

MOTION BY SUPERVISOR HILDA L. SOLIS

April 20, 2021

**County Investments to Expand Equity and Economic Recovery Services**

Over the past year, workers and small businesses throughout Los Angeles County have suffered through many challenges brought on by the pandemic, none more so than by those communities of color who have disproportionately suffered from the fallout of the pandemic. Studies have shown these communities to have been impacted most severely in economic loss, virus contagion, severity of symptoms, and mortality rates. In collaboration with the Chief Executive Officer (CEO), the Board has worked tirelessly to address immediate medical needs, business assistance, tenant and worker protections, and stakeholder support, directing County departments to pivot resources, programs, and services. Utilizing County resources, philanthropy, corporate giving, and federal support (CARES and CRF), the County launched hundreds of millions of dollars in emergency relief programs, including rent relief, grants to small businesses, restaurants, childcare centers, nonprofits, and more.

On February 23, 2021, the Board of Supervisors (Board) adopted a motion directing the Chief Executive Officer (CEO) in collaboration with relevant departments to

**MOTION**

MITCHELL \_\_\_\_\_

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report back on the relevant impacts and outcomes, and any lessons learned from programs funded through CARES and CRF funds to assist the Board with the development of policies using an equity lens for allocation of the American Rescue Plan. The report recommended prioritizing existing programs with developed infrastructure; sustaining high-impact, high-needs core programs that are well-known; leveraging resources to avoid duplication; and developing a sound and thoughtful spending plan, which considers the long view in support of a sustained and equitable regional recovery. As of the fourth quarter of 2020, the County region has lost 9.8 percent of its jobs and has nearly 29 percent fewer small businesses. Although CRF funds have been fully allocated, the many needs of our communities persist. The pandemic inflicted substantial revenue losses for the County, the community, and small businesses. As we enter year two of this public health and economic crisis and continue to confront the long-term impacts of the pandemic, the recovery will likewise need a collaborative response that demonstrates a commitment to business, the worker, and struggling families, addressing deep financial insecurities and uncertainties for individuals and families that are already struggling to stay afloat. Moreover, a rollback in restrictions will assist businesses, but they will still need capital, technical assistance, a skilled workforce, and targeted opportunities.

Aside from the ongoing housing and tenant protections currently in effect, disadvantaged families and individuals will need financial empowerment tools and income certainty. As evidenced by the County's Center for Financial Empowerment Financial Navigators program, low-moderate income County residents could greatly benefit from working with trained financial coaches that help residents receive one-on-one

professional counseling assistance to navigate new and complex financial challenges, including reducing debt, establishing and improving credit, and referrals to other workforce services. Likewise, the County should consider tools such as piloting a Guaranteed Income Support programs to enhance counseling outcomes and opportunities to assist the most vulnerable groups, such as emancipating foster youth. Years of research has shown that when given unrestricted payments, recipients are able to pull themselves out of poverty and create economic stability for themselves and their families. The pandemic has also robbed many historically marginalized groups of opportunities to seek gainful employment. Without increased financial support during and immediately after the pandemic, they will face severe challenges to achieving self-sufficiency.

Funding such as American Rescue Plan funds provides unique opportunities for the County to plan ahead and to prioritize inclusivity and long-term recovery. The County stands to receive a significant amount of funding to help the unincorporated communities and its partner cities to recover from the impacts of the COVID-19 pandemic and build back better. However, in light of the recent financial devastation, the County can use this opportunity to further enhance their investments into the small business infrastructure as well as financial empowerment for individuals and families.

Even with this new stimulus package, the long-term economic impacts will remain uncertain for an extended period of time. Therefore, it is essential that the County consider lessons learned from previous rounds of relief prior to deploying funds. The critical lessons learned should be used to guide necessary planning and collaboration and allow departments to expand and enhance existing programs and develop new solutions to

promote recovery, growth, and prosperity in the County that will extend beyond the 2024 expenditure deadline.

**I, THEREFORE, MOVE** that the Board of Supervisors direct the Chief Executive Officer, in collaboration with the Director of DCBA and the Acting Director of WDACS, to report back in 14 days on recommendations for maximizing equity-based and economic recovery programs, including the possibility of expanding existing programming and projects that were not funded through the latest round of CARES Act Funding:

- 1) To create and implement comprehensive equity-based recovery programs, particularly for local small businesses and workers;
- 2) To identify strategies that maximize existing equity-driven programs or expand them to reach more individuals and the creation of new tools for programs that:
  - a) Support the recovery of the hard-hit restaurant industry and revitalization of local commercial corridors
  - b) Help residents recovery from financial hardships through direct counseling and help navigating complex financial challenges and choices
  - c) Help struggling County residents to reach economic stability, particularly vulnerable families and individuals such as foster youth and essential workers in low-wage jobs

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