

In wake of the pandemic, Mountain View seeks to launch universal basic income pilot

Councilwoman Margaret Abe-Koga makes a pitch for UBI using stimulus funds

by [Kevin Forestier](#) / Mountain View Voice

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Calling it the right time to test the waters on an increasingly popular idea, the Mountain View City Council agreed this week to pilot a universal basic income (UBI) program for residents in the city.

The proposal, which still needs formal approval next month, would put \$1 million in federal stimulus money into a small-scale UBI program that follows in the footsteps of cities across the country, including Stockton and more recently South San Francisco. Participants will receive monthly payments with no strings attached, giving them complete autonomy over how to spend the government assistance.

UBI programs typically last one to two years, granting a pool of residents anywhere from \$500 to over \$1,000 in monthly checks. Early results show the extra income has the potential to stabilize families barely scraping by, and lift people out of poverty in the long term. Results are mixed on whether UBI has the power to reduce unemployment, with some studies finding [disappointing results](#).

Councilwoman Margaret Abe-Koga, who made the pitch, said UBI programs now have a track record of success across the country, and that it would be the quickest, most direct way to stabilize families in need. Unlike other government assistance, which is typically restricted to narrow uses, Abe-Koga said recipients would be empowered to make their own decisions on how to spend the money and best meet their own needs.

"I really believe that direct financial assistance is one of the fastest ways and one of the better ways to be able to help those who are struggling or who need a little extra help," she said.

A well-publicized UBI pilot in Stockton released a report in March that found participants [experienced less volatility](#) in their month-to-month income, were more likely to find work and were generally happier and showed less signs of depression and anxiety. Though larger cities are more likely to experiment with UBI, Abe-Koga noted that South San Francisco -- a touch smaller than Mountain View -- is moving forward with a pilot of its own this year.

Though city officials plan to seek philanthropic and corporate donations to fuel Mountain View's UBI program, the council's initial proposal is to pour \$1 million into the pilot using money from the American Rescue Plan Act (ARPA), the \$1.9 trillion stimulus package passed by Congress last month. The group Mayors for a Guaranteed Income [commended the bill](#) for putting \$1,400 in the pockets of needy families, but cautioned that real economic relief hinges on recurring payments rather than one-time money.

"Our constituents, and all struggling Americans, need monthly cash infusions for real relief," according to a statement from the group.

With Mountain View's city budget [mostly balanced](#), the ARPA stimulus money is free to go toward new programs and COVID-19 financial assistance rather than backfilling deficit spending. Abe-Koga said she has been eyeing federal funds as a means to pay for UBI since the first rounds of [CARES Act](#) money last year, but the city ultimately opted to use the money for rent relief.

The latest round of money seems like the right time to pursue a UBI pilot in the city, Abe-Koga said, though she believes the concept goes beyond pandemic relief and could be a longer-term solution for financially unstable residents.

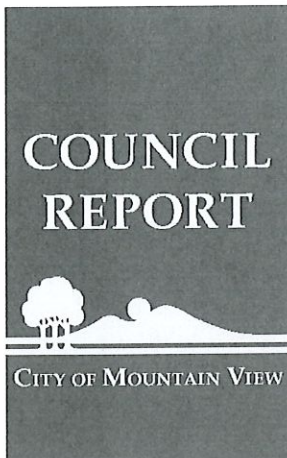
"For me this has really been part of our overall efforts to address the challenges of affordability," she said. "It feels like a more successful approach to help people better their situations and lives."

The nuts and bolts of the program have yet to be determined. If the program has to be funded solely through ARPA money, Abe-Koga said it makes sense to do \$500 monthly checks for the participants over the course of one year. The experiment in Stockton gave 125 residents \$500 in monthly checks over the course of 24 months, while Santa Clara County's ongoing pilot is [giving \\$1,000 monthly checks](#) to 72 people who have aged out of the foster youth system.

Abe-Koga said her preference is to limit the program to lower-income families, which could mirror affordable housing requirements.

When the pitch for UBI came up at the Tuesday, April 27, council meeting, some council members worried about committing \$1 million to a pilot without knowing much in the way of details and logistics, including who would be responsible for administering the program. But with so many comparable programs being developed across the U.S. right now, Abe-Koga said she isn't concerned about coming up with something that works.

"I have faith in our staff that we will be able to come up with a strong program," she said. "Sometimes you just have to try something to see if it works or not."



DATE: May 25, 2021

CATEGORY: Consent

DEPT.: City Manager's Office

TITLE: **Support for the Principles of the Mayors for a Guaranteed Income Initiative and Support Basic Income, a Cash-Based Pilot Program**

RECOMMENDATION

Adopt a Resolution of the City Council of the City of Mountain View Committing City Support for the Principles of the Mayors for a Guaranteed Income Initiative, Authorizing Participation in the Initiative, and Expressing Support for Basic Income, a Cash-Based Pilot Program in the City of Mountain View, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

Mountain View has been at the forefront regionally with its COVID-19 response, launching financial assistance programs for rental payments, landlords, and small-business owners strained by the COVID-19 pandemic. Taking further proactive steps at the April 27, 2021 City Council meeting, Council recommended staff include for approval as a part of the Fiscal Year 2021-22 budget \$3 million in American Rescue Plan Act (ARPA) funds for a triad of programs that will be used to support our community's most vulnerable residents during the recovery from the COVID-19 pandemic.

The first \$1 million will be used to launch a Universal Basic Income (UBI) pilot program, another \$1 million will be used to provide additional funding to Community Services Agency (CSA), including \$750,000 in direct financial assistance and \$250,000 to be used at CSA's discretion to fund priority needs as they deem appropriate, and the third \$1 million will be used as an exponential increase in funding for an existing community-based Solidarity Fund.

The triad of programs will be incorporated into the City's new Strategic Roadmap to be approved by Council in June. These creative and responsive programs align broadly with the City Council's newly crafted strategic priorities, including Community for All, Economic Vitality, and Livability and Quality of Life, by addressing racial equity, income disparity, and recovery from the COVID-19 pandemic.

Staff is in the very early stages of determining the scope of the new pilot UBI initiative, and there is one initial action recommended at this time. The initial UBI scope and the recommended action is summarized in the next section of this report and similar content will be included in the Recommended Budget report that is scheduled for the June 8 City Council meeting.

ANALYSIS

Universal Basic Income (UBI) Pilot Program

Universal Basic Income (UBI) programs typically provide a flat monthly cash payment to qualified residents. The UBI pilot program goal is to alleviate the suffering of residents struggling with the wide-ranging financial ramifications of the COVID-19 pandemic by developing and implementing a fast and direct way to stabilize residents in need. The cash payment is most effective because it is fast, flexible, and fills the gaps that other assistance programs are missing.

Unlike other government assistance programs that normally come with restrictions and requirements, recipients would be empowered to make their own decisions on how to spend the money and best meet their own basic needs. Program designs vary, but many UBI pilot programs most often focus on low-income individuals or families with children. Other programs under way have specifically helped low-income single mothers with children and/or pregnant women or immigrant families in need of assistance due to the barriers from some Federal assistance programs.

The City of Stockton implemented one of the most widely recognized programs for UBI. It was the nation's first local guaranteed-income initiative. Launched in February 2019 by former Mayor Michael D. Tubbs, Stockton Economic Empowerment Demonstration (SEED) provided 125 residents \$500 per month for 24 months. The financial support was unconditional with no strings attached. The program design included a randomized control trial to provide for data evaluation by a team of independent researchers.

The SEED program has evolved into Mayors for a Guaranteed Income (MGI), which is a nationwide coalition advocating for a guaranteed income to ensure that all Americans have an income floor. Member cities/mayors have signed on to a statement of principles and commit to advocating for cash-based policies at the Federal level, participating in narrative change efforts to highlight the lived experience of economic insecurity, and inviting other cities to join MGI effort. There are flexible levels of engagement based on each city's time and resources.

City Developing a UBI Action Plan

A cross-departmental team led by the City Manager's Office and the Economic Development Division has begun gathering best practices from leaders in this space with an emphasis on local and regional exemplars, such as the City of Stockton, the Santa Clara County Program for aged-out foster youth, the City of South San Francisco, the City of Oakland, County of Marin, and the City and County of San Francisco, among others.

This is supplemented by engagement with potential thought or technical assistance partners, such as the Silicon Valley Community Foundation, MGI Initiative (discussed further in this report), and the Stanford Basic Income Lab. A full review of needs and options for thought or technical assistance partners to assist with program design, implementation, and administration will be analyzed.

It is also anticipated that staff will review data on the socioeconomic disadvantaged population, including, but not limited to, parks and recreation waivers, Mountain View unemployment, rental assistance program data from CSA, Census tracts, Title 1 schools in our school districts, and eligibility for free and reduced-price meals. Strategies for branding the pilot program and developing a communications and community outreach plan along with the pursuit of philanthropic and corporate donations will also be explored.

On May 14, 2021, Governor Newsom announced that the State budget would include \$35 million in funding for cities or counties launching universal basic income pilot programs. Cities or counties would have to commit their own financial resources or receive philanthropic donations in order to receive any of the State funding, and the program must target low-income individuals. Staff will be actively monitoring this program as more details are released.

UBI Anticipated Timeline

The staff team will analyze the groups to serve, qualification parameters, income restrictions, such as the guidelines already used successfully for the CSA rental assistance program, payment amounts, program length, and data metrics, and will develop program recommendations to present at a Study Session in fall 2021. The UBI pilot program is anticipated to launch by January 2022.

Early UBI Recommendation

Staff recommends Council authorize the Mayor this year and during the years of the pilot program to participate in the MGI Initiative and thereby show City support for basic income and a cash-based pilot program for Mountain View. This action will allow staff to work with MGI immediately and benefit from hands-on assistance in developing a pilot program, gain a deeper understanding of the MGI data-gathering program and other best practices, and directly connect with staff in other cities that have launched pilot programs.

By adopting the proposed resolution (Attachment 1), Council would be broadly signing on to the MGI statement of principles (Attachment 2) to: (1) advocate for cash-based policies at the Federal level; (2) participate in narrative change efforts to highlight the lived experience of economic insecurity; and (3) invite other cities to join in these efforts. As mentioned previously, there are different levels of engagement on these principles depending on time and resources. The resolution also expresses Council's support for basic income, a cash-based pilot program. This action may be helpful to compete for the matching State funds discussed earlier in this report.

At this early stage, staff is not preparing a detailed resolution expressing the City's commitment to a defined guaranteed income program or requesting authorization for a Memorandum of Understanding (MOU) with MGI at this time. As staff moves forward with the initiative, MGI will be one of several organizations that the City will review for future thought and operations partnerships.

FISCAL IMPACT

There is no fiscal impact associated with the adoption of this resolution. Funding for the pilot UBI initiative will be a part of the Fiscal Year 2021-22 budget authorization and will be included with the Recommended Budget on June 8, 2021.

ALTERNATIVES

1. Do not adopt the resolution supporting the Principles of the Mayors for a Guaranteed Income Initiative and expressing Council support for basic income, a cash-based pilot program.
2. Provide other direction to staff.

PUBLIC NOTICING

The meeting agenda and Council report have been posted on the City's website and announced on Channel 26, and notices were sent to MGI's representatives.

Prepared by:

Kimberly S. Thomas
Assistant to the City Manager

Approved by:

Audrey Seymour Ramberg
Assistant City Manager/
Chief Operating Officer

KST/HM/6/CAM
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201164

Attachments: 1. Resolution
2. MGI Statement of Principles

GOVERNOR GAVIN NEWSOM’S REVISED BUDGET PROPOSAL 2021-2022

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INTRODUCTION

On May 14th, 2021 Governor Gavin Newsom presented his May Revision to the Proposed Budget for 2021-2022. This document builds off the summary of the January Proposed Budget and summarizes key investments and additions that reflect PI’s three policy areas:

1. Promoting Safety, Wellbeing, and Healing from Trauma and Systemic Violence
2. Healthy, Equitable Community Environments
3. Fostering a More Prevention-Oriented Health System

In addition to identifying key changes in the May Revision, we also reference proposals in the Legislature’s June 1st [Budget Report](#) to foreground final budget negotiations between Governor Newsom and the Legislature in the lead up to the June 15th budget approval deadline. The summary also contextualizes California’s plan to facilitate an ambitious economic recovery plan within the state’s sizeable budget surplus and supports provided by Federal legislation.

component is expected to cost \$2.2 billion and assist 4.3 million tax filers. (Some of these families will receive \$1,100 if they also qualify for the low- to middle-income stimulus above).

- **Undocumented Families**— \$500 one-time stimulus payments to all ITIN taxpayers with adjusted gross income of \$75,000 or less and a dependent. This component is expected to cost \$260 million and assist 520,000 tax filers. (These families are eligible for both family credits so will receive \$1,000).

PROMOTING SAFETY, WELLBEING, AND HEALING FROM TRAUMA AND SYSTEMIC VIOLENCE

- **Strengthening Economic Supports to Families**

- **Universal Basic Income Pilot**—The May Revision includes \$35 million General Fund over five years for Universal Basic Income pilot programs. These pilot programs would be city or county administered, require a local-match commitment, and shall target low-income Californians.
- **Childcare**— Effective July 1, 2021 childcare and nutrition programs will shift from the Department of Education to the Department of Social Services. The Administration proposes adding 100,000 subsidized childcare slots, with updated Proposition 64 cannabis tax revenues providing an additional \$83 million for childcare slots in 2021-22 and ongoing. Additional investments to strengthen the childcare system include:
 - **Infrastructure Facilities**— \$250 million one-time ARPA funds to provide infrastructure grants for the acquisition, construction, development, and renovation of child care facilities focusing on desert areas to be spent through September 30, 2024.
 - **Child Care Resource and Referral Programs**— \$10 million ARPA funds to support continued Resource and Referral partnerships to strengthen their role serving as intermediaries to develop new childcare facilities and capacity, and to streamline and improve data collection processes.
 - **Quality Improvement for Childcare**— \$20 million for a multi-year effort to strengthen existing quality improvement supports and systems. California Department of Social Services (CDSS) will engage with stakeholders to inform policy-setting and program design with a focus on addressing inequities.

The Legislature’s Proposals for Child Care Expansions— The Legislature proposes building in \$1.1 billion annually to increase rates for childcare providers. The Legislature also calls for 200,000 additional childcare slots, compared to Governor Newsom’s proposed 100,000.

- **Incentivize and Support Equity-Oriented Economic Development**

- **Main Street Small Business Tax Credit**—Builds upon the Main Street hiring credit created by Chapter 41, Statutes of 2020 (SB 1447) which allocated \$147 million to create a new Main Street hiring credit to aid small businesses that have hired and retained workers since the explosion of unemployment in the second quarter of 2020.