



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

August 11, 2020

To: Supervisor Kathryn Barger, Chair  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Janice Hahn

From: Sachi A. Hamai  
Chief Executive Officer

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### **DEVELOPMENT OF THE LOS ANGELES COUNTY PANDEMIC-COMPLIANT BUSINESSES AND WORKERS PARTNERSHIP PROGRAM (ITEM NO. 55-E, AGENDA OF JUNE 9, 2020)**

On June 9, 2020, the Board of Supervisors adopted a Motion (Motion) by Supervisors Solis and Hahn directing the Chief Executive Officer, in partnership with the Departments of Consumer and Business Affairs (DCBA), Workforce Development, Aging and Community Services (WDACS), Public Health (DPH), Los Angeles County Development Authority (LACDA), Office of Emergency Management, and relevant sectors from the County's Economic Resiliency Taskforce to report back with recommendations and an implementation plan to establish a Los Angeles County (County) Pandemic-Compliant Businesses and Workers Partnership Program (Program) supporting local small businesses and workers to help ensure ongoing compliance with State and County Health orders and guidelines.

The Motion directed that \$60 million be identified to administer the Program, which could provide up to \$3,000 grants for eligible small businesses to use for acquisition of Personal Protective Equipment (PPE) and sanitization materials, or to offset other COVID-19-related costs. Further, the Motion directed the Program to focus on outreach, support, and technical assistance with an emphasis on those in historically underserved areas, to help small businesses seeking to become COVID-compliant and to provide certification for businesses that demonstrate compliance with public health orders.

As described by the motion, the County Program was to be modeled partially on the County of San Bernardino's COVID-Compliant Business Partnership Program. The San Bernardino Program was implemented in May 2020, and used \$30 million in Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds to provide grants directly to small businesses to offset costs for PPE and COVID-compliant retrofitting.

The Chief Executive Office (CEO) partnered with DCBA, WDACS, LACDA, and DPH to form a County Workgroup (Workgroup). The Workgroup considered recommendations from the Economic Resiliency Taskforce Small Business Sector work group, feedback gathered

directly from businesses through a survey by DCBA of PPE and other health and safety product needs of small businesses, and through industry roundtable discussions and a survey done by WDACS on economic recovery. The Small Business Sector work group of the Economic Resiliency Taskforce strongly supports the creation of a program to help businesses get PPE and recommended developing a training and certification protocol to help businesses comply with health orders, specifically focusing on education and technical assistance rather than penalization. The results from DCBA's and WDACS' engagement show that small businesses are prioritizing compliance with health orders but are having trouble acquiring all the necessary PPE and sanitizing products due to items being unavailable, minimum orders being too high, and not knowing the best sources or being unable to locate trusted suppliers.

The Workgroup also explored funding sources and found the CARES Act funds to be the only viable funding available, with the notable restriction being that these funds need to be exhausted by December 30, 2020. Given the time constraints and immediate needs of small businesses, the County Workgroup developed the most efficient and cost-effective strategy which leverages existing grant programs. While the strategy does not adhere specifically to the directives of the motion, it is responsive to the goals of the motion. In addition, on July 21, 2020, the Board adopted the CARES Act Coronavirus Relief Fund spending plan and on August 4, 2020, the Board approved various appropriation adjustments and provided delegated authority to the CEO to execute the necessary funding agreements to allocate the CARES Act Coronavirus Relief funds for various programs, including for small business assistance.

As a result, CARES Act funds are being distributed to multiple existing programs that support small businesses including the LA Regional COVID-19 Recovery Fund administered by LACDA and DCBA, and the Employer Assistance Grant (EAG) Fund administered by WDACS. The EAG provides grants to support small businesses economically impacted by COVID-19, and the program was infused with \$60 million in CARES Act funds. The Program is eligible to small businesses with fewer than 100 employees Countywide and prioritizes businesses in the most underserved communities as determined by CalEnviroScreen 3.0. The EAG will be modified to allow grants of up to \$25,000 with a specific allocation of \$5,000 to cover costs of PPE or COVID-compliant retrofitting.

Additionally, \$2 million of the allocation for the EAG will be set aside to administer two programs to procure and distribute PPE directly to businesses. DCBA and WDACS will partner with the Los Angeles Area Chamber of Commerce Foundation for the first Program to distribute to small businesses millions of items of PPE secured from the Governor's Office of Emergency Services, which includes gloves, face masks, hand sanitizer, and face shields. The second Program will be a partnership with Goodwill Industries to procure additional PPE to be distributed to small businesses. Priority for the PPE items will be given to WDACS and DCBA/LACDA grant applicants. All three Programs, the grants, and the two PPE distribution programs will focus intently on outreach and education to aid businesses in reopening safely while protecting their workers and customers.



Complementing these Programs, DPH is developing an online training program, which will launch in August 2020, to assist businesses with reopening requirements and provide an overview of the protocols in the County Health Officer's Order, "Reopening Safer at Work and in the Community for Control of COVID-19." Upon completion of this training, business operators will be able to print a sign that can be posted at each public entrance to the business whereby they self-attest to implementing the Social Distancing Protocols as established by the County's Health Officer and are certified as Pandemic-Compliant. Moreover, certified businesses will be posted on a publicly accessible website. The Workgroup recommends a two-step compliance process for certification of: 1) attestation; and 2) complaints in which the business self-attests to complying, but complaints can be made by employees or the public. If complaints occur, a business should be allowed an opportunity to correct deficiencies. However, subsequent fines, loss of the Pandemic-Compliant certification status, and, when applicable, loss of licensing and/or permits can result if a business remains non-compliant. The Workgroup does not recommend that certified compliance through this training program be a condition for awarding grants or PPE, but instead recommends a robust referral scheme between the programs to ensure businesses striving to be COVID-compliant get the information, resources, and assistance they need.

The Workgroup believes the plan outlined above is the most cost-efficient, expeditious, and effective method to achieve the goals of providing needed assistance and guidance to businesses and ensuring ongoing compliance with State and County Health orders and guidelines. In comparison to San Bernardino's Program that launched in May 2020, there is an imminent need to rapidly distribute CARES Act funds. Funneling the funds through existing grant programs with established infrastructures will accomplish these goals. Furthermore, through small business engagement, it has become clear that the challenge in COVID-compliance lies more heavily on procuring and accessing the proper PPE rather than needing the funding to do so. Therefore, leveraging the County's ability to procure and distribute at a larger scale is the best strategy to meet the needs of small businesses. In addition, a particular set aside for the Program is not recommended as there remains uncertainty on the reopening of businesses; thus, it is important to remain flexible in order to maximize the use of the County's allocation of CARES Act funding.

If you have any questions, please contact Allison Clark at (213) 974-8355, or [allison.clark@ceo.lacounty.gov](mailto:allison.clark@ceo.lacounty.gov).

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c: Executive Office, Board of Supervisors  
County Counsel  
Consumer and Business Affairs  
Los Angeles County Development Authority  
Public Health  
Workforce Development, Aging and Community Services