



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>

SACHI A. HAMAI
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

April 2, 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

ASSESSING THE ECONOMIC AND REGIONAL EFFECTS OF THE CORONAVIRUS ON BUSINESSES (ITEM NO. 43-A, SUPPLEMENTAL AGENDA OF FEBRUARY 18, 2020)

On February 18, 2020, the Board of Supervisors (Board) directed the Chief Executive Office's Economic Development Division (CEO-EDD), in partnership with the Departments of Workforce Development, Aging and Community Services (WDACS), Consumer and Business Affairs (DCBA) and their Office of Immigrant Affairs (OIA), and relevant partners, to report back to the Board in 45 days on the following: 1) assessment of the impact of Coronavirus (COVID-19) - related incidents on small businesses and economic activity in Asian-Pacific Islander (API) communities of the County of Los Angeles (County); 2) available programs and resources to support businesses that are being adversely impacted by the COVID-19; and 3) development of an outreach and education plan for the public to learn and have access to accurate information and resources about COVID-19.

In response, the CEO-EDD convened a working group comprised of County departments, including WDACS, DCBA, OIA, the Los Angeles County Development Authority (LACDA), and the Department of Public Health (DPH), to assess the economic impact of COVID-19 in the County, as well as to identify existing and potential resources that could be deployed to assist small businesses.

Each Supervisor
April 2, 2020
Page 2

The attached report summarizes and documents the work of the departments thus far to develop a comprehensive approach that provides information and resources in support of small businesses in the County suffering adverse economic impacts as a result of the COVID-19 pandemic.

If you have questions or require additional information, please contact Allison Clark at (213) 974-8355, or allison.clark@ceo.lacounty.gov.

SAH:FAD:AEC
JO:AG:yy

Attachment

- 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

***ASSESSING THE ECONOMIC AND REGIONAL EFFECTS OF
THE CORONAVIRUS ON BUSINESSES***

IMPACT OF COVID-19 ON THE LOCAL ECONOMY

The economy in Los Angeles County (County) is heavily reliant on trade and tourism. According to the County's Economic Development Corporation (LAEDC), these major industries have already been disrupted in the wake of the COVID-19 outbreak. Travel restrictions, canceled events, and decisions to stay home have resulted in a reduction in visitors to the County who in turn contribute to various industries and the regional economy through direct spending.

Although necessary to contain and stop the spread of COVID-19, the March 16, 2020 order directing the closure of public venues across the County, such as bars, restaurants, theaters and gyms, as well as the "Safer at Home" order issued on March 19, 2020, have further impacted the economic health of the region. Industries such as hospitality, food service, retail trade, and arts and entertainment make up a significant portion of the County's employment base employing nearly one million individuals.

ASSESSMENT OF THE IMPACT OF COVID-19 RELATED INCIDENTS AND ECONOMIC ACTIVITY IN API COMMUNITIES

Impact of COVID-19 on Economic Activity: API Communities

In addition to the economic impacts of the COVID-19 on major business sectors in the County, some residents have experienced acts of racism and xenophobia as a result of the pandemic. This has resulted in some businesses reporting fewer customers and a loss of revenue due to fear and myths surrounding COVID-19.

Office of Immigrant Affairs (OIA) and the Human Relations Commission (HRC) are working together on outreach and engagement efforts intended to reduce misinformation and stigma towards API communities and business establishments. OIA had begun initial planning efforts to encourage patronage of local businesses by dispelling misinformation, xenophobia and racist sentiment, directed toward API communities and business establishments. Proposed activities included engaging prominent Asian community influencers to reassure the public of the safety of those establishments. However, as in-person outreach is no longer viable due to the spread of COVID-19, OIA and HRC's outreach and education strategy is now focused on digital convenings of ethnic media and community stakeholders. This approach amplifies the County's message by leveraging media outlets, nonprofit organizations, and other trusted messengers of critical information in immigrant communities. OIA will select topics of interest on a weekly basis, subject to changes in external circumstances and the availability of stakeholder partners. At present time, efforts are focused on providing information regarding the availability of health services and other vital resources for immigrant communities during the crisis.

Analysis of Impacts to Businesses

In response to the Board's directive to assess the impact of COVID-19 related incidents and economic activity in API communities of the County, as a sampling, on March 10, 2020, DCBA conducted an analysis of all restaurants in the San Gabriel Valley (SGV), including restaurants identified as API. DCBA identified a total of 2,179 restaurants with sales under \$300K and 100 or fewer employees. These restaurants employ 14,638 individuals. Of the 2,179 restaurants identified, 46 (2 percent) were identified as having high financial stress, 1,121 (48 percent) had medium financial stress, and 1,012 businesses (49 percent) had low financial stress related to the impacts of COVID-19. Of the 2,179 restaurants, 595 were identified as API restaurants, employing 4,048 individuals. Of the 595 API restaurants, 17 (3 percent) were identified as having high financial stress, 288 (48 percent) had medium financial stress, and 290 (49 percent) had low financial stress.

Because this assessment was conducted prior to the March 16, 2020 countywide directive to close all dine-in restaurants, bars, nightclubs, and other entertainment venues to the public to reduce interaction and curb the spread of COVID-19, the analysis provided does not reflect the current economic status of the restaurants evaluated in the assessment. DCBA will track these metrics every six months and compare to the March 10, 2020, baseline to evaluate the ongoing economic impact of the COVID-19 on this sample.

Assistance to Small Businesses through Local Networks

In addition to the assessment of the economic impact of COVID-19 on selected small businesses in the SGV, DCBA identified and compiled a list of local small business resources that could provide assistance during this time of economic emergency. These resources are administered by several organizations including regional Small Business Development Centers (SBDC), college-located business development centers, and local area chambers of commerce. The organizations were selected for their relationships to the existing small business community or their direct connection with Federal and State agencies such as the SBA. In total, DCBA identified and recorded a total of 23 potential partner agencies in the SGV.

Partner Outreach Survey

DCBA created and administered a survey which included eight questions aimed at: 1) identifying potential partners to assist small businesses impacted by the COVID-19 pandemic and the types of services that could be provided; 2) assessing their willingness and capability to provide said services during this state of emergency; 3) determining which populations each is able to assist (members vs. nonmembers of their respective organizations); 4) willingness to receive and distribute DCBA and County COVID-19 related content by way of joining DCBA e-mail lists; and 5) obtaining input on the most effective methods for reaching the API small business community with information and updates on COVID-19 and available resources.

Survey Results

The majority of survey respondents indicated a willingness and capacity to provide information on the resources available for small businesses, as well as assist with referrals for services to other agencies, regardless of formal affiliation with their organizations. In addition, respondents recommended e-mails, television, radio, local papers, social media, and webinars/live streams, as the best methods for communicating COVID-19 related information to local businesses.

Reports of COVID-19 Related Bias/Discrimination/Hate

The HRC contracts with 211 to receive and respond to reports of bias-motivated hate. Reports are received via phone and through the 211 website, which includes a "Coronavirus Information and Discrimination Reporting" link. The contract with 211 also includes Care Coordinators employed by 211 who follow up with reported targets of hate to offer referrals for services that may be helpful, including resources to assist with grief, trauma, counseling, housing, advocacy, mediation, and legal matters. When accessing 211 by phone, the first option available to callers is to request information related to COVID-19. The fourth option for 211 callers is to report being a witness or target for hate activity. In addition to 211, we are monitoring reports to community partners, including Asian Pacific Policy and Planning Council, and Special Services for Groups.

As of March 26, 2020, the HRC logged a total of 24 incidents of reported COVID-19 - related bias and hate activity, 21 of which were reported within the County. Resources have been appropriately deployed in response to these incidents. To date, the HRC has received no reports of business-related incidents of bias and discrimination by phone or through the 211 website.

PROGRAMS AND RESOURCES TO SUPPORT SMALL BUSINESSES IMPACTED BY COVID-19

The following provides a summary of resources that are currently available to support small business in the wake of the COVID-19 pandemic. In addition to these resources, there are several pieces of legislation that have been introduced at the State and Federal levels to support both individuals and small businesses. Furthermore, County departments, such as WDACS, are actively pursuing opportunities for funding which will enhance the County's ability to provide assistance to businesses that are most in need.

Federal

- **Economic Injury Disaster Loan Program** - provides up to \$2 million of financial assistance to small businesses, or private non-profit organizations that suffer substantial economic injury as a result of the declared disaster, regardless of whether the applicant sustained physical damage.
- **Small Business Administration Disaster Loan Program** - provides disaster loan assistance to businesses, private non-profits, homeowners, and renters.

State

- **COVID-19 Response Guide** - the California Small Business Development Center (SBDC) has designed a resource guide for small business owners to stay informed, plan and respond to the impact of COVID-19. The guide is available for download on the SBDC website.
- **Disaster Relief Loan Guarantee Program** - provides loan guarantees of up to \$1 million for small business borrowers in declared disaster areas.
- **Jump Start Loan Program** - offers loans from \$500 to \$10,000 to low-wealth entrepreneurs in declared disaster and emergency areas.
- **Work Sharing Program** - helps employers minimize or eliminate the need for layoffs.

County

- **Business and Worker Disaster Help Center** - single-entry point for businesses and workers with questions about available disaster funding, unemployment, and the applicability of the public health orders.
- **Business Services Representatives** - WDACS connects small businesses to resources provided by the County, State, and national and regional entities like SBA, LAEDC, and DCBA.
- **Layoff Aversion** - LAEDC's Business Assistance team helps businesses find solutions and provides alternatives to layoffs.

Rapid Response Program - WDACS administers rapid response activities through the America's Job Center of California (AJCC) system and provides free, confidential business assistance including access to non-traditional loan and funding options, a comprehensive blueprint to avert layoffs moving forward, strategic planning, employee training, and rapid re-employment of employees that are laid off.

City of Los Angeles

- **Small Business Emergency Microloan Program** - provides financing needed to strengthen small business enterprises that have been affected by the COVID-19 outbreak.

Executive Order - Chair of the Board

In addition to the resources that are currently available to assist small businesses, on March 19, 2020, the Chair of the Board signed an Executive Order following proclamation of existence of a local health emergency regarding COVID-19. This Order contains several directives in support of small businesses impacted by the COVID-19 crisis.

ATTACHMENT

In accordance with the Executive Order, departments have already initiated action to implement several of the directives. Efforts to date by DCBA, WDACS, LACDA, CEO's Center for Strategic Partnerships (CEO-CSP), and CEO-EDD include the following:

- Activation of a Strike Team to support the newly formed Business and Worker Disaster Help Center (Help Center). The Help Center serves as a single-entry point for businesses and workers to access information about COVID-19, including available resources and benefits. At full capacity, the virtual call center will have 40 phone lines available to the public. Businesses and workers seeking support can call, email, or connect with teleconferencing technology.
- Identification of funding that can be quickly pooled and repurposed to support business resiliency efforts.
- Engagement with philanthropy and corporate entities to identify opportunities for leveraging resources that will aid small business owners and employees who may be unable or fearful to access Federal and State disaster resources, including immigrants.

OUTREACH AND EDUCATION PLAN FOR THE PUBLIC TO LEARN AND HAVE ACCESS TO ACCURATE INFORMATION AND RESOURCES ABOUT COVID-19

To date, the County has deployed several resources to provide outreach and education to the public on the facts of COVID-19, as well as orders to the public, and resources available to assist individual and small businesses.

County's Help Center Website

On March 26, 2020, the "County Business & Worker Disaster Help Center" website was launched. As one component of the virtual Help Center, this user-friendly website provides County business owners and workers with the most up-to-date information about COVID-19 and available resources, including information about Federal small business loans and unemployment assistance. The website is mobile-responsive and is equipped with a translation feature.

County's COVID-19 Response Webpage

The County's website, <https://lacounty.gov/> now includes a "County COVID-19 Response" webpage that provides direct links to COVID-19 information and resources for the public, including small businesses.

County's Department of Public Health

The Department of Public Health (DPH) remains a primary source of information to educate the general public, including the business community, about COVID-19.

ATTACHMENT

The DPH website provides up-to-date information on social distancing measures, employer guidance, daily press releases about case counts and recommendations, FAQ fact sheets in multiple threshold languages, and guidance for a range of audiences, many of which are available in multiple languages. In addition, DPH participates in regular media briefings and has participated in many press events, including several geared toward API media and communities, as well as town halls and teleconferences hosted by community groups and elected officials from the local, State and Federal levels. DPH also conducts weekly telebriefings with the following groups: 1) healthcare providers; 2) chambers of commerce, businesses, and large venue operators; 3) elected officials, city managers, and County departments; 4) schools, universities, and early child care; 5) consular corps; 6) faith-based organizations; 7) community-based organizations; 8) adult care centers and senior centers; and 9) others to educate about COVID-19.

Social Media

County departments are using various social media platforms to provide the public with the latest updates on news and events related to COVID-19.

NEXT STEPS

Development of a Departmental Survey

Understanding that the COVID-19 pandemic has caused negative impacts to the County departments including loss of revenue, as well as service-related impacts resulting from closure of County facilities to the public, CEO-EDD has engaged representatives from the Department of Human Resources (DHR), and Natural History Museum (NHM) to assist in the development of a countywide Departmental Survey to assess the client/services impacts (including claims), economic/revenue impacts, and employee impacts as a result of the COVID-19 pandemic.