

TRANSMITTAL

To: **THE COUNCIL**

Date: **03/18/24**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in black ink, appearing to read 'Carolyn Webb de Macias', is centered on the page.

(Carolyn Webb de Macias for)

KAREN BASS

Mayor

CITY OF LOS ANGELES

CALIFORNIA

CAROLYN M. HULL
GENERAL MANAGER

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

444 S. FLOWER ST.
LOS ANGELES, CA 90071



KAREN BASS
MAYOR

March 6, 2024

Council File: 21-0270 and 21-1186
Council District: All
Contact Persons & Phone Numbers:
Daisy Hernandez, (213) 744-9340
Rosa Penaloza, (213) 744-7381

The Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall

Attention: Heleen Ramirez, Legislative Coordinator

TRANSMITTAL: REQUEST FOR AUTHORITY TO CARRY OVER COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS ALLOCATED TO THE LOS ANGELES BUSINESSSOURCE CENTER PROGRAM IN THE 48TH PROGRAM YEAR CONSOLIDATED PLAN AND EXECUTE CONTRACT FOR CENTRALIZED LEGAL SERVICES FOR SMALL BUSINESSES

The General Manager of the Economic and Workforce Development Department (EWDD) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration.

SUMMARY

EWDD is requesting authority to carryover Community Development Block Grant (CDBG) funds in the amount of Five Hundred Fifty Thousand Four Hundred Eighty-Three Dollars (\$550,483) that were originally allocated to the Los Angeles BusinessSource Center (BSC) Program in the City's 48th Year Consolidated Plan (PY48). The funds were set aside to support critical centralized services previously authorized under Council File 21-0270. Centralized legal services are currently being carried out under the LA Regional Small Business Legal Aid Program in partnership with Bet Tzedek Legal Services, funded with a one-time allocation of City General Funds. Authorizing the carryover of the CDBG PY48 centralized services set-aside will enable the City to continue providing essential legal services to eligible small businesses with no impact the General Fund.

RECOMMENDATIONS

The General Manager EWDD, or designee, respectfully requests that the Mayor and City

Council:

1. AUTHORIZE EWDD to carryover Five Hundred Fifty Thousand Four Hundred Eighty-Three (\$550,483) in CDBG funds allocated to the Los Angeles BusinessSource Center Program in the 48th Year Consolidated Plan to provide centralized legal services to small businesses in the City of Los Angeles.
2. AUTHORIZE the General Manager, EWDD, or designee, to negotiate and execute contract with the operator of the LA Regional Small Business Legal Aid Program, effective July 1, 2024 through June 30, 2025, subject to the review and approval of the City Attorney as to form and legality.
3. AUTHORIZE the General Manager of EWDD to make any corrections or clarifications to this report as necessary in order to effectuate the intent of this action; and
4. AUTHORIZE the General Manager of EWDD to prepare Controller instructions and/or make technical adjustments that may be required and are consistent with this action, subject to the approval of the CAO, and authorize the Controller to implement these instructions.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The BSC centralized legal services will be funded using CDBG funds allocated to the BSC Program in the City's 48th Year Consolidated Plan.

BACKGROUND

The City's BSC Program provides a menu of core services that focus on general business support, financial services, and access to capital. To maximize the efficacy of the BSC Program, centralized services that promote the growth, stability, and success of businesses were added as part of the BSC system restructuring approved under Council File 21-0270 in 2022. Centralized services require expertise services beyond operator capacity.

Under the Centralized Services umbrella, legal services have been provided to eligible small businesses in the form of lease negotiations, appropriate business structure and contract preparation and review. The cumulative efforts of the BSC System including Centralized Services result in meaningful and impactful services to the businesses in the City of Los Angeles especially as businesses recover from the effects of COVID-19 on the economy.

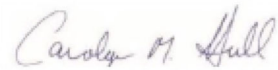
In PY48, the BSC Program was funded at Six Million Five Hundred Twenty-Five Thousand (\$6,525,000). A portion of these funds were set-aside for Centralized Services. However, leveraging of free credit counseling services and using a one-time allocation of City General Funds to provide legal services resulted in cost savings for the BSC Program in PY48. EWDD is requesting to use these cost savings of Five Hundred Fifty Thousand

Four Hundred Eighty-Three (\$550,483) to continue to provide much needed legal services as the General Funds allocated for this purpose are being depleted.

CONCLUSION

Authorizing the carryover of the CDBG PY48 funds allocated to the BSC Program will enable the City to continue providing essential legal services to eligible small businesses with no impact the General Fund.

Sincerely,

A handwritten signature in blue ink that reads "Carolyn M. Hull". The signature is written in a cursive style.

Carolyn M. Hull
General Manager