ECONOMIC DEVELOPMENT POLICY COMMITTEE
Thursday, December 10, 2020
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.	Legislative update (CEO)	10 minutes
3.	State aid to businesses update (CEO)	10 minutes
4.	Business Relief Funds update (LACDA, DCBA)	20 minutes
5.	CARES Act programs update (WDACS)	10 minutes
6.	Mortgage Relief Fund (DCBA)	10 minutes
7.	Public comment	

NOTE:

Please send comments to EconomicDevelopment@ceo.lacounty.gov by Wednesday December 9th at noon. They will be shared with the Committee prior to the meeting.

California State Aid for Small Businesses – Overview

On November 30, 2020, Governor Newsom announced immediate assistance for businesses impacted by COVID-19 including temporary tax relief and $500 million in grants. The following highlights the tax credits, loans, and grants included in the business assistance package:

TAX CREDITS AND RELIEF

SB 1447: Main Street Hiring Tax Credit (MSHTC)

- MSHTC is a $100M tax credit program administered by California Department of Tax and Fee Administration (CDTFA). The program is for small business employers.
    - Applications accepted from 12/1/20 to 1/15/21, for a "credit reservation"
    - MSHTC program is first-come, first-served
    - Applicants will be notified within 30 days of receipt of application whether they are receiving a tax credit as well the amount allocated.
- Small businesses must meet criteria of:
    - Business employed 100 or fewer employees as of December 31, 2019 -AND- suffered a 50 percent decrease or more in income tax gross receipts (generally, all income less returns and allowances), when comparing second quarter 2020 to second quarter 2019.
- MSHTC Credit Amount Guidelines
    - Small business employers can receive $1K per full-time equivalent (FTE) employee based on an increase of average monthly FTE employees from the (3-month) period April 1 to June 30, 2020 compared to the (5-month) period of July 1 to November 30, 2020.
    - When submitting the application, employers make an irrevocable election to apply the tax credit to either (1) Personal and/or Corporate Income Tax -OR- (2) Sales and Use Tax
    - Employers can receive up to $100K total tax credit through the MSHTC program
    - More detailed program guidelines, FAQs, and additional help with Franchise Tax Board questions visit: https://www.cdtfa.ca.gov/taxes-and-fees/SB1447-tax-credit.htm
- To apply for this program and request a Tentative Tax Credit Reservation visit: https://taxcredit.cdtfa.ca.gov/
- To contact CA Dept of Tax and Fee Administration with questions visit: https://www.cdtfa.ca.gov/contact.htm

Tax Relief for Businesses Impacted by COVID-19

- The Governor directed the CDTFA to provide additional 3-month extensions to all business taxpayers, excluding the highest taxpayers, for returns due between

December 1, 2020 and April 30, 2021. For more information visit: https://www.cdtfa.ca.gov/services/covid19.htm

- Effective December 1, 2020, small business taxpayers with less than $5 million in taxable annual sales, can take advantage of a 12-month, interest-free payment plan for up to $50,000 of sales and use tax liability only. All payment plans must be paid in full by April 30, 2022, to qualify for zero interest.
- Businesses with $5 million or more in annual taxable sales in sectors particularly impacted by operational restrictions due to the pandemic may also apply for this 12-month interest-free payment plan.
- For more information on tax relief for businesses affected by COVID-19 visit: https://www.cdtfa.ca.gov/services/covid19.htm
- To contact CA Dept of Tax and Fee Administration with questions visit: https://www.cdtfa.ca.gov/contact.htm

SMALL BUSINESS LOANS AND GRANTS

California Rebuilding Fund

- The CA Rebuilding Fund is a loan program of $125M funded by the CA Infrastructure and Economic Development Bank (IBank) as well as private and philanthropic organizations.
- Businesses who employed 50 or less FTE employees and had gross revenues of less than $2.5 million or below in 2019 are eligible to apply.
    - More specific Business Requirements can be found here: https://www.connect2capital.com/p/californiarebuildingfund/business-requirements/
- For more information on the Fund including FAQs and a list of participating community lenders, please visit: https://www.connect2capital.com/p/californiarebuildingfund/

COVID Relief Grant Program for Small Businesses

- A $500M COVID relief grant will be administered by the California Office of the Small Business Advocate (CalOSBA) at the Governor's Office of Business and Economic Development.
- Fund awards will go to intermediaries with established networks of CDFIs to distribute relief through grants of up to $25,000 to underserved micro and small businesses as well as non-profits.
- CalOSBA is establishing the program to be implemented in early 2021.
- A notification of availability of funds for the program will be sent to Go-Biz newsletter subscribers. Please sign up using the following link: https://business.ca.gov/osba-signup/

For a list of the State's COVID relief efforts for small businesses to date, please see the fact sheet provided by the State here:

https://www.gov.ca.gov/wp-content/uploads/2020/09/Small-Business-Fact-Sheet-9.9.20.pdf. The fact sheet is not inclusive of the recently announced programs listed above.

LOTTERY CASE STATUS SUMMARY AS OF DEC 1

Application Status	SD1	SD2	SD3	SD4	SD5	Total
Eligible - Lottery	259	284	54	344	287	1228
Applications Sent	767	451	60	728	649	2655
Applications Pending Review	121	101	34	162	190	608
Applications Incomplete	83	49	6	94	100	332
Applications Quality Control	19	69	19	25	92	224
Ineligible	403	293	32	420	415	1563
Relief Payments Approved	270	147	25	283	378	1103
Vendor Setup	29	6	1	18	16	70
Relief Payment Requested	178	119	17	190	263	767
Rent Relief Payment Made	47	20	7	55	82	211
Closed - Received Funds	16	2	0	20	17	55
Grand Total	1922	1394	230	2056	2111	7713

FAST TRACK CASE STATUS SUMMARY AS OF DEC 1

Application Status	SD1	SD2	SD3	SD4	SD5	Total
Eligible - Targeted	300	186	33	273	292	1084
Applications Sent	846	566	70	790	842	3114
Applications Pending Review	133	116	21	132	137	539
Applications Incomplete	207	173	33	248	233	894
Applications Quality Control	174	144	40	171	173	702
Ineligible	587	457	64	585	539	2232
Relief Payments Approved	365	275	59	340	401	1440
Vendor Setup	112	90	17	112	141	472
Relief Payment Requested	6	5	2	4	11	28
Rent Relief Payment Made	2	2	3	6	8	21
Closed - Received Funds	245	178	37	218	241	919
Grand Total	2612	1917	320	2539	2617	10005

CHILD CARE PROVIDER GRANT PROGRAM

Progress Report

	SD 1		SD 2		SD 3*		SD 4		SD 5		SUMMARY		
Initial $5M Allocation	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Total
	$960,000	$400,000	$ 840,000	$ 440,000	$ 20,000	$ 40,000	$ 260,000	$ 480,000	$ 310,000	$ 520,000	$2,390,000	$ 1,880,000	$4,270,000
% Used:	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100.00%	100.00%	100.00%
Grant:	$10,000	$40,000	$10,000	$40,000	$10,000	$40,000	$10,000	$40,000	$10,000	$40,000			
Goal:	48	22	51	25	2	1	26	12	31	13	158	73	231
Funded:	$960,000	$400,000	$840,000	$440,000	$20,000	$40,000	$260,000	$480,000	$310,000	$520,000	$2,390,000	$ 1,880,000	$4,270,000
Approved:	96	10	84	11	2	1	26	12	31	13	239	47	286
Pending:													
Notes	48/96		56/107/23	1									

	SD 1		SD 2		SD 3*		SD 4		SD 5		SUMMARY		
Additional $5K FAMILY-HOMES	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Total
	$480,000		$ 420,000		$ 10,000		$ 130,000		$ 155,000		$1,195,000		$1,195,000
% Used:	100%		100%		100%		100%		100%		100.00%		100.00%
Grant:	$5,000		$5,000		$5,000		$5,000		$5,000				
Goal:	96		84		2		26		31		239	0	239
Funded:	$480,000		$420,000		$10,000		$130,000		$155,000		$1,195,000		$1,195,000
Approved:	96		84		2		26		31		239		239
Pending:													0

	SD 1		SD 2		SD 3*		SD 4		SD 5		SUMMARY		
Suplemental $5M Allocation	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Child Care Family Home	Child Care Center	Total
					$ 90,000	$ 360,000	$ 750,000	$1,160,000	$ 765,000	$ 1,160,000	$1,605,000	$ 2,680,000	$4,285,000
% Used					0%	11%	34%	0%	76%	66%	52.34%	29.85%	38.27%
Grant					$15,000	$40,000	$15,000	$40,000	$15,000	$40,000			
Goal:					6	9	50	29	51	29	107	67	174
					$0	$40,000	$255,000	$0	$585,000	$760,000	$ 840,000	$ 800,000	$1,640,000
Approved					0	1	17	0	39	19	56	20	76

Initial	$ 4,270,000.00
$5k+	$ 1,195,000.00
Supplemental	$ 4,285,000.00
Subtotal:	$ 9,750,000.00
Admin	$ 250,000.00
Total:	$ 10,000,000.00

Keep LA County Dining Application Summary Report

Report Generated: 12/8/2020 2:23:33 PM

Applications/Registered Users	Record Counts
Application Status: Saved, in progress	800
Application Status: Submitted, pending review	2594
Applications (Total):	3394
Registered Users	4328

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Supporting LA County Workers & Businesses with CARES Act Funding

December 10, 2020

COUNTY OF LOS ANGELES CALIFORNIA
wdacs
workforce development
aging & community services

Economic Relief & Recovery Goals & Programs

- ✓ Help businesses stay in operation & retain employees
- ✓ Assist dislocated workers with employment and training
- ✓ Perform comprehensive economic analysis to inform future recovery efforts
- ✓ Fill the gap in available PPE to keep workers & consumers safe
- ✓ Build a collective sense of shared commitment to public health safety

Employer Assistance Grant Fund

Pandemic Relief Employment Program

Implementation of the LA County Works Initiative

+

PPE Unite

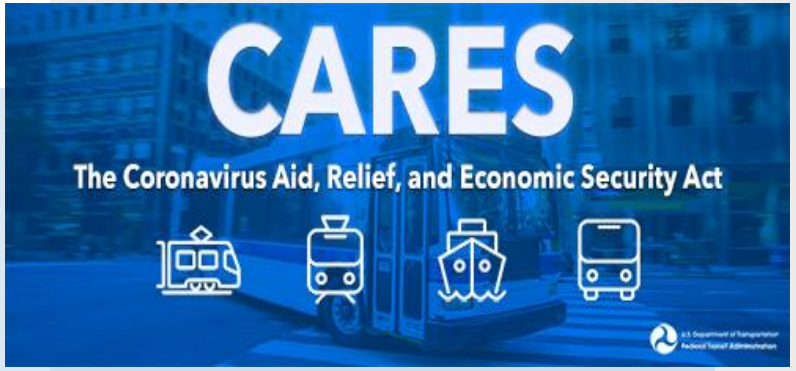
Safer at Work

Employer Assistance Grant Fund

- $47 million to over **1,300 businesses**
- (3) subcategories:
  - ✓ **Pandemic Compliance:** up to $5K
  - ✓ **General Employer Assistance Grant:** up to $30K
  - ✓ **Social Impact Fund:** up to $60K
- Estimated **5,126 layoffs averted to-date** as a result of the grant
- **$99.5M in revenue retained/generated to-date** by awarded businesses

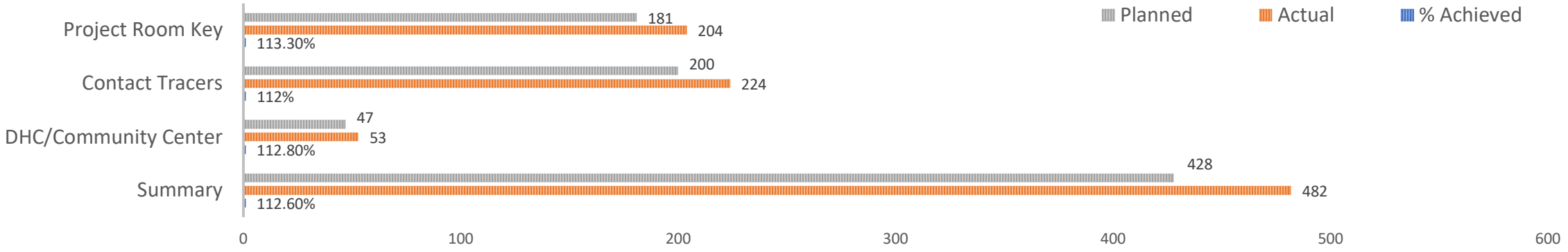
PREP Pandemic Relief Employment Program(PREP)

- Assist individuals economically impacted by COVID-19 through employment that supports humanitarian efforts
- **Funding:** $6 million
- **Timeline:** August 31, 2020 - December 30, 2020
- **3 Projects:**
  - *Project RoomKey,* ESGV AJCC
  - *Contact Tracing,* Antelope Valley AJCC
  - *Disaster Help Center & WDACS Community Centers,* Pomona Valley AJCC

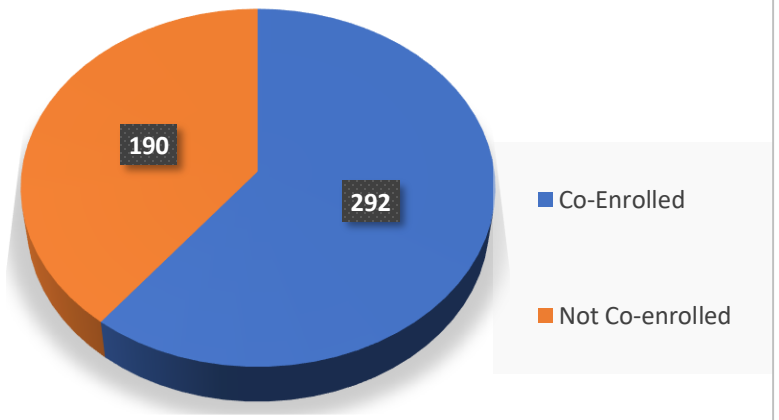


PREP: Planned to Actual Performance

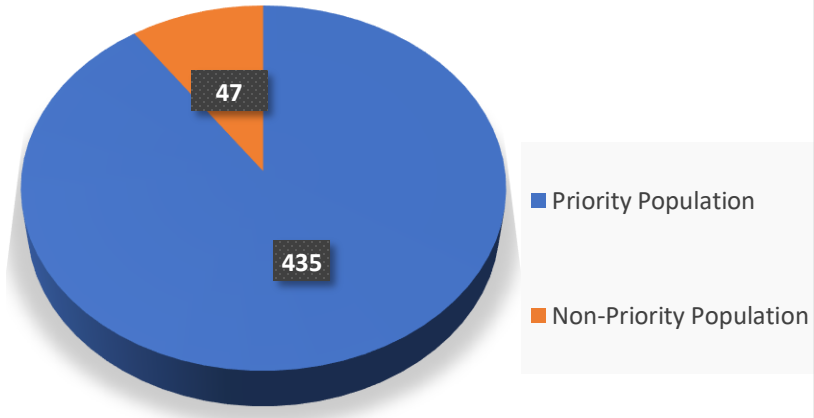
PREP TRANSITIONAL JOB PLACEMENTS



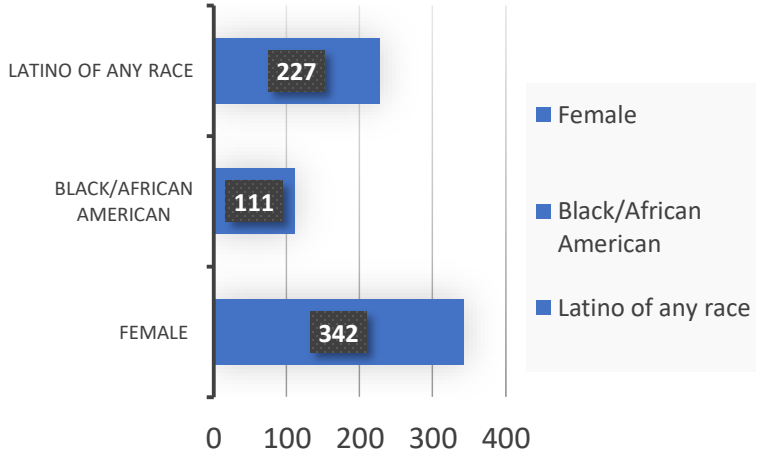
Co-Enrolled In Additional Workforce Programs



Priority Population



Key Priority COVID-19 Impacted Demographics



Grow. Succeed. Thrive.

wdacs workforce development aging & community services

Implementation of LA County Works Initiative

Layoff Aversion

- 266 Businesses engaged
- 465 Layoffs Averted at 54 Businesses

7 Business Recovery Webinars

- 164 Businesses

9 Industry Convenings

- *Aerospace, Infrastructure, Healthcare, Hospitality, Trade & Logistics*

Economic Recovery Report

- Most impacted industries and communities
- Emerging markets
- Opportunities to re-skill vulnerable populations
- Actionable recommendations for economic recovery

Implementation of LA County Works Initiative: *PPE Unite*

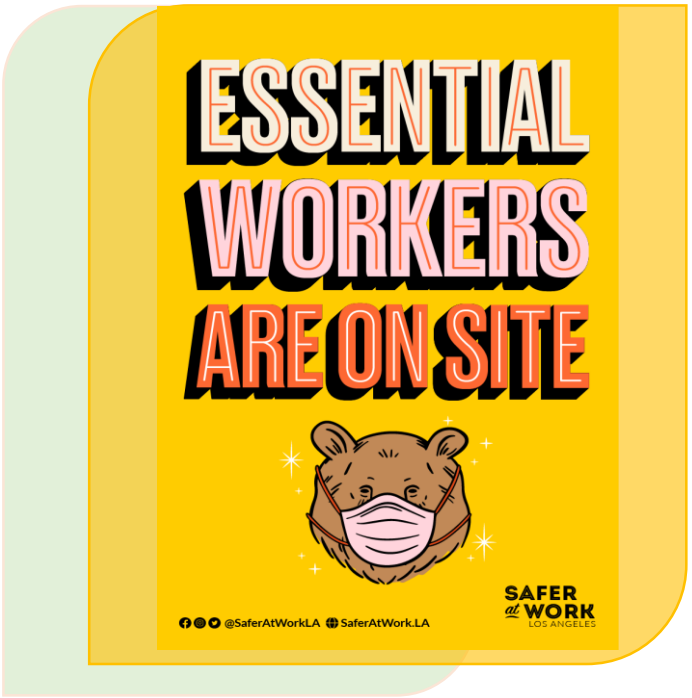
Phase 1:

- PPE from CalOES
- Small businesses with 1-100 employees
- Distributed 30-day supply of PPE to **9,312 businesses** with **105,218 employees** to date

Phase 2:

- $1.5 million of PPE for over 330k employees
- Expanding eligibility to nonprofits
- Multiple distribution sites and pop-ups

Implementation of LA County Works Initiative: *Safer at Work*



- **Official Launch December 7:** Press release & interviews
- **Microsite:** Saferatwork.la
- **Social Media**: @saferatworkla on Facebook, Instagram, Twitter

Pivoting message to essential workers and businesses to underscore messaging that we all must do our part to re-open the economy.

Questions?

LOS ANGELES COUNTY
CONSUMER & BUSINESS AFFAIRS

Mortgage Relief for Property Owners

Motion:

Expanding County's Foreclosure Prevention Program and Establishing a Mortgage Assistance Program

On Sept. 15, 2020, the Board approved a motion by Supervisors Janice Hahn and Hilda L. Solis to:

• Reallocate $5.5 million of funding from the Affordable Housing Trust Fund to establish a Mortgage Financial Relief Program and expand foreclosure prevention counseling services

•Explore the potential use of funding from the Consumer Protection Settlement Special Revenue Fund to be used by DCBA for outreach and education on enforcement of consumer protection laws.

Progress to Date:
Ideation and Program Design

- Stakeholder meetings:
  - Local HUD-approved housing counseling agencies
  - California Housing Finance Agency
  - LA County Development Authority

- Fund Administrator

Program Design:
{Tentative} Program Criteria

Vision - DCBA will use its delegated authority to contract with a single entity to administer the Mortgage Relief Program. The entity will work with a network of HUD-certified agencies to expand counseling and screen interested applicants for the mortgage relief. The entity will oversee the deployment of the grant program to the servicers of eligible applicants.

- Assist single family homeowners and property owners with no more than 4 units
- Due to limited funding and unknown duration of the pandemic, only assist property owners who experienced short-lived impacts
- Deploy funds quickly as grants, not loans as referenced in the motion
- Centralized hotline and/or website as point of contact for County property owners

Program Design:
{Tentative} Program Criteria

Demonstrated Hardship: Loss of employment or reduction of work hours, tenant ceased rent payments. Must be financially stable to resume timely payments.

Tenancy: Property should be owner-occupied. Owner must have owned property for 12 months prior to declared state of emergency.

Household income: recommendation still being formulated

Loan Balance: up to $1 million

Program Design:
{Tentative} Program Criteria

Amount of assistance: recommendation still being formulated; tentatively $20,000 for a 6 month period

Equity lens: Distribution to Supervisorial Districts based on highest need communities

Property must be located in a low-to-moderate income community (80% AMI)

Launch: Jan. 2021

Next steps:

- Finalize contract with lead agency
- Finalize program design and outreach plan