain businesses)
- Marketing and Promotion Activities (directories, media campaigns)
- Technical Assistance (legal aid, strategy, technology)

¹⁷ [Long Beach Accelerator](#); [SoLa Impact Beehive](#); [La Cocina Incubator](#)

¹⁸ <https://crosscut.com/culture/2020/02/seattle-looking-ways-save-beloved-local-establishments>

Applicability to Long Beach

Legacy Business programs have been hailed as a strategy with great potential to prevent the displacement of long-standing businesses that often play an additional role of cultural institution for specific ethnic enclaves. As of April 2023, Long Beach City Council has received direction from the Mayor to initiate a City-run legacy business registry and program to recognize and support historic Long Beach businesses, building on the foundation of Long Beach Heritage's Legacy Business program pilot¹⁹.

In a September 2019 analysis of Legacy Business programs, the City of LA Economic and Workforce Development Department (EWDD) reported that legacy businesses help to define Los Angeles's identity – as well as the differentiated identity of local communities within the City. This sentiment holds true across much of Southern California, with Long Beach's rich cultural diversity providing strong examples of Cambodian, African-American, Latino, Polynesian, and Filipino communities. Loss of keystone businesses can generate a sense of cultural displacement within a community and is sometimes a reflection of residential gentrification as their original target markets are driven out due to rising housing costs.

Strengths

Ability to define legacy business and design a program around a local context; potential to provide specific support to individual businesses as well as targeted assistance focused on key business issues; high potential to prevent anti-displacement; equity-focused approach to business interventions.

Challenges

In addition to the challenge of securing funding, the lack of a universal definition or eligibility criteria for legacy business poses an inherent challenge to identifying the businesses eligible for registration and potential benefits. The process of designing the eligibility criteria and selecting participating businesses may trigger sensitivities. Criticism of the program may include that some market changes will naturally render certain businesses/industries obsolete, or that the program does not address a business' loss of initial residential consumer base.

Examples

- San Francisco²⁰
- Seattle²¹
- San Antonio²²

Public Banking (Funding & Incentives Strategy)

Public banking has gained momentum as a tool for advancing economic democracy, especially as local jurisdictions strive towards a more equitable economic recovery post-COVID. Public

¹⁹ <https://longbeach.legistar.com/View.ashx?M=F&ID=11838475&GUID=0846700F-7006-4F70-90C3-A326991D1C31>

²⁰ <https://sf.gov/legacy-business-program>

²¹ https://www.seattle.gov/documents/Departments/economicDevelopment/22820_Legacy_Report_2017-09-25.pdf

²² <https://storymaps.arcgis.com/stories/74f995c768374ba9970fc52ac6e97303>

banking consists of moving some or all public deposits out of large private commercial banks and into public banks that are created and owned by local entities, such as city, state, national, or tribal governments. Public banks can use these funds to invest in critical community needs like affordable housing, green projects and climate change responses, and small business development.

The policy discourse on commercial displacement points to access to capital as a fundamental element of small business retention and recruitment. In recent decades, well-intended policies that challenged development norms (e.g., reducing or eliminating parking requirements; mandating ground floor commercial uses in multi-story residential buildings) have revealed that banks and financial institutions are often unwilling to finance projects that programmatically or typologically go against the status quo. Additionally, for commercial real estate investments, financial institutions prefer credit tenants—established businesses with strong credit ratings—which can contribute to the proliferation of national brands and chain stores in new developments.

Furthermore, public banks must be enacted by local or state governments, who must weigh the costs and benefits of offering such incentives that may reduce funding streams for other things like schools or social services. Public banking has gained momentum as a tool for advancing an equitable recovery and promoting economic democracy through the distribution of public funds to specific local and community needs. Public banks are intended to use public funds to let local jurisdictions provide capital at interest rates below those charged by commercial banks. The loans could be used for businesses, affordable housing, infrastructure, and municipal projects, among other things. Proponents say public banks can pursue those projects and support local communities' needs while being free of the pressure to obtain higher profits and shareholder returns faced by commercial banks.

Though there are successful international examples of public banks, the continental U.S. currently has only one operational public bank, the state-owned Bank of North Dakota. At the same time, coalitions and networks across the country are leading the push for public banking in connection with broader efforts to transform an inequitable financial system through developing new, accountable institutions responsive to community priorities.

Applicability to Long Beach

In October 2019, a controversial bill allowing California cities and counties to establish public banks was signed into law by Gov. Gavin Newsom, making California only the second U.S. state to allow such institutions. Both Los Angeles²³ and San Francisco²⁴ have taken steps to establish their own public banks. Mainstream support for public banks has also grown since the financial crisis a decade ago and since large financial institutions such as Wells Fargo & Co. have been embroiled in many customer-abuse scandals in recent years²⁵.

²³ <https://www.latimes.com/california/story/2021-10-05/la-takes-step-toward-launching-city-owned-bank>

²⁴ <https://www.sfchronicle.com/sf/article/san-francisco-public-bank-17781925.php>

²⁵ <https://www.forbes.com/sites/jackkelly/2020/02/24/wells-fargo-forced-to-pay-3-billion-for-the-banks-fake-account-scandal/?sh=3eaca1eb42d2>

Other proponents of public banking cite racist practices and sentiments from mostly all-white financial institutions (historically and based on anecdotal experiences) as the reason for advocating for the creation of new investment vehicles, particularly those that can distribute much-needed capital to support at-risk businesses and/or those owned by disadvantaged groups, such as women and or people of color.

The push for public banking in connection with broader efforts to transform an inequitable financial system through developing new, accountable institutions responsive to community priorities, directly aligns with Long Beach’s celebrated diversity and its policy goals to address and/or correct long-lasting structural injustices.

Strengths

Public banks would allow the city to save money on banking fees, increase credit access for small businesses, and drive funding to Black, Indigenous, and People of Color (BIPOC) entrepreneurs. Public banks are able to lend at interest rates below those charged by commercial banks, pursue local projects, and support communities' needs while being free of the pressure to obtain higher profits and shareholder returns faced by commercial banks.

Challenges

A long and potentially expensive road to study the creation of a public bank for Long Beach, and with few precedents to follow is a challenge in the establishment of a public bank in the City. Implementation and maintenance may also be difficult. When the City of Los Angeles passed a motion to further study the creation of a City-owned public bank in 2019, Giancarlo Rubio of the Valley Industry and Commerce Assn. harshly criticized the idea during public comment calling public banks “risky and expensive.” However, public banks offer some type of protection from the boom-and-bust cycle of volatile markets and risky Wall Street financial products like derivatives. The risk and expense associated with public banks seem to be more closely tied to implementation, efficiency, and overall program effectiveness, especially since there are no existing public banks at the municipal level in the United States from which Long Beach could learn.

Examples

Though there are successful international examples of public banks, the continental U.S. currently has only one operational public bank, the state-owned Bank of North Dakota. National examples of public banks exist in Germany, China, Canada, Australia²⁶, Seattle²⁷ and Philadelphia²⁸ are currently exploring pathways to creating public banks at the municipal level.

Enhanced Infrastructure Financing Districts (Place-Based Management Strategy)

Enhanced Infrastructure Financing Districts (EIFDs) are mechanisms of Tax Increment Financing (TIF) that permit jurisdictions to finance a project by freezing base property taxes in the project’s district and diverting increases in tax revenues anticipated as a result of the

²⁶ <https://aflep.org/the-national-movement-resources/>

²⁷ <https://www.hraadvisors.com/wp-content/uploads/2022/12/Seattle-HR-A-Advisors-Public-Bank-Feasibility-Study.pdf>

²⁸ <https://www.hraadvisors.com/wp-content/uploads/2022/12/Philadelphia-Public-Bank-Feasibility-Study - FINAL Sept-2020.pdf>

project's improvements to fund the project or repay bonds. TIF works by establishing tax revenues in a base year and estimating additional tax revenues that will be generated after the improvements are complete and the properties' values have increased incrementally. This increment is used to pay back the bonds issued to finance the improvements.

First established in 2014 through SB 628, EIFDs have been the focus of additional legislation that expand their use and lower requirements for their applicability. For example, AB 733 allows for EIFDs to be used to address public health concerns and extreme weather events, and AB 116 allows EIFDs to issue bonds without a public vote. EIFDs have been used to fund infrastructure maintenance, economic development, affordable housing, and more. Improvements to transportation infrastructure that increase access and visibility of a commercial corridor, or improvements to a promenade, park, or streetscape that attract customers to a district are examples of how EIFDs can be used to prevent the displacement of existing businesses and sources of employment. Commercial district improvements can be financed through the incremental increase in property taxes that should result once the improvements increase the value of properties within the district. These improvements should help local businesses capture more consumer spending by fostering a more desirable and efficient retail or entertainment corridor, increasing traffic and customer spending. In conjunction with other anti-commercial displacement programs, local businesses should be among the main beneficiaries of the enhanced infrastructure.

Applicability to Long Beach

EIFDs could be an effective redevelopment tool for the City of Long Beach to finance improvements in transportation infrastructure or streetscapes to improve access, visibility, walkability, and appeal of a commercial corridor. EIFDs can also be used to improve air/water quality or fund affordable housing. There are currently several EIFDs in development in Long Beach, both to create affordable housing and transit-supportive infrastructure, and to create a revitalization plan for the Lower Los Angeles River in association with multiple jurisdictions in Los Angeles County.

Strengths

EIFDs create a long-term funding mechanism to address a jurisdiction's goals of economic development, housing, climate change adaptation and more. They allow jurisdictions to raise funds through public bonds that can be applied with flexibility and creativity to foster the improvement of a district or project.

Challenges

EIFDs are more effective for large scale projects that represent transformative improvements that will increase the assessed value of the properties of an area. It can be more challenging to direct resources to an individual project for which the subsequent increase in value is uncertain. EIFDs involve complex financial arrangements that often require voter approval, community hearings, and the issuance of public bonds. A jurisdiction must be willing to forgo increased property tax revenues from the project for a predetermined time period in order to repay the bonds. Property owners are also clear beneficiaries of the improvements, which may cause displacement as they seek higher rents, unless other measures to protect local businesses are used in conjunction.

Examples

- West Carson EIFD²⁹
- City of San Diego Otay Mesa EIFD³⁰
- Placentia and Orange County EIFD³¹

Leasing Incentives/Tenant Improvements (Planning and Zoning Strategy)

Leasing incentives can be effective tools for attracting new commercial tenants as well as retaining current tenants. Lease agreements for commercial real estate not only establish terms such as use of space, rent payments, and duration of the agreement, they also identify who is responsible for the remaining buildout, potential customization, maintenance, and reinvestment of the space. The issue of Tenant Improvements (TI) is a key component of commercial real estate lease negotiations, with property owners often providing a TI allowance as an incentive to cover the costs of customizing space for a tenant's needs. While many landlords may provide reimbursement for hard construction expenses only, lease incentives can also cover soft costs (costs of obtaining permits, legal fees, etc.) if negotiated within the lease agreement.

Lease incentives can take several forms, from direct investments and tenant payments to rent holidays. The method of funding the incentive and who owns the improvements during the lease (and what happens to them after the lease is terminated) can have tax implications for either the landlord or the tenant.³²

Although TIs represent a significant benefit to tenants, property owners do not always provide them, leaving tenants to front the bill for improvements themselves, which raises total startup costs and increases potential barriers to entry for small businesses from disadvantaged communities. In certain cases, financing strategies like property tax abatements and commercial rent tax reductions have been used to incentivize property owners to make investments in older buildings or include certain improvements for future tenants or the community.

Applicability to Long Beach

In an interview with the Downtown Business Alliance (DBA), the business improvement district (BID) of Downtown Long Beach, staff mentioned that some landlords were leasing commercial spaces in a shell condition³³ and no TIs, which in some cases, has limited the number of interested local and small businesses. Many local and small businesses in Long Beach have shied away from spaces requiring significant additional risk and capital for tenant improvements. DBA staff pointed out that incentivizing developers to provide TIs would be a big win for small businesses in Long Beach. While not a leasing incentive provided by the property owner, the City of Long Beach funds and administers the Commercial Corridor Façade Improvement

²⁹ <https://pw.lacounty.gov/pdd/proj/westcarson-eifd/>

³⁰ <https://www.sandiego.gov/council-committees/omeifd>

³¹ <https://www.placentia.org/860/Enhanced-Infrastructure-Financing-District>

³² <https://leasequery.com/blog/tenant-improvement-allowance-accounting/>

³³ A grey shell is delivered in a raw condition, which requires more work by the tenant to bring the space into a usable condition. It usually does not include a ceiling, only a partially completed concrete floor or no floor, no electrical wiring inside the space, and no lighting. Descriptions of additional pre-lease Conditions of Premises can be found at: <https://allegroreality.com/articles/the-construction-and-condition-of-premises-provision-and-why-it-matters-to-tenants>

Program, providing financial assistance in the form of grants to commercial property owners to improve the appearance of their storefronts.³⁴ Although this program is somewhat related to TIs, it is more appropriately classified under the Capital Improvement Grant category.

Strengths

Providing financial incentives for property owners to make investments into their buildings and tenants' spaces is a potentially powerful way to build commercial improvements while preventing or minimizing increases in the overall cost of commercial real estate. Reductions in operating costs (taxes) can be passed directly to the small business as a lower base rent.

Challenges

Necessary building updates should not lead to unnecessary tax burdens. In the case of tax abatements and reductions as the funding mechanism for TIs and other incentives, potential implementation hurdles include passing State legislation allowing for specific commercial real estate programs at the municipal level. Overall, such incentives may increase competition for commercial space, and building out physical improvements may have an unintentional gentrifying effect.

Examples

- NYC Commercial Revitalization Program³⁵
- NYC Industrial and Commercial Abatement Program (ICAP)³⁶

Alternative Parking Standards (Planning and Zoning Strategy)

Local jurisdictions can use zoning tools to outline alternative parking standards for specific conditions or types of development. Reducing parking requirements is a tool commonly used by jurisdictions to incentivize particular development outcomes, such as the inclusion of affordable housing or reserving a certain amount of commercial space for small local businesses.

Parking requirements can be onerous, often leading developers to request parking reductions. In some cases, the financial burden of providing parking can be cost prohibitive to the provision of other uses, including smaller commercial developments that can support local, neighborhood businesses and other community uses, in turn further driving the potential for commercial displacement. Reducing or eliminating the parking requirements for a project may allow additional leasable square footage and result in a more financially feasible project; this can result in more development projects being built, alleviating market demand pressures on existing commercial space. This may also decrease the minimum rents developers must charge to meet required returns on their investments.

While providing parking for new development can negatively impact on a developer's profit, parking requirements can also serve as a barrier to adapting existing building square footage to new uses. Existing buildings may be blocked from being adapted to new uses due to irreconcilable differences in required parking ratios (e.g., a new use proposed for an existing space requires more parking than what is currently being supplied). Parking requirements on

³⁴ <https://longbeach.gov/lbds/hn/ccfip/>

³⁵ <https://downtownny.com/wp-content/uploads/2020/10/2020-Lower-Manhattan-Incentives-Summary.pdf>

³⁶ <https://downtownny.com/wp-content/uploads/2020/10/2020-Lower-Manhattan-Incentives-Summary.pdf>

adaptive reuse or change of use projects may hamper the ability to adapt to evolving demands for space by new and emerging or growing commercial uses. The ability to absorb new demand for commercial space in otherwise vacant existing buildings, can ease rent pressures on commercial spaces occupied by existing small business tenants. Confining parking requirements to new development projects and easing parking requirements for adaptive reuse or change of use projects can curtail the potential for commercial displacement.

Applicability to Long Beach

The City of Long Beach introduced two provisions allowing alternative parking standards as part of the Uptown Planning Land Use and Neighborhood Strategy (UPLAN) for updating zoning in North Long Beach. The UPLAN zoning updates included an incentive exempting participating developments from parking and floor area requirements in exchange for preserving lower rental costs for community businesses. Participating developments must provide commercial spaces at historic market rents for local businesses in order to take advantage of such alternative parking and development standards. The second parking provision adopted through the UPLAN update exempts new parking requirements for a change of use of existing square footage within a building more than ten(10) years old.³⁷

There are several policies that grant developers and property owners of projects in transit-rich areas significant additional flexibility regarding parking obligations. For example, the City's Enhanced Density Bonus Ordinance and the state of California's AB2097 reduce and eliminate, respectively, parking mandates for new development in transit-rich areas in exchange for providing affordable housing set aside for lower-income households.³⁸ These policies impact the areas around major transit stops such as the Metro A Line (formerly the Blue Line) stations as well as corridors with frequent bus service, areas with sites likely to see future development of commercial space.

Strengths

Parking reductions, waivers, or incentives are tools with which developers are familiar and have proven to be popular in the past. An added strength of this strategy is the relative ease of implementation and the direct oversight and control a local jurisdiction can have over such policies. Local jurisdictions can tailor these strategies, or combine them with other strategies, to produce a variety of desired development outcomes in addition to curtailing commercial displacement, such as meeting climate action goals by lowering reliance on private cars, reducing vehicle miles traveled and improving built form by encouraging mixed-use neighborhoods, and providing affordable housing for lower income households.

Challenges

The introduction of AB2097, prohibiting jurisdictions from mandating parking minimums for most development projects in transit-rich areas may make some local parking incentives moot. Parking regulations have little impact on the larger market demand for parking, and developers may still choose to provide a number of parking spaces above the legally required amount. Parking standards below the "market norm" can minimize a development project's ability to obtain financing as financial institutions have strict underwriting policies and may view the

³⁷ Long Beach Municipal Code 22.30.090B.5

³⁸ California State Assembly Bill No. 2097 (2022)

“under-parked” project as having additional risk. Similarly, some small businesses may have difficulty obtaining financial support for the same reasons.

Examples

- Long Beach Municipal Code 22.30.090B.5
- California AB 2097

Appendix

Extended List of Anti-Displacement Strategies

Strategy Category	Policy/Program	Description	Example(s)	Existing in Long Beach
Commercial Stabilization	Technical & Merchandising Assistance	Programs provide assistance in technical areas of business, general support, and/or funds for operations	Portland Thriving Small Business Loan Program ; Seattle Small Business Stabilization Grant Pilot Program (COVID) ; Mayor's Fund for LA - Small Business Relief Program (COVID)	Shaun Lumachi Innovation Center; The Institute for Innovation + Entrepreneurship
	Relocation Assistance	Tenants forced to vacate leased space are provided funds for relocation costs	CA Uniform Relocation and Real Property Acquisitions Policy Act (URA) ; Vancouver Commercial Tenant Assistance Program	Statewide
	Rental Assistance Programs	Funds provided to businesses struggling to make rent payments	City of LA Small Business Rental Assistance Program (COVID) ; Oregon Commercial Rent Relief Program (COVID)	
	Legacy Business Programs	Protects and supports longstanding small businesses that have significantly contributed to a community's culture or identity	Los Angeles Legacy Business Program	Long Beach Legacy Business Registry and Program
	Affordable Workspace Requirements	Requires construction of new workspaces to include some space set-aside at affordable rates	London Boroughs of Hackney, Wandsworth, & Newham	
	Landlord/Tenant Mediation or Anti-Harassment	Protects tenants from aggressive landlords	NYC Intro 851	
	Rent Control / Stabilization	Places a limit on rent increases for commercial spaces	NYC Commercial Rent Stabilization (pending)	Banned in State of California
	Construction Disturbance Assistance	Supports tenants whose leased spaces or operations are disturbed by construction to no fault of their own	Twin Cities Central Corridor Business Assistance Program	
	Eviction Restrictions	Policy limiting a property owner's ability to evict commercial tenants	Oakland Commercial Tenant Eviction Moratorium (COVID)	LA County Eviction Moratorium

Strategy Category	Policy/Program	Description	Example(s)	Existing in Long Beach
Community Ownership	Community Land Trusts (CLTs)	A model of land ownership and community development whereby a nonprofit organization buys or holds land on behalf of a community, serving as the long-term steward of community assets and preserving affordable real estate for community use/public benefit	OakCLT	
	Cooperatives & Incubators	An entity of established and connected professionals and businesspeople that supports emerging small businesses and startups through funding, networking, and technical guidance; often housed in a physical space	E-Contractor Academy ; La Kretz Innovation Campus ; La Cocina Incubator Kitchen San Francisco	Long Beach Accelerator
Local Hiring/Entrepreneurial Support	Local Training & Hiring Program	Promotes the development of the local workforce	Skills for Life in Detroit	Mayor's 100 Day Plan
	Local Procurement Requirements	Mandate requiring typically large organizations (private companies or public agencies) to use local vendors to fill contracts or orders	City of Manchester Procurement Policy ; London's Progressive Procurement	Mayor's 100 Day Plan
	Community Benefits Agreements	Agreements between developers and community-based organizations that require certain development processes and outcomes that benefit community interests	Detroit Community Benefits Ordinance	

Strategy Category	Policy/Program	Description	Example(s)	Existing in Long Beach
Funding & Incentives	Capital Improvement Grants	Grant programs intended to aid small businesses pay for capital-intensive projects or equipment	Chicago's Small Business Improvement Funds	
	Government Loan Guarantees	Enables small businesses to obtain term loans of lines of credit to help them grow and expand their business	California Infrastructure and Economic Development Bank's Small Business Finance Center	Statewide
	Property Acquisition Funds	A community pool of money that helps small businesses and non-profit organizations purchase real estate for their operations	Minneapolis Northside Real Estate Revolving Loan Fund	
	Vacancy Tax	A tax landlords must pay for storefronts that remain vacant for an unnecessarily long period of time	San Francisco Commercial Vacancy Tax	
	Public Banking	A bank operated by a government entity that can finance public goods projects, community initiatives, and individual projects such as small business loans or affordable housing	Bank of North Dakota	
	Real Estate Transfer Taxes	An additional tax levied on property transactions; this tax is usually applicable to a defined subset of properties and the generated revenue is set aside for a specific purpose	City of Los Angeles Homelessness & Housing Solutions Tax	
	Real Estate Tax Abatements	Directly reduces the amount of real estate taxes owed for a specific period in exchange for providing a public/community benefit	Long Beach Mills Act Tax Abatement Program; Falls Church, VA Commercial Rehab Tax Abatement	Long Beach Mills Act
	Leasing Incentives/Tenant Improvements	Uses incentives such as tax abatements and tax reductions to encourage commercial property owners to provide Tenant Improvements (TIs) and/or make other investments to their properties to reduce the barrier to entry and initial investment costs for small local businesses	New York State Commercial Revitalization Program; NYC Industrial & Commercial Abatement Program (ICAP)	

Strategy Category	Policy/Program	Description	Example(s)	Existing in Long Beach
Place-Based Management	Business Improvement Districts (BIDs)	Organizations of businesses established to create sustained funding streams and support shared goals within distinct geographic business districts	Zaferia Business Association; Downtown Long Beach Alliance; Magnolia Industrial Group	10 existing BIDs
	Business Associations & Chambers of Commerce	Organizations of businesses established to support business interests and advance economic development typically at a Citywide or regional scale	Austin Chamber of Commerce ; South Bay Association Chamber of Commerce	Long Beach Area Chamber of Commerce
	Tax Increment Financing (TIF)	A bonding mechanism by which jurisdictions can finance capital-intensive projects using future tax revenue generated from increased property values caused by the yet-to-be-built improvement projects. The incremental increase in tax revenue over time is used to pay back the bonds issued to finance the improvements	Chicago TIF Districts	
	Enhanced Infrastructure Financing Districts (EIFDs)/Community Revitalization Authorities (CRIAs)	Two different forms of tax increment financing specific to California, each governed by similar but sets of funding and use rules	West Carson EIFD ; Victorville CRIA	

Strategy Category	Policy/Program	Description	Example(s)	Existing in Long Beach
Planning & Zoning	Reduced Parking Minimums	Zoning-based strategy to reduce construction costs and maximize leasable area for small, disadvantaged, and/or otherwise prioritized business types by reducing number of parking spaces required	King County's Right Size Parking Project	Special Use Incentives in A-series zones in North Long Beach UPLAN
	Permit & Entitlement Streamlining	Prioritizes and fast tracks the permit and application processing of projects in exchange for a community benefit	CA SB35 Affordable Housing: Streamlined Approval Process	
	Retail Tenant Size Limits	Limits the leasable footprint of retail tenants--intended to stop proliferation of big box stores and national chains	San Francisco Neighborhood Tenant Size Limits	
	Underutilized Public Property	Invite certain communities or businesses to use publicly owned space for vending purposes, typically if they lack access to private brick and mortar business space	City of Duluth Strategic Public Lands Realignment Project	
	Change of Use Permitting	Permit small, disadvantaged, and/or otherwise prioritized business types to operate commercially in spaces zoned for other land uses	Seattle Small-Scale Commercial Pockets	