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**ERIC GARCETTI
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Date: May 14, 2021

To: Budget and Finance Committee
c/o City Clerk, Room 395, City Hall
Attention: Honorable Paul Krekorian, Chair

From: Capri Maddox, Executive Director 
Civil, Human Rights and Equity Department

Subject: **CIVIL, HUMAN RIGHTS AND EQUITY – ASSESSMENT OF MAYOR’S 2021-22
PROPOSED BUDGET (COUNCIL FILE NO. 21-0313)**

On April 22, 2021, City Council instructed the Civil, Human Rights and Equity Department (CHRED) to conduct an annual assessment of the Mayor’s proposed budget to identify potential inequities in, but not limited to, the following categories: service delivery, infrastructure investment, environmental justice impacts, and access to programming. To achieve this task, CHRED reviewed the Mayor’s Fiscal Year 2021-22 Proposed Budget; the 2020-21 community participatory budgeting process; and the City Controller’s report, “A Great Divide: L.A. Equity Index,” which maps existing disparities and barriers to opportunity in Los Angeles.

The proposed budget provides a high-level view of the city’s values, challenges, and budgeting solutions. In order to conduct a fair and just assessment of the ways in which resources are distributed and review the potential racial, gender, and/or geographical inequities that exist therein, further assessment of individual departmental budgets, including details about policies, practices, priorities, projects and programs, would be required. The development and execution of citywide equity goals as well as departmental diversity, equity, and inclusion plans will be essential in assessing the budget in years to come.

Therefore, CHRED’s application of an equity lens onto the Mayor’s proposed budget is limited in scope and provides a high-level analysis. In consideration of this analysis, we assessed community input through the participatory budget process and identified various equity needs, including COVID-19

health accessibility, technology accessibility, poverty prevention, economic recovery, justice, and mental well-being.

Community and Stakeholder Engagement

Considering community and stakeholder voices in the annual budget is necessary to accurately assess potential inequities in the delivery of city resources and services. Moreover, identifying indicators to show how community and stakeholder voices are incorporated builds trust because it reflects the city's intention to be receptive and responsive to its constituents' budget recommendations. The City of Los Angeles is vastly diverse, and while we acknowledge and recognize the genuine intent and efforts to include as many community voices as possible, we are also cognizant that this analysis presents an opportunity to include more voices as we continue to perfect additional methodologies to expand a wide range of community participation in future budgeting processes.

Participatory Budgeting Process 2021-2022

Coalitions of community groups and individuals participated in virtual town halls from communities across the city, including The People's Budget LA, which surveyed over twenty five thousand constituents about budget priorities; Make LA Whole Coalition, convened by the Community Coalition, represents 50 community-based organizations and over 80 residents; The Los Angeles Food Policy Council convened more than 400 community organizations and thousands of residents; Neighborhood Council Advocates and hundreds of residents attended Council-led community town hall meetings.

Throughout this budget cycle, constituents shared their areas of interest and concern through virtual community town halls hosted by community groups and elected offices, and public comment during sessions hosted by the Budget and Finance Committee. The participatory budgeting process has allowed everyday individuals to raise concerns about individual, institutional, and structural inequities.

The town halls revealed that the COVID-19 pandemic has magnified long-standing inequities and created new ones specifically within Black, Indigenous, People of Color (BIPOC) communities. Some of the challenges raised during the participatory budgeting process include the disproportionate economic impact of COVID-19, homelessness and housing insecurity, lack of access to healthy foods, proliferation of trash and debris, lack of access to stable internet and technology, and the disproportionate loss of women participation in the workforce.

Through this process, CHRED has identified the following community needs and interests:

- COVID-19 recovery programs
- Accessible child and eldercare programs
- Workforce development for women and women-owned small businesses
- Housing stability
- Youth empowerment
- Broadband infrastructure and affordable internet

- Guaranteed basic income
- Community intervention workers
- Re-entry services
- Healing centers
- Food security initiatives
- Emergency preparedness
- Mental wellness
- Restorative justice programs
- Environmental justice programs, and the overall distribution of dollars towards emergency services compared to preventative care

In addition, these areas of interest and concern align with equity gaps identified in the City Controller's report, "A Great Divide: L.A. Equity Index."¹ The LA Equity Index analyzes the level of equity and opportunity in each neighborhood to provide a city-led data-driven understanding of community needs focusing on the following indicators: rent burden, poverty level, home ownership, air quality, closeness to toxic releases, traffic density and education level; and access to internet, food, and health insurance. In addition, dozens of other indicators were examined, including race, ethnicity and income. While equity gaps exist throughout the city, the reports' geospatial analysis identifies South LA, East LA, and neighborhoods in the East San Fernando Valley, as the most inequitable areas within the city.

Equity Analysis of Mayor's Proposed Budget

The Mayor's Proposed Budget focuses on challenges and interests in COVID-19 recovery, the city's fiscal strength, neighborhood services, expanding existing programs, and equity and justice initiatives beginning with homelessness, along with various other important issues. The proposed budget provides a high-level, aggregated view of fund distribution by policy area. CHRED recognizes that to provide an equitable analysis of service delivery, access to programming, infrastructure investment and environmental impacts, a disaggregated budget is necessary, and often found at the department or program level. To this end, CHRED offers a high-level equity analysis of the Mayor's proposed budget.

The Mayor's Proposed Budget includes:

COVID-19 Recovery

\$143 million in funding to continue COVID response and recovery. This includes special assistance and support for financial recovery for the private sector, such as the expansion of the LA Al Fresco program and a targeted marketing effort to revitalize L.A.'s tourism and hospitality industry.

\$25 million for a Small Business and Restaurant Recovery Fund to offer micro-grants to businesses reopening or opening for the first time since the beginning of the COVID-19 pandemic.

¹ Los Angeles City Controller, *A Great Divide: L.A. Equity Index* (Los Angeles: City of Los Angeles).

\$2.5 million to expand LA Optimized, a one-on-one small business assistance program, to help 1,000 small businesses take advantage of the post-pandemic digital marketplace and provide branding and marketing assets.

Equity and Justice Initiatives

\$24 million is provided to launch the Basic Income Guaranteed: L.A. Economic Assistance Pilot (BIG:LEAP). BIG:LEAP is a landmark guaranteed basic income pilot to provide \$1,000 to \$2,000 per month to households for an entire year across a broad geography of need.

\$10 million is directed to launch the Reforms for Equity & Public Acknowledgement of Institutional Racism (LA REPAIR) Innovation Fund. LA REPAIR will provide grants to support job creation and organizational support in community intervention, racial healing, justice and reconciliation work. An additional \$2 million is provided to launch LA REPAIR Peace and Healing Centers in partnership with community and faith organizations to establish safe spaces where youth and adults can dialogue around racial justice and reconciliation while driving civic engagement.

\$500,000 is provided for the formation of a Reparations Commission with the goal of advising on the creation of a pilot slavery reparations program for Black Angelenos. The Mayor's Office will design and implement this program.

This budget continues funding to support the existing structure of the CHRED. In addition, CHRED was provided with funding to establish an Office of Racial Equity to develop and implement racial equity service programs and policy analysis.

\$3 million is provided for the Social Equity Program within the Department of Cannabis Regulation. The program is intended to promote equitable ownership and employment opportunities in the cannabis industry in order to decrease disparities in life outcomes for marginalized communities, and to address the disproportionate impacts of the War on Drugs in those communities. As part of the program, funding will be used to support priority processing, fee deferrals, and technical assistance for qualified applicants

Neighborhood Services

\$8.7 million is provided to launch Clean LA Jobs, an initiative to clean up neighborhoods most dramatically impacted by increased illegal dumping and litter over the past year while providing employment opportunities to 200 young adults in those communities.

Funding is provided to continue major investments in Failed Streets and Pavement Preservation as well as cool slurry and sustainable pavement options. Funding is increased more than 50% for Vision Zero Priority Corridors, Pedestrian Safety Improvements, and Traffic Signals. Sidewalk Repairs are being accelerated with \$15 million more than our annual spend. Funding is more than doubled for various stormwater, street, and street lighting capital improvements. Increased investments are also made in our local communities for alley paving, speed humps, and median island maintenance.

Environmental Justice

\$5 million is provided to launch Angeleno Corps, a one-year program of 400 students committing to a year of service in environmental justice, community-based wellness and recovery, tutoring and mentorship, arts education, immigrant services, and closing the digital divide.

Youth Development

Funding is provided to create the Youth Development Department – a new city department that will coordinate youth programs citywide and give the rising generation of Angelenos the tools to shape their own futures and make their stamp on our City's life.

Funding is also provided to create the Community Investment for Families Department – a new city department that will manage the Guaranteed Basic Income program, direct the Family Source Centers System, domestic violence interventions, and countless other social services.

\$3.5 million to launch the Student to Student Success Program to provide employment opportunities for 1,000 low-income high school students to home-tutor younger siblings who have struggled with distance learning and need to accelerate their studies.

\$33 million is directed to expand the City's Gang Reduction and Youth Development program, funding additional Ambassadors and Community Intervention Workers, a \$7 million increase from the previous fiscal year; funding will also increase the Department of Recreation and Parks' Summer Night Lights programming.

Funding is provided for investments in our creative culture, including expanding our existing cultural grants for families and youth and establishing a Youth and Creative Workers Mural Program to employ youth and other creative workers around the city to create community-led murals that commemorate LA's neighborhoods and history in the spirit of Judy Baca, creator of the "Great Wall of LA." In addition, funding is directed to establish "We Create LA," a low-income youth program to create art and cultural experiences throughout the city; memorials for Victims of the 1871 Anti-Chinese Massacre memorial, Victims of Gun Violence, and lives lost due to COVID-19; and funding for the conversion of Engine Co. No 23 in Skid Row into a Junior Arts Center.

Public Safety

\$460,000 to launch an Alternative Dispatch for Suicide Prevention Pilot in partnership with the Los Angeles County Department of Mental Health and Didi Hirsch.

\$3 million to launch CIRCLE 24/7 Homelessness Crisis Response Pilot to provide 24/7 community-based response to non-violent emergencies involving persons experiencing homelessness.

\$3 million is provided to create the Library Experience Office designed to create more welcoming libraries by re-envisioning the role of traditional law enforcement in assisting troubled residents and providing resources.

Homelessness

\$791 million to homelessness initiatives. Key programs include extending and expanding Project Roomkey, completing over 1,300 units of permanent supportive housing through HHH this coming year,

and increasing funding for Comprehensive Cleaning and Rapid Engagement (CARE/CARE+) teams (1 team per Council District and 7 Citywide teams).

Conclusion

The Mayor's Fiscal Year 2021-22 Proposed Budget aims to fund many of the policy areas raised during the participatory budgeting process and in the LA Equity Index, including COVID-19 recovery programs, child and eldercare programs, workforce development, small business support, housing stability, youth development, guaranteed basic income, community intervention workers, re-entry services, healing centers, emergency preparedness, mental wellness, community care workers, illegal dumping and beautification, environmental justice and homelessness programs. Given the range of inequities within each policy area, the city should continue to intentionally invest and closely monitor resources to begin to close the equity gap in areas of the city with the most need. Moreover, the distribution of the resources at department or programmatic levels will further determine the equitability of the proposed budget.

Recommendations

1. Expand the participatory budget process to include community engagement at all levels.
2. Instruct each city department to conduct an internal budget assessment highlighting equitable fund allocation. Moreover, department budget requests should include equity plans and metrics to assess and monitor service delivery.
3. Ensure implementation metrics for proposed budget items and initiatives.
4. Engage stakeholders, partnerships, and other government agencies to help bridge equity gaps and implement a comprehensive service provision approach that includes housing, mental health service, education access, and other social justice programming.
5. Supply resources toward improving food security. Community budget recommendations identified food security as a budget priority. A Great Divide: L.A. Equity Index shows which communities are experiencing food apartheid and are in dire need of healthier food options in the retail environment.
6. Provide resources toward the ending the digital divide. The remote learning and working environment require a reliable connection to the internet and access to critical technology like computers. Many BIPOC communities have been adversely affected by the digital divide, and COVID-19 has made these realities worse. Investments are needed to expand access to technology, equipment, and broadband internet.
7. Invest and build the infrastructure for a human centered response to public safety required as part of the shift away from law enforcement only responses. Individuals and organizations alike have pointed to the money allocated to policing, which accounts for approximately 27% of the proposed budget, as an inequity when compared to funding for other city services and departments. Initiatives outlined in this budget, including, but not limited to, developing an alternative dispatch for suicide prevention and creating community-based homeless outreach, as well as legislation developed by council to reduce law enforcement in traffic stops, are important steps that the city leadership has taken toward addressing this concern. This will need to happen gradually and with consistent and on-going support of community-based social services to expand existing capacity and capabilities for adequate response.

8. Partner with relevant entities that impact these policy areas including, the County of Los Angeles managed mental health services and the Los Angeles Unified School District managed K-12 education, and state agencies to expand needed funding and resources.

Additional Equity Gap Recommendations:

In addition to the recommendations above, CHRED identified a few equity gaps that were not addressed in mass during participatory budget process. These policy areas in immigrant and refugee communities as well as the rise in hate crimes. Immigrants and Refugees make up approximately 33% the County population – 20% are undocumented. Additionally, about 50% of foreign-born and 66% of the undocumented population lives 200% below the poverty line. Also, Over the last few years, hate crimes have risen nationally and locally, specifically within the Asian American and Pacific Islander community, Transgender community, and Jewish community. Directing resources, services, and programs to these vulnerable communities will aid in closing various equity gaps. To this end, CHRED recommends the following:

9. Establish a fund for outreach, programming, and service delivery to immigrant and refugee communities.
10. Provide resources to build City-wide language translation service to close the equity gap presented by language barriers.
11. Engage BIPOC and LGBTQ+ City Commissioners from all City commissions including, the Affordable Housing Commission, Board of Airport Commissioners, Area Planning Commissions, Cannabis Regulation Commission, Commission for Community and Family Services, Cultural Affairs Commission, Human Relations Commission, Board of Public Works, and the Commission on the Status of Women.