

July 3, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Proposed Fiscal Year 2023 Budget

I am pleased to present to you the Proposed Fiscal Year 2023 (FY 23) Budget. This budget was developed during a pivotal time of transition. While the City of Long Beach (City) continues to recover from the lasting implications of the COVID-19 pandemic, the City has remained strongly committed to best providing critical public services, prioritizing significant recovery support for residents and businesses, and making strong investments in the City's infrastructure.

Since Spring 2021, when the City first launched the Long Beach Recovery Act (LB Recovery Act) to provide economic, public health, and fiscal initiatives for Long Beach residents, business owners, and workers most severely impacted by the pandemic, City staff have worked to develop Recovery Programs that prioritize equity and collective impact. As one of the first cities in the country to implement a recovery initiative, the LB Recovery Act has since made tremendous advancements with a total plan of \$271.3 million, launching 26 Recovery programs (as part of designing and implementing more than 80 Recovery programs), and thus far providing nearly \$112 million in recovery relief to residents and businesses – utilizing \$68.8 million for Healthy and Safe Community initiatives, \$9.2 million for Economic Recovery, and \$33.7 million towards Securing our City's Future.

As part of the LB Recovery Act, the Small Business and Nonprofit Relief Grants Program has provided more than \$8 million to 700 local businesses and nonprofit organizations. Since the end of April 2021, the Emergency Rental Assistance Program has disbursed \$44.5 million in rental relief to nearly 6,100 residents, with an additional \$15.5 million in the appraisal pipeline to be provided to nearly 1,100 additional residents. Many Recovery programs are designed to partner with community-based organizations and businesses and more than 20 contract opportunities have opened thus far. Notably, earlier this year, the City launched a request for proposals and awarded a contract for the Long Beach Guaranteed Income Pilot Program that will provide a select number of Long Beach families living at or below the poverty line the opportunity to receive up to \$500 a month for 12 months. Furthermore, a Recovery data dashboard is currently in development to provide the public with up-to-date information about Recovery-related programs.

The City also continues to enhance livability with the introduction of new affordable housing opportunities. Since 2020, more than 880 affordable units have been completed or are currently under construction or proposed throughout the city. Earlier this year, the City celebrated the groundbreaking of Long Beach Senior, a 67-unit affordable housing development and community resource center along Pacific Coast Highway in Midtown,

and in Spring of 2022 commemorated the grand opening of nearby Vistas del Puerto, a new 47-unit affordable housing project. The City was also recently awarded a \$4.5 million grant from the California Department of Housing and Community Development (HCD), which will help fund the development of new and affordable housing projects through 2025. Additionally, the City's comprehensive 2021-2029 Housing Element update was certified by HCD, signifying the City's compliance with State Housing Element law and planning for the opportunity for more than 26,502 additional housing units throughout the City. As one of the first cities in the region to be certified, the City has the potential for considerable grants and State funding opportunities for various implementation efforts in Long Beach, including the production of additional affordable housing.

This past year, the City also expanded services for people who are experiencing homelessness. The City was awarded \$1.3 million by the State's Encampment Resolution Funding to focus on comprehensive outreach, supportive services and shelter services for the encampment site clustered in Cambodia Town around MacArthur Park and the Mark Twain Neighborhood Library, which will provide meaningful pathways to safe and stable housing for unhoused residents. While other cities ramped down their Project RoomKey programs, the City has not only continued the program but expanded its capacity, adding an additional 26 room location and totaling 274 rooms. Over the past two years, the City has dramatically increased the number of shelter beds available, adding 552 shelter beds, bringing total capacity to 994. Additionally, the City greatly expanded its outreach capacity going from an outreach team of four at the beginning of the year to a team of 14 and in the process of expanding to a 21-person team. In the last year, City staff made over 1,000 visits to various encampments and provided outreach to nearly 1,800 people experiencing homelessness. Two more Restorative Engagement to Achieve Collective Health (REACH) teams that utilize mental health clinicians and nursing staff as part of the citywide response to homelessness were added this past year, and another is proposed in the FY 23 Budget. The Department of Health and Human Services, in partnership with the City Prosecutors Office, created the Long Beach Homeless Court, which allows people to address their misdemeanor citations by participating in services and supports people with citations to address other legal needs. The Multi-Service Center (MSC) regularly sees over 3,000 visitors a month and enrolled nearly 2,600 people in services as of Spring 2022. Additionally, over 5,000 showers have been provided and more than 600 people are receiving mail through the MSC.

The City also continues to address public health and safety services to work towards keeping Long Beach a clean and safe city for all. Over the past year, the City's Clean Teams have abated approximately 1.25 million square feet of graffiti; removed over 2,100 tons of litter and illegally dumped items from public rights of way, alleys and high-traffic business corridors; and collected 200,000 tons of trash from 117,000 residential and commercial accounts. Additionally, more than 40,000 potholes have been filled. The Police Department hosted and participated in more than 50 community events this past year, activating community policing in a new way and making impactful connections with residents. The Police Department strategies to address violent crime and gun violence, such as the Coordinated Response Team, have had significant impact; through May 31, 2022, there has been a decrease of 16.7 percent in citywide shooting incidents when compared to the prior year. The Fire Department has responded to over 76,000 fire,

marine safety, and other emergency incidents equating to over 157,000 unit responses. The Disaster Preparedness and Emergency Communications Department leveraged grant funds to establish the City's Backup 9-1-1 Center, which includes 14 fully-functioning 9-1-1 work stations that mirror the technology and emergency operations used in the City's primary 9-1-1 Communications Center to ensure continuous operations should an evacuation of the primary site become necessary.

The City remains dedicated to investing in its leaders of tomorrow with the Youth and Emerging Adults Strategic Plan (YSP) and Office of Youth Development. These initiatives support and empower youth and emerging adults between the ages of 8 to 24 to have the opportunities to be healthy. Early this year, the City launched its first-ever Youth Advisory Council, an 11-member body designed to advise and guide City staff and community partners in the implementation of the YSP, the disbursement of the Measure US – Youth Fund and grants that support public health, climate change efforts, and youth development in Long Beach. The Library Department distributed more than 2,000 early literacy development kits to parents and caregivers and estimates over 50,000 youth being served this past year through the various Literacy Development Programs. While these efforts empower the youth of today to prepare them for long term equitable growth, they also produce generational investments in the future successes of Long Beach.

The Long Beach Airport (LGB) continues to advance its infrastructure and sustainability. This spring, LGB commemorated the completion of the new \$26 million Ticketing Lobby and \$25.5 million Checked Baggage Inspection System (CBIS) facility, both part of a \$110 million Phase II – Terminal Area Improvement Program to make strategic pre-security enhancements at LGB. A new baggage claim facility is expected to open later this year. As part of ongoing sustainability efforts to reduce waste and greenhouse gas emissions, LGB launched a back of house commercial food scrap recycling program to divert organic materials from the landfill and create renewable energy, with plans to implement a public facing program by the end of this year. Last fall, LGB received a Level 2 Airport Carbon Accreditation emission reduction rating certification, a six-level voluntary accreditation program that addresses direct and indirect emission sources.

The City is on track to adopt its first-ever Climate Action and Adaptation Plan (CAAP) in FY 22. The CAAP provides a framework for creating and updating policies, programs, practices, and incentives for Long Beach residents and businesses to significantly reduce the City's greenhouse gas (GHG) footprint, and to ensure the community and physical assets are better protected from the impacts of climate change. Over 10,000 residents and stakeholders were involved in the development of the CAAP, and early implementation actions are already underway to ensure the City meets its ambitious 2030 GHG reduction target and other climate priorities. Furthering our goal toward Climate Action and GHG reductions, the Water Commission approved the adoption of Southern California Edison's green rate for all of their qualifying service accounts, becoming the City's first adopter of 100 percent renewable energy to support a department's day to day operations. Additionally, the City has been consistently setting aside funding needed for the future cost of abandoning our oil fields when the economic life of the oil field ends. In FY 22, staff is planning for an increase to the annual reserve amounts up to an additional

25 percent to take advantage of higher than budgeted oil prices, keeping the City on path to be fully funded on the abandonment liability costs by 2035.

I am incredibly proud of all that the City has accomplished during these trying times, and as we look towards FY 23, I remain wholly committed to developing a City budget that addresses the ever-changing needs of our community, generates successful collective impact across the community, and ensures a brighter future for all. To this end, the Proposed FY 23 Budget makes substantial structural and one-time investments into many service priority areas while utilizing resources in a strategic and fiscally prudent way that enhances services without adding to the General Fund structural shortfall.

Five attachments immediately follow this transmittal memo, including Attachment A that provides detailed information on the budget. Additionally, the Executive Summary Chapter of this Budget Book provide the budget's financial summaries, including revenue and expense trends and information on other funds.

- Attachment A: Detailed Summary of the Budget
- Attachment B: General Fund Strategic One-time Investments (Non-Measure A)
- Attachment C: Summary of Budget Changes – General Fund
- Attachment D: Summary of Budget Changes – Other Funds
- Attachment E: Long Beach Recovery Act Program Allocations

In closing, I want to extend my appreciation to the Mayor and City Council for your leadership in helping the City continue to navigate out of the pandemic and into an even more equitable, sustainable, and prosperous future. I also want to express my gratitude for the Budget staff in Financial Management and all the City Manager Departments for their commitment and efforts in putting together a proposed budget that invests into our future and community in a fiscally prudent way. I am also grateful for the City Attorney, City Prosecutor, City Auditor, City Clerk, Civil Service Executive Director, Harbor Department Executive Director, and Water Department General Manager for their continued collaboration and support.

We look forward to your thoughtful consideration of this proposed budget and to the continued, collaborative work of advancing the fundamental needs of our City and community.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'T. B. Modica', is positioned above the printed name.

Thomas B. Modica
City Manager

Detailed Summary of the Budget

FY 23 BUDGET HIGHLIGHTS

The Proposed FY 23 Budget is able to make strategic, critical, and forward-thinking structural and one-time investments while preserving current services and avoiding adding to the General Fund structural shortfall. *The Budget Balancing* section later on in this Attachment highlights the various components that allowed for these significant investments to be made while maintaining the same \$12 million structural shortfall that was projected at the start of the budget development process. This shortfall is proposed to be covered with funds made available through the Long Beach Recovery Act.

The Proposed Budget prioritizes and makes investments into the following areas:

- Addressing Homelessness
- Community Safety
- Equity, Inclusion, Health, and Quality of Life Support
- Business Attraction, Support, and Economic Development
- Arts, Culture, and Tourism
- Infrastructure, Maintenance, and Critical Needs Investments
- Climate Change and Environmental Sustainability
- Recruitment, Retention, and Strengthening Internal Administrative Services
- Unfunded Operational Needs and Major Liabilities Improvements

In addition to weighing City Council priorities, these investments took into consideration community feedback that was received from residents early during the budget development process. As summarized in a memorandum released on May 3, 2022, City staff conducted inclusive, multi-lingual community engagement activities in January 2022, prior to the development of any budget proposals, in response to the Mayor and City Council's request to conduct a more robust and earlier community engagement process. The earlier engagement included two virtual community meetings and the distribution and collection of the FY 23 Budget Priority Survey (budget survey). The Budget makes investments into many of the priority service areas identified through the community engagement process, while still balancing the citywide need to manage and address a projected General Fund shortfall. Table 1 below outlines the service priority areas that have new investments in the FY 23 budget, and how these priority areas were ranked or referenced by the community in terms of importance during the various engagement opportunities in January 2022 (i.e., the community meetings, the Budget Priority Survey, and the comments section of the Budget Priority Survey).

Table 1: Community Rankings on Service Priority Areas with Investments in FY 23

Service Priority Areas	Community Meetings	Budget Survey	Budget Survey Comments
1. Addressing Homelessness	#1 and 2	#7	#2 and 7
2. Community Safety	#3	#2, 4, and 5	#1, 4, and 12
3. Equity, Inclusion, Health and Quality of Life Support	#7, 8, 9 and #10	#10	#6 and 14
4. Business Attraction, Support, and Economic Development			#9 and 17
5. Arts, Culture, and Tourism	#4		
6. Infrastructure, Maintenance, and Critical Needs Investments	#4	#1, #3, #6, and #8	#3, #8, and #10
7. Climate Change and Environmental Sustainability		#9	

* Number in table represent the rank of importance with #1 being the most important

The sections below provide details on the proposed budget changes and investments within the priority areas. The narrative that follows mainly discusses changes proposed in the FY 23 Budget, which are in addition to the full scope of diverse services already provided by the City within the current budget and resources.

The narratives below represent highlights and do not include every budget proposal. A full list of all General Fund and Other Fund changes in the Budget by department is provided in **Attachment B “General Fund Strategic One-time Investments,” Attachment C “Summary of Budget Changes – General Fund”** and **Attachment D “Summary of Budget Changes – Other Funds.”**

Detailed information on Measure A and other ballot measures can be found in the **Ballot Measures Chapter** of the Budget Book.

ADDRESSING HOMELESSNESS

Addressing and finding local solutions to the nationwide homelessness crisis continues to be a top priority for Long Beach. The City engages in a coordinated and systematic approach to addressing homelessness and leverages multiple City, County, State, and federal funding streams to implement innovative and solution-focused interventions and services. The Health and Human Services Department provides a total of \$77 million for housing services, including more than \$50 million in interim and permanent housing opportunities, \$20 million in services to the those in the city that are unhoused, and \$6 million in the Multi-Service Center operations; this is a significant increase from the funding of \$11 million as of 2018. In the past year, the Department has funded and operated four interim housing sites including the Atlantic Bridge Community, two Project

Roomkey sites and one Project Homekey for a total of 568 new interim housing beds. The number of outreach workers expanded from 4 to 14 and have been conducting outreach 7 days per week and contacted nearly 1,800 people in the past year. Through Federal HOME funding and Long Beach Recovery Act funding, the Department is building modular housing, launching a mobile Multi-Service Center (MSC) program, opening a social enterprise and health foods market, providing case management for 583 people receiving emergency housing vouchers and supporting REACH team operations. The Interdepartmental Team continues to work closely together to conduct outreach, offer services, address encampments, and provide support to the City's unhoused.

The FY 23 Budget supports these existing services and recommends enhancements for addressing homelessness as described below. Related efforts as part of a new Park Safety Ambassador Program are also listed in a later section "Infrastructure, Maintenance, and Critical Needs Investments."

- **Add a Restorative Engagement to Achieve Collective Health (REACH) team in the General Fund in the Health and Human Services Department to expand services for people experiencing homelessness (PEH), funded by Measure MA revenues.** Additional General Fund one-times of \$50,000 are also proposed for the purchase of a vehicle needed for the REACH team. The City currently has two REACH teams and the FY 23 Budget proposes to add an additional REACH team made up of a Mental Health Clinician, a Public Health Nurse, and Health Educator to expand current coverage and impact. REACH teams function as alternatives to traditional Fire and Police Department responses to certain calls for service related to PEH, and supplement the City's other outreach efforts with specialized services. These specialized teams focus on increasing access to mental and physical health services, housing and case management resources, while reducing unnecessary impacts to the emergency response system and addressing the root cause of street homelessness. The current REACH Teams operate 5 days per week across the City. With this additional REACH Team, the Homeless Services Bureau would be able to cover a shift every Wednesday through Friday, and every other Tuesday, beginning at noon until approximately 8:00 p.m., and will include a weekend day.
- **Add two Counselor II positions in the General Fund in the Health and Human Services Department to provide support from a holistic perspective for PEH requesting help, funded by Measure MA revenues.** These counselors would be people who have case management and support skills and would coordinate with the City's call center to enhance communications with community members, both housed and unhoused, across the City. They will provide information and response to people calling regarding homelessness and respond to those seeking help as the first step to linking them to services. Calls will be answered from 8:00 a.m. to 8:00 p.m. Monday through Friday and 8:00 a.m. to 5:00 p.m. on Saturday and Sunday.
- **One-time Measure A funding of \$2.1 million in the Police Department for a two-year outreach and clean-up initiative along the city's river beds.**

Additional General Fund one-times of approximately \$350,000 are included for the purchase of five vehicles needed to implement this initiative. The Interdepartmental Team (Clean Team in Public Works, Quality of Life in the Police Department, and Outreach workers in the Health Department) will conduct ongoing outreach, engagement, and cleanup activities in areas most impacted by homelessness across the city. Focus areas include riverbed and neighborhood cleanups, increased staffing support, and weekend and extended hours outreach.

- **Structurally add funding of \$255,000 in the General Fund in the Health and Human Services Department for the Proactive Homeless Initiative to support the activities of the City's Interdepartmental Work Group, including rapid response, clean-ups, and outreach; funded by Measure MA revenues.** This funding has been included in past budgets as a one-time resource using one-time available resources that were available in those years. This action builds the funding support structurally into the budget to be available on an on-going basis.
- **One-time funding of \$125,000 in the General Fund in the Parks, Recreation, and Marine Department for clean-up of large PEH encampment sites, including waste and other items illegally dumped in parks and open spaces.** Long Beach Recovery Act funds are currently supporting this work in FY 22, and the proposed one-time funds will provide continued support into FY 23 towards the efforts to provide safe and accessible public spaces.
- **Decrease the Towing Fund Transfer to the General Fund from \$1 million to \$750,000 to provide support for direct Homelessness Waivers and other unreimbursed costs, with the General Fund impact offset by Measure MA revenues.** Each year the Towing Fund absorbs \$125,000 of costs from tow fee waivers for the benefit of persons experiencing homelessness. The fund also incurs an additional \$125,000 of unreimbursed costs for towing, cleaning, storage and disposal of recreational vehicles, most often as unclaimed or abandoned alternative shelter. From an equity perspective, these costs should be borne by all taxpayers in the City, via the General Fund, rather than solely by Towing Fund feepayers, many of whom are socioeconomically disadvantaged. Reducing the Towing Fund's transfer to the General Fund by the combined \$250,000 annual cost will rectify this inequity and allow for the continuation of the direct Homelessness Waiver support.

COMMUNITY SAFETY

The City is committed to providing a safe community for all Long Beach residents and continues to pursue investments, innovations, and collaborative approaches towards this goal. The FY 23 Budget proposes additional investments for community safety, including significant funds for supporting the Community Crisis Response program and reallocations of structural resources within the Police Department to align resources with

the challenges facing the City. Below are some of the highlights with additional information provided in the attachments.

- **One-time funding of \$980,000 in the General Fund in the Health and Human Services Department for the Community Crisis Response Program.** One of the top priorities identified by the community during the development of the Racial Equity and Reconciliation Initiative Initial Report adopted by City Council in August of 2020 was the development of an innovative Community Crisis Response Program. This program includes crisis interventions focused on mental health, substance use, and quality of life related calls for service that come through the 9-1-1 dispatch system. An unarmed, first responder team trained in behavioral health and on-scene medical assistance will tend to mental health crisis and suicidal callers, public intoxication, welfare checks, and disturbance calls. The program will focus on immediate crisis stabilization and will make referrals to mental health providers, hospitals, and ongoing care, including case management. City staff will be assessing the exact methodology, required review, and implementation approach to be utilized before the program commences. These funds are provided by reallocating funds from the Police Department budget in FY 22 made available as a result of salary savings generated in the tight labor market facing all organizations in the region, State, and nation, and will supplement the \$778,095 currently set aside in the Long Beach Recovery Act to create a broader and longer pilot program.
- **Create a new Collaborative Response and Engagement (CRE) Bureau in the Police Department to facilitate innovative approaches to help bridge the gap between the Police and the community, focused on building meaningful relationships and creating new avenues of outreach.** The CRE Bureau will comprise of two divisions: 1) Community Outreach, Response, and Enforcement, and 2) Youth and Community Services, and will bring under the leadership of one Deputy Chief many of the Police Department programs that promote public safety and community relationships. The Mental Health Evaluation Team, Quality of Life Teams, Community Service Assistants, Special Events, Explorers, and Senior Police Partners are among the programs that will be transferred to the CRE Bureau. The new Bureau and staff are cost-neutral and made possible by the reallocation and reduction of staff from other areas within the Department.
- **Add 20 new Police Officer positions in the Police Department to better address the root causes of crime through relationship-based community policing models and expanding outreach to people experiencing homelessness, funded by reallocating previous Measure A funds for Police Neighborhood Safe Streets and other Police Department General Fund reductions.** The new Police Officers will be part of the Collaborative Response and Engagement Bureau and allow for the creation of the following two new Details: 1) The Strategic Outreach and Prevention (STOP) Detail will use 16 new Police Officers to expand the Neighborhood Walks concept of crime reduction through increased outreach and community engagement. This will be achieved by deploying a STOP Team, comprised of four certified bike officers in bike uniforms

to focus on specific neighborhoods in each Division with immediate public safety needs as well as areas of community gatherings (i.e., libraries, parks and schools), using data to inform outreach, engagement and crime reduction strategies in collaboration with the Patrol Bureau. 2) *The Critical Services Detail* will utilize four new Quality of Life (QoL) Officers to augment the citywide efforts to address homelessness and focus on issues related to people experiencing homelessness and encampments. The new QoL Officers will provide a structural solution to the limited staffing model of the current Quality-of-Life team and allow for the creation of four two-officer teams that will each focus on one geographic division, while maintaining the ability to work as single QoL officers, when necessary and appropriate.

- **One-time Measure A funding of \$1 million in the Police Department for overtime to support the Coordinated Response Team.** Based on year-to-date crime statistics through May 31, 2022, the City has experienced a 4.6 percent increase in Part 1 Violent Crime compared to 2021. To mitigate this increase, the Department assembled a Coordinated Response Team (CRT), among other strategies. The CRT is comprised of detectives, officers, crime analyst and a public information officer, with the sole purpose of coordinating responses to reduce overall violent crime citywide with an emphasis on gun-related crimes and the seizure of “ghost guns.” CRT includes a strong focus on community engagement and education to provide progress updates and to ensure the community knows why the Department is taking enforcement action. In the first half of FY 22, CRT recovered 112 firearms, including 24 ghost guns, and made 98 firearm-related arrests, including 25 prohibited firearm possessor arrests. One-time Measure A will allow for continued support of CRT through the first half of FY 23.
- **Create a Police Cadet Program in the General Fund in the Police Department with structural funding for five Police Cadets positions (3.75 FTE) to enhance recruitment efforts.** Currently, there is a recruitment gap between the Police Explorer Program (high school age) and the City’s Police Recruits (minimum age of 21). A Police Cadet Program would close this gap. Research demonstrates that Recruits are more successful if they have a relationship with someone who is sworn law enforcement. In FY 23, the Police Department will formalize and structurally fund a Police Cadet Program to establish those relationships, introduce law enforcement careers, provide paid work experience to local youth, and provide a larger pool of recruit candidates.
- **Enhance staffing and transfer the Office of Constitutional Policing to the renamed Strategic Initiatives Bureau (formerly Administration Bureau) in the Police Department to allow for expanded scope and services.** This includes an increase of staffing for the Office of Constitutional Policing (OCP) from three to nine staff, which will allow for the expansion of the scope of the OCP. Staff will be divided into a Policy and Control team, which will create policy in alignment with best practices, legislative mandates, and community expectations, as well as propose solutions for identified issues; and a Performance Improvement Team to conduct large-scale data analysis to evaluate the effectiveness of new and existing

programs, as well as coordinate the release of data on the OpenData Portal. The additional staff will come from reallocation of personnel from throughout the Department.

- **Structurally add Measure A funding of \$609,333 in the Fire Department to provide the estimated City match funding needed for the SAFER grant, which if awarded will be used to help fund the operations of Engine 17.** Since FY 20, Engine 17 has been funded using one-time Measure A funds. The City has submitted an application for a SAFER grant that would help Engine 17 remain in operations for at least three more years, assuming grant requirements are met throughout the award period, including the requirement to maintain staffing at a certain level. Additional funds, proposed to be funded with Measure A funds, are needed to cover the gap in funding required to fully fund Engine 17 operations. It is anticipated that the City will hear back regarding the grant late summer or early Fall of 2022. If the City is not awarded the grant, staff will revisit the Measure A plan for potential funding alternatives.

EQUITY, INCLUSION, HEALTH, AND QUALITY OF LIFE SUPPORT

The City is committed to fostering opportunities for optimal health, financial security, and overall quality of life for all residents across the City. In August of 2020, City Council declared racism a public health crisis and unanimously adopted the Racial Equity and Reconciliation Initiative Initial Report that includes over 120 immediate, short-, medium-, and long-term actions to address and end systemic racism in Long Beach. With every City Department dedicating resources and developing Racial Equity Action Plans, the City continues to make substantial progress towards addressing these goals. In the first year alone, 12 actions have been completed and 93 immediate and short-term actions are in the implementation process. Every department has designated one to three Equity Champions who are facilitating ongoing capacity building for City employees through Racial Equity 101 and Equity Toolkit trainings, and are working with their department leadership to design a Racial Equity Action Plan to address the needs in their respective departments. The Office of Equity continues to provide technical assistance to support departments as they work to integrate racial equity work into the way business is conducted. The FY 23 Budget proposes to make additional investments to support the ongoing efforts of fostering a more inclusive and equitable Long Beach.

- **Add 0.8 FTE of a Program Specialist position in the General Fund in the City Manager's Office to fully budget for a position that will provide partial support for the City Council requested Commission on Women and Girls, the Equity and Human Relations Commission, the Justice Fund, and ongoing support for the Racial Equity and Reconciliation efforts.** In last year's FY 22 Budget, 0.2 FTE of this position was included as part of the Measure US Plan, and the FY 23 Budget proposes an additional 0.3 FTE to be funded from Measure US (a total of 0.5 FTE from Measure US) as a partial offset for this add. An additional 0.5 FTE is added from the General Fund. The Budget also proposes additional

structural funding of \$57,200 to fund the Commission's stipends, community engagement activities, and intern/administrative support.

- **Add structural support of \$20,000 in the General Fund in the City Manager's Office to increase interpretation and translation services, funded by Measure MA revenues.** This funding will help to meet increasing needs for language translation and interpretation services across City departments, including interpretation at meetings and translation of documents, applications, brochures, flyers and other written materials.
- **One-time funding of \$100,000 in the General Fund in the City Manager's Office to support the Office of Equity's interdepartmental efforts.** The funds will go towards continuing racial reconciliation consulting, capacity building, and training, as well as an intern for administrative support.
- **Structurally add a Fire Captain in the General Fund in the Fire Department to continue to lead Fire's Diversity Recruitment Program, funded by Measure MA revenues.** The Fire Diversity Recruitment Program was first funded with one-time funds in the FY 20 Budget. Since then, the Program has made great progress towards improving the diversity in the Fire Department by building a recruitment team, assigning a Fire Captain as Diversity Recruitment and Partnerships Coordinator, establishing a mentorship program, organizing a Women in the Fire Service Day, rolling out implicit bias training for all staff involved in the selection process, and improving the outreach and recruitment process.
- **Upgrade 0.5 FTE Community Program Specialist III to 1.0 FTE Public Health Professional III in the General Fund in the Health Department to lead the Office of Veteran's Affairs, funded by Measure MA revenues.** This position will help to direct the implementation of the Office of Veteran's Affairs, helping to fulfill the recommendations of the Citywide Strategic Plan on Veterans.
- **Structurally add Measure US funding for 0.5 FTE of a Public Health Professional position in the Health and Human Services Department to support the Older Adults Program.** Last year in the FY 22 Budget, 0.5 FTE of this position was added and this proposal will budget for a full-time position that will support the Older Adults program and intergenerational approaches to learning and growing.
- **One-time Measure US funding of \$511,620 in the Health and Human Services Department for Community Based Grants and Incentives around Youth Development.** Similar to last year in the FY 22 Budget, this funding will provide support for direct youth community-based grants.
- **One-time Measure US funding of \$25,000 in the Health and Human Services Department for the Youth Summit.** Similar to last year in the FY 22 Budget, this

funding will provide support to host, along with the Commission of Families and Youth, the annual Long Beach Youth Festival.

- **Waive all Library late fees and permanently eliminate fines for materials returned late moving forward.** Fines for overdue materials are a significant barrier to equitable access to library services, disproportionately and negatively impacting communities of color. Elimination of fines will significantly reduce barriers to library use by residents, especially for those in the most economically vulnerable areas of the City.
- **Increase structural funding by \$400,000 and one-time funding by \$400,000 in the General Fund in the Library Services Department to enhance the materials budget needed to create an inclusive and diverse library collection.** This enhancement will strengthen existing collections and provide for purchase of books, journals, videos, and other materials reflective of diverse communities and their lived experiences.
- **Add a Senior Librarian in the General Fund in the Library Department to build and expand on the multilingual collections for all libraries.** This position will help the Department focus on equity and inclusion in the Library's collection, development and programming, and lead the Department's Equity, Diversity, and Inclusion efforts internally and externally.
- **Add a Community Program Technician in the General Grants Fund in the Library Department to support the English as a Second Language (ESL) Program.** This position is funded through the California State Library for ESL services and will help provide these services to the public.
- **Enhance Animal Care Services through the upgrade of a Public Health Associate I to an Assistant Administrative Analyst II, the conversion of two Clerk I positions to fund three Clerk Typist I positions, and the addition of four General Assistant I positions in the General Fund in Parks, Recreation and Marine Department.** The Assistant Administrative Analyst II position will enhance volunteer management, the Clerk Typist I positions will support field and licensing operations, and the General Assistant I positions will implement the Compassion Saves Program offset by revenues from contracts with other cities.

BUSINESS ATTRACTION, SUPPORT, AND ECONOMIC DEVELOPMENT

Supporting Long Beach businesses and promoting economic development is a key part of the City's strategy in growing its revenue base to promote a secure and stable future and continuing towards the vision of being a city of opportunity for workers, investors, and entrepreneurs. This is accomplished by attracting investment into the City, processing permits, licenses, and approvals for business and real estate projects in an efficient manner while still upholding community, health, and safety standards. During recent

years, this related to economic relief and recovery measures as well as resuming full permitting and other City Hall operations. While those efforts continue, going forward greater resources will be focused on facilitating employment and real estate growth through a robust customer-service infrastructure and careful regulatory reform. The FY 23 Budget proposes to make investments that will further strengthen the City's economic base and support opportunities for the business community. Some highlights are listed below.

- **Add an Administrative Analyst II in the General Fund in the Economic Development Department to serve as a business liaison and support business outreach efforts.** This position will serve as the primary point of contact for business owners and entrepreneurs that need financial and technical assistance, support in resolving City issues, and guidance with starting or relocating to Long Beach. This will allow for the additional capacity that is needed to build relationships with businesses, identify helpful resources and information, understand unique business challenges and opportunities, and provide business navigation services.
- **Add three Permit Technician II positions in the Development Services Fund in the Development Services Department that will help ensure full staffing at the Permit Center.** These positions are the “face” of the Development Services Permit Center and directly interface with development customers. With increased options for customers to access services – by appointment, as a walk-in, and online – the Department wants to ensure limited wait times and quick turnaround times. Increased activity at the permit center has demonstrated the need and ability to financially support more robust staffing that is currently provided intermittently through non-career staffing.
- **Add a Planner I and a Planner II position in the Development Services Fund in the Development Services Department that will staff the public counter and zoning telephone line to provide additional resources for plan reviews and customer service.** These additions will help with the sustained high demand for public consultations with planners, over-the-counter reviews for minor projects and planning plan checks. This will also help meet the state-required review period, improve turnaround times for minor projects, increase customer satisfaction, and increases the capacity of senior staff to devote more time to more complex projects. A goal of the Department is to help customers find solutions to meet the requirements of the zoning code. Providing services in multiple remote and in-person options has expanded choice and convenience for the customer resulting in increased activity that now requires commensurate increases in staffing.
- **Add a Planner III position in the Development Services Fund in the Development Services Department that will assist with the increased workload in the Coastal Zone and to meet Accessory Dwelling Unit (ADU) review periods mandated by State law.** Providing additional staff to assist with

these tasks increases the capacity of other staff to provide services to customers with different types of projects more promptly and quickly. This position will supplement staffing processing a more than 500 percent increase in ADU requests over the last three years. This position will also assist the City and its customers with unique and complicated regulatory challenges in the Coastal Zone that are best addressed by increased specialty staffing expertise in issues ranging from sea level rise to visitor-serving businesses such as hotels and beach concessions.

- **Add a Customer Service Representative III position in the Development Services Fund in the Development Services Department that will ensure adequate staffing at the cashiering station.** The Permit Center has provided its customers new options for making payments: in-person, on-line and Invoice ASAP, a secure remote payment platform. To ensure prompt and accurate customer service, the Permit Center is adding a Customer Service Representative position to assist with these new payment options and to minimize in-person wait times.
- **Increase funding by \$457,478 in the Development Services Fund in the Development Services Department for contractual services to support the General Plan and its Elements.** This will provide specialized expertise and additional capacity to allow the City to meet ambitious goals set-out in the Housing Element. This consultant work will facilitate zoning changes that open additional areas of the City to investment.

ARTS, CULTURE, AND TOURISM

The City has a strong history of supporting the promotion of arts, culture, and tourism, and the FY 23 Budget maintains its strategic investments in this area, largely supported by the Special Advertising and Promotion Fund (SAP). The main revenue source for SAP is the Transient Occupancy Tax (TOT) revenues, which have taken a significant hit in recent years due to the pandemic. While the revenues are on a path to recovery, the City had to mitigate the loss of revenues with funds made available through the Long Beach Recovery Act (Securing our City's Future) in FY 21. While both the FY 22 and FY 23 budgets project a continuing operating shortfall in SAP, the Proposed FY 23 Budget anticipates maintaining the current structural budgeted levels of support for arts, culture, and tourism by filling again the anticipated operating shortfall with funds made available through the Long Beach Recovery Act. Current support that will continue includes \$4,608,676 for the Convention and Visitors Bureau; \$425,550 for the Long Beach Museum of Art; and \$454,085 for the Arts Council for Long Beach.

Additionally, the 1 percent of Measure B TOT for the Arts, approved by voters in 2020, is projected to generate \$2.1 million in FY 23 to support the Convention Center and major arts organizations. The Percent for the Arts Program generated \$150,496 in FY 22 to support public art citywide. Finally, the Long Beach Recovery Act included programmatic funds of more than \$2.4 million through FY 24 to support arts, culture, and tourism, including \$1.1 million in funding to support visitor attraction and hospitality recovery;

approximately \$900,000 in creative economy grants to support arts organizations and artists; and approximately \$445,000 to support cultural events citywide.

Support for these key sectors is not limited solely to SAP, however. The FY 23 Budget proposes the following items below in non-SAP funds to further support arts, culture, and tourism.

- **Create a new Pier H Bureau in the Tidelands Area Fund in the Economic Development Department to oversee the operations of the Queen Mary and the development of the surrounding area.** This includes the addition of a Bureau Manager position and an Administrative Analyst as the initial personnel resources needed, although it is anticipated that three or so additional positions will be needed for full management of operations. The new Bureau will oversee the reopening, operating, and ongoing maintenance of the Queen Mary and surrounding area, offset by anticipated revenue to be generated by the Queen Mary, special events, and associated leases, and would be transferred to the Port once negotiations for the assumption of Pier H are complete.
- **Add an Events Coordinator I position in the Tidelands Area Fund in the City Manager's Department to assist with the reopening of the Queen Mary.** This position will assist with special events and filming on the Queen Mary and adjacent Harry Bridges Special Events Park, offset by anticipated revenue to be generated by the Queen Mary, special events, and associated leases.
- **Add an Administrative Analyst II in the Tidelands Operating Fund in the Economic Development Department for improved oversight of the operating contract for the Long Beach Convention Center.** This position will serve as a liaison to ASM Global and the Convention and Visitors Bureau to address issues, navigate City approvals, review performance reports, and enforce the terms of the contract.
- **One-time funding of \$200,000 in the General Fund in the City Manager's Department for Olympic consultant support.** The City of Los Angeles is serving as host to the 2028 Olympic Games, with several events being planned to be held in the City of Long Beach. This funding will support a consultant that will assist the City in developing a strategy around hosting events for the Games and developing the terms and conditions of a host city agreement ensuring that the City benefits from this opportunity to showcase its thriving community.

INFRASTRUCTURE, MAINTENANCE, AND CRITICAL NEEDS INVESTMENTS

Investing and prioritizing infrastructure and maintenance needs remain a critical part of the City's efforts to maximize current resources for ongoing future benefits. The FY 23 Budget takes strategic steps to enhance that portion of the City's infrastructure that is aging and deteriorating, while factoring in and preparing to be able to execute and

maximize potential external funding sources. Additionally, the Budget proposes a forward-thinking and creative solution for addressing the City's parks bathroom infrastructure challenges that results in expanded benefits not just for keeping the parks amenities clean and welcoming, but also supporting safety in our park bathroom and playgrounds and providing the appropriate and holistic response for people experiencing homelessness.

Capital Improvement Program

The City's FY 23 Capital Improvement Program (CIP) is \$176.6 million from various sources excluding the Harbor Department and including nearly \$35 million from Measure A funds dedicated to enhancing the City's aging and deteriorating infrastructure. This amount does not include the recommended uses of the proposed 5-year, \$150 million City Infrastructure Bond Program backed by Measure A. The investments organized by the Sections of the Capital Improvement Program budget book are listed below. Detailed information on all proposed CIP projects, including Long Beach Energy Resources, Water, and Harbor projects, is available in the FY 23 Proposed Capital Improvement Program chapter and the separate CIP Budget Book.

- Mobility – \$67,390,899
- Parks – \$3,235,244
- Public Facilities – \$37,873,426
- Beaches and Marinas – \$5,725,000
- Utilities – \$60,356,299
- Airport – \$2,000,000

Staff is anticipating additional funds that will be made available through the issuance of a Measure A funded bond. This bond issuance is expected to generate \$50 million in FY 23. As part of the out-year Measure A plan, the City is planning to issue additional Measure A bonds in FY 25 and FY 27 as well, each providing \$50 million of funds for those years. These bond proceeds of \$150 million along with other Measure A revenues from FY 23 through FY 27, will generate \$228.2 million for a new 5-year infrastructure plan. The details of the planned uses of these funds over the next 5 years will be made available to the public in a separate document.

Finally, the City is anticipating the receipt of external infrastructure funding, especially from the federal Infrastructure Investment and Jobs Act that will lead to an increased number of projects the City will need to administer as well as an increase in the scale of future projects. To prepare for the significant increased workload that will result from managing current projects as well as projects funded from the bonding of Measure A dollars and the expected federal infrastructure funding, significant staffing and other enhancements are included in the Public Works Department budget proposals. These details are listed in Attachment C and D.

Other Critical Needs Investments

Separate from the Capital Improvement Program, the City recognizes the importance of investing in critical needs that are core to maintaining and safeguarding the City's assets. Below are a few highlights.

- **Structural funding of \$200,000 and one-time funding of \$200,000 in the General Fund in the Parks, Recreation, and Marine Department for Grid Tree Trimming.** The current budget allows for basic responses to downed trees or limbs and does not provide for an annual trimming cycle. This funding will allow the Department to implement annual tree trimming on a seven-year cycle.
- **One-time Measure A funding of \$1.8 million in the Parks, Recreation, and Marine Department to remove structurally defective trees in the parks.** This funding will enhance the safety of park patrons by removing approximately 1,200 poor conditioned trees.
- **One-time Measure A funding of \$2,784,600 in the Technology and Innovation Department for investments into Network Camera Modernization.** The Technology and Innovation Department supports the Citywide Network Camera program that helps improve public safety and aids in residents feeling their communities are safe. Network cameras benefit residents by providing visual information to assist with insurance claims associated with traffic accidents, assessing bike and pedestrian safety, as well as providing visual information related to crimes that may occur in areas near a network camera. In the last five years, the City went from 500 network cameras with a 30 percent outage rate to nearly 1,500 cameras today with less than 5 percent outage rate. While significant progress has been made there are still dozens of obsolete and closed-circuit systems throughout the City. The Network Camera Modernization effort will upgrade obsolete cameras to the modern platform used by the City, establish a lifecycle replacement program to replace equipment that has reached end of life, and be used to install equipment at locations such as parks and community centers.

Park Safety Ambassadors, Clean Restroom, and Safe Playgrounds Initiative

The FY 23 Budget proposes an innovative approach to best utilize current resources to enhance clean and safe park bathrooms and playgrounds in the City. This proposal repurposes Park Ranger funding and positions in the Police Department and incorporates them into a larger initiative and approach in the Parks, Recreation, and Marine Department that will expand coverage of parks and promote clean bathrooms. This initiative will provide new park bathroom infrastructure upgrades with automatic timed locking doors and add new positions for a Park Safety Ambassador Program that expands current coverage and maintenance of parks, allowing for greater staff visibility on bathrooms, locking gates, and making observations regarding overall park etiquette, encampment activity, graffiti, etc. This initiative will involve citywide collaboration with several other departments for the most strategic coordination of resources, safety for

employees and residents, and synergy with the citywide collective approach towards addressing homelessness. Overall, this plan would take the City from 3.5 Park Ranger positions covering five Parks/locations, to 12.3 budgeted positions with the ability to close all park restrooms and funding for innovative bathroom infrastructure upgrades and other restroom door replacement capital funding. Details of the proposal are listed below.

- **Reallocate \$575,234 of funding in the General Fund in the Police Department to the Parks, Recreation and Marine Department, currently being used to fund 3.5 Park Ranger and Park Ranger Supervisor positions and related budget.** These positions (currently only one filled) allow for non-police patrol and response, traffic, picnic and sports permits, parking enforcement, locking El Dorado East Regional Park gates after hours and enforcing park rules at El Dorado East Regional Park, El Dorado Park West, Bird Cage Park, Heartwell Park, the Nature Center, and El Dorado and Heartwell Park Golf Courses, in addition to Bixby and MacArthur Parks (with overtime support by South and West Division Police Officers). With the new Park Safety Ambassadors, Clean Restrooms, and Safe Playgrounds Initiative, the Park Ranger classification will be discontinued and unarmed Park Safety Ambassadors will be utilized as described below. This proposal will not result in the layoff of any current staff.
- **Add six Maintenance Assistant III positions, one Building Services Supervisor position, and supplies/equipment budget at \$575,234 in the General Fund in the Parks, Recreation, and Marine Department to staff the Park Safety Ambassador Program, funded from reallocated Police Department funds and offset with Measure MA revenues to achieve citywide savings.** These positions will lock all freestanding restrooms, prepare and restock restrooms, provide additional eyes and ears in parks, and complete minor park amenity and community center repairs. The Parks, Recreation and Marine Department will work with the Police Department on a collaborative approach to public safety, so that the patrons and staff at the five parks where Park Rangers were previously assigned, will receive timely response to calls for service and continued police service by patrol officers to ensure a seamless transition and no loss of service delivery. The parks with freestanding restrooms and mini-parks that will be serviced through this program are as follows: Admiral Kidd, Bixby Knolls, Bixby,, Chavez, Chavez/Drake, Cherry, Chittick Field, Coolidge, Craftsman, Davenport, Deforest, Drake, El Dorado East Regional, El Dorado West, Heartwell, Houghton, Hudson, Lincoln, Locust Tot, Los Cerritos, MacArthur, Martin Luther King Jr., McBride, Miracle on 4th Street, Molina, Pan American, Ramona, Recreation Dog Park, Recreation, Rotary, Scherer, Seaside, Silverado, Somerset, Stearns, Tanaka, Veterans, Wardlow, and Whaley Parks.
- **Add four Maintenance Assistant IIs at \$289,090 in the General Fund in the Parks, Recreation, and Marine Department to coordinate with the Park Safety Ambassadors to provide service requests for repairs, power washing, graffiti abatement, and miscellaneous maintenance, funded by Measure MA revenues.** These positions will provide additional support to facility maintenance

and repair responsibilities for timely responses and minimized downtime of restroom access for the community.

- **Add 1.34 FTE Recreation Leader Specialist V in the General Fund in the Parks, Recreation, and Marine Department to provide for greater park permit compliance monitoring, offset by park entry fee revenues.** This position will serve as the Permit Monitor and a key member of the collaborative support team for the Park Safety Ambassadors. These positions will address areas which are hot spots, have overuse or inappropriate use primarily in the El Dorado Regional Park but can be dispatched to other parks where and when needed.
- **One-time Measure A funding of \$600,000 for a pilot Magnetic Door Locks and Restroom Renovation initiative.** This funding would allow for approximately 20 park locations to retrofit an estimated 52 doors with magnetic timed locking system. This system can be designed and programmed to automatically lock and unlock park restroom doors, with safety features that ensure people are never trapped inside. These upgrades represent investments into preventive measures that will increase the overall safety, security, reduction in vandalism, with the goal to keep restrooms accessible, clean, and safe for every park patron.
- **One-time funding of \$150,000 in the Tidelands Operating Fund in the Public Works Department as part of the Capital Improvement Plan for year two of the Beach Restroom Door Replacement Program.** These funds will support the efforts to replace 30 doors per year and help to address challenges including greater maintenance need due to increased vandalism and increasing cost of materials.

CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY

Stewarding the City's environmental resources, combating the consequences of climate change, and supporting various local sustainability practices are all major priorities for the City. As of FY 23, the City will have approximately seven years remaining to achieve the 2030 Greenhouse Gas (GHG) emission reduction targets of the proposed Climate Action and Adaptation Plan and demonstrate compliance with the State's adopted 2030 GHG target (40 percent below 1990 levels by 2030). Achieving these nearer-term targets is also critical to remaining on track to meet the City's goal of achieving carbon neutrality by 2045. Several key investments and changes proposed through the FY 23 Budget reflect this commitment, including the addition of a new Climate Action Office and Sustainability in the City Manager's Office. Highlights of these new investments are listed below.

- **Creation of a new Office of Climate Action and Sustainability in the General Fund in the City Manager Department.** This new Office consists of an Assistant to the City Manager to serve as program manager, two Administrative Analysts, an Administrative Aide, and \$50,000 in materials and supplies funding. The Office will incorporate the City's 5.3 FTEs in the Sustainability Office under the new Office

of Climate Action, with 9.3 total positions now dedicated to Climate Action and Sustainability. This new Office will manage a coordinated City response to climate change in a manner that addresses public health disparities, fosters economic opportunity, and builds climate resilience and sustainability in our community. The Office will coordinate initiatives currently underway as well as strategies identified in the Climate Action and Adaptation Plan to achieve GHG emission reduction targets and carbon neutrality in efforts led by both City Manager and Commission-oversight departments. This team will also collaborate with external public and private agencies and institutions to ensure the most innovative strategies are used to minimize the impacts of climate change and achieve the City's goals for GHG emission reductions. Costs for this new office are \$654,093 and will be partially offset with charges to other departments and funds, representing the interdepartmental support and coordination that this Office will provide for these initiatives Citywide. The net impact to General Fund is \$130,819.

- **Add a Public Affairs Assistant in the Gas Fund and the Tidelands Oil Revenue Fund in the Energy Resources Department to provide communications and public educational leadership and support on the City's strategies and approaches to addressing climate change particularly in the areas of oil production operations, natural gas distribution operations, waste diversion, and clean energy.** This position will help to educate, enhance, and support the City's messaging efforts as the City transitions over time to reducing its dependency on oil production and natural gas distribution operations.
- **Add a Planner III in the Development Services Fund in the Development Services Department to implement 16 of the City's Climate Action and Adaptation Plan (CAAP) actions.** This position will assist with the Planning Bureau's CAAP efforts, which include amending the zoning and building codes to implement CAAP strategies, instituting and implementing the new CAAP Development Checklist to enable more streamlined environmental review, completing annual reporting to maintain compliance with state law, amending the Local Coastal Plan related to sea level rise, and supporting partner departments in implementing their CAAP actions.
- **Add a Combination Building Inspector in the Development Services Fund in the Development Services Department to support both the City's annual oil well inspection program and the oil well abandonment and methane gas mitigation programs.** This position will help ensure all oil wells are inspected annually by the City and provide specialized expertise to review applications, plans, and reports for oil well abandonments near construction and methane gas mitigation projects. It will also promote consistent inspections and enhance the customer experience.
- **Add one-time funds of \$37,200 in the General Fund and \$162,800 in the Tidelands Operating Fund (for a total of \$200,000) in the Citywide Department to prepare for a potential oil liability assessment study to better understand**

the financial liability and feasibility considerations associated with ending oil production in the city. Understanding the financial liability and other considerations associated with ending oil production before the economic life of an oil field is a complicated task as there are significant and varied issues to consider. These issues may include but are not limited to the potential fiscal impacts associated with abandonment both in terms of cost and revenue loss, the value of any remaining oil in the ground (reserves) that would be unable to be recovered due to early abandonment, the City's existing contractual obligations, and potential litigation costs. A study is needed to understand the various considerations and multifaceted impacts, provide analysis, and identify potential next steps and implications of ending oil productions early. Due to the size and complexity of this topic, the City will engage with a consultant to assist in developing a comprehensive RFP for the study, including the scope and deliverables desired.

- **AB 32 Cap-and-Trade Program:** The Cap-and-Trade Program is a key element of California's strategy to reduce greenhouse gas (GHG) emissions. It complements other measures to ensure that California cost-effectively meets its goals for GHG emission reductions. Through the sale of allowances, the City's Energy Resources Department generates an average of \$4 million in annual revenue which support projects that can demonstrate a GHG emission reduction. In years past this has included projects such as LED conversion, facility retrofits (windows, roofs, HVAC systems, LED conversion, etc.), Zero Emission Vehicle (ZEV) transition, EV charging infrastructure, and solar. For FY 23, the City continues its commitment toward GHG emission reduction throughout Long Beach with an emphasis on disadvantaged and low-income communities where 82.6 percent of the total \$7,083,361 in allocations are invested in disadvantaged and/or low-income communities. Projects that will receive funds in FY 23 include:
 - Conversion of medium and heavy-duty vehicles from fuel to ZEV
 - Expansion of EV chargers at 11 separate City facilities (which will also be open to the public where installed in a public/communal space)
 - Match support to the CalStart Energize (CEC) for charging infrastructure at the Public Works Services Yard
 - Installation of charging infrastructure at the Fire Department Headquarters to support City fleet electric vehicles
 - City-owned solar at the Expo Arts Center
 - Support of the Youth Climate Ambassador Program
 - Support for the replacement of the roof and HVAC system to new energy efficient units at the Main Health Building and Multi Service Center
 - Energy efficiency improvements including LED lighting, plumbing, and HVAC systems at the Drake Park Community Center, Mark Twain Library and Burnett Library
 - Utility Customer Energy-Efficiency Improvement Initiatives Program that will retrofit water and natural gas products (toilets, showerheads, faucet aerators, communal coin-operated clothes washers and dryers, water

storage tanks, and pipe insulation) in disadvantaged and low-income communities

RECRUITMENT, RETENTION, AND STRENGTHENING INTERNAL ADMINISTRATIVE SERVICES

Organizations around the country are confronting the Great Resignation, a phenomenon that describes record number of people leaving their jobs post the pandemic. Along with many other organizations, Long Beach needs strong recruitment, retention, and other efforts to become an employer of choice. The FY 23 Budget proposes some enhancements to facilitate these efforts as well as items to support key internal, administrative services that are needed to maintain the City's technology, personnel, and financial core capacity. These critical functions provide the internal support needed for strong organizational health that enhances the ability of the departments providing services to the community. A few highlights are listed below.

- **Add two Personnel Analyst III positions and one Personnel Assistant II position in the General Fund in the Civil Service Department to help improve the time to hire staff.** These positions will help the City counter the national challenge to recruit and hire quality candidates by supporting the recruitment and onboarding of quality staff in a timely manner.
- **Add one Personnel Analyst III to the Personnel Operations Bureau in the Human Resources Department to focus on classification and compensation.** This position will help the City with various recruitment and retention strategies, including enhancing and developing Citywide job classifications, ensuring appropriate salary and benefits relative to organizations the City competes with in the job market, and monitor and increase efficiencies with the unclassified recruitment process. This position will help build a diverse pipeline of candidates for City of Long Beach positions.
- **Add structural funding of \$104,317 in the Employee Benefits Fund in the Human Resources Department for a Learning Management System for citywide staff development and training.** This system includes an online course catalog, online course platform, and custom training for all departments. The platform eliminates the administrative burden of managing multiple employee training programs by providing a centralized online platform designed for the specific needs of the City. Providing robust training opportunities for all employees is vital key to increasing employee retention.
- **Add a Business Systems Specialist III and an Administrative Analyst III in the General Services Fund in the Technology and Innovation Department to address general Cybersecurity and data privacy citywide.** The Administrative Analyst III will work to operationalize the City's Data Privacy Guidelines and the Business Systems Specialist III will join two other positions dedicated to citywide

Cyber security and will help to address a recent evaluation by an external consultant that found various cyber-risk areas to be mitigated.

UNFUNDED OPERATIONAL NEEDS AND MAJOR LIABILITIES IMPROVEMENTS

As part of FY 23 Base Budget updates, the City was able to address or make process towards funding some of the City's unfunded and underfunded short-term and long-term liabilities, with highlights listed below. Information on other unfunded liabilities that still remain are described in a later section of this Attachment.

- **Tree trimming cycles** – As described in the *Other Critical Needs Investments* section above, the FY 23 funding increase of \$400,000 provides resources needed for the Parks, Recreation and Marine Department to administer an effective seven-year tree grid trimming program. Previously, the City's tree management program for parks focused primarily on emergency trimming for safety purposes only and did not include a regular trimming cycle. The standard of arbor care indicates that regular grid trimming will enhance the longevity and safety of the urban forest. In addition, the FY 23 funding increase of \$300,000 as part of FY 23 Base Budget allocated to street tree trimming allows the Public Works Department to stay on the existing 6-year cycle. Going to a 5-year cycle would require an additional \$1,000,000 a year.
- **Plant water needs** – The funding increase of \$617,467 as part of FY 23 Base Budget updates will provide assistance on two levels. First, \$317,467 will offset the increased water costs that have taken place over the past several years. Second, \$300,000 will help address the additional water required to maintain green, safe, and healthy spaces in our public places. The sustained drought conditions have exacerbated the problem of plant health. This funding will provide the resources to adequately address the issue of plant water needs in FY 23; the impact of future water rate increases and drought conditions are unknown for future fiscal years.
- **Impact of using alternative weed control in City parks** – In August 2018, the City Council discontinued the use of glyphosate (Round-up), an herbicide, and approved more sustainable weed control strategies. Since then, alternative herbicides have proven to be less efficacious (more frequent applications and less vegetative control) and more expensive per treatment. In order to achieve the horticultural standard set in the City's landscape/grounds maintenance contracts, additional labor and increased materials are needed to accomplish what was previously done using glyphosate. The FY 23 Base Budget included the cost of \$465,000 that will allow Parks, Recreation and Marine Department to achieve the same level of weed abatement with alternative herbicides that was previously possible using glyphosate.

- **Additional Animal Care Services medical costs** – The FY 23 Base Budget increase of \$499,258 for contract veterinary services for medical services and spay/neuter services will support the medical costs needed in the Animal Care Services Bureau and its Compassion Saves program. This additional investment will help save animal lives and increase positive outcomes for animals.
- **Funding the cost of oil field abandonment** – The cost of abandoning an oil field is a natural and essential part of the total cost of oil production. When the life of the oil field ends, there typically are many wells to abandon along with other costs associated with the complete abandonment of an oil field. Funding needs to be reserved by the City on an ongoing basis to pay for its share of the oil field's ultimate abandonment cost. Currently (for FY 22), the annual cost of creating the necessary oil abandonment reserves is \$7.125 million for the Tidelands Fund and \$1.625 million for the Uplands Oil Fund. Staff has recommended to increase the FY 22 reserve amounts up to an additional 25 percent to take advantage of higher than expected oil prices. Despite historical low oil prices in 2020, the City still prioritized funding the reserve in FY 20 and FY 21 at the estimated and recommended levels. For FY 23 and beyond, it is currently anticipated that these costs will continue to be annually funded from oil revenues. The reserve for abandonment is anticipated to take a larger share of oil revenues over time, but assuming the funding is annually continued, the City's portion of oil field abandonment cost are expected to be fully funded by 2035.

CONTINUED SUPPORT FOR HEALTHY COMMUNITIES AND ECONOMIC RECOVERY THROUGH THE LONG BEACH RECOVERY ACT

On March 16, 2021, the City Council approved the Long Beach Recovery Act (LB Recovery Act), becoming one of the first cities to approve a COVID-19 recovery program utilizing federal American Rescue Plan Act (ARPA) funds. The LB Recovery Act is funded by various sources, including the General Fund as a result of the City's approach to using federal ARPA funds. The U.S. Department of Treasury's (U.S. Treasury) Final Rule allows ARPA funding to be used to provide and maintain current government services (e.g., provision of police, parks, and recreation services) up to the amount of the City's calculated revenue loss due to the pandemic. In compliance with the Final Rule, the majority of ARPA funds maintain existing, eligible City services (specifically, parks and recreation and police services) for both FY 21 and FY 22. The ARPA funding provided to the City thereby offsets General Fund monies, which are then used to deliver City Council-approved programs for the LB Recovery Act. This spending approach, consistent with the Final Rule, does not result in any increased budgetary allocations or levels of service for the Parks, Recreation and Marine (PRM) or Police (PD) Departments. The total budget for PRM and PD were unaffected by this approach.

Therefore, the City's reporting to the U.S. Treasury will show the majority of ARPA funds as being used to provide parks and police services, while the City's Recovery Act reports will continue to show the programs promised to residents and businesses. This funding allocation method reduces the substantial administrative costs associated with ARPA

compliance and reporting requirements, and substantially reduces any City grant compliance risk that could result in the U.S. Treasury's recoupment of the City's ARPA funds. In addition to using ARPA funds to maintain Parks and Police services, the remaining portion of ARPA funds will be used to provide direct relief grant payments to those impacted most by the pandemic. Utilizing ARPA funds instead of General Fund monies for these direct grant payments will allow the direct relief grant payments to be tax-exempt for the beneficiaries.

Heading into FY 23, the LB Recovery Act now totals \$271.3 million, over a \$19 million increase in recovery funds since the end of FY 21, to support more than 80 programs through December 2024 in three main categories:

- **Economic Recovery:** \$64.5 million for programs that focus resources on residents and businesses most impacted by the pandemic to promote an effective and inclusive economic recovery that strengthens revenue generation and leverages consumer spending to stimulate lasting economic growth.
- **Healthy and Safe Community:** \$131.1 million for programs addressing the underlying social determinants of health and prioritizing basic needs and the mental and physical health of community members most adversely impacted by the pandemic.
- **Securing Our City's Future:** \$75.7 million in funds for restoring City services, helping the City weather the next financial crisis by replacing lost revenue, and providing critical time for the City to develop financial and service strategies to address future projected significant operating budget shortfalls.

Since March 2021, when the City Council approved the LB Recovery Act, staff have designed the Recovery Programs with a focus on equity and collective impact. Being intentional about the impact the 80+ LB Recovery Act programs have on those who need the most help means that these programs have the greatest opportunity to serve and provide for those struggling as a result of the pandemic, which amplified the impacts on Long Beach's communities of color and vulnerable populations. From the beginning of the LB Recovery Act effort, there has been a strong focus on being strategic so that program outcomes are equitable and mutually reinforcing for collective impact. To do this effectively, programs need to be informed by those impacted, clear metrics need to be identified, barriers need to be removed to maximize opportunities to participate in programs, and partnerships with trusted community partners and business stakeholders need to be leveraged. This means that some of the adopted recovery programs critical to addressing immediate needs of the community were expedited and implemented first, while other programs were rolled out later.

All LB Recovery Act programs involve the following components:

1. Address the needs of community members most impacted by the COVID-19 pandemic through targeted service delivery;

2. Embed an equity lens to the design of each program to address the needs of the most adversely impacted and vulnerable community members;
3. Communicate consistent with the City's Language Access Policy and through partnerships with key community-based organizations to conduct culturally and linguistically appropriate outreach, engagement, and education;
4. Demonstrate how each program conforms to funding eligibility and guidelines, purchasing and reporting requirements and service delivery and collective impact metrics; and
5. Report transparently on the Long Beach Recovery Act website at: <https://longbeach.gov/recovery> with up-to-date information pertaining to current and future contracting opportunities, recovery programs progress, and economic opportunities for residents, businesses, and local community-based organizations.

See Attachment E "Long Beach Recovery Act Program Allocations" for the latest allocations to specific program areas.

UNFUNDED OPERATIONAL NEEDS AND MAJOR LIABILITIES

No budget can address all the needs or services that are wanted by the wide variety of constituents and businesses in a city. What is funded is always limited by the available resources, the amount of resources the voters wish to provide, and how funds are allocated to services by the budget. This year, with the Proposed FY 23 Budget's \$12 million projected shortfall covered by the Long Beach Recovery Act on a one-year temporary basis, the City was fortunate to avoid service reductions. There remain numerous operational needs that are unfunded or underfunded, as well as unfunded short-term and long-term liabilities, most of which are long-standing. This reflects the difficult choices and tradeoffs that exist in many cities as they plan their budgets as there are more needs than there are resources. Below are examples (not a comprehensive list) of these needs and liabilities.

- **Structural balancing of the budget** – The Proposed FY 23 Budget is balanced with \$8.5 million in reserves previously set aside to mitigate the revenue loss related to the Measure M lawsuit and \$14.5 million in one-time funds made available through the Long Beach Recovery Act. This is a temporary solution and results in the need to resolve a projected \$25.6 million General Fund shortfall in FY 24, made up of the \$20.2 million structural portion of the FY 23 shortfall plus an additional \$5.4 million projected FY 24 shortfall. The challenge a year from now will be to find a combination of expenditure savings, structural reductions, revenue enhancements, and other adjustments to structurally balance the budget in FY 24. See comments below on the Budget Balancing and Future Outlook Section or the Executive Summary Chapter for more details.
- **Major infrastructure maintenance and facility improvements** – In terms of infrastructure needs, the City has been conducting studies to ascertain the level of funding needed to repair and/or maintain infrastructure. Sidewalk assessment,

road and street condition, and alley assessment studies have all been recently completed, identifying a \$1.7 billion need. A facilities condition assessment has been completed as well, identifying \$435 million of maintenance or replacements costs throughout 253 City-owned structures.

- **Sidewalk Management Plan** – The City completed a comprehensive review of the City’s sidewalk infrastructure in 2019. This plan found a need of over \$631 million (includes ADA curb ramps described below) for investment in the City’s sidewalks.
- **Sidewalk ADA compliance** – The City entered into a consent decree for substantial expenditures over the years to ensure ADA compliance for curb ramps and sidewalks. This will be built into the Sidewalk Management Plan (below). The distinction is that the ADA expenditures must be made regardless of the City’s financial condition at any given time. The City has a requirement to spend an estimated \$258 million over 30 years towards sidewalk improvements (including ADA curb ramps). Substantial progress has been made towards full funding utilizing Measure A funds, but any potential remaining liability will need to be analyzed based on renegotiations currently underway and anticipated to be completed Summer or Fall of 2022.
- **Stormwater Conveyance System** – The City is working to identify funding to address its aging stormwater management system which includes storm drains and pump stations. The estimated funding needed to address the City’s pump stations per the 2015 Pump Station Assessment was \$35.4 million and \$94.2 million for storm water infrastructure per the City’s 2005 Stormwater Master Plan and Management System. In FY 22, CIP cost estimates have been adjusted per inflation and include recent changes in material and labor costs. This increases the pump station need to \$66 million and the storm water infrastructure need to \$220.6 million for a total investment need of \$286.6 million.
- **Parking Access Control Systems** – The current Parking Access Revenue Control Systems (PARCS) equipment (ticket machines, gate arms, payment machines) at Aquarium and Pike Garages is over ten years old. Staff anticipates that in late calendar year 2023 (FY 24) the current equipment will no longer be supported by the parking vendor, resulting in non-compliance with payment card industry (PCI) standards. The cost to install new equipment is approximately \$1.7 million. A new system will be a significant operational upgrade and allow for: improved operations and customer service, improved traffic flow, more efficient parking for customers, reduction of fraud, and handling cases of lost tickets by implementing license plate recognition (LPR) technology, and ensuring PCI compliance to improve credit card security for customers.
- **Armory Maintenance Costs** – Property maintenance costs associated with the Armory site is currently unfunded. The Economic Development Department is responsible for this site and requires funds to provide security, utilities,

landscaping, and general upkeep of the property. An estimated \$340,000 annually is needed to prevent disrepair of this community asset and to ensure the site does not become an attraction for nuisance activities. The Department is looking for alternative solutions and is actively involved with negotiations with a third party for a potential repurpose uses for the property.

- **Potholes** – Public Works Street Maintenance division currently performs right-of-way maintenance with crews assigned to certain geographic locations for efficiencies as they respond to requests for pothole repairs. Due to the majority of the City's street network being in fair to poor condition with a Pavement Condition Index around 58-65, pothole complaints are continual. Often the same holes need to be refilled due to subgrade condition, as the location is referred for costlier repairs. To meet most of residents' standards, the pothole program is underfunded by \$560,000 that is the cost of an additional pothole crew.
- **Street Median Maintenance** – This program provides maintenance of the medians, backlots, and weed clearance primarily with the use of contractors. Only two positions are currently funded. The Median program is underfunded by \$270,000 and unable to meet current water expenditures and provide weed clearance citywide and at pump stations where homeless encampments tend to proliferate. New funding would provide a part-time workforce to respond to seasonal demands. The City is faced with a 2025 mandate to eliminate turf from the right-of-way in favor of drought tolerant landscapes. This highlights the need for a Capital Improvement Project to upgrade the City's medians, the cost of which is currently unknown.
- **Implementation of the Climate Action and Adaptation Plan (CAAP)** - The CAAP concludes that daily flooding due to sea level rise could cost the City an additional \$26 million in damage to transportation infrastructure on an annual basis by 2030. Other aspects of climate change also are also damaging and projected to worsen. The CAAP identifies steps the City could take but total costs are very high and most are not funded, including improvements to protect city facilities from the impacts of climate change while enhancing facilities so they can serve community needs during climate events such as heat waves or flooding. The CAAP also commits the City to greenhouse gas (GHG) emission reduction strategies that are currently unfunded, including switching municipal accounts to clean electricity sourced by renewable energy, which is estimated to cost around \$1 million annually. Although the City is putting a priority on steps it can take and is taking through Measure US and AB 32 funding, much of the program remains unfunded and beyond the ability of current City resources and will need to be planned as part of future budgets. As part of the FY 23 Budget, a new Office of Climate Action and Sustainability in the City Manager Department is proposed to manage a coordinated City response to climate change. The new office will be partially offset with charges to other departments and funds, representing the interdepartmental support and coordination that this Office will provide for these initiatives citywide. Positions in Development Services and Energy Resources

Departments have also been funded to support the City's efforts to implement the CAAP.

- **Preparation for the 2028 Olympics** – Long Beach will be hosting six events in the 2028 Olympic including Handball, Triathlon (Olympic and Paralympic), Marathon Swimming, BMX Racing, Water Polo, and Sailing. The City has identified eight important infrastructure investments to support its hosting role, known collectively as the “8 by 28” projects. The eight projects, with their initial estimated costs and status, are as follows:
 - Belmont/Veterans Pier Rebuild (City funded – amount to be determined)
 - Belmont Pool (City funded, gap to be determined)
 - Lifeguard Towers (City funded, \$1.5 million gap)
 - Beach Concession Stands (City funded – underway, fully funded)
 - Arena Improvements (City and Private funded, \$50 million gap)
 - Pine & Ocean Hotel (Private Funded w/ city tax incentives assisting)
 - Airport Improvements (Airport funded – underway)
 - Metro Blue Line Improvements (Metro and City funded; completed in 2019)

STAFF REPORTS ON POTENTIAL INITIATIVES WITH UNFUNDED NEEDS

Throughout the year, City Council requests staff to report on various potential projects and operations to determine the feasibility and fiscal impact of potential implementation. These reports have been provided through memos from the Manager to the Mayor and City Council and have articulated various considerations or requirements including funding needs to be determined before any implementation. Fortunately, this year, many of the items brought by the Council were able to be addressed with one-time funding, either through year-end surplus or Measure A. Thus, the list this year is smaller than in past years. The following items are not included in the Proposed Budget as there was not an opportunity to fund them without an impact to another operation, or they are still in the stage of development with costs unknown. The list of reports transmitted over the past year as of May 2022 that identified additional funding that would be needed to implement with potentially other factors to consider are as follows:

- Infrastructure for Mental Health Services
- Pet Sterilization Stipend
- Citizen Police Complaint Commission restructure
- Report on Retail Commerce
- Lowering Cannabis Cultivation and Retail Taxes

GENERAL FUND BUDGET BALANCING AND FUTURE OUTLOOK – MAXIMIZING RESOURCES

The City began the budget development process in Spring of 2022 with a preliminary projected FY 23 structural shortfall of \$11.8 million in the General Fund. With updated projections and proposed FY 23 budget items, the structural shortfall remains at around

\$11.7 million plus \$4.9 million of proposed one-time uses. This does not include the structural impact of the Measure M litigation lawsuit at \$8.5 million. If that impact is included, the structural shortfall is \$20.2 million plus the \$4.9 million of proposed one-time uses for a total funding need of \$25.1 million. This funding needs is proposed to be resolved in FY 23 through the following one-time solutions: \$14.5 million from funds made available through the Long Beach Recovery Act, \$8.5 million from reserves that were previously set aside to mitigate the impact of a potential Measure M litigation loss, \$980,000 of funds set aside from FY 22 Police Department savings to support the Community Crisis Response Program, and \$1.1 million from an updated citywide indirect cost plan allocation that resulted in savings for the General Fund.

Any additional enhancements added to the proposed budget will require reductions in other operations to offset, or additional use of Long Beach Recovery Act funding, if available, or the use of reserves. Any adds that are not offset structurally will increase the projected shortfall amount needed to be resolved next fiscal year (FY 24).

The use of one-times to address the FY 23 shortfall is a one-time solution and the FY 23 structural shortfall carries over into FY 24. Table 2 below shows the General Fund budget outlook for the next four years, which factors in a continuing recovery in revenues previously impacted by the pandemic and potential cost of living wage increases for employees, which will be revised based on actual negotiated employee contracts in the future.

Table 2: General Fund Surplus / (Shortfall) in \$ Millions					
	FY 23 Proposed*	FY 24 Projection	FY 25 Projection	FY 26 Projection	Total
Surplus/(Shortfall) - Annual	-	(5.4)	2.3	0.2	(2.9)
Shortfall from Previous Year	-	(20.2)	-	-	(20.2)
Surplus/(Shortfall)**	-	(25.6)	2.3	0.2	(23.1)

* The FY 23 shortfall of \$20.2 million is offset with funds set aside to mitigate the Measure M litigation related revenue loss and funds made available through the Long Beach Recovery Act.

** This chart assumes that any shortfalls are structurally solved each year, except FY 23

This Outlook shows financial challenges ahead and the need for staff to be proactive in its budget planning. As is always the case with projections, the Outlook will change over time as more information becomes known. There is continued uncertainty regarding the pandemic's long-term impacts on the economy, and staff will continue to carefully monitor trends.

The Executive Summary chapter further describes the General Fund revenue and expense trends, as well as additional information on the status of key funds.