

**MOTION BY SUPERVISOR HOLLY J. MITCHELL**

April 9, 2024

**Continuing the Capacity-Building and Optimization of the Los Angeles County’s Department of Economic Opportunity**

On July 1, 2022, the Los Angeles County’s (County) Department of Economic Opportunity (DEO) was created. DEO combined real estate, economic development, and workforce development capabilities to establish a more robust and cohesive approach to driving economic opportunity and growth across the 88 cities and unincorporated areas. In the less than two years since it was created, DEO has achieved significant strides, transitioning teams from four departments and offices into one new department with a broader mandate, ensuring continuous service delivery at 18 America’s Job Centers of California, the East L.A. Entrepreneur Center, and Office of Small Business, and across hundreds of programs and services delivered by DEO and partners. In addition, DEO has designed and implemented 15 American Rescue Plan programs, including the Economic Opportunity Grant<sup>1</sup> program, the Economic Mobility Initiative, and managed high priority economic development capital projects, while meeting various real time economic and workforce challenges and opportunities.<sup>2</sup> DEO is currently assessing its infrastructure and assets and completing its first 5-year strategic plan and reorganization.

<sup>1</sup> <https://opportunity.lacounty.gov/how-we-help/build-back-better/economic-opportunity-grants-program/>

<sup>2</sup> <https://arptracking.ceo.lacounty.gov/Public/Project/1821/49120>

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MOTION

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On April 4, 2023, the County Board of Supervisors (Board) passed a motion<sup>3</sup> to ensure the DEO had the flexibility and capacity to realize its potential. This motion provided authority for DEO to hire up to four consultants to provide urgent supplemental support, as DEO ramped up its hiring and internal capacity. These consultants have played critical roles in DEO's success over the past year. The consultants' scope of work currently includes:

1. Strategy and Organizational Design (McKinsey): This contract supports DEO in an economic landscape analysis, the development of its first Annual Report and its first 5-year strategic plan leveraging significant data and stakeholder analysis, and a proposed reorganization for effective delivery of the plan. This work is still underway.
2. Economic Development Capital Project Management and Supportive Services/Loan Fund Advisory Services (Trifiletti): This contract supports DEO in the planning and project management of its capital development and capital access opportunities, including the use of the Catalytic Development Fund, across the County as the department builds up internal capacity for its Economic Development Branch. This work is still underway.
3. Consultant to Support Alignment Between Department of Public Social Services (DPSS) and DEO (Social Finance): This contract supports both DEO and DPSS in reviewing current alignment between the County's social safety net and public workforce system and impact and sets forth a transition planning exercise to re-imagine the full system, with a focus on Transitional Subsidized Employment, Job Club, and Job Development Services, for mutually beneficial economic mobility outcomes. This work is still underway, and a final proposal will be presented to the Board in the coming months for consideration.

Despite considerable progress, DEO continues to need external support as it builds out its team and departmental strategy. Addressing DEO's capacity needs is critical to providing equitable services and programming for County residents and to fulfilling the goals of the Board in the coming years. Thus, the Board should extend DEO's authority

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<sup>3</sup> <https://file.lacounty.gov/SDSInter/bos/supdocs/179286.pdf>

to extend contracts, as needed, with these three existing consultant partners for a period of up to an additional two years to be funded within existing resources.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:**

1. Delegate authority to the Director of the Department of Economic Opportunity (DEO), or their designee, to amend its existing agreements with the three Contractors (as authorized in the April 4<sup>th</sup> Board motion) by executing any necessary amendments to extend the agreements for an additional contract term not to exceed two years, consisting of a one-year extension with two 6-month option extensions. The Board waives the requirements of Board policy 5.100 for these agreements. The delegated authority to the Director of DEO, or designee, shall also include executing amendments that 1) add new, relevant or updated Federal, State, and/or County terms to the Scope of Work and/or contract; and 2) increase or decrease the contract amounts based on the availability of funding and/or based on Contractor's performance provided that the total allocation does not exceed available funding County Counsel must provide approval as to form for all amendments.

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