

**Los Angeles County Workforce and Economic Development Department**

Since COVID-19 first emerged, extraordinary measures have been taken to control the spread of the disease, resulting in a near-total shutdown of civic life and economic activity. Restaurants, hotels, theaters, sports arenas, retail shops, and offices were closed to reduce further infections that would overwhelm the healthcare system. The impact on local government revenues has been profound and could interrupt the provision of essential services and the delivery of safety net programs. Although counties and cities throughout the state began to relax stay-at-home orders, the mass layoffs and widespread economic dislocation that has already occurred will eclipse losses experienced during the Great Depression.

Although the County has taken steps to mitigate the impact of COVID-19 on small businesses and labor, the crisis laid bare the difficulty in crafting and deploying a coordinated response. This is primarily attributed to the absence of a consolidated economic development function in the County. A County department focused on

MOTION

SOLIS \_\_\_\_\_

RIDLEY-THOMAS \_\_\_\_\_

KUEHL \_\_\_\_\_

HAHN \_\_\_\_\_

BARGER \_\_\_\_\_

economic development, and workforce training would be charged with developing strategies that support key industry sectors and preparing the regional workforce for the jobs of tomorrow with a focus on disadvantaged communities and individuals facing barriers to meaningful employment. Additionally, a significant responsibility of the new department would include formulating contingency plans and strategies designed to mitigate the job and revenue losses caused by substantial economic disruptions that will inevitably occur often without warning.

Prior to the COVID-19 crisis and with the impending expiration of funding for the Economic Development Trust Fund approved in 2015, the Board authorized the CEO in February 2019 to study the creation of more efficient and effective economic and workforce development structures to serve its constituents better. The Board also directed the CEO to report back with recommendations on how services and programs within the WDACS that do not fit under aging and economic and workforce development, such as the Human Relations Commission (HRC), Native American Indian Commission (NAIC), and Community and Senior Centers (CSC), are structured within any existing or proposed departments. Since then, the CEO has embarked on a nearly year-long process to evaluate the current structure of County departments and offices that administer workforce and economic development programs along with the relocation of HRC, NAIC, and CSCs. Given the above-described conditions and the Board's shared vision to promote and maintain economic opportunity, it is incumbent upon the Board to provide strategic direction on establishing a consolidated economic and workforce development program for the County.

Finally, consistent with the recommendations delineated in the Economic Development Optimization Study (July 2020) prepared for the County by HR&A Advisors, the effective deployment of County resources in pursuit of economic development objectives should be guided by a County-tailored economic development strategy and implementation plan. The strategy deployed by the County must address the economic disparities that COVID-19 has revealed along with the acute vulnerability of low-income communities and communities of color. The anticipated restructuring of the regional economy due to COVID-19 will further exacerbate historic disparities absent effective mitigation measures and interventions. The impact on these communities will be increased by macro-economic forces, including automation, digitization of industries, globalization, and climate change. Any adverse effects these forces have on key industry sectors in the region will have a downstream impact on the County's ability to generate the revenues it needs to provide essential social and public safety services in the years ahead if unemployment remains high and businesses small and large succumb to COVID-19 related shutdowns. It therefore imperative that the County formulate and adopt an economic development strategy and implementation plan that addresses the challenges ahead.

**WE, THEREFORE, MOVE** that the Board of Supervisors direct the Chief Executive Officer (CEO), or her designee, in consultation with the Acting Director of the Workforce Development, Aging and Community Services Department (WDACS), Director of Personnel, and County Counsel, to move forward with the required steps to establish a new County of Los Angeles Department of Workforce and Economic

Development that is structured to include workforce development services and the economic development policy and program development activities that are currently housed in the CEO Office and WDACS and to return to the Board of Supervisors in 60 days with a written report on the following:

- a. Required steps to establish a new County of Los Angeles Department of Workforce and Economic Development and begin implementing the transition in the Fiscal Year 2020-21 to complete the transition no later than June 30, 2021; and
- b. A funding analysis and staffing plan to include the executive team, programmatic staff, and administrative staff to support the new department; and
- c. A plan for office space to house the new department in one central location; and
- d. A plan for establishing a unit within the new department to repurpose underutilized County real estate for economic and affordable housing purposes; and
- e. A plan for continuing the funding allocated to the Economic Development Trust Fund for commercial corridor revitalization, supporting manufacturing enterprises, and evaluating the feasibility of repurposing County and other publicly owned real estates for economic development and affordable housing; include in the plan funding to capitalize a County-sponsored micro-loan program with an annual funding allocation no less than \$1.0 million;

and

- f. A written report back during the FY 2020-2021 Supplemental Budget phase, the CEO's funding and staffing plan, office location plan, the estimated cost, the fiscal impact of the transition and implementation, and sources of funding; and set aside funding in Provision Financing Uses for the plan.
- 2) Direct the CEO, in conjunction with the Executive Officer of the Board of Supervisors, Acting Director of WDACS, County Counsel, the Auditor-Controller, and relevant department and commission directors to move forward to develop next steps for the appropriate placement of the Human Relations Commission, Legal Assistance, Native American Indian Commission and Community and Senior Centers and report back in writing by August 30, 2020. The transition timeline for the relocation of the respective commissions and programs shall be no later than July 1, 2021.
- 3) Direct the CEO, in consultation with the Los Angeles County Economic Development Corporation (LAEDC), to set forth a process for the preparation of a Strategic Plan for Economic Development for the County that reflects broad public and stakeholder participation from throughout the County with a specific focus on assessing the impacts on disadvantaged communities and communities of color that will result from the anticipated restructuring of the regional economy due to COVID-19, and on identifying specific strategies the County should deploy to mitigate these impacts and ensure that all share future economic prosperity.
- 4) Direct the CEO to report back in writing to the Board in 90 days on establishing a new (or partnership with an existing) a non-profit entity to facilitate public-private

partnerships that enable the implementation of equitable economic initiatives for the County.

# # #

HLS:wr