

# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: September 29, 2021

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso *KTK for*  
Chief Legislative Analyst

Council File No.: 21-0002-S52  
Assignment No.: 21-03-0236

SUBJECT: Resolution (Rodriguez – de León) to support federal funding to address systemic racism and other purposes

CLA RECOMMENDATION: Adopt Resolution (Rodriguez – de León) to include in the City's 2021-22 Federal Legislative Program SUPPORT and/or SPONSORSHIP of legislation that would provide at least \$435 billion in immediate and long-term investments and to address systemic racism and historic under-investment in communities of color, including a \$15 federal minimum wage, affordable housing, and funding for infrastructure.

## SUMMARY

The Resolution (Rodriguez – de León) states that the COVID-19 pandemic has revealed long-standing inequities in our healthcare, economic and environmental protection systems that have plagued communities of color for far too long. According to the Resolution, the current economy that prioritizes the interests of large companies and the wealthy makes it difficult for working people to get ahead economically.

The Economic Justice Act, S. 5065 (Schumer), was introduced in the United States Senate during the 116<sup>th</sup> Congress (2019-20). This bill would have provided more than \$435 billion in long-term investments in communities across the country, including high-speed internet, affordable housing, public school construction, and library construction. However, the bill was not adopted by the Senate. The Resolution states that the bill would have provided critical funding to the City of Los Angeles in communities that have been greatly affected by the pandemic.

The Resolution recommends that the City support and/or sponsor legislation that would provide at least \$435 billion in investments in communities of color to address systemic racism, including the following priorities: a \$15 federal minimum wage, affordable housing, funding for infrastructure, and other provisions.

## BACKGROUND

On December 18, 2020, S. 5065 (Schumer), also known as the Economic Justice Act, was introduced in the United States Senate during the 116<sup>th</sup> (2019-2020) Congress, but was not enacted. The bill included funding for the following purposes to address the effects of the COVID-19 pandemic on low-income populations: child care, health services, job training, family support services, small businesses, and housing. In addition, the bill included provisions to raise the federal minimum wage to \$15 an hour, incentivize Medicaid expansion, establish a tax credit for first-time homebuyers, enact clean water and air programs, and fund infrastructure for broadband, hospitals, and schools.

Although Congress did not enact S. 5065, as indicated below Congress has approved and is in the process of considering additional legislation that would address many of the same issues that were included in the Economic Justice Act.

#### *American Rescue Plan Act of 2021*

President Biden signed H.R. 1319 into law on March 11, 2021. The legislation provided \$1.8 trillion in funding to address the effects of the COVID-19 pandemic and included numerous elements that were previously highlighted in the Economic Justice Act. The legislation will disburse funds over several years due to numerous programs being funded.

- \$7.6 billion for community health centers that serve communities of color and underserved populations.
- \$3.88 billion for mental health and substance abuse programs.
- \$21.55 billion in emergency rental assistance.
- \$7.5 billion for the Centers on Disease Control and Prevention.
- \$4.8 billion for coronavirus testing.
- \$125 billion for public K-12 schools to safely reopen for in-person learning and to address the mental health care needs of students.
- \$39 billion in funding for child care.
- \$9.961 billion in mortgage and utility assistance.
- \$7.172 billion to help schools and libraries located in low-income communities to implement remote learning programs.
- Tax credits of up to \$4,000 for households with one child and \$8,000 for two or more children.
- \$35 billion for subsidy increases for health care coverage provided by the Affordable Care Act.

#### *H.R. 3684 – Infrastructure Investment and Jobs Act*

Congress is currently considering the Infrastructure Investment and Jobs Act, which would provide funding to address many of the issues highlighted in the Council Resolution.

On August 10, 2021, the Senate approved the Infrastructure Investments and Jobs Act (IIJA) on a bipartisan basis and the bill is currently pending in the House of Representatives. The legislation would provide \$973 billion over five years from FY 2022 through FY 2026 to address infrastructure needs throughout the United States. The legislation includes the following provisions:

- Increases the cap on Private Activity Bonds from \$15 billion to \$30 billion.
- Authorizes \$14.65 billion for the Environmental Protection Agency's Drinking Water State Revolving Fund and the Clean Water State Revolving Fund.
- Provides \$1 billion for the Federal Emergency Management Agency, Building Resilient Infrastructure and Communities program.
- Funds the Safeguarding Tomorrow through Ongoing Risk Mitigation Act, which would allow state and local governments to utilize low-interest loans for pre-disaster mitigation activities.
- Establishes a new competitive grant program for local governments to address and eliminate at-grade rail crossings.
- Creates a new, \$40 billion Bridge Investment Program to repair, replace and rehabilitate the nation's bridges.
- Authorizes \$3.5 billion for the Weatherization Assistance Program in Fiscal Year 2022.

- Includes \$5 billion over five years for a new grant program to support activities that reduce the likelihood and consequence of impacts to the electric grid due to extreme weather, wildfire and natural disasters.
- Includes \$1 billion to establish a new State and Local Cybersecurity Grant Program.

### *Spending Blueprint*

Currently, the Senate and the House of Representatives have approved a budget framework for an additional \$3.5 trillion spending bill that includes funding priorities consistent with the Economic Justice Act. It is anticipated that the reconciliation process will be used in order to avoid a filibuster of the budget bill in the Senate. The bill includes the following provisions:

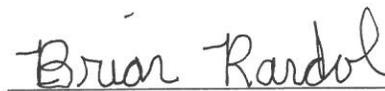
- \$726 billion for universal Pre-K for 3 and 4 year olds; child care for working families; tuition-free community college; funding for historically black colleges and universities; and, an expansion of the Pell Grant for higher education.
- \$135 billion to address forest fires, reduce carbon emissions and address drought concerns.
- \$332 billion for public housing, the Housing Trust Fund, housing affordability, and equity and community land trusts.
- \$198 billion for clean energy development.

### Conclusion

The City Council has previously supported efforts to secure additional federal funds for infrastructure, under-investment in low income communities, actions to address systemic racism, and assisting the City in its recovery from the COVID-19 pandemic. Therefore, our Office recommends that the Council adopt Resolution (Rodriguez – de León).

### DEPARTMENT NOTIFIED

Economic and Workforce Development



Brian Randol

Analyst

Attachment:

Resolution

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the COVID-19 pandemic has revealed long-standing inequities in our healthcare, economic and environmental protection systems that have plagued communities of color for far too long; and

WHEREAS, the current structure of our economy that puts the interests of large companies and the wealthiest individuals before the needs of everyday Americans makes it difficult, if not impossible, for working people to get ahead in order to provide for their families; and

WHEREAS, S. 5065 (Schumer), the Economic Justice Act, was introduced in the United States Senate during the 116<sup>th</sup> Congress (2019-20); and

WHEREAS, this bill would have provided more than \$435 billion in long-term investments in communities across the country; and

WHEREAS, the bill included \$135 billion for services that are essential for the security and well-being of working people such as child care, job training, mental health care, primary care, and job creation; and

WHEREAS, the bill would have also invested in the long-term prosperity of working people over the next five years by providing \$300 billion for infrastructure, a homeowner down payment tax credit, and expansion of Medicare; and

WHEREAS, in addition, the bill would have gradually increased the federal minimum wage to \$15 per hour and directed funding to communities with persistent and high poverty rates; and

WHEREAS, the bill also included funding for high-speed internet, affordable housing, public school construction, and library construction; and

WHEREAS, the bill was not adopted by the Senate but would have provided critical funding for the City of Los Angeles in communities that have been greatly affected by the pandemic, and the 117<sup>th</sup> Congress (2021-22) should continue to support these provisions;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2021-22 Federal Legislative Program SUPPORT and/or SPONSORSHIP of legislation that would provide at least \$435 billion in immediate and long-term investments and to address systemic racism and historic underinvestment in communities of color, including a \$15 federal minimum wage, affordable housing, funding for infrastructure, and other provisions as discussed in the text of this Resolution.

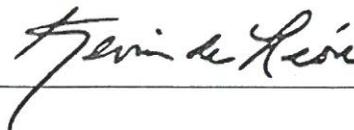


PRESENTED BY:



MONICA RODRIGUEZ  
Councilwoman, 7<sup>th</sup> District

SECONDED BY:



FEB 23 2021