

**CITY OF LOS ANGELES**  
CALIFORNIA



Workforce **Development** Board  
City of *Los Angeles*

CHARLES WOO  
CHAIR



ERIC GARCETTI  
MAYOR



Economic and Workforce  
Development Department  
JOHN L. REAMER, JR.  
INTERIM GENERAL MANAGER

December 12, 2019

Council File: 19-1309  
Council District Nos.: All  
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The Honorable Eric Garcetti  
Mayor, City of Los Angeles  
Room 303, City Hall

City Council  
c/o City Clerk  
Room 395, City Hall

Attention: Heleen Ramirez, Legislative Coordinator

**REPORT BACK: STATUS UPDATE ON THE TRANSITION OF YOUTH POLICY INSTITUTE (YPI) PROGRAMS AND RECOMMENDATIONS FROM THE ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT (EWDD) REGARDING COUNCIL AUTHORITIES REQUIRED TO IMPLEMENT THE TRANSITION**

**RECOMMENDATIONS**

The Interim General Manager of the Economic and Workforce Development Department (EWDD) and the Chair of the Los Angeles Workforce Development Board (WDB) respectfully requests that the City Council, subject to approval of the Mayor, as required:

1. CONFIRM the Workforce Development Board's (WDB) approval of EWDD's recommendations related to the selection of Replacement Operators for programs operated by Youth Policy Institute (YPI) (Table 1);
2. CONFIRM EWDD to amend agreements set forth in Table 2, retroactive to November 1, 2019 through June 30, 2020;
3. INSTRUCT General Services Department (GSD) to negotiate and execute a lease agreement with El Proyecto del Barrio to operate (EPDB) a YouthSource Center (YSC) at the City-owned facility located at 11844 Glenoaks Blvd., San Fernando, CA 91340, replacing YPI, the previous operator, under the same terms and conditions; and
4. INSTRUCT GSD to negotiate a license agreement with Instituto de Educacion Popular del Sur de California (IDEPSCA) to operate a Day Laborer Center located at 8250 N. Balboa Place, Van Nuys, CA 91406, replacing YPI, the previous operator, under the same terms and conditions.

This WIOA Title I financially assisted program or activity is an equal opportunity employer/program.  
Auxiliary aids and services are available upon request to individuals with disabilities.

**FISCAL IMPACT STATEMENT**

There is no financial impact on the City General Fund as a result of these actions. City General Funds included in this report have been identified in the adopted Fiscal Year 2019-20 Budget.

**BACKGROUND**

On October 24, 2019, EWDD was notified via email by YPI staff that effective October 25, 2019, the organization could no longer continue to operate any of its City funded programs. On October 25, 2019, all YPI employees received their final paycheck and were notified that they were being laid off.

This transmittal has been prepared in response to CF 19-1309 Motion (Rodriguez-Martinez) dated 10-25-19 and amending Motion (Rodriguez-Busciano) dated 11-5-19, which were adopted at Council on 11-5-19 and requested that replacement operators be named and that EWDD report back on the impact of the closures to clients, YPI staff and the YPI affiliated Promise Zone.

**SUMMARY**

The table below summarizes the impact of YPI's closure on the City's Workforce Development System (WDS) and its participants. As illustrated below, at the time of its closure, YPI operated five WDS programs with more than 1,000 enrolled participants.

**Table 1: YPI Programs (PY 2019-20)**

No.	Program	Region	Funding	Enrolled Participants	
				WSC/YSC/ DL	Work-Exp
1a.	WorkSource Center	Northeast San Fernando Valley / Pacoima (NESFV)	\$1,292,688	428	0
1b.	LARCA 2.0	Northeast San Fernando Valley / Pacoima (NESFV)	\$330,000	3	0
2.	YouthSource Center	North Valley / Pacoima (North Valley)	\$1,154,205	167	72
3.	YouthSource Center	Central LA / Pico Union (Central)	\$1,199,565	172	132
4.	Day Labor Center	Van Nuys	\$173,443	317	0
5.	Day Labor Center	North Hollywood	\$173,443	0	0
6.	<b>Total</b>		<b>\$4,323,344</b>	<b>1,086</b>	<b>204</b>

Upon notification of the pending closure, EWDD activated its Rapid Response teams to collect fiscal and/or participant files and to notify impacted employees of services available through the workforce system as well as rights under to the Worker Retention Ordinance. Due to the limited planning time, EWDD focused its rapid response activities on three primary programs, the two YouthSource Centers and one WorkSource Center.

### Impacted Employees

YPI's closure impacted 910 employees, including an estimated 300 full-time and 610 part-time employees. Because the EWDD did not have sufficient time to work with YPI's Human Resources team prior to closure, we did not receive an official staffing figure.

EWDD was notified that employees were not paid for wages earned during their last week of employment. As a result, EWDD has been working with both the City's Bureau of Contract Administration (BCA) and the State's Department of Industrial Relations (DIR) to provide relief for lost wages. DIR was also considering filing a claim on behalf of all impacted employees in the bankruptcy proceedings on December 11, 2019.

## **DISCUSSION**

### Replacement Operators

At the time of procurement, the Workforce Development Board (WDB) and City Council authorized EWDD to create a Replacement Operator List, in the event that a service provider could no longer continue to provide respective services. On October 25<sup>th</sup>, within 24-hours of receiving notification of YPI's closure, EWDD issued a Request for Interest (RFI) to service providers included in the YouthSource and WorkSource Center Replacement Operator Lists. The RFI solicited interest from service providers to assume operations for the Northeast San Fernando Valley (NESFV) WorkSource Center, the Central Los Angeles / Pico Union YouthSource Center and the North Valley / Pacoima YouthSource Center. Replacement Operators responsibilities included 1) assuming responsibilities for a service center, 2) resuming on-going services for active participants, and 3) making job offers to existing staff eligible under the City's Worker Retention Ordinance.

Letters of Interest were reviewed by EWDD staff and evaluated based on the service provider's experience in serving impacted communities and performance in the most recent program year. EWDD's recommendations, listed in Table 2 below, were submitted to the Workforce Development Board (WDB) for approval on November 1, 2019. The WDB approved EWDD's recommendations, subject to a five-day reconsideration period, in which all service providers were given an opportunity to request a reconsideration of the Department's recommendation. The recommendations remain in effect through the end of the respective program's procurement cycle. No material issues were raised by the five-day reconsideration period deadline and the EWDD has proceeded with its implementation of the selected replacement operators.

The Day Labor (DL) program did not include a similar Replacement Operator List at the time of procurement. However, EWDD is in the process of releasing a Request for



Proposals (RFP) to reprocur the DL program, with new contracts beginning July 1, 2020. As a result, EWDD recommends contracting with IDEPSCA, a current DL operated to complete the current program year for the Van Nuys site. IDEPSCA was selected due to its capacity to operate an additional site. EWDD recommends maintaining the North Hollywood site closed until the new procurement is completed.

**Table 2: Replacement Operators**

No.	Program	Region	Replacement Operator	Total Funding (Up To)
1a.	WorkSource	NESFV	Goodwill Industries	\$1,250,000
1b.	LARCA 2.0	NESFV	Goodwill Industries	\$330,000
2.	YouthSource	North Valley	El Proyecto del Barrio	\$887,750
3.	YouthSource	Central	Catholic Charities	\$887,750
4.	Day Labor	Van Nuys	IDEPSCA	\$115,617
5.	Day Labor	North Hollywood	N/A	\$0

Status of Programs

**Northeast San Fernando Valley / Pacoima WorkSource Center**

The NESFV WorkSource Center (WSC) resumed operations on November 14, 2019. Due to necessary approvals related to the Valley Economic Development Corporation (VEDC) bankruptcy, Goodwill Industries was required to identify an alternate site. The WSC will be temporarily located at the address listed below until a permanent location is identified by Goodwill. Impacted participants have also been contacted and made aware of the resumption of services.

**Address:** 12502 Van Nuys Blvd  
Pacoima CA, 91331

**Tel Number:** (818) 482-1754

**North San Fernando Valley / Pacoima YouthSource Center**

The North San Fernando Valley / Pacoima YouthSource Center resumed limited operations on October 30, 2019. Due to the availability of a City-owned facility, EWDD temporarily reassigned staff from its City-operated YouthSource Centers to provide limited services. El Proyecto del Barrio (EPDB) assumed operations at the Jeopardy Building location on November 1, 2019, using existing EPDB staff to provide youth services. All YouthSource participants have also been contacted by EWDD regarding the resumption of services.

**Location:** 11844 Glenoaks Blvd  
San Fernando CA, 91340

**Tel Number:** (818) 264-1812

### **Central Los Angeles / Pico Union YouthSource Center**

The Central Los Angeles YouthSource Center resumed operations on November 22, 2019. Due to the formal eviction of YPI from their former facility, the site was not immediately available to resume services. Archdiocesan Youth Employment of Catholic Charities of Los Angeles (AYE) has identified the City-owned facility, operated by Central City Neighborhood Partners (CCNP) as a temporary service location until a permanent location is identified. All YouthSource participants have also been contacted by EWDD regarding the resumption of services.

**Location:** 501 S. Bixel St  
Los Angeles CA, 90017

**Tel Number:** (213) 482-8618

### **Van Nuys Day Laborer Center**

EWDD is working with IDEPSCA to assume operations at the Van Nuys Day Laborer Center. EWDD anticipates resumption of services on December 16, 2019.

### **North Hollywood Day Laborer Center**

The North Hollywood Day Laborer Center has been closed due to ongoing construction. The site is scheduled to remain closed until a new service provider is selected through a Request for Proposals. Anticipated start date will be May 1, 2020.

### Youth Policy Institute Employees

Of the total 910 employees impacted by YPI's closure, EWDD has confirmed that 450 were retained by Think Together, a non-profit organization that assumed YPI after-school programs in the LA Region. An additional 51 individuals were funded fully or in part by EWDD programs. This figure includes staff primarily working under EWDD contracts as well as those working under non-EWDD contracts operated by YPI. Only 23 of these employees were covered by the Worker Retention Ordinance (WRO). However, agencies were asked to consider interviewing all 51. As a result, a total of 30 have received job offers, with an additional 5 pending offers. A total of 19 have accepted offers.

**Table 3: Status of YPI Staff Re-Employed by Replacement Operators**

Program	*Total Number of Employees	Number Subject to WRO	Number Receiving Job Offer	Number Accepted Job Offer	Number Declined Job Offer	Number Pending
NESFV WSC	18	4	11	8	3	0
Central YSC	14	8	10	4	6	2
NE/Pacoima YSC	14	9	9	7	1	1
Van Nuys DL	2.5	2	0	0	0	2
North Hollywood DL	2.5	0	0	0	0	0
Total	51	23	30	19	10	5

\*Includes employees working on non-City grants

Rapid Response Activities

On November 7, 2019, EWDD organized a job fair to support YPI employees. Fifty-six (56) employers with open positions attended the event, along with over 100 YPI employees. Attendees were given the opportunity to interview with employers on-site as well as received information on filling for unemployment insurance and filing wage claims for wage theft and/or Living Wage Ordinance violations during the event. EWDD is still collecting data on the number of employees that received interviews and were hired. A survey to participants will be sent by EWDD the week of December 16th.

An Emergency Response session was also held on December 6, 2019, focusing on those participants experiencing financial difficulties due to the layoff. EWDD coordinated with the Housing and Community Investment Department (HCID) and community-based organizations to make financial resources available to individuals, including support with rent and/or utilities.

Efforts to Recover Lost Wages

EWDD has been in communication with both the California Department of Industrial Relations (DIR), which enforces wage theft claims for non-City funded contracts, and the Bureau of Contract Administration (BCA), which enforces the City's Living Wage Ordinance and wage theft claims.

BCA has reported that it has received 3 wage complaints related to the nonpayment of employees by the Youth Policy Institute. The department is working to ensure that all complainants are included in the City's wage claim that will be filed in bankruptcy court.

DIR is evaluating options available for employees that submitted complaints through the State. Further information on the total number of complaints received by DIR and next steps is forthcoming.

### Promise Zone

In consultation with the Mayor's Office, the following information was ascertained. The U.S. Department of Housing and Urban Development (HUD) awarded the City its first Promise Zone designation in 2014. HUD is the federal agency overseeing the implementation of the 10-year initiative for urban areas. HUD and the City outlined the roles and responsibilities of the Los Angeles Promise Zone (LAPZ) in a Designation Agreement (DA). The initiative's organizational structure is outlined in a written local agreement (MOU) between the City, YPI, and other key partners which was first established when HUD awarded the Promise Zone designation.

The City of Los Angeles is the Lead Agency for the Promise Zone per the Designation Agreement with HUD. As such, there ultimately should not be any impact on the Promise Zone designation. The Designation does not provide funds directly, but rather provides grant point preference for all federal grants to grant applications for programs within the Promise Zone. Youth Policy Institute (YPI) is identified in the MOU as the Lead Implementation Partner.

As lead agency, the City must fulfill the local administrative responsibilities and coordinate local efforts to enact the Promise Zone Plan. As Lead Implementation Partner, YPI shared responsibility with the City for day-to-day activities of the LAPZ. YPI had oversight of the AmeriCorps VISTA grant, the staffing of three working groups, and the broader implementation of the initiative's strategic plan. The former Executive Director of YPI also served as the Chair of the Leadership Council for the Promise Zone.

The City has formally requested approval from HUD to replace YPI as Lead Implementation Partner for the initiative. Once approval is received from HUD, the City will convene the Leadership Council and identify a new Lead Implementation partner.

YPI Federal grants in the LAPZ that were active at the time of closure are subject to the Federal Agency's discretion. The Department of Education is currently reviewing the feasibility of transferring two GEAR UP grants totaling \$29 million to another agency.

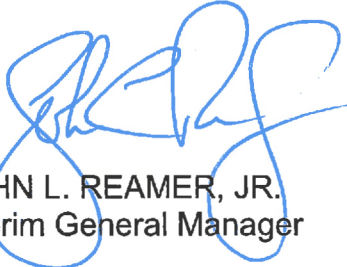
The following grants are also under review by the respective federal agency:

- Department of Justice - Community Based Crime Reduction (MacArthur Park) - \$1 million
- Department of Labor - Reentry Projects - \$1 million
- YPI's Promise Neighborhood Grant which served 6 schools within the LAPZ sunset in 2017. Promise Neighborhood is often confused with Promise Zone because they overlapped in both time period and name. YPI received a second Promise Neighborhood grant in 2016 worth \$30 million over 5 years. This grant served District schools in the southern areas of the LAPZ. The Department of Education is considering the potential to transfer of grant fund to another agency.



**WDB ACTION**

In compliance with the City of Los Angeles Workforce Development Board—Local Elected Official agreement (WDB-LEO), the acceptance and/or allocation of funds by the EWDD for any workforce development grant in excess of \$250,000 is subject to the approval of the WDB, the Mayor, and City Council. The WDB Executive Committee approved the recommendations contained herein on November 1, 2019.



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Interim General Manager

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CHARLES WOO, Chair  
Workforce Development Board