

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the acceptance and allocation of \$800,000 in dislocated worker additional assistance to provide re-employment services to workers dislocated from the Hyatt Regency Century Plaza Hotel.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, Economic and Workforce Development Department (EWDD), or designee, to accept on behalf of the City \$800,000 in Dislocated Worker Additional Assistance Workforce Innovation and Opportunity Act (WIOA) funds from the State of California Employment Development Department (EDD) and enter into an agreement with the EDD for a fourteen-month term (May 1, 2016 through June 30, 2017) to provide training and re-employment services to 145 workers displaced by the closure of the Hyatt Regency Century Plaza Hotel on March 1, 2016.
2. AUTHORIZE the General Manager, EWDD, or designee, to enter into an agreement with Arbor E&T/Rescare, operator of the Boyle Heights/East Los Angeles WorkSource Center, in an amount not to exceed \$725,481 to provide training and re-employment services to 145 workers displaced from the Hyatt Regency Century Plaza hotel, for a contract term of 12 months, July 1, 2016 through June 30, 2017.
3. AUTHORIZE the Controller to:

a. Establish a receivable within WIOA Fund No. 57W from the EDD for \$800,000.

b. Establish new accounts within WIOA Fund No. 57W and appropriate as follows:

<u>Account:</u>	<u>Title:</u>	<u>Amount:</u>
22N122	Economic and Workforce Development	\$50,781
22N299	Reimbursement of General Fund Costs	23,738
22N535	Hyatt Regency Dislocated Worker Project	725,481
	Total:	\$800,00

c. Increase appropriations within Fund No. 100/22 as follows:

<u>Account:</u>	<u>Title:</u>	<u>Amount:</u>
1010	Salaries- General	\$44,644
1070	Salaries- As Needed	93
1090	Overtime	5
2120	Printing and Binding	4
2130	Travel	10
3040	Contractual Services	964
6010	Office and Administration	298
6030	Leasing	4,763
	Total:	\$50,781

4. AUTHORIZE the General Manager, EWDD, or designee, to prepare Controller instructions for any necessary technical adjustments, subject to the approval of the City Administrative Officer; and REQUEST the Controller to implement the instructions.

Fiscal Impact Statement: The EWDD and Workforce Development Board (WDB) report that there is no negative financial impact on the City's General Fund, as all items are funded by WIOA funds. The recommendations contained in the August 16, 2016 Joint EWDD and WDB report, attached to the Council file, comply with City financial policies and provide full-cost recovery of EWDD salaries, expenses, and all other related costs.

Community Impact Statement: None submitted.

Summary:

On September 13, 2016, your Committee considered an August 16, 2016 Joint EWDD/WDB report relative to the acceptance and allocation of \$800,000 in dislocated worker additional assistance to provide re-employment services to workers dislocated from the Hyatt Regency Century Plaza Hotel. According to the EWDD/WDB, the Hyatt Regency Century Plaza Hotel, located at 2015 Avenue of the Stars, Los Angeles, CA 90067, was built by the famed architect Minoru Yamasaki and opened in 1966. Years of hosting high-profile events and general wear and tear took its toll on this iconic hotel, and a \$2.5 billion redevelopment of the property is now planned. It includes the preservation and transformation of the original hotel building into a smaller five-star hotel (with a decrease in the number of rooms from 726 to 394), the construction of new 46-story twin residential towers containing 290 luxury residences, and the addition of retail space. Completion of the project is expected in 2018.

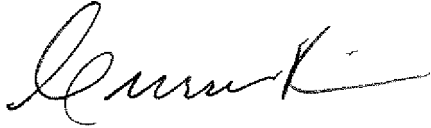
In preparation for demolition and new construction, the hotel was closed on March 1, 2016 and 884 workers, primarily non-English speaking/limited skilled, were laid off. Most of the affected workers are union members of UNITE HERE Local 11, SEIU Local 1877, IUOE. Local 501, and Painters and Allied Trade, District Council 36. Upon notification of the pending displacements in December 2015, the EWDD's Rapid Response unit conducted orientations for the hotel workers, informing them of their layoff rights and options and referring them to the City's WorkSource Centers. The Workforce Development Board also allocated \$200,000 of unexpended WIOA funds to Arbor E&T/Rescare, operator of the City's Boyle Heights/East Los Angeles WorkSource Center, to provide re-employment services to the workers.

A total of 226 of the 884 workers have since been enrolled into WIOA and received workforce/career services to date, including 35 currently undergoing training. Additionally, 30 workers have secured replacement employment. On April 19, 2016, the EWDD successfully solicited \$800,000 in Dislocated Worker Additional Assistance WIOA funds from the EDD for job training and other enhanced workforce development assistance for 145 of the remaining workers, both union and non-union. These funds will be allocated to Arbor E&T / Rescare on a sole-source basis. UNITE HERE Local 11 will act as a subcontractor for service delivery to the UNITE HERE workers. All enrollees under this grant will receive vocational training in high-growth industry sectors to improve their employment outcomes and to ensure that they obtain and retain employment. An array of training and supportive services, including Limited English Proficiency training, and assessments for basic skills, career interests, and transferable skills, will be offered to them, as well.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations as contained in the August 16, 2016 Joint EWDD/WDB report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	YES
HARRIS-DAWSON:	YES
KREKORIAN:	YES
O'FARRELL:	YES

ARL
9/13/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-