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Honorable Eric Garcetti
Mayor, City of Los Angeles
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Honorable Members of the City Council
City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Attention: Heleen Ramirez, Legislative Coordinator

Attention: Leyla Campos, Legislative Assistant

COUNCIL TRANSMITTAL: ACCEPT THE SUBSEQUENT ALLOCATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT FUNDS; AMEND THE PROGRAM YEAR 46 (2020-21) HOUSING AND COMMUNITY DEVELOPMENT CONSOLIDATED ACTION PLAN

SUMMARY

The Los Angeles Housing + Community Investment Department (HCIDLA) is respectfully requesting the Mayor and City Council review and approve the recommendations outlined in this transmittal. HCIDLA seeks approval to accept the second allocation of \$39,166,408 in Community Development Block Grant funding provided to the City through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and approve the budget and various contracts for the CDBG program. This change would amend the Program Year (PY) 46 (2020-21) Housing and Community Development Consolidated Action Plan (Con Plan).

RECOMMENDATIONS

I. That the City Council, subject to the approval of the Mayor:

- A. Accept the allocation of \$39,166,408 in CDBG funding provided to the City through the CARES Act (CDBG-CV).
- B. Authorize the General Manager of HCIDLA, or designee, to reprogram the amount of \$232,965 that was approved in the first allocation of CDBG-CV funding for use in the eligible activities to provide eligible activities to prepare, prevent and respond to the COVID-19 pandemic (as discussed in this transmittal).
- C. Authorize the General Manager of HCIDLA, or designee, to submit an amendment to the Con Plan for the 2020-21 program year to effectuate the intent of the actions in this report, after the public comment period ends.
- D. Direct HCIDLA, with the assistance of the Chief Legislative Analyst, and any other relevant departments, to prepare, negotiate and execute all necessary documents and take all necessary actions to effectuate the implementation of the CDBG-CV activities funded to prepare, prevent and respond to the COVID-19 pandemic as described herein. Said documents include but are not limited to Controller's instructions and contract authorities.
- E. Authorize the General Manager of HCIDLA, or designee, to prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with the intent of this action with the approval of the Chief Legislative Analyst and instruct the Controller to implement these instructions.

DISCUSSION

CDBG Formula CARES Act Funds

In early 2020, the novel coronavirus known as SARS-CoV-2, which results in the COVID-19 infection, reached the United States and triggered devastating nationwide impacts that have taken many forms, including significant ongoing health and socio-economic impacts. In an attempt to contain and slow the spread of the disease, the State of California, along with both the County and the City of Los Angeles, issued orders to socially distance and stay at home. The sudden freeze on many activities caused a massive economic downturn, in which many people lost their jobs and income. Subsequently, on March 27, 2020, the federal CARES Act was signed into law. This package included funding for the CDBG program (CDBG-CV), which is one of four entitlement grants the City receives from the U.S. Department of Housing and Urban Development (HUD) for housing and community development projects that primarily benefit low-income persons. As an entitlement, the CDBG program provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. Through the CARES Act, Congress provided \$5 billion in CDBG to states, metropolitan cities, urban counties, and insular areas. At least 70 percent of every grant must be expended for activities that benefit low- and moderate-income persons by providing housing, a permanent job, a public service, or access to new or significantly improved infrastructure. The remaining 30 percent may be used to eliminate slum or blighted conditions, or to address an urgent need for which the grantee certifies it has no other funding.

Eligible activities include:

- Public service activities
- Housing-related activities
- Public improvements and facilities
- Activities to acquire real property
- Economic development activities
- General administrative and planning activities

Activities must benefit residents within the jurisdiction of the grantee and must be used to prepare, prevent and respond to the COVID-19 pandemic.

PROGRAM AND BUDGET

As a follow-up to an early April 2020 HUD award of \$31,963,374, the City was awarded an additional \$39,166,408 in September 2020 to continue efforts to prepare, prevent and respond to COVID-19. In keeping with the first allocation of the CDBG-CV regulations, this subsequent allocation does not restrict grantees to the 15 percent public services cap that is applied to the regular CDBG entitlement award. This provides the City of Los Angeles an unprecedented opportunity to access maximum federal resources to offer a range of services to low- and moderate-income households hit hardest by COVID-19. Further, the recommendations outlined in this report are in direct response to recently adopted City Council motions instructing HCIDLA, in collaboration with the Chief Legislative Analyst (CLA), to prioritize the needs of low-income individuals and families who continue to struggle as a result of the health and economic impacts of COVID-19. Specifically, this second tranche of CDBG-CV funding will continue to fund some vital services first identified and funded with the first tranche of funding, and also responds to newly-identified needs that were revealed as the course and impacts of the pandemic progressed.

This second allocation of CDBG-CV funding is proposed to respond to the needs of single-parent headed households that have a demonstrated and unique need for supports that the pandemic has exacerbated. Households with school-aged children continue to experience negative and lasting impacts on learning and child care, basic shelter needs, and a lack of vital Wi-Fi access to make inroads in accessing benefits online and gainful employment and training. CDBG-CV funding will also continue to support homeless prevention efforts among survivors of domestic violence as well as to support the City's efforts for prevention services and programming.

Below is the proposed budget as well as expanded discussion of proposed projects.

Project/Program	Department	CDBG-CV	Description
Alternative Learning + Summer Enrichment	RAP	\$4,000,000	Funds will support the continuation of supervised learning centers, 20 days per month at 50 sites, for after school programs serving elementary and middle school students at recreation centers across the City. Spaces provide free internet access and recreational activities; all learning centers follow guidance from the Los Angeles County Department of Public Health and Center for Disease Control and Prevention. Funding will ensure continued access for the Spring through Summer break (April through August 2021).
Tech2Go (Hotspot Lending)	LAPL	\$2,000,000	Funds the Tech2Go Hotspot Loan Program for internet hotspots that will allow residents who have been impacted by the pandemic to access the internet to conduct job searches, complete job applications, find out about retraining opportunities, research social service programs, and receive distance learning education. The mobile hotspots allow users to connect their laptop, tablet, and other Wi-Fi enabled devices to the internet.
Vaccine Outreach	KYCC	\$400,000	Funds an education and outreach campaign, targeting low-income communities disproportionately impacted by COVID-19. Bus Stop messaging, community markets, neighborhood clinics, and grassroots outreach will be some of the focus on disseminating information, dispelling myths and providing information on access to available vaccines among communities of color.
Homelessness Services	HCIDLA/LAHTSA	\$10,000,000	Funds ongoing programming and services geared to address and prevent homelessness, including but not limited to adult homelessness prevention and job training and retention for those that are homeless and at-risk of falling into homelessness.

Project/Program	Department	CDBG-CV	Description
Microenterprise Grants for Small Business (5 or fewer employees)	EWDD	\$8,500,000	Funds financial support for the recovery of microenterprises that experienced significant economic impact due to the COVID-19 pandemic. Grants of up to \$15,000 will be awarded to eligible to microenterprises. Priority will be given to businesses that have not received assistance through any City, State or Federal program.
Single-Parent Households Returning to the Workforce			
Childcare Provider Grant	EWDD	\$2,500,000	Funds child care centers that have been identified as microenterprises (5 or fewer employees) and nonprofit, child care centers. There will be up to 125 grants at \$20,000. Childcare centers must provide information on how the business was impacted by COVID-19 through a hardship statement including details about its closure and/or a reduction in revenue.
Childcare Support	EWDD	\$3,300,000	Funds childcare services for 500 single-parent job seekers with payments to providers at up to \$1,000/month, for up to a maximum of six months. Childcare support will be provided to participants either enrolled in a qualifying employment training program or returning to employment. The City's workforce development system will also partner with the City's FamilySource and Domestic Violence Shelter Operations programs to identify participants.
Employment Training	EWDD	\$1,500,000	Funds short-term vocational training opportunities, in the healthcare and/or the childcare employment sectors. This program will focus on low-wage, single-parent job seekers whose employment was impacted by the pandemic. Up to 500 participants will

Project/Program	Department	CDBG-CV	Description
			be enrolled in short-term certificate training programs in the healthcare and childcare fields through Los Angeles Community College District campuses or through Los Angeles Unified School District Division of Adult and Career Education (LAUSD DACE).
Survivors First Housing (Domestic Violence)	HCIDLA	\$5,000,000	Funds a housing first approach and COVID-related/created rental arrears. Funds will support the implementation of a 12-month direct services program for families that include but are not limited to those with obstacles to accessing stable, permanent housing; those with credit challenges as a result of financial abuse by an intimate partner; and services for unemployed and/or under-employed adults.
Services Subtotal		\$37,200,000	
HCIDLA Administration	HCIDLA	\$999,373	For proper cost allocation for staff work on CDBG-CV
Economic and Workforce Development Dept. (EWDD) Administration	EWDD	\$1,000,000	For proper cost allocation for staff work on CDBG-CV
Library Dept. Administration	LAPL	\$100,000	For proper cost allocation for staff work on CDBG-CV
Recreation and Parks Dept. Administration	RAP	\$100,000	For proper cost allocation for staff work on CDBG-CV
Administration Subtotal		\$2,199,373	
Total		\$39,399,373	

Alternative Learning + Summer Enrichment

As the pandemic stretched to a full year, uneven access to technology and other supports for public school children created and in some cases, exacerbated learning loss. By providing an uninterrupted and well-received service, the continued funding of this RAP program will ensure continuity of service for students and their families currently being served through the end of the school year in June 2021. The intent of RAP’s summer programming is to address the gaps in learning that the pandemic intensified alongside

programming that offers increased opportunities for outdoor play activity and opportunities to reclaim some of the loss of learning and emotional stability and health that summer programming can offer.

Tech2G (Hotspot Lending)

The Los Angeles Public Library (LAPL) proposes to use \$2 million of the CDBG-CV funds to expand existing hotspot lending program. With the funding provided, LAPL will purchase up to an additional 1,400 wireless internet hotspots that will be circulated to patrons in majority low- to moderate-income communities throughout the City of Los Angeles. These hotspots will allow residents who have been impacted by the pandemic to access the internet to look for jobs and fill out job applications, find out about retraining opportunities, research social service programs, and receive distance learning education.

The Tech2go Hotspot Loan Program provides internet access to families and households that lack these services. The mobile hotspots are easy to use and allow users to connect their laptop, tablet, and other Wi-Fi enabled devices to the internet. Patrons must have a library card in good standing to participate in this program. To check out a hotspot a patron will call one of the participating locations to reserve a hotspot. If all hotspots are unavailable, a patron can be added to a waiting list. Once a hotspot becomes available, the patron will then be able to pick it up at a participating branch. Fifteen (15) branches will be participating locations throughout the City.

Vaccine Outreach

The LA Connected campaign was a public awareness effort focused on providing information on accessing federal economic impact payments. This effort ended late last year, and in its wake, HCIDLA proposes to manage a similar campaign focused on the benefits of the COVID-19 vaccine. The program will utilize an established “tool kit” created by the Centers for Disease Control and Prevention (CDC) and the Los Angeles County Department of Public Health (DPH) and promote vaccine acceptance, mask wearing in public, emotional health resources, and other established health practices to reduce the transmission of COVID-19. The outreach materials can be produced in multiple languages, distributed in high-risk, low-income communities, and utilize existing community relationships established under the previous LA Connected program.

Meeting Homeless Services Needs and Obligations

The proposed budget includes continued funding to address the ongoing needs of homeless Angelenos. These efforts will include but are not limited to prevention services for adults, the rehabilitation and provision of interim housing and subsidized employment for persons experiencing homelessness.

Microenterprise Grants

The deployment of initial funding to prop-up small business revealed an acute gap in funding accessible to so-called microenterprises; businesses with fewer than six employees were largely shut out of funding that benefitted larger, more sophisticated/tech-savvy businesses. This program will provide financial support for the recovery of at least 700 eligible microenterprises that experienced significant economic impact due to the COVID-19 pandemic.

Specifically, these grants can be used for:

- Employee payroll, including sick time payroll
- Rent, utilities, and insurance
- Working capital to restart or continue operations

- Payment of outstanding business expenses
- Adaptive business practices needed to remain open, including e-commerce web design, reconfiguring workspaces, adding safety equipment and implementing new business processes that make businesses more resilient

Single-Parent Households Returning to the Workforce

The Los Angeles regional labor market has been decimated by COVID-19, with more than 1.4 million Angelenos directly impacted by job losses and furloughs in the 12 months since Mayor Garcetti issued his Safer at Home Orders in March of 2020. The disruptions to the local economy have been particularly concentrated among people of color, who comprise more than 65 percent of those filing for unemployment insurance claims, those with lower educational attainment, and women, which applied for unemployment at a 6.4 higher rate than men.

Today, nearly 350,000 Angelenos have not returned to work since the start of the pandemic. As the City's labor market begins to recover and rebuild, it will be critical for the City policy makers to consider ways in which the pandemic has exacerbated racial and gender inequities in the labor market and to develop policies that help promote an inclusive and equitable labor market.

In a concerted and organized effort to support the successful return of single heads of households to the workforce, a significant component of the allocation of this second tranche of CDBG-CV funds will be used to support a broader, Citywide effort to address the acute impacts and needs of single-parent headed households. To this end, this sector of Angelenos, disproportionately overrepresented by female heads of household, will have an opportunity to access a range of services and resources to assist in a successful and long-lasting transition back to gainful employment.

Deploying a three-pronged approach, the Economic and Workforce Development Department intends to address access to childcare, which is a significant barrier to employment for single-parent households and women in particular. Through this program, EWDD will support childcare providers negatively impacted by the pandemic with the resources needed to reopen and stay open, provide access to childcare for single-parent households for whom childcare remains a barrier to reentering the workforce, and provide short-term vocational training to single-parent households in the healthcare and childcare industries.

Childcare Grant

The purpose of the grant program is to support childcare centers that have been negatively affected by COVID-19. Childcare centers will be limited to microenterprises (five or fewer employees). Nonprofit providers, not limited by number of people in their employ, are also eligible. There will be up to 125 grants sized at \$20,000.

Eligible use of funds include:

- Employee payroll, including sick time payroll
- Rent, utilities, and insurance
- Working capital to restart or continue operations
- Payment of outstanding business expenses
- Adaptive business practices needed to remain open, including e-commerce web design, reconfiguring workspaces, adding safety equipment and implementing new business processes that make businesses more resilient

Only childcare centers located and operating in the City of Los Angeles will be eligible, with priority given to those serving single-parent households and childcare centers located in low- to moderate-income census tracts. Childcare centers must provide information on how the business was impacted by COVID-19 through a hardship statement including details about its closure and/or a reduction in revenue.

Childcare Support

This program will provide childcare support for up to six months for 500 single-parent job seekers whose employment was impacted by the pandemic. The program will be administered through the City's workforce development system, including its 16 WorkSource Centers and LA:RISE service providers. Eligibility will be limited to custodial parents with school-aged children up to the 5th grade. Childcare support will be provided to participants either enrolled in a qualifying employment training program or returning to employment. The City's workforce development system will also partner with the City's FamilySource and Domestic Violence Shelter Operations programs to identify participants.

Employment Training

This program will provide short-term vocational training opportunities in the healthcare and/or in the childcare employment sectors. This program will focus on low-wage single-parent job seekers whose employment was impacted by the pandemic. Up to 500 participants will be enrolled in short-term certificate training programs in the healthcare and childcare fields through the Los Angeles Community College Districts campuses or through Los Angeles Unified School District Division of Adult and Career Education (LAUSD DACE).

Survivors First Housing (Domestic Violence)

Survivors of domestic violence and human trafficking are increasingly poor, with fewer housing options, and with longer histories of intermittent homelessness than ever before. Many of the households served by City-funded Domestic Violence/Human Trafficking (DV/HT) shelter agencies live below the Federal Poverty Level (FPL), and even more troubling is the large percentage of those living at less than half of FPL. The 2020 Los Angeles Point in Time Homeless Count (PIT) identified a 16 percent increase of homeless persons in the City of LA since 2019, and 11,622 individuals in that count (32 percent of those surveyed) had experienced domestic violence. Fully 2,741 individuals (8 percent of those surveyed), were actively fleeing DV situations at the time of the count. The COVID-19 pandemic has hit low-income communities the hardest leaving them with an inability to pay rent and with several months owed in rental arrears. The impending lifting of eviction moratoria will leave several residents with nowhere to go but back to their abusers or the streets.

The funding allocated will be used for providing financial assistance associated with finding and keeping permanent housing. This can include the payment of rental arrears, deposit, rent, furniture, and also ancillary costs necessary to obtain or keep housing (car repairs, child care, credit repair, etc.).

The Survivors First Homelessness Prevention Program would serve approximately 480 households (minimum of 1,000 individuals) over a 12-month period. Emphasis will be placed on serving families with children under 18 years of age, and those with significant housing barriers, including but not limited to: families with at least one undocumented member, those with credit challenges as a result of financial abuse by an intimate partner, un-or under-employed adults, etc.

FURTHER DISCUSSION

HUD allowed certain waiver flexibilities for the CDBG-CV funding, including the waiving of the 15 percent public services cap provided that the uses identified are clearly described as preventing, preparing for and responding to COVID-19.

Using the second tranche of CDBG-CV for the recommendations in this transmittal ensure ongoing, critical needs in the community are met, as well as ensure that the City meets funding and legal obligations that would guard against any lapse in compliance.

A virtual public meeting will be held per HUD requirements to obtain public feedback on the recommendations, and any comments will be provided to the Mayor and City Council for consideration.

To comply with HUD's Duplication of Benefits prohibitions that are essential to disaster-related assistance, all impacted stakeholders will have to identify all other sources of funds that are available to them that pay for the same service (e.g., federal expanded unemployment assistance).

FISCAL IMPACT

There is no fiscal impact to the General Fund. All costs will be paid by CDBG-CV federal grants.

Approved By:



ANN SEWILL
General Manager
Housing+Community Investment Department