

Long Beach Magazine

“Stimulus Begins at Home – Long Beach Benefits From the 2009 Federal Recovery Package”

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As most people are well aware, President Obama signed the massive \$787 Billion American Recovery and Reinvestment Act of 2009 (Stimulus Plan) on February 17th, 2009. The Stimulus Plan included approximately \$300 million of tax incentives for businesses and low and middle-income taxpayers, and approximately \$480 million of cost reductions and spending provisions. \$53 billion was earmarked for state projects and programs throughout the U.S.

Long Beach took a very pro-active role in developing the specifics of the federal Stimulus Plan and continues to focus on the implementation of specific Long Beach projects.

During the U.S. Conference of Mayors meeting during November 2008, Mayor Foster and senior city staff created a list of over \$500 million “shovel ready” infrastructure and social projects throughout the city.

One very positive feature of the Stimulus Plan is that most of the spending provisions require states and cities to designate the funds to specific projects. Local government funds cannot be used to support City operations or help relieve City budget shortfalls. In addition, the state and local government entities must obligate the funds quickly, and generally spend these funds within 1 to 2 years.

Governor Schwarzenegger’s office recently detailed 57 transportation projects (\$625 million in funding) throughout the state that are expected to create over 11,000 new jobs in California. This is excellent news for the 116,000 Californians who lost their jobs in February, driving the state unemployment rate up to 10.5%. While none of these 57 state-managed projects will directly impact the City of Long Beach, the I-710 will receive \$75 million to resurface 3 miles between Slauson and Firestone. In addition the City will be applying for other funds for the Gerald Desmond Bridge.

The allocation of funds to Long Beach (based on specified formulas) is expected to include a minimum of \$46 million, broken down as follows:

- Community Development Block Grants	\$ 2,300,000
- Healthy Homes/ Residential Environmental	\$ 875,000
- Street/ Road Improvement	\$ 9,900,000
- Law Enforcement (Overtime) and Equipment	\$ 1,600,000
- Energy Efficiency Block Grants – Public Buildings	\$ 2,000,000
- Long Beach Transit System	\$16,513,000
- Dislocated and Unemployed Workers.	\$ 6,000,000
- Homeless Prevention	\$ 3,566,000
- Lead-Based Paint Removal – (300 Housing Units)	\$ 3,000,000
- Emergency Food and Shelter Grants	\$ TBD
- Port Security Grants	\$ TBD

The majority of these formula-driven Long Beach Stimulus funds will be allocated based on various factors, including our city’s population relative to other California cities.

In addition to the pre-funded projects listed above, city staff has applied for over \$606 million of funding for additional projects. These supplemental projects require competitive bidding against other cities and jurisdictions.

In one of President Obama’s first speeches after passage of the Stimulus Plan, he specifically mentioned Long Beach’s \$1.6 million police overtime and equipment allocation to better serve our community. Long Beach’s 2008 crime rate drop helps support the advantages of community-based policing and helps distinguish Long Beach as a national leader in effective policing.

Long Beach’s Workforce Development agency, the Pacific Gateway Workforce Investment Network, is headed-up by Bryan Rogers and has already developed a very detailed plan to leverage the \$6 million allocation to assist dislocated workers and veterans with training opportunities that lead to employment; as well as training, mentoring and employment opportunities for youth. The Mayor’s office, the Long Beach Chamber, the Workforce Investment Network, other regional agencies and employers have been working together to expand efforts that encourage employers to hire local residents.

One of these workforce development strategies offers temporary, permanent, part-time and full-time work experience for our young adults. When employers combine this flexible, low-cost and work-ready local young adult workforce with the significant tax advantages under the various state and federal tax incentive programs, including: 1) the California Enterprise Zone program (up to \$13,000 of tax credits per employee), the new California Small Business Hiring Credit (up to \$3,000 per new position for employers with less than 20 employees) and 3) the federal Work Opportunity Tax Credit program (up to \$4,500 per qualified employee).

As the 5th most populated city in California, the Stimulus funding is clearly needed for the Long Beach community. Another positive development in putting these Stimulus dollars to work is the Mayor's recently announced "Small Business Enterprise (SBE) Program" proposal. This pilot program will target 20% of certain city contracts to be awarded to regional and local small businesses – 10% to Small Businesses (SBE), 5% to Very Small Businesses (VSBE) and 5% to Local Small Businesses (LSBE). VSBEs are defined as: i) companies with less than \$2.75 million of annual gross receipts, OR ii) manufacturers with 25 or fewer employees. SBEs can have higher revenue thresholds, but vary by industry and other factors.

Initially three city departments will participate, including: Public Works, Park, Recreation & Marine and Gas & Oil Departments. A workshop to inform business owners of the new SBE RFP process will be conducted on May 7th at 3:00 pm at the Main Library.

For additional information on the impact of the Stimulus Plan on you and your community, additional information can be obtained at: www.longbeach.gov, www.ftb.ca.gov, and www.lbchamber.com.

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