

CITY OF LOS ANGELES

CALIFORNIA

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GENERAL MANAGER



ERIC GARCETTI
MAYOR

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

December 4, 2017

Council File:
Council District Nos.: All
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The Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall

Attention: Mandy Morales, Legislative Coordinator

TRANSMITTAL: AUTHORIZE THE ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT (EWDD) TO ACCESS \$1,000,000 OF EARMARKED UNAPPROPRIATED BALANCE (UB) FUNDS FROM THE 2017-18 BUDGET FOR IMPLEMENTATION OF THE LOS ANGELES REGIONAL INITIATIVE FOR SOCIAL ENTERPRISE (LA:RISE) 3.0 PROGRAM DESIGNED TO PROVIDE TRANSITIONAL EMPLOYMENT AND JOB PLACEMENT SERVICES TO INDIVIDUALS EXPERIENCING HOMELESSNESS

RECOMMENDATIONS

The General Manager of the Economic and Workforce Development Department (EWDD), respectfully request that the Mayor and City Council:

1. AUTHORIZE the General Manager, EWDD, or designee, to accept \$1,000,000 of earmarked Unappropriated Balance (UB) funds from the 2017-18 Adopted Budget to fully implement the expansion of the Los Angeles Regional Initiative for Social Enterprise (LA:RISE) program. The Department had previously accepted \$1,000,000 in City General City Purposes Funds (GCP) through the Year 18 Workforce Development Board Annual Plan for LA:RISE;
2. AUTHORIZE the Controller to transfer \$1,000,000 cash from the City Unappropriated Balance Fund No. 100/58 to the LA RISE-City GF Homeless Program Fund No. 10C.
3. AUTHORIZE the General Manager, EWDD, or designee, to prepare Controller's instructions for any necessary technical adjustments, subject to review by the City Administrative Officer; and direct the Controller to implement the instructions.

FISCAL IMPACT STATEMENT

All recommendations in this transmittal will have no negative financial impact on the City General Fund, inasmuch as the LA:RISE funds were previously allocated to this program.

SUMMARY

Pursuant to the adoption of the Mayor's 2017-18 Budget, the EWDD was allocated funding to continue and expand the LA:RISE program, referred to as "LA:RISE 3.0." The EWDD had requested \$2 million to serve 300 participants in its budget request. However, the adopted budget provided \$1 million in GCP funds for the first six months, and an additional \$1 million in earmarked Unappropriated Balance (UB) funds for the remaining six months, contingent on meeting performance targets (see Metrics and Performance Summary Table on Page 4).

BACKGROUND

LA:RISE is building a pathway from unemployment, to transitional (subsidized) employment at a social enterprise, to permanent (unsubsidized) work for individuals who have been previously homeless or incarcerated. Social enterprises are competitive, revenue-generating businesses with a clear social mission to hire and train people who are striving to overcome employment barriers. Social enterprises provide real, paying jobs and wraparound services that help employees stabilize their lives, build their skills, and succeed. When employees are ready, social enterprises help them find lasting, competitive jobs; and because social enterprises reinvest their profits back into their businesses so they can help more people, they require less outside funding and are more sustainable.

Under the LA:RISE model, social enterprises and workforce agencies work together to better prepare individuals both professionally and personally by providing paid work experience and personal supports such as housing, transportation, and legal services. By co-enrolling individuals into WIOA (which provides workforce services using federal funding), LA:RISE is able to leverage funds and work more efficiently.

Since 2014, thanks to its early success, LA:RISE has grown from a \$6.0 million pilot project, funded by the U.S. Department of Labor, to a nearly \$13 million program over three-years with diverse funding sources. LA:RISE is now funded locally by City General Fund, and LA County Measure H workforce funding.

Below is a summary of the funding and performance goals to date:

- Five-year (2014 to 2019) \$6,000,000 demonstration project funded by the Department of Labor's Workforce Innovation Fund to recruit 1,000 study participants and provide 500 with services.
- PY 16/17, \$2,000,000 in City General Funds to provide services to 275 participants, including Pilot program to provide 50 individuals with rapid re-

housing and employment services in Council District's 2 and 8, and to recruit 50 individuals directly from Skid Row community.

- PY 17/18, \$1,000,000 in City General Funds, and \$1,000,000 of Unappropriated Balance Funds to provide services to 300 participants - contingent on performance targets.
- PY 17/18, \$3,000,000 in County Measure H Funds to serve 400 participants.

LA:RISE PROGRAM UPDATES

Recognizing that unemployment and homelessness go hand in hand, on October 18, 2016, Councilmembers Krekorian and Harris-Dawson introduced a Motion (C.F. 16-1178) instructing the EWDD and the Los Angeles Homeless Services Authority (LAHSA) to report to the City Council on creating a pilot program that combines rapid rehousing and transitional social enterprise jobs through the LA:RISE for individuals who are homeless in the San Fernando Valley and South Los Angeles. The Homelessness and Poverty Committee approved the implementation of the pilot through a joint report by EWDD and LAHSA, dated November 4, 2016. The LA:RISE housing pilot is being recommended by EWDD for another year with improvements to the program design. An evaluation report back from EWDD dated November 14, 2017 was referred to the Economic Development Committee and the Homelessness and Poverty Committee on November 16, 2017. On November 28, 2017, the report was approved by the Economic Development Committee, and the Council File transmitted to the Homelessness and Poverty Committee.

The LA:RISE program has partnered with the Skid Row Personal Hygiene Center that launched in October 2017, to provide facilities maintenance by LA:RISE program participants that are supplied by Goodwill Industries. The Skid Row Personal Hygiene Center is a demonstration project that includes stationary mobile showers, toilets, and laundry. The initial phase includes a trailer with 6 toilets and 6 showers. These amenities require cleaning after each use, creating several onsite maintenance positions. This demonstration project will also be replicated in other communities, creating an opportunity for more employment positions coming online over the next few years.

On Thursday, December 7, 2017, at City Hall, the Mayor, and colleagues from City Council and the Los Angeles County Board of Supervisors, in partnership with LA:RISE, United Way - Home For Good, and LAHSA, are hosting the first of four countywide job fairs to recruit for vacant positions with LAHSA homeless service provider agencies. These job fairs are designed to increase the capacity of the homelessness service provider agencies with the best talent to serve our over 57,000 residents experiencing homelessness in the County of Los Angeles.

Per Mayor Garcetti's Executive Directive No. 15: Equitable Workforce and Service Restoration, the EWDD through its LA:RISE program continues its partnership with the City's Personnel Department to serve as a pipeline to supply participants with lived experience for consideration for City civil service positions through the Targeted Local Hire work program. As of October 31, 2017, a total of 801 applications of individuals

identified under the category of homeless have been referred out of a total of 3,464 total applications received. The EWDD will track placements of LA:RISE participants that are hired into City jobs.

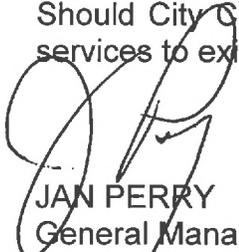
LA:RISE 3.0 PERFORMANCE and NEED for UB FUNDING

The LA:RISE 3.0 program has established the goal of serving at least 300 homeless individuals to provide transitional subsidized work experience that will lead to permanent unsubsidized employment. The table below summarizes performance through October 31, 2017.

Metrics and Performance Summary

Metric	Annual Goal	6-Month Goal	Actual	% of 6-Month Goal
Number of participants enrolled	300	150	198	132%
Number of participants placed in <u>subsidized</u> transitional job	300	150	198	132%
Number of participants co-enrolled in WIOA	210	105	150	143%
Number of participants placed in <u>unsubsidized</u> bridge or competitive employment	150	50	20	40%

Based on the current performance illustrated above, EWDD is exceeding its 6-month performance goals, and corresponding expenditures are on-track to be fully expended. As a result, the Department is requesting that City Council authorize the transfer of UB funds earmarked for LA:RISE 3.0 to EWDD to continue funding for program services. Should City Council not approve the UB additional allocation, enrollment and program services to existing participants will be significantly impacted after January 1, 2018.



JAN PERRY
General Manager

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