

City of Los Angeles
CALIFORNIA

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Council File No.: 18-0628
Council District Nos.: All
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Homelessness and Poverty Committee
Los Angeles City Council
City Clerk
Room 395, City Hall

**COMMITTEE TRANSMITTAL: REPORT BACK FROM THE ECONOMIC AND
WORKFORCE DEVELOPMENT DEPARTMENT (EWDD) WITH
RECOMMENDATIONS TO IMPLEMENT A LOOSE LITTER CLEANUP PILOT
PROGRAM ALIGNED WITH LA:RISE**

RECOMMENDATIONS

The Interim General Manager of EWDD respectfully requests that the City Council, subject to the approval of the Mayor as required:

1. ADOPT the City Administrative Officer (CAO) report (CF 17-1121) approving the framework of the pilot program with additional design modifications discussed below;
2. CONSIDER the following options:
 - a. AUTHORIZE the transfer of \$2.575 million from funds identified by the CAO to the Los Angeles Sanitation and Environment's (LASAN) Contractual Services Account to implement the program for 300 unduplicated homeless individuals in Council Districts 8, 9, 15; **or**
 - b. AUTHORIZE the transfer of \$1.369 million from funds identified by the CAO to the LASAN's Contractual Services Account to implement the program for 150 unduplicated homeless individuals in Council Districts 9 and 15; **or**
 - c. AUTHORIZE the transfer of \$632,415 from funds identified by the CAO to the LASAN's Contractual Services Account to implement the program for 60 unduplicated homeless individuals in Council Districts 9 and 15.

3. INSTRUCT the LASAN to execute and administer a contract with Chrysalis to implement the pilot program, as selected by Council, allowing LASAN to use the procurement conducted by EWDD for workforce services under the LA:RISE initiative, subject to City Attorney approval as to form and legality; and
4. INSTRUCT the LASAN and the EWDD to report back in six months from date of implementation of the pilot program with results and recommendations moving forward.

FISCAL IMPACT

The recommendation to approve funding for this pilot program has been identified by the CAO, and the Fiscal Impact would vary, based on the option(s) chosen and the source of funds.

BACKGROUND

On September 29, 2017, City Council introduced a motion (Buscaino-Blumenfield-Martinez) as CF 17-1121 to determine the feasibility of developing a pilot program that would employ homeless individuals to perform loose litter cleanups and weed abatement.

A comprehensive CAO report on this motion, dated December 6, 2018, was issued (CF 17-1121) which summarized the previous Committee recommendations and analysis.

On December 20, 2018, the Homeless Strategy Committee instructed the EWDD to report back with recommendations to implement a loose litter cleanup pilot program aligned with the LA:RISE model to serve homeless and formerly homeless individuals. EWDD was asked to review the program design to ensure it aligns with the Targeted Local Hire efforts, and to recommend specific geographic areas to implement the program.

DISCUSSION

The Homeless Jobs Pilot program under LASAN aims to provide part-time transitional jobs to unique individuals currently, or formerly, experiencing homelessness in Los Angeles each year. The goal of the pilot program options, in addition to cleaning City sidewalks, curbs and alleyways, is to assist participants in securing full-time, competitive employment, which would enable them to get on a pathway to self-sufficiency. The program can be scaled from 300 individuals, down to 150 or 60 individuals, depending on the option selected by Council. It should be noted that it is not efficient to go any lower than 60 individuals for this pilot effort, given the fixed costs of the equipment, supervision, and start-up. As listed as options in the Recommendation section of this transmittal, EWDD recommends establishing the pilot for the first year in CD 8, 9, and 15 (or other geographic option selected by Council), with the goal to expand in the following year to three additional sites. In addition to the Skid Row community of the City, these areas are disproportionately impacted by a high level of homelessness and unemployment. Efforts to launch this initiative Citywide at the outset may prove difficult without a substantial investment from the City. As envisioned

currently, the pilot initiative could be incorporated into the LA:RISE program provided additional resources are made available to provide case management and transitional employment services.

Individuals recruited for this program, like the LA:RISE target population, would not necessarily be ready or able to commit to full-time employment at the outset of the program. This is particularly true for individuals who have been out of the workforce for long-periods of time; who are still securing stable housing; participating in rehabilitation treatments; or who are transitioning from long-periods of confinement. Nevertheless, through participation in this program, these individuals would be placed onto a pathway leading to full-time, competitive employment.

Chrysalis Partnership

Chrysalis is a major partner of LA:RISE, and through its social enterprise, Chrysalis would place individuals going through this pilot exclusively to work on street clean up and weed abatement. The subsidized employment through Chrysalis would lead to a career pathway in maintenance, landscaping, street cleaning, and related professions.

In addition to the subsidized transitional jobs, Chrysalis would provide all participants with an assigned personal advocate (an Employment Specialist). The Employment Specialist would use a series of assessment tools and one-on-one meetings to measure job readiness, develop an individualized service plan, provide a range of supportive services, and guide clients through the three stages of the Chrysalis program – getting ready for a job, finding a job, and retaining that job.

Chrysalis' core job readiness curriculum provides information and resources to empower clients to conduct their own job search, and includes topics such as:

- where to look for a job,
- how to create a resume,
- interviewing skills,
- addressing felony convictions on a job search, and
- professionalism.

Staff from Chrysalis also work with clients to help them create resumes, prepare for interviews, and use technology to find and apply for jobs. Chrysalis offers client services such as case management and supplemental supports (including interview clothing, transportation assistance, food, computers, phones and voicemail, and a mailing address). Through partnerships, Chrysalis clients also have access to housing assistance, on-site mental health support, and legal assistance. In addition, Chrysalis provides scholarships to help clients access external trainings, certifications, and tools that will help them in their job search. Finally, once working, ongoing support groups and outreach efforts help clients in their employment retention.

Targeted Local Hire

Chrysalis is also currently an active referral partner in the City of Los Angeles' Targeted Local Hire (TLH) program. The positions proposed in this pilot are temporary and transitional in nature and are intended to go to individuals currently, or formerly,

experiencing homelessness, with the subsidized jobs serving as a stepping stone to full-time, permanent employment. All participants in the pilot program with LASAN will be encouraged and supported by their Employment Specialist to submit an application into the TLH applicant pool. Chrysalis will work with TLH Program staff to best streamline the process and fully align the Pilot as an entry point with the TLH Program.

Individuals completing this pilot program will be prepared for the interview process, will be competitive in the applicant pool, will have access to retention services, and will be exposed to other full-time job opportunities.

Alignment with LA:RISE

While the pilot program is not directly enrolling individuals into LA:RISE, since Chrysalis is also currently a service provider with the City and County of Los Angeles via the LA:RISE employment program, all participants will have access to Chrysalis’ suite of supports, which are all in close alignment with LA:RISE program components. LA:RISE has a similar target group but the subsidized employment is related to social enterprises in several other career pathways including retail, hospitality, facility maintenance, and construction.

Updated Budget

The overall budget for this pilot was reduced by making some minor adjustments to vehicles and equipment, and reducing the average work crew members per day to 4.5, down from 5 in the previous budget. The average cost for each participant will be \$8,500, with participant wages and costs accounting for over 75 percent of the total.

The January 14, 2019 Budget Proposal on the next page illustrates Recommendation 2a, which would set aside \$2.575 million dollars for start up costs (\$37,694) and ongoing monthly costs (\$2,537,849 annually). This budget includes both program and administrative costs (a modest 8% of labor costs) and would provide six crews, consisting of a supervisor and between four and five transitional employees, working 40 hours per week. Over a period of four to five weeks, each individual would work in a subsidized position for 172 hours. Similarly, the other two options would require \$1.369 million dollars and \$632,415 to be set aside, respectively.

Comparison of Recommendations				
	Initial Setup	Ongoing Monthly	Ongoing Yearly	Total
300 Individuals	\$ 37,694	\$ 211,487	\$ 2,537,849	\$ 2,575,543
150 Individuals	\$ 22,457	\$ 112,292	\$ 1,347,502	\$ 1,369,958
60 Individuals	\$ 12,478	\$ 51,661	\$ 619,936	\$ 632,415

Budget Proposal

as of January 14, 2019

Initial Setup & Buildout Expenses	\$ 37,693.88
Monthly Operating Expenses	\$ 212,915.20
Initial Setup (June 2019) & Ongoing Operating Budget (July 2019 - June 2020)	\$ 2,592,676.22

# of crews	6
Workers/crew	4.5
Supervisors/crew	1

Initial Setup Budget				
Labor	Hours/Day	# Days	Bill Rate	Total
Senior Operations Manager - Project Launch	8	5	\$ 55.27	\$ 2,210.91
Operations Manager - Project Launch	8	5	\$ 36.61	\$ 1,464.49
Supervisors - Project Launch	48	2	\$ 32.65	\$ 3,134.40
Administrative Fee (8% of Labor)				\$ 544.78
Operating & Administrative Setup				
	Qty		Rate	Total
Vehicle Initial Setup (lights, logos, hazard striping, GPS, first aid kits)	6		\$ 3,089.05	\$ 18,534.30
Cell Phones	6		\$ 275.00	\$ 1,650.00
Uniforms (boots, pants, shirts, safety vest, belt, socks)	33		\$ 135.00	\$ 4,455.00
Initial Equipment (brooms, scrapers, sharps containers, heavy duty shovels, etc.)	6		\$ 850.00	\$ 5,100.00
Initial Supplies (clipboards, pens, binders, etc.)	6		\$ 100.00	\$ 600.00
INITIAL SETUP TOTAL				\$ 37,693.88

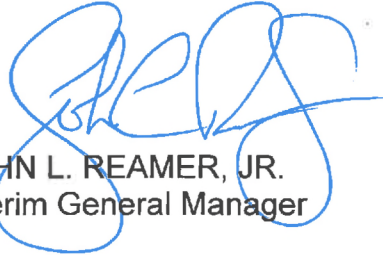
Monthly Ongoing Operating Budget				
Labor	Hours/Week	# Weeks	Bill Rate	Total
Supervisors	240	4.3	\$ 32.65	\$ 33,952.42
Workers	1080	4.3	\$ 25.54	\$ 119,530.09
Operations Manager	40	4.3	\$ 36.61	\$ 6,346.12
Employment Program Manager	40	4.3	\$ 36.61	\$ 6,346.12
Program Administrator	40	4.3	\$ 32.81	\$ 5,686.94
Administrative Fee (8% of Labor)				\$ 13,748.94
Vehicles				
	Qty		Rate	Total
Leasing and Maintenance	6		\$ 2,465.76	\$ 14,794.56
Fuel	6		\$ 1,100.00	\$ 6,600.00
Supplies & Equipment				
	Qty		Rate	Total
Cleaning equip. & supplies	6		\$ 600.00	\$ 3,600.00
Drinking water	6		\$ 60.00	\$ 360.00
Liners	6		\$ 150.00	\$ 900.00
Cell Phone Service	6		\$ 75.00	\$ 450.00
Uniforms	6		\$ 100.00	\$ 600.00
ONGOING MONTHLY TOTAL				\$ 212,915.20
ONGOING TOTAL (July 2019 - June 2020)				\$ 2,554,982.35

Depending on the resources available, the program can be rolled out in phases throughout the city or fiscal year. Since the vast majority of the funding is wages for participants, the ultimate size of the pilot is dependent on the resources available.

RECOMMENDED PROGRAM MODIFICATIONS

1. Explicitly state this is a complimentary program for transitional subsidized employment for 300 unique individuals (or other option selected) with a goal of full time non-subsidized employment.
2. Utilize the CalJobs generic module or other system to capture client program information and outcomes for the project. Chrysalis currently utilizes Cal Jobs system for LA:RISE.

3. Strongly encourage all participants to use the City's WorkSource Centers to enroll in the City's "Targeted Local Hire," Metro's WIN-LA, and any other entry level career path employment opportunity.



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