

ECONOMIC DEVELOPMENT POLICY COMMITTEE

Thursday, August 6, 2020

9:00 a.m. – 10:30 a.m.

Virtual/SKYPE Meeting

Call-in number: 1-323-776-6996 Access Code: 498935018#

AGENDA

1. Introductions

2. Legislative update (CEO) 10 minutes

3. Business Relief Funds update (LACDA, DCBA) 15 minutes

4. COVID-19 Portal and Website update (DCBA) 5 minutes

5. CARES Act funding presentation (DCBA, LACDA, WDACS, Arts & Culture) 60 minutes

6. Public comment

NOTE:

Please send comments to EconomicDevelopment@ceo.lacounty.gov by Wednesday August 5th at noon. They will be shared with the Committee prior to the meeting.

LACDA COVID-19 Small Business Recovery Initiatives Metrics

EDPC Update – August 6, 2020

SMALL BUSINESS RECOVERY LOAN PROGRAM

Program Budget: \$3,000,000

Funds Available \$660,000

Supervisory District	Total Applications	% Share of Submitted Applications	Total Approved Loans	Total Amount Funded	% Share of Approved Loans
1	33	10%	7	\$140,000.00	6%
2	28	8%	8	\$150,000.00	6%
3	78	23%	30	\$565,000.00	24%
4	106	32%	44	\$875,000.00	37%
5	88	26%	31	\$610,000.00	26%
	333	100%	120	\$2,340,000.00	100%

TRANSIT ORIENTED COMMUNITIES LOAN PROGRAM

Program Budget: \$853,000

Funds Available \$453,000

Supervisory District	Total Applications	% Share of Submitted Applications	Total Approved Loans	Total Amount Funded	% Share of Approved Loans
1	33	35%	9	\$180,000.00	45%
2	26	28%	4	\$80,000.00	20%
3	20	21%	5	\$100,000.00	25%
4	1	1%	0	\$0.00	0%
5	14	15%	2	\$40,000.00	10%
	94	100%	20	\$400,000.00	100%

FOURTH SUPERVISORIAL DISTRICT SMALL BUSINESS GRANT PROGRAM

Program Budget: \$500,000

Funds Available \$180,000

Cumulative totals	Date: 8/5/2020
Executed Grants Agreements:	64
Funded Grants: (Grants with funds dispersed)	56
Scheduled to be Funded (on 8/7): (Grant payments to occur this week)	8

CARES ACT & SMALL BUSINESSES



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**



WDACS
WORKFORCE DEVELOPMENT
AGING & COMMUNITY SERVICES

Entity	Amount	Use	Target	Grant Size
LACDA/DCBA	\$60M	LA Regional COVID-19 Recovery Fund	Microentrepreneurs (<\$100K) Small Businesses (<\$1M) Chambers* Medium Small Businesses (\$1M-\$5M) Small Nonprofits (<\$1M) Medium Nonprofits (\$1M - \$15M) Small Business TA Providers	\$5,000 \$15,000 \$15,000 \$25,000 \$15,000 \$100,000 \$100,000
LACDA	\$5M	Child Care Fund	Licensed child care providers	\$15,000
Arts and Culture	\$10M	Arts Nonprofits	Ranging in entity size Micro (<\$100K) Small (<\$250K - \$1M) Medium (<\$15M)	Awards to range from \$1K to \$100K
WDACS	\$60M	LA County Employer Assistance Grant Fund - Pandemic Compliant - PPE - Layoff Aversion - Rapid Re-Reemployment - Childcare	Approximately 4,000 LA County with 1-100 employees Pandemic Compliant Businesses General EAG Businesses Social Enterprises (SE), Community Business Enterprises (CBE), B Corps	Up to \$50,000 \$5,000 \$25,000 \$50,000

LA REGIONAL COVID-19
RECOVERY FUND

\$60,000,000

- Fund managed by Local Initiatives Support Corporation (LISC)
- Partnership with City of L.A.
 - Indicated an intent to commit \$30M of CARES
- 20% for UIA and remainder for cities other than City of LA
- Deploy over 6-9 rounds
 - ~4500 grants
- Paired with Technical Assistance

LA REGIONAL COVID-19 RECOVERY FUND

Recipient Type	Description	Grant Size
Microentrepreneurs	Those individuals participating in the gig economy, particularly street vendors, sole proprietors, 1099 workers, and/or single-member LLCs with less than \$100 thousand in annual gross revenue	\$5,000
Small Businesses	Businesses with less than \$1 million in annual gross revenue.	\$15,000
Small Nonprofits	Non-profit social service providers that serve low-to-moderate income communities with less than \$1 million in annual gross revenue.	\$15,000
Medium Small Businesses	Businesses with greater than \$1 million but less than \$5M in annual gross revenue.	\$25,000
Medium Nonprofits	<p>Non-profit social service providers and that serve low-to-moderate income communities with greater than \$1 million but less than \$15M in annual gross revenue. These entities will need to specify the detailed use of funds to support the social service safety net of Los Angeles County residents by conducting the following activities:</p> <ul style="list-style-type: none"> Food Programs , rapid rehousing, utility assistance, public programs navigation support, transportation – move-in costs (first/last), rental payment assistance 	\$100,000
Small Business TA Providers	Small business technical assistance services.	\$100,000

CHILD CARE PROVIDERS FUND

\$5,000,000

- Administered by LACDA
- \$15,000 grants
- Licensed child care providers
 - Child Care Alliance of Los Angeles
 - DCBA
DPSS
- Targeting entities serving low-to-moderate income census tracts and Areas of Deprivation

ARTS RELIEF FUND

\$10,000,000

- Administered by Arts and Culture
- California Community Foundation (CCF) as Intermediary Partner
- Provides relief to nonprofit arts organizations located in and serving Los Angeles County
- Priority for micro, small, and medium sized nonprofits with budgets under \$15M for equity (~500 grants)
- Maximizes efficiency in vetting and outreach by targeting grantees of Arts and Culture and Regional Municipal Local Arts Agencies
- Grants deployed in one round in amounts scaled depending on nonprofit entity budget size

PURPOSE

To provide economic relief to arts nonprofits suffering from business interruptions due to COVID-19-related closures.

Arts and culture play a critical role in the economic resiliency of Los Angeles County and in the social resiliency of our communities. Supporting this sector's survival will help to preserve our creative economy, the cultural identity and vitality of the region, and the well-being of our residents and communities where they live.

- LA County arts nonprofits host 13.5 million visits to nearly 200,000 in-person events each year
- LA County Creative Economy generates \$200B output annually and 1 of every 5 jobs in the County
- Arts Sector is also part of the Creative Economy, Tourism, Community Services, Nonprofit Sectors
- 96% performances, exhibits, workshops, classes, fundraisers ceased in mid-March due to COVID-19
- Nearly one third of arts nonprofits have laid off or furloughed staff
- More than 33% have tapped into financial reserves, with a median of 1.9 months of cash pre-COVID
- 45% are not confident their organization will survive without relief
- Nonprofit arts sector faces barriers to accessing loans and grants through traditional providers
- Arts sector, and particularly performing arts organizations and venues, was first hit and will be among the last of all businesses return to full operations

CARES Act Arts Relief Fund

TARGET RECIPIENTS ELIGIBILITY

To maximize reach and efficiency, program will target arts nonprofit organizations that:

- Nonprofit arts organizations located in and serving LA County
- Are grantees of the County Organizational Grants Program
- Are grantees of Regional Municipal Local Arts Agencies (Culver City, Santa Monica, Long Beach, Los Angeles, Torrance, Pasadena, West Hollywood, Santa Clarita)
- Priority for nonprofits with operating budgets of less than \$15M (to focus funding on the small and mid-size organizations that are disproportionately impacted and often serve the County's most vulnerable communities)
- Are in good standing with the State of California

Organizations must complete a brief online application to demonstrate eligibility and compliance with CARES Act funding requirements.

CARES Act Arts Relief Fund

DISTRIBUTION PLAN

LA County Department of Arts and Culture will either distribute the funds directly using the same processes and protocols used to issue funding contracts to its existing pool of arts organization grantees (nearly 450 organizations), or engage California Community Foundation (CCF) to serve as intermediary to distribute funds. Department will:

- Communicate to targeted arts nonprofit organizations to promote the program
- Design application process and grant tiers scaled to organizational budget size of applicants
- Host webinar for applicants to review process and requirements to access CARES Act funds
- Manage application and applicant process or contract with CCF to manage
- Administer grant awards, payment, and reporting activities with CCF
- All funds will be disbursed by 12/30/20 with a goal of full disbursement by end of November

WDACS EMPLOYER
ASSISTANCE GRANT FUND
AND RAPID RE-EMPLOYMENT

\$60,000,000

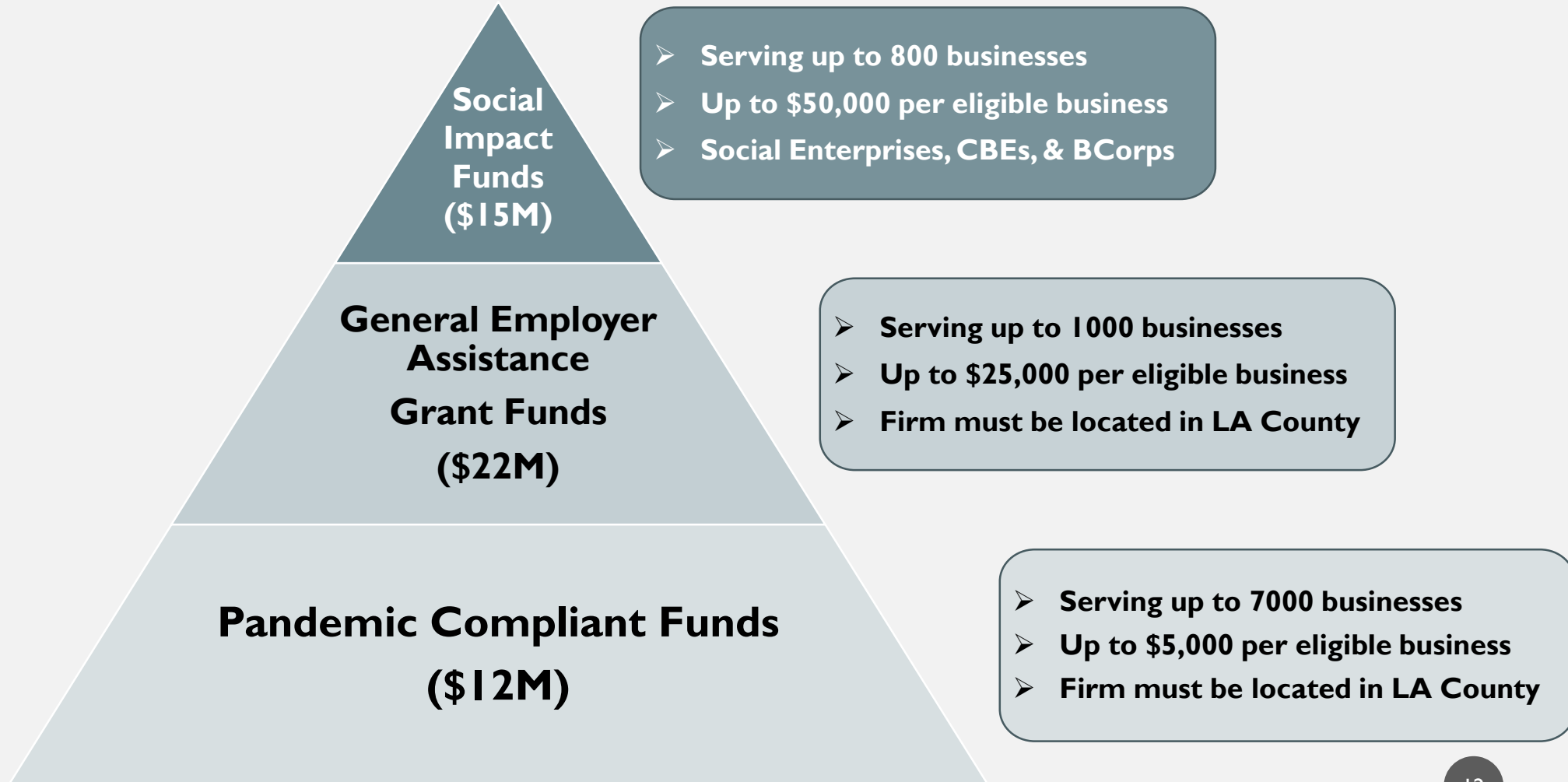
In response to the feedback received from targeted industries and businesses through the *LA County Works* initiative, WDACS' proposal will prioritize the following CARES Act funding-eligible areas in awarding grants:

- ✓ **Employee safety**
- ✓ **Business Continuity**
- ✓ **Employee Layoff Aversion and Re-engagement**
- ✓ **Child Care**

WDACS estimates serving up to **10,000 businesses** through these efforts.

Funding Category	Amount	Purpose
Employer Assistance Grant	\$12M	<p>Pandemic Compliance Efforts (To serve up to 7,000 businesses)</p> <ul style="list-style-type: none"> Worker Safety/Worker Protection, COVID testing, property modifications to comply with safety guidelines. WDACS will provide up to \$5,000 to 2000 – 3000 businesses. Distribute PPE to approximately 4000 local businesses on WDACS/DCBA/LACDA’s list of businesses in-need of grant funding.
	\$37M	<p>Business Continuity (To serve up to 1000 businesses)</p> <p>To facilitate a return to business by funding additional liability insurance, mortgage and rent, payroll expenses, inventory, working capital, and utilities. Between \$25,000 and \$50,000 to serve businesses and non-profit organizations.</p>
Employee Layoff Aversion & Rapid Reemployment	\$7M	<p>Employee Layoff Aversion and Rapid Reemployment (To serve up to 1000 businesses and workers)</p> <ul style="list-style-type: none"> In partnership with LAEDC, WDACS will work with businesses to avoid layoffs & closure as well as assist in strategic planning. WDACS will also serve individuals that have lost their job or have been furloughed due to COVID-19 through subsidizing wages Temporary Transitional Jobs.
Administration	\$4M	Administration of grants
Total	\$60M	

EAG FUND AWARD SUBCATEGORIES (\$49M)



LAYOFF AVERSION AND RAPID REEMPLOYMENT (\$7M)

- **Will serve up to 1000 businesses and workers**
- **\$1M in Layoff Aversion:** Provide technical assistance including business restructuring, access to capital, counseling, and customized strategic planning to ensure businesses grow and thrive in LA County. Further, to address the business need for outreach and education on the dynamic Public Health orders, WDACS and partners will launch a “Safer at Work” public education and outreach campaign and will convene industry leaders on a quarterly basis.
- **\$6M in Rapid Reemployment:** through the Pandemic Relief Employment Program (PREP)
 - Rapid Re-employment of County constituents that have lost their job or have been furloughed due to COVID-19 through Transitional Jobs.
 - All assignments will assist with the County’s Humanitarian direct COVID-19 relief efforts, while receiving fully subsidized wages.

QUESTIONS