

**ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT** relative to implementing the City of Los Angeles Optimized (LA Optimized) Program.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Economic and Workforce Development Department (EWDD) to be the lead entity to implement the LA Optimized Program.
2. AUTHORIZE the use of a total of \$2.5 million in American Rescue Plan Act of 2021 (ARPA)-backed General Funds, appropriated for the LA Optimized Program in the approved 2021-2022 budget, as follows:

City of Los Angeles Optimized Program	\$2,000,000
Program Costs	<u>\$500,000</u>
Total:	\$2,500,000

3. AUTHORIZE the Controller to:
  - a. Transfer \$2,500,000 from the General Fund-Variou Programs Fund No. 551/22 to ARPA Fund No. 64N/22 and appropriate as follows:

<b>Account</b>	<b>Title</b>	<b>Amount</b>
22V112	City Attorney	\$681
22V122	Economic and Workforce Development	156,688
22V166	Personnel	3,189
22V299	Reimbursement of General Fund Costs	89,442
22V5AC	LA Optimized Program	2,000,000
22V622	Reserved for EWDD Oversight	<u>250,000</u>
	Total:	\$2,500,000

- b. Increase appropriations within Fund No. 100/22 as follows:

<b>Account</b>	<b>Title</b>	<b>Amount</b>
1010	Salaries General	\$127,092
1070	Salaries As-Needed	795
1090	Overtime General	29
2120	Printing and Binding	19
2130	Travel	39
3040	Contractual Services	2,983
3310	Transportation	3
6010	Office and Administrative	2,696
6020	Operating Supplies	4
6030	Leasing	<u>\$23,028</u>
	Total:	\$156,688

c. Increase appropriations within the following Fund No. 100 accounts:

<b>Account</b>	<b>Title</b>	<b>Amount</b>
100/12/001010	Salaries General	\$681
100/66/001010	Salaries General	\$3,189

4. AUTHORIZE the preparation and release of a Request for Proposals (RFP) to select a LA Optimized Program Operator, subject to City Attorney review as to form and legality, to select an operator for the LA Optimized Program for a contract term of July 1, 2022, to June 30, 2023, with the option to renew for up to one additional, 12 month term.
5. AUTHORIZE the General Manager, EWDD to negotiate and execute a contract with the third-party service provider selected through the LA Optimized Operator RFP, for an amount up to \$2 million for the implementation of the LA Optimized Program, subject to the approval of the City Attorney as to form.
6. INSTRUCT the EWDD to report on the LA Optimized Program status to Mayor and City Council every 180 days, or more often as needed.
7. RESOLVE and AUTHORIZE one Program Coordinator position in the EWDD from July 1, 2022, through June 30, 2024, subject to position allocation by the Personnel Department and pay grade determination by the City Administrative Officer (CAO).
8. AUTHORIZE the General Manager, EWDD, or designee to prepare Controller instructions and/or make any technical adjustments needed and consistent with this action, subject to the approval of the CAO; and, REQUEST the Controller to implement these instructions.

Fiscal Impact Statement: The EWDD reports that the recommendations contained in the March 3, 2022 EWDD report, attached to the Council File, will not have a negative impact on the City General Fund, as the LA Optimized Program will be funded with American Rescue Plan Act backed funds included in the City's 2021-22 approved budget.

Community Impact Statement: None submitted.

Summary:

On March 24, 2022, your Committee considered a March 3, 2022 EWDD report relative to the LA Optimized Program. According to the EWDD, in January 2021, the Mayor launched the LA Optimized Program to bridge the digital divide and revitalize the local economy by providing assistance to small business owners to optimize their digital presence with an emphasis on website optimization, social media analytics, and E-Commerce to grow revenues and remain competitive in the City.

The LA Optimized Program has been a critical resource for business owners in the fight to overcome digital divide for small businesses. The LA Optimized Program provides

various levels of assistance to eligible, for-profit microenterprises, small businesses, and nonprofit organizations operating in the City of Los Angeles, and aspiring entrepreneurs who reside in the City. The LA Optimized RFP will facilitate the selection of a program operator that will provide an array of technology and creative digital services to new and existing business owners through optimization of technology leading to stabilization and resiliency for a stronger local economy.

The LA Optimized system will provide services to up to 1,000 businesses within the City of Los Angeles that have been impacted by the COVID pandemic, targeting two business types:

- Microenterprises: Five or less employees, including the owner(s).
- Small Businesses: 6 to 500 employees with annual gross sales not exceeding \$7,500,000 as defined by the Small Business Administration.

The expected outcomes for these target populations are new businesses, business retention, and business expansions for the development of needed goods and services in underserved communities, as part of evidence-based intervention measures implemented by the City to promote a strong and equitable economic recovery in the City, particularly underserved communities. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the the recommendations contained in the EWDD report, as amended. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic Development and Jobs Committee



<b>COUNCILMEMBER</b>	<b>VOTE</b>
PRICE:	YES
KREKORIAN:	YES
BLUMENFIELD:	YES
RAMAN:	YES
HARRIS-DAWSON:	ABSENT

ARL

5/24/22

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**