

ECONOMIC DEVELOPMENT POLICY COMMITTEE
Thursday, December 9, 2021
9:00 a.m. – 10:00 a.m.

Virtual/Microsoft Teams Meeting

Call-in number: 1-323-776-6996 Access Code: 831 836 193#

AGENDA

1. Introductions
2. Comments from Supervisor Mitchell's Office (SD 2) 15 minutes
3. Legislative update (CEO Intergovernmental Affairs) 10 minutes
4. Small Business Rent Relief update (LACDA) 10 minutes
5. Transferring LACDA Economic Development Unit to WDACS (Implementation Team) 25 minutes
6. Public Comment

NOTE:

Please send comments to EconomicDevelopment@ceo.lacounty.gov by Wednesday December 8th at noon. They will be shared with the Committee prior to the meeting.



Washington – House Passage of the Build Back Better Act (H.R. 5376)

Overview

This morning, by a vote of 220-213, the House of Representatives passed the Build Back Better Act (H.R. 5376). The \$1.75 trillion spending package would expand social services and initiatives to address climate change, and has undergone several revisions since it was originally released.

Below is an update on County-supported funding and provisions in the measure, as well as provisions not contained in the bill that the County’s Washington D.C. advocates will continue to advocate for.

Of note, since our last report, a four-week paid medical and family leave benefit along with an increase of the \$10,000 state and local tax (SALT) deduction threshold that took effect in 2018 were added to the bill. In addition, the \$10 billion Linking Transit and Low-Income Communities program was removed from earlier versions of the bill due to a similar provision in the recently enacted *Infrastructure Investment and Jobs Act* (H.R. 3684).

Legislative Outlook: H.R. 5376 proceeds to the Senate where it is expected to undergo further changes. The President will need the support of all 50 Democratic Senators to ensure passage, plus the vote of the Vice President. Senate Majority Leader Charles E. Schumer set a Christmas deadline for final passage.

Action on the bill in the Senate will not occur immediately because of the upcoming Thanksgiving holiday and the need for Congress to fund government operations beyond December 3, 2021. Also, the U.S. Department of Treasury announced this week that Congress must act to increase the debt ceiling by December 15, 2021 to prevent the debt limit from being breached.

As passed by the House, H.R. 5376 includes the following County-supported provisions:

Affordable Housing and Homeless Assistance – \$150 billion in funding, including but not limited to: rehabilitation of public housing infrastructure; housing vouchers; funding for the national Housing Trust Fund (HTF); and funding for the HOME Investment Partnership Program, among other programs.

Immigration – \$100 billion to reduce backlogs, expand legal representation and make the asylum system and border processing more efficient and humane and allow immigrants who have been in the country since 2010, and who have shown “good moral character,” to apply to become permanent residents.

However, these provisions will be subject to a point of order in the Senate and could be removed from the bill if the Senate Parliamentarian determines the provision violates specific rules that apply to legislation considered under the budget reconciliation process.

Public Health Infrastructure – \$7 billion through 2026 to support core public health infrastructure activities to strengthen the public health system through grants to state, territorial, local, or Tribal health departments. Funding will be disseminated to state and local health departments via formula based on population size and other factors, including the Social Vulnerability Index of the Centers for Disease Control and Prevention (CDC).

Pandemic Preparedness, Public Health Laboratory Infrastructure — \$1.4 billion including to support renovation, improvement, expansion, and modernization of state and local public health laboratory infrastructure.

Universal Pre-K and Affordable Child Care – \$400 billion to provide free universal pre-school for all three- and four-year old children.

Child Tax Credit (CTC) – Extends the American Rescue Pan Act (ARPA) CTC through 2022 and makes the entire CTC fully refundable on a permanent basis.

Earned Income Tax Credit (EITC) – Extends the ARPA’s temporary expansion of the EITC eligibility, phase-in rates, and amount through 2022.

Clean Energy and Climate Investments – \$555 billion for tax credits for companies and consumers that install solar panels, improve the energy efficiency of buildings, and purchase electric vehicles, among other initiatives to address climate change.

Workforce Development and Apprenticeship Programs – \$1.5 billion to support job training opportunities, career navigation services, and to expand registered apprenticeships and other paid job training programs that are targeted to serve at-risk young people, workers who were laid off from their jobs, and individuals with barriers to employment.

Expansion of Community Mental Health Services Demonstration – Expands the ten state Certified Behavioral Health Clinic (CCBHC) Medicaid demonstration to any state wishing to participate. CCBHCs participating in the demonstration are reimbursed at the Prospective Payment Rate (100% of the cost of caring for their patients) and receive an enhanced 85% Federal matching rate. The measure extends the entire program to 2026.

Medicaid Reentry Act – Allows Federal medical assistance under Medicaid for inmates during 30-day period prior to release.

Paid Medical and Family Leave – Establishes 4 weeks of mandatory paid medical and family leave.

Postpartum Coverage – Requires states to provide a full 12 months of postpartum coverage to pregnant individuals.

State and Local Taxes (SALT) Deductions – Raises the \$10,000 cap on the SALT deductions to \$80,000 and extends it through 2030. The \$80,000 SALT cap amount would also apply to the 2021 tax year. In 2031, the cap would be set back to \$10,000.

Civil Monetary Penalties for Mental Health Parity Violations – Authorizes civil monetary penalties for violations of the Mental Health Parity and Addiction Equality Act (MHPAEA) by group health plan sponsors, plan administrators, and insurers.

Major Provisions of County Interest

Elder Justice Grants – \$4.2 billion over Federal fiscal years 2022 through 2026 for nursing home worker training grants for states, Adult Protective Services programs, Long-Term Care Ombudsman Program Grants; training to support Area Agencies on Aging, among other programs.

The following County-supported provisions are not included in the bill:

Flexible use of State and Local Coronavirus Relief Funds – The County supports the inclusion of bipartisan legislation (S. 3011), sponsored by Senators Padilla (D-CA) and Cornyn (R-TX) which the Senate approved on October 19, 2021, to expand the eligible use of COVID-19 relief funds to allow up to 30% of a jurisdiction’s CARES Act and ARPA allocation to be spent on infrastructure.

Safety Net Hospital Construction – \$10 billion for construction of safety net hospitals, which was proposed in earlier versions of the measure.

Repeal of the Institutions for Mental Diseases (IMD) Exclusion – While not included in earlier versions of this bill, the County continues to advocate for full repeal of the IMD exclusion along with a legislative clarification to exempt Qualified Residential Treatment Programs (QRTPs) for foster youth, which were established in the Family First Prevention Services Act of 2018, from the IMD exclusion.

Fare-Free Public Transportation Grants – A pilot program, similar to one included in the House-passed INVEST in America Act but not contained in the Infrastructure Investment and Jobs Act, would permit the U.S. Department of Transportation to explore the efficacy of instituting a fare-free public transportation grant program, consistent with L.A. Metro’s fareless System Initiative.

The County’s Washington, D.C. Advocates will continue to advocate for the inclusion of these provisions and funding in this measure or in other suitable and timely legislative vehicles.

Further, this Office will continue to work with affected departments and will keep the Board advised of developments and potential impacts to the County.



Build Back Better Act (H.R. 5376)
Major Workforce Development Provisions

On November 19, 2021, the House of Representatives passed the Build Back Better (BBB) Act which is a \$1.75 trillion spending package that would expand social services and initiatives to address climate change. This measure is now under consideration in the U.S. Senate where discussions and negotiations continue, and it could undergo further changes.

Overall, the BBB provides \$20 billion to carry out workforce development activities, including \$13.6 billion to the U.S. Department of Labor (DOL) and \$6.4 billion to the U.S. Department of Education (ED).

- **Among the Workforce Development provisions under the \$13.6 billion for the DOL, the BBB provides over a five-year span (through Sept 30, 2026 unless otherwise specified):**
 - \$5 billion for grants to industry or sector partnerships including state or local workforce boards, employers, labor organizations, and education and training providers, to expand employment and training activities in high-skill, high-wage, or in-demand industry sectors and occupations.
 - \$2 billion for Dislocated Worker Employment and Training Activities, and \$1 billion for Adult Worker Employment and Training Activities
 - \$1.5 billion for Youth Workforce Investments Activities
 - \$1 billion for Registered Apprenticeships, Youth Apprenticeships, and Pre-Apprenticeships
 - \$1 billion for Grants to Support the Direct Care Workforce
 - \$500 million for Employment Service
 - \$500 million for Reentry Employment Opportunities

- **Among the Workforce Development provisions under the \$6.4 billion for the ED, the BBB provides over a six-year span (through Sept 30, 2027):**
 - \$5 billion for Community College and Industry Partnership Grants
 - \$700 million for Adult Education and Literacy
 - \$700 million for Career and Technical Education

These funds must supplement and not supplant Federal, State, or local funds expended to assist employers with transforming their business and program models to supporting people with disabilities in competitive integrated employment or supporting the employment of people with disabilities in competitive integrated employment.



HOUSING
COMMUNITY
ECONOMIC

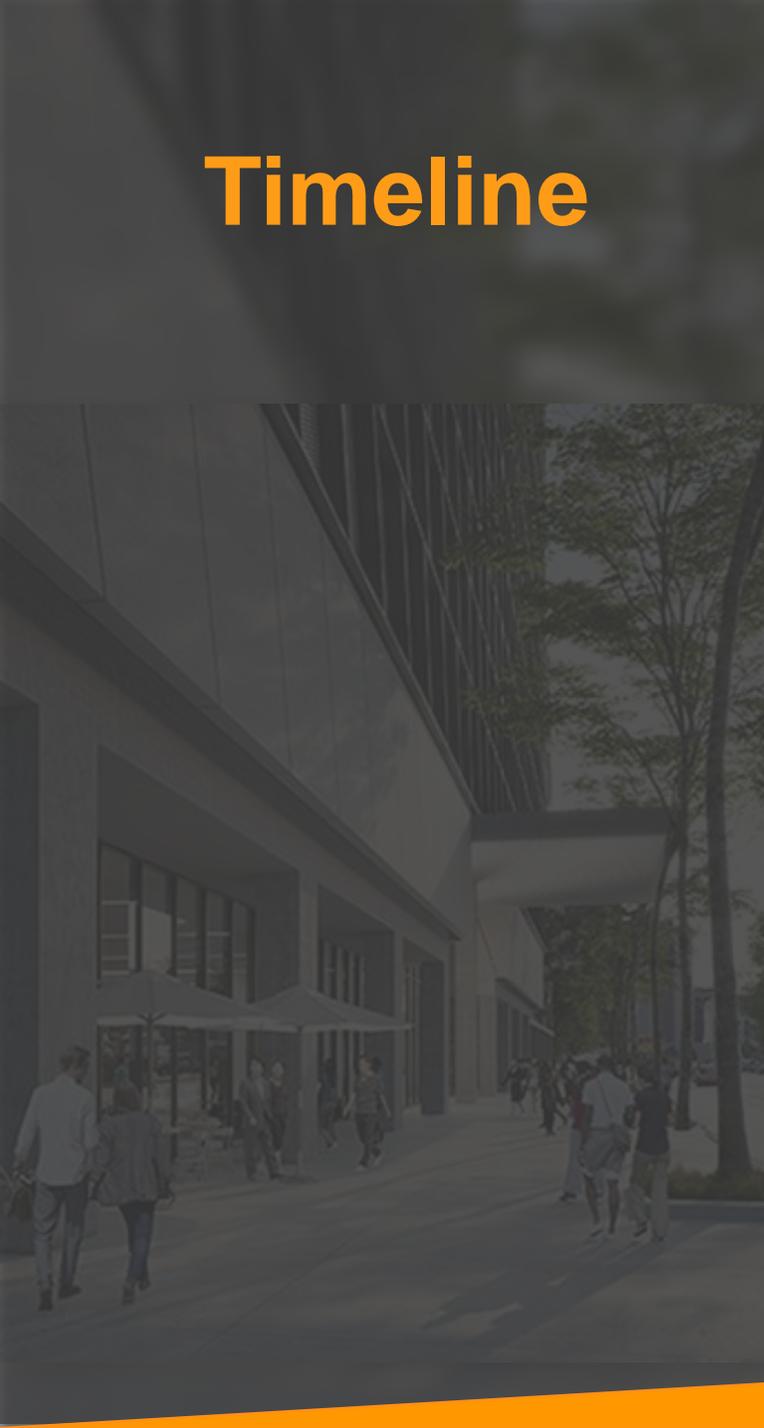
LACDA

Los Angeles County Development Authority

SMALL BUSINESS RENT RELIEF UPDATE

December 9, 2021

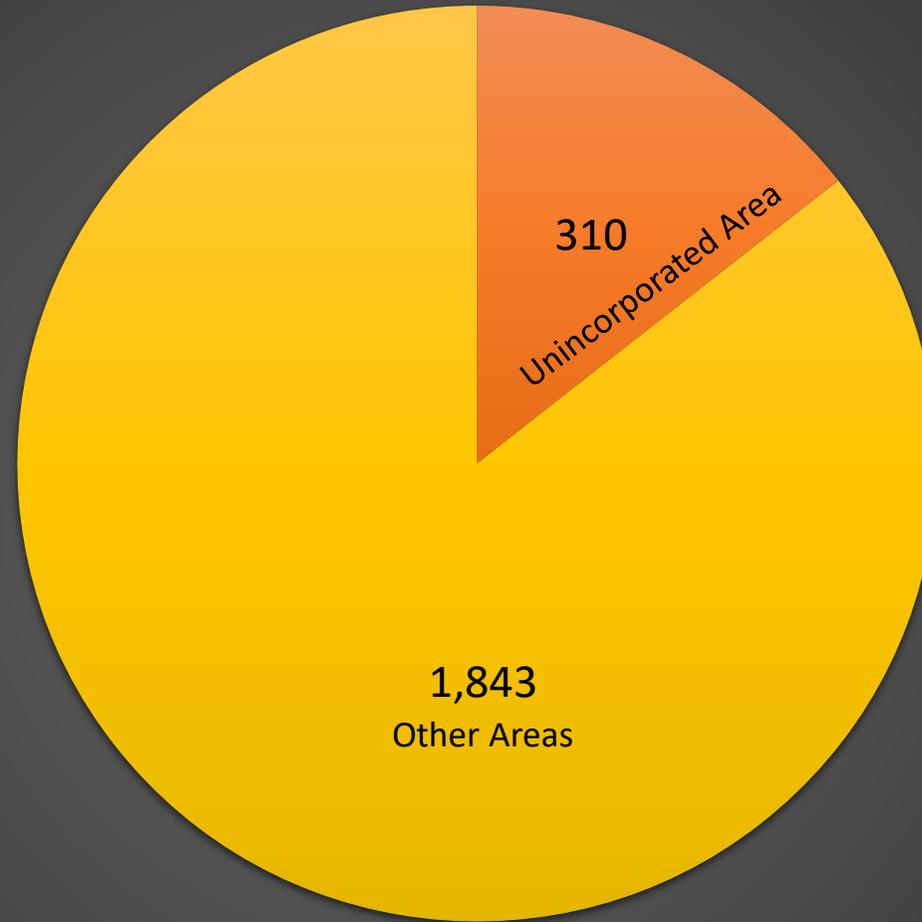
Timeline



- **October 19, 2021** – Allocation of \$7.5M in ARPA funds by Board of Supervisors
- **November 8 - 27, 2021 Project Outreach:**
 - **November 15, 2021** – Virtual Press Conference
 - **November 17 to 27, 2021** – SD and LACDA area canvassing
- **November 17, 2021, at 8:00 am to November 28, 2021, at 5:00 pm**
– Application portal open
- **November 29 - December 3, 2021** – Application analysis and identification of COVID-19 Vulnerability and Recovery Index Tiers
- **Week of December 6, 2021** – Lotteries by Tier
- **Week of December 13, 2021** – Application Processing Begins
- **January 31, 2022** – Goal to distribute grants prior to expiration of County's Eviction Moratorium

Small Business Rent Relief

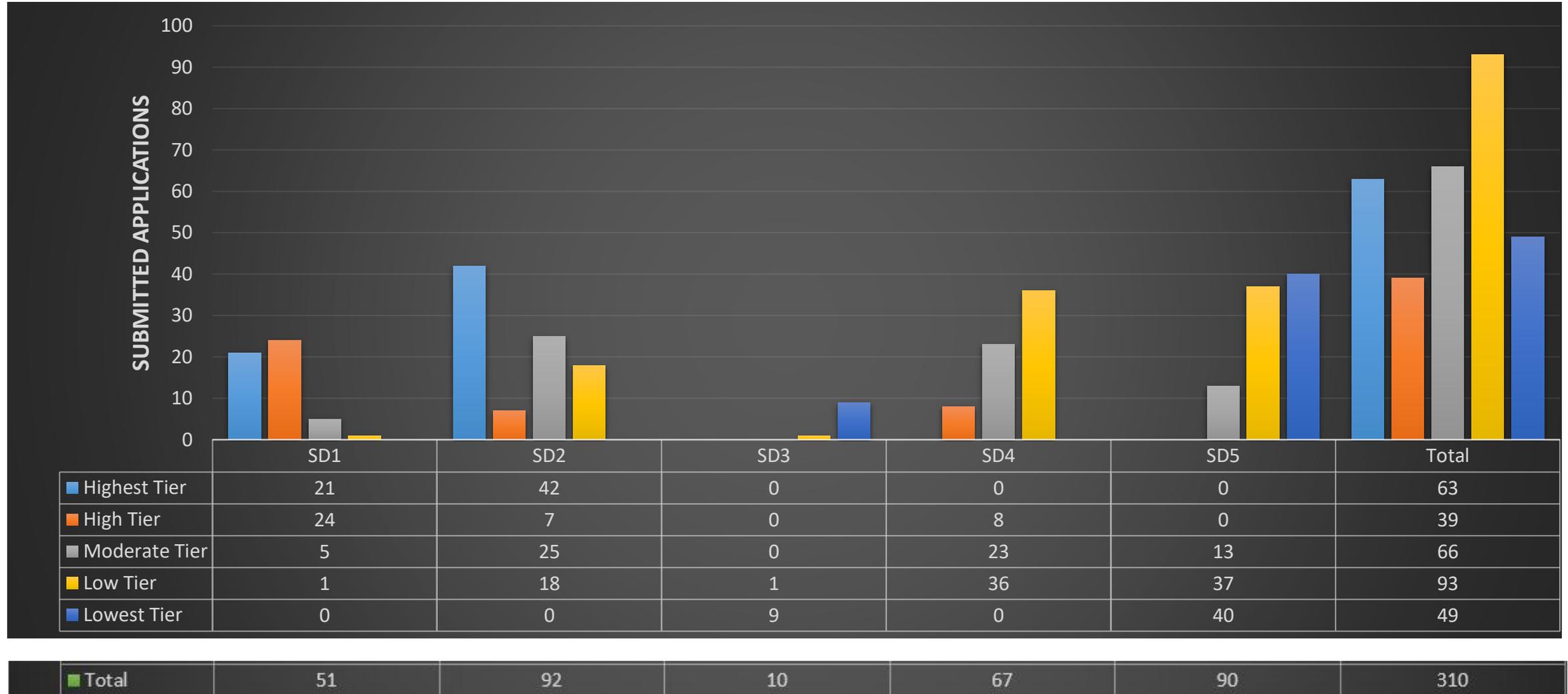
All Applications Received



Total Applications Received: 2,153

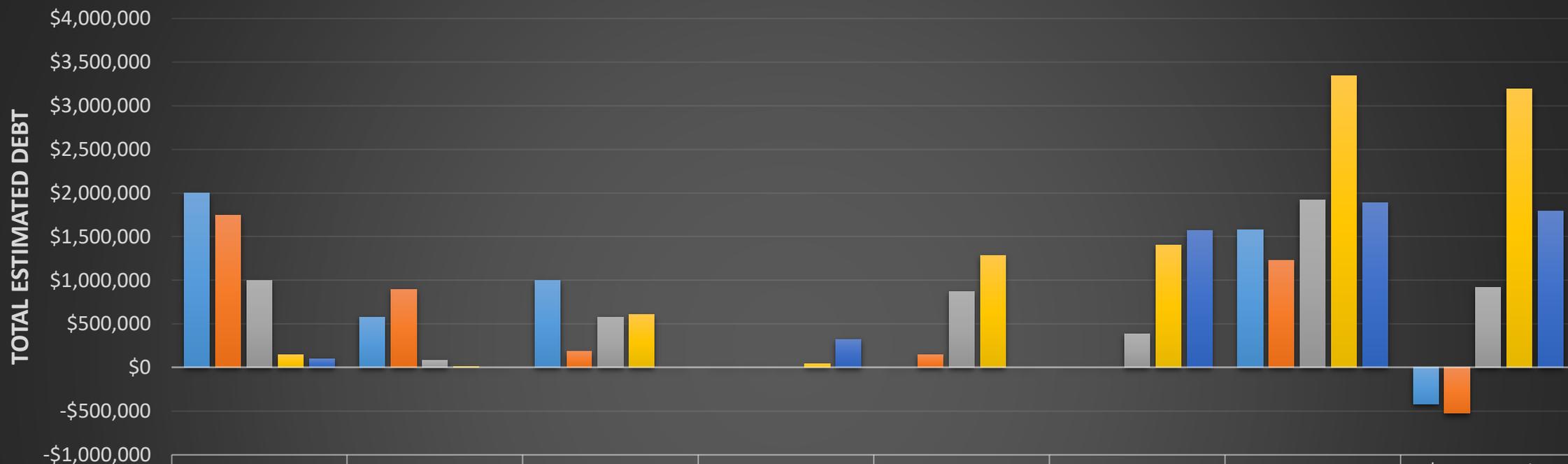
Small Business Rent Relief Applications

Unincorporated Only



Small Business Rent Relief Applications

Unincorporated Only



	Funding Goal	SD1	SD2	SD3	SD4	SD5	Total	\$ to Meet the Goal
Highest Tier	\$2,000,000	\$577,728	\$1,002,068	\$0	\$0	\$0	\$1,579,796	-\$420,203
High Tier	\$1,750,000	\$896,609	\$181,658	\$0	\$146,395	\$0	\$1,224,662	-\$525,338
Moderate Tier	\$1,000,000	\$83,019	\$577,867	\$0	\$874,502	\$386,992	\$1,922,380	\$922,380
Low Tier	\$150,000	\$6,400	\$607,638	\$40,000	\$1,286,043	\$1,403,609	\$3,343,690	\$3,193,690
Lowest Tier	\$100,000	\$0	\$0	\$321,925	\$0	\$1,569,135	\$1,891,059	\$1,791,059

Total	\$5,000,000	\$1,563,756	\$2,369,231	\$361,925	\$2,306,940	\$3,359,736	\$9,961,587	
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QUESTIONS?



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Alhambra, CA 91801





County of Los Angeles CHIEF EXECUTIVE OFFICE

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FESIA A. DAVENPORT
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

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Second District

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Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

December 21, 2021

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors and Commissioners:

**REQUEST FOR APPROPRIATION ADJUSTMENTS TO VARIOUS BUDGET UNITS
FISCAL YEAR 2021-22 AND AUTHORITY TO TRANSFER PROGRAMS AND
STAFFING FROM THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY TO
THE DEPARTMENT OF WORKFORCE DEVELOPMENT AGING AND COMMUNITY
SERVICES**

(ALL DISTRICTS AFFECTED) (4 VOTES)

SUBJECT

This letter and accompanying budget adjustments seek to execute transfers of positions, programs, and revenue from the Los Angeles County Development Authority (LACDA) and the Chief Executive Office (CEO) to the Department of Workforce Development, Aging and Community Services (WDACS) consistent with the concerted efforts to reorganize WDACS and establish a new department in the County: The Economic and Workforce Development Department (EWDD). LACDA's Economic Development Unit (EDU) will be transferred, including positions, programs, and revenue to WDACS into the newly established Economic and Workforce Development Branch in preparation for creation of a standalone EWDD in Fiscal Year 2022-23. Additionally, this letter will grant authority to transfer the management of the Economic Development Budget Unit, which was formerly managed by the Economic Development Division in CEO, and which includes funding for several programs administered by LACDA's EDU team, to WDACS for the administration of economic development activities.

HOA.103486213.1

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Chief Executive Officer, the Director of Personnel, and the Acting Director of the Department of Workforce Development, Aging and Community Services (WDACS) to enter into an agreement pursuant to County Charter Section 56 $\frac{3}{4}$ to transfer the associated staffing, positions, programs, and any other relevant elements associated with the Economic Development Unit (EDU) from the Los Angeles County Development Authority (LACDA) to the County, by and through its WDACS. The agreement will provide for the blanketing of EDU personnel into the County civil service without an examination or initial probationary period, the transfer of their accrued leave benefits from LACDA, and consideration of their LACDA service for the purposes of salary placement, leave accrual, benefits allowances, and seniority under Civil Service Rule 19.
2. Authorize the Acting Director of WDACS, or his designee, to accept the transfer and/or assignment of identified LACDA's EDU programs and/or projects and to execute all necessary agreements, including but not limited to amendments or assignments of contracts and claims, and any other related matters, to complete the transfer of County-identified assignments, services and/or projects from LACDA's EDU to WDACS.
3. Authorize the Chief Executive Officer, or her designee, upon consultation with the Acting Director of WDACS, or his designee, to assign the Economic Development Budget Unit to WDACS for WDACS's management and administration of the Budget Unit and authorize the Acting Director of WDACS, or his designee, to manage and administer the Economic Development Budget Unit and execute any and all necessary agreements, including but not limited to amendments or assignments of contracts and claims, and any other related matters, to oversee this budget unit.
4. Approve the attached appropriation adjustments necessary to realign funding and adjust the FY 2021-22 Final Adopted Budget and transfer the associated staffing, programs, and services between the identified departments.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:

1. Authorize the Executive Director, or his designee, to execute an agreement pursuant to County Charter Section 56 $\frac{3}{4}$ to transfer the associated staffing, positions, programs, and any other relevant elements in LACDA's EDU to County, by and through WDACS.

2. Authorize the Executive Director, or his designee, to transfer and/or assign to the County any associated EDU programs and/or projects and to execute all necessary agreements, including but not limited to amendments or assignments of contracts and claims, and any other related matters, to complete the transfer of assignments, services and/or projects from LACDA's EDU to WDACS.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On March 8, 2021, the CEO submitted a [report](#)¹ to the Board of Supervisors (Board) in response to motions between 2019 and 2020 that directed the development of a plan to optimize economic development and workforce development services. The report was also responsive to the Board's direction to ultimately establish a new County department with a focus on these services, many of which have historically been carried out by WDACS as well as several specialized economic-focused services in other departments.

The March 8, 2021 report outlined a phased implementation plan to establish an Economic and Workforce Development Department. The first phase was proposed to begin in October 2021 involve creating distinct programmatic branches within the existing WDACS organizational structure, including an economic and workforce development branch that merged workforce services in WDACS with economic development services from other County agencies. As described in the report, the Office of Small Business (OSB) from the Department of Consumer and Business Affairs (DCBA), the Economic Development Division (EDD) from CEO, and the Economic Development Unit (EDU) from LACDA would be transferred into WDACS to create the new branch. The realigned WDACS organizational structure would be split into two departments in the second phase, including a new Economic and Workforce Development Department.

Following submission of the March report, the Board approved a motion on April 20, 2021, that directed implementation of the phased plan to establish the Economic and Workforce Development Department. In June 2021, an Implementation Team began work on executing the phased plan. In October 2021, OSB was fully transferred into WDACS and the new Economic and Workforce Development branch, including all associated funding, positions, and programs. Additionally in October, funding was transferred from CEO's EDD to WDACS to cover newly added positions and the associated CEO staff was loaned to WDACS to continue the work and services of the EDD in WDACS as capacity is built out. These transfers were adopted by the Board in the recommended supplemental changes to the Fiscal Year (FY) 2021-22 Adopted County Budget.

¹http://file.lacounty.gov/SDSInter/bos/bc/1103715_ReportontheEstablishmentoftheAgingDepartmentandtheEconomicandWorkforceDevelopmentDepartment_03-08-21.pdf

LACDA is a non-County agency and transfer of its EDU into WDACS is more complicated than transferring units from DCBA or CEO to WDACS. Therefore, more time was needed to enact the EDU transfer and hence, efforts were bifurcated to transfer the DCBA and CEO units in October 2021 during recommended supplemental changes and to transfer the LACDA unit at a later date through a separate process. Furthermore, although some of the revenue associated with the former CEO EDD was transferred to WDACS in October 2021, additional revenues remained with the CEO to be transferred at a later date, including revenue that is provided to LACDA to administer programs performed by the EDU that will transfer to WDACS. These additional revenues are the Economic Development Budget Unit (Budget Unit), which includes the Economic Development Trust Fund and is currently managed by the CEO. The Economic Development Trust fund was established in response to a 2015 motion by the Board to be used for economic development initiatives and programs which are transferring to WDACS and will be under the scope of the future Economic and Workforce Development Department. The actions approved by this Board Letter will assign the Budget Unit to WDACS for management and administration and will also transfer the EDU and all associated staffing, positions, and revenue to WDACS to complete the establishment of the Economic and Workforce Development Branch in WDACS and set the stage for the later establishment of the new Economic and Workforce Development Department, as approved by the Board. In addition, the actions in this Board Letter may also transfer certain County development projects for which LACDA is acting as the agent of the County to WDACS to be handled by the new Economic and Workforce Development Branch and future department. Once transferred to WDACS, the EDU will initially be entitled the Economic Development Services Division.

As referenced above, transferring a non-County unit into a County department is complex. To realize the Board's vision to create a single, aligned economic and workforce development organization in the County, the County will be absorbing the functions performed by a separate public agency, which includes bringing non-County employees into the County's civil service system. After much analysis, the Implementation Team determined that the most appropriate and seamless method to accomplish this was through execution of a transfer agreement pursuant to County Charter Section 56 $\frac{3}{4}$, which allows for setting of the terms and conditions of transfer and employment of staff and programs outside the County into a County department taking on those programs and services. The authority granted by approval of this Board Letter will allow CEO, DHR, WDACS and LACDA to execute a transfer agreement to initiate the transition of LACDA's EDU to WDACS.

As the operational aspects of the realigned WDACS are formalized and the new Economic and Workforce Development Department is formed, CEO will work with WDACS and the successor agency to assess the needs and resources of the new branch

and to-be department, including that of the Economic Development Services Division created by the transfer of LACDA's EDU.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended action supports the county's Strategic Plan Goal III, Strategy III.3 - Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability as approval will promote operational effectiveness by aligning related economic development and workforce development services in a single department under a unified strategic vision and mission.

It also supports Goal II, Strategy II.1 – Drive Economic and Workforce Development in the County as well as Strategy II.2 – Support the Wellness of our Communities, as these transfers are a part of the overall implementation plan to establish a new Economic & Workforce Development Department and an Aging, Community, & Disability Services Department to create greater alignment and focus on economic and workforce development programs.

FISCAL IMPACT/FINANCING

The recommended budget adjustments have no NCC impact as they are financed through the transfer of existing available funding from both LACDA and CEO.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recommended actions include authority to enter into a transfer agreement pursuant to Section 56 ¾ of the County Charter. This Charter Section allows for the setting of terms and conditions for the transfer of functions from a separate public agency into the County, including the blanketing into County civil service with or without examination of any or all officers or employees who have been performing such functions for at least six months, and for the terms and conditions upon which such persons are to be employed in the classified service of the County, including seniority, efficiency, sick leave, vacation and all other rights or benefits granted County employees.

In 2005, the Office of Small Business was transferred from the Community Development Commission, which was a predecessor to LACDA, into the County's Internal Services Department by way of a transfer agreement using the same authority.

The economic development programs that will transfer with the EDU to WDACS are Commercial Business Revitalization and Renovate, Commercial Industry Lending, Special Economic Development Projects, and the County Economic & Community Development Program. Additionally, at least eight staff will transfer from LACDA to

The Honorable Board of Supervisors
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WDACS as part of the transition, and eleven positions will be added to WDACS to form the Economic Development Services Division: one (1) Program Manager, two (2) Human Services Administrator III's, three (3) Human Services Administrators II's, one (1) Human Services Administrator I, three (3) Management Analysts, and one (1) Staff Assistant II.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the attached budget adjustments and granting of authority to enter a transfer agreement will allow the Board to realign and appropriate funding necessary to transfer the EDU from LACDA to WDACS and enable continued economic development services to be performed by the newly established economic and workforce development branch in WDACS.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:EP:AEC
DSK:acn

Enclosure

c: Executive Office, Board of Supervisors
County Counsel
Human Resources
Los Angeles County Development Authority
Workforce Development Aging and Community Services