

MOTION

BUDGET & FINANCE

While the City of Los Angeles has made great strides to alleviate poverty in recent years, significant challenges remain. A 2019 report commissioned by the Los Angeles Housing + Community Investment Department (HCIDLA) identified that 20.4% of Angelenos live below the poverty line with 58% of Los Angeles renters classified as “rent-burdened” (spending more than 50% of their income on rent). Further, the 2020 Greater Los Angeles Homeless Count revealed a rise in families falling into homelessness for the first time due to increased financial pressures.

Additionally, the HCIDLA report also found that 90% of low-income residents live paycheck-to-paycheck and more than half lack emergency funds to cover three months of expenses. The high cost of living in Los Angeles places households with low-income or unstable jobs in precarious positions. This means that even a slight decrease in income can prompt a personal financial crisis. Moreover, while the national unemployment rate was at an all-time low before COVID-19, the unemployment rate of low-income families hovered at 6.6 % while the unemployment rate of higher income families stayed at 2.1%. African American, Asian, and Latino Angelenos were also far more likely to be unemployed than White Angelenos. Even in the months before the pandemic, profound disparities between race and class were evident.

While COVID-19 has impacted all Angelenos, it caused extremely detrimental outcomes for households that were financially vulnerable *prior* to the pandemic. New health and economic crises only exacerbated the deep social inequalities the City was already facing. In May, unemployment skyrocketed to 24% in Los Angeles causing deeper economic distress in low-income communities of color across the city. With 17 % of Latinos and 6% of African Americans were uninsured, these statistics demonstrate that Black and Latino Angelenos are most susceptible to not only being exposed to COVID-19 in their jobs and through public transportation, but are less likely to have health insurance to treat the disease, if infected. The heightened struggles and dangers these communities are facing are a direct result of COVID-19 and are deeply rooted in social and economic inequities that must be rectified through focused, increased and long-term investments.

The unprecedented burdens faced by low-income households call for more than a temporary, seasonal response: these inequities can only be addressed by making long-term investments in programs and policies to build more resilient communities. COVID-19 has demonstrated that, in the face of a crisis, problems arise not independently, but are compounded by ones that already exist. For households that have already lived their lives susceptible to financial and health emergencies and grappled with everyday expenses, their communities, neighbors, and families could not possibly prepare for a crisis. As a result, the larger economic ecosystem of small businesses and low-wage workers has suffered. To both build a city that is less vulnerable to unpredictable economic turmoil and create communities that can endure financial emergencies, the City must uplift its most vulnerable residents through a coordinated, sustained strategy. This

OCT 28 2020



pandemic proves that the prosperity of our communities depends upon building an economic infrastructure that is rooted in community wealth, family support, and equity.

For these reasons, the City needs to implement a targeted and coordinated strategy to lift up the most vulnerable households. We need to create a new framework for the City to build community wealth in order for families and children to thrive. Implementation of this framework provides the City of Los Angeles the opportunity to elevate community development values, goals, and programs. This is the moment to amplify the City's commitment to addressing poverty and align departmental oversight of anti-poverty investments to respond to the broad public demand for bold change. As part of the Council President Martinez's "Families First" agenda, this new framework directs investments to create systems-change and a thoughtful approach in how the City supports low-income working households.

Under the direction of Councilwoman Rodriguez, the City has taken steps to prioritize youth development. She authored a motion on March 28, 2018 (C.F. 16-0596-S1) calling for the formation of an Executive Task Force on Youth Development (Task Force) to develop a comprehensive youth development strategy to better serve our youth through the creation of a Youth Development Department. On December 11, 2019, City Council approved the establishment of the Task Force. Since its first meeting on April 17, 2020, the Task Force continues to hold bimonthly meetings and has also held four listening sessions with hundreds of youth to solicit their input on the needs of youth in Los Angeles. The Task Force is still conducting meetings and will be producing a report with their recommendations for the creation of a Youth Development Department.

Towards those efforts, the City of Los Angeles should create a new Department for Families, Children, and Community Investment. While several City departments have mobilized to address COVID-19 threats quickly, the City needs a strategic and streamlined approach to strengthen the economic resilience of those hurt by the pandemic's widespread effects. This department will address the new challenges of COVID-19 and social and economic inequalities that played a large role in its proliferation. It will comprehensively coordinate the City's initiatives aimed at supporting communities most severely impacted by COVID-19. These efforts include but are not limited to coordination of workforce development vocational and job training opportunities, and addressing the financial and other household challenges related to COVID-19, as well as creating an actionable roadmap to build stronger and wealthier communities.

I THEREFORE MOVE that the Chief Legislative Analyst, with input from the City Administrative Officer, the Housing + Community Investment Department, the Economic and Workforce Development Department, and the City Attorney, provide a report within 30 days that identifies:

- Mission and primary duties of the new department;
- How federal, state, and local resources will be leveraged to optimize the impact and support provided for working families;
- Number of positions and potential organizational chart; and
- Ordinance changes and other legislative actions necessary to launch the new department.

I FURTHER MOVE that the Chief Legislative Analyst and the City Administrative Officer, the Housing + Community Investment Department, the Economic and Workforce Development Department, in partnership with all other relevant city departments, report back on an evaluation of the pending recommendations of the Executive Task Force on Youth Development as it relates to developing this new department.

I FURTHER MOVE that the City Administrative Officer and the Chief Legislative Analyst report back with a draft budget for the new department and potential funding sources. The creation of this new department should be cost-neutral and leverage existing federal grant administrative funds to cover personnel and related-costs.

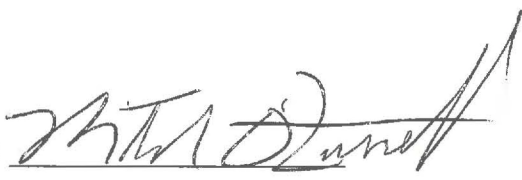
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