

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: March 20, 2025

CAO File No. 0220-05892-0001

Council File No. 25-0006-S44

Council District: Citywide

To: The City Council

From: Matthew W. Szabo, City Administrative Officer 

Reference: Community Investment for Families Department transmittal dated March 11, 2025

Subject: **GUARANTEED BASIC INCOME PROGRAM AND/OR EMERGENCY CASH ASSISTANCE PROGRAM FOR IMPACTED WORKERS**

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### RECOMMENDATIONS

That the City Council:

1. Note and file the Community Investment for Families Department (CIFD) report dated March 11, 2025;
2. Instruct the City Administrative Officer to report back on the feasibility of using the Transfer of Floor Area Rights (TFAR) Public Benefit Trust Fund, FireAid grants, and funding sources other than the General Fund, to offset the costs of the CIFD proposed Guaranteed Basic Income program or emergency cash assistance program for workers impacted by the January 2025 wildfires.

### SUMMARY

On January 21, 2025, a motion was introduced (C.F. 25-0006-S4, Hernandez-Price) instructing the Community Investment for Families Department (CIFD) with assistance from this Office to report and provide recommendations for a guaranteed basic income (GBI) program and/or an emergency cash assistance program for workers experiencing job loss caused by the January 2025 fires. This includes outdoor and domestic service workers, such as housekeepers, landscapers, gardeners, child care workers, and caretakers. The motion also instructed this Office to report on available funding to assist workers and the parameters associated with each funding source.

In its transmittal dated March 11, 2025, the CIFD proposes the Wildfire Emergency Fund (WE FUND), a direct cash assistance program with options ranging from a one-time \$2,000 payment up to a recurring \$1,000 payment for a twelve-month period. The program can be scaled up or down depending on funding availability. The proposed eligibility criteria includes: workers directly impacted by the January 2025 fires through total loss of employment, reduced hours, or reduced number of clients to include landscapers, gardeners, housekeepers, day

laborers, food vendors, and childcare providers; must be a City resident; and must be at least 18 years old. The CIFD will engage reputable service providers to announce the program and assist with applications. The CIFD will also leverage the FamilySource System and the Impacted Worker and Family Recovery Centers to offer additional resources and services to enhance overall long-term financial stability. The CIFD provides several funding options in the table below for consideration.

### Program Funding Options

Amount	Duration	No. of Participants	Total Amount
\$2,000	One-Time	1,000	\$2 million
\$2,000	One-Time	3,000	\$6 million
\$1,000	12 months	500	\$6 million
\$1,000	12 months	1,000	\$12 million
\$500	6 months	2,000	\$6 million
\$500	6 months	4,000	\$12 million

Enrolled applicants will have different options for the disbursement of funds to ensure that funds are easily accessible. Participants with existing bank accounts will receive direct Automated Clearing House (ACH) transfers. Participants without existing bank accounts will be referred to the County's Bank On financial institution partner. As a third option, participants can request an Angeleno Immediate Response Card via MoCaFi, where funds will be automatically loaded, and will function similar to a debit card allowing participants to use for tap, swipe, or online purchases or to withdraw cash from a network of fee-free ATMs.

The CIFD proposes a contract with Forward to be administered by the Mayor's Fund for a centralized online portal to streamline applications, participant selection and enrollment, and the disbursement of funds. The total cost includes \$215,000 to administer the program plus an enablement fee of two percent for all funds transferred via ACH. There are no fees associated with funds disbursed through the MoCaFi Angeleno cards.

### Funding Sources

The Mayor's Fund includes an existing allocation for Guaranteed Basic Income administration and will be used to support the proposed contract with Forward to provide a centralized online portal. This Office has not identified alternative funding sources to support the cash payments for the proposed program. The Los Angeles County (County) Small Business and Worker Relief Funds received a total of \$4.5 million grant from FireAid. Approximately half of the \$100 million raised by FireAid has been distributed through an initial set of grants, which includes the LA Region Small Business and Worker Relief Funds. The next phase of funding will focus on additional relief needs including sustaining long-term recovery, remediation and rebuilding, and environmental issues. This Office is waiting for information from the County to determine if the FireAid grant could be a potential funding source for the proposed GBI.

The Transfer of Floor Area Rights Public Benefits (TFAR) Trust Fund is another potential funding source for the proposed GBI. TFAR funds are to be allocated for projects and programs that serve a public purpose, such as providing for affordable housing; affordable child care; public open space; recreational, cultural, community, and public facilities; job training and outreach programs; streetscape improvements; public arts programs; homeless services programs; or public transportation improvements. On September 11, 2024, the Mayor and Council approved the allocation of \$16.6 million for 47 projects and programs within the eligible Council Districts (C.F. 14-1411-S5). A total of \$3.2 million was set aside for a Citywide program or project. This Office will work with the Chief Legislative Analyst to determine if there are unexpended funds from the Council District allocations or the funds set aside for a Citywide program and if the proposed GBI program would be eligible for these funds. Due to City's current financial constraints and the critical state of the Reserve Fund, this Office does not recommend using the General Fund for the proposed GBI.

### **FISCAL IMPACT STATEMENT**

The recommendations in this report will have no General Fund impact.

### **FINANCIAL POLICIES STATEMENT**

The recommendations in this report comply with the City's Financial Policies in that current revenues and balances will be explored as a potential funding source for the proposed program and grant funds will be used for grant-eligible activities.

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