



KAREN BASS, MAYOR
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October 23, 2026

Council File: 26-0906-S12
Council District: Various
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Honorable Karen Bass
Mayor, City of Los Angeles
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Attn: Legislative Coordinator

Honorable Members of the City Council
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REPORT BACK REGARDING PROGRAM DESIGN FOR FINANCIAL SUPPORT FOR BUSINESSES, RESIDENTS, AND WORKERS DIRECTLY IMPACTED BY THE LINEAGE WAREHOUSE FIRE.

SUMMARY

The General Manager of the Los Angeles Community Investment Department (CID) respectfully requests that your office review this transmittal and forward it to the appropriate committees for further consideration. Through this transmittal, CID responds to the Motion introduced by Councilmember Jurado (C.F. 26-0906-S12), reporting on the mobilization of City resources to address the impacts of the Lineage warehouse fire and provide direct financial relief to impacted businesses and Lineage employees, including emergency financial assistance and case management services.

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

- I. **APPROVE** the establishment of the Boyle Heights program providing direct financial support to businesses and workers impacted by the Lineage warehouse fire (Lineage Fire Response Assistance Program) and **AUTHORIZE** the Community Investment Department (CID) to administer the program with the funding as described in the Recommendations below;
- II. **AUTHORIZE** the General Manager of CID to collaborate with the Office of Finance to establish a Special Bank Account for the disbursement of program funds as a public assistance benefit program to eligible recipients;
- III. **AUTHORIZE** the Controller to:
 - A. Authorize Community Investment Department (CID) to receive and utilize \$2,500,000 originally in the Unappropriated Balance Fund No. 100/58, Account No. 580196, pending a recommendation by the City Administrative Officer to

transfer the funds to a new GCP account called Lineage Fire Mitigation Response, Fund No. 100/56, Account No. TBD (C.F. 26-0906-S12) and subsequently to the Community Investment Department Fund No. 10E, Dept 21, Public Assistance Benefit Program - GBI (Guaranteed Basis Income);

- B. Establish a new Appropriation account and increase the appropriations within the Community Investment Department Fund No. 10E Public Assistance Benefit Program - GBI (Guaranteed Basic Income), Dept. 21, to fund the Lineage Fire Response Assistance Program consisting of direct financial relief to impacted businesses and Lineage employees, including emergency financial assistance and case management services as follows:

Fund	Account	Account Name	Amount
10E	21E121	Community Investment	\$375,000.00
10E	21E258	Lineage Fire Response Assistance Program	\$2,125,000.00
			\$2,500,000.00

- C. Increase appropriations within Fund 100, Dept 21 as follows:

Fund	Account	Account Name	Amount
100	001010	Salaries General	\$93,500.00
100	003040	Contractual Services	\$281,500.00
Total			\$375,000.00

- IV. **AUTHORIZE** the General Manager of CID, or designee, to execute a new contract with Geocko, Inc. dba FORWARD (FORWARD) for \$141,500 for the term of November 1, 2026 through December 31, 2027, with an option to amend for an additional 12 months, for the purpose of designing and administering a centralized online program application portal, verifying applicant eligibility, managing communications with and notifications to applicants, providing applicant customer service, enrolling program participants, reporting on program outcomes, and facilitating referrals to partner agencies, subject to approval of the City Attorney as to form. City procurement authority to utilize FORWARD is based on emergency declaration resolution adopted by the City Council (C.F. 26-0906) on October 2, 2026;
- V. **AUTHORIZE** the General Manager of CID, or designee, to execute a new contract with New Economics for Women (NEW) for the amount of \$110,000 and for the term of November 1, 2026 through August 31, 2027, with an option to amend for an additional 12 months, for the purpose of conducting outreach among eligible businesses, assisting business owners with program applications and eligibility document collection, providing ongoing case management support to ensure financial stability, and distributing program debit cards on which funds are loaded, subject to approval of the City Attorney as to form. City procurement authority to utilize NEW is based on emergency declaration resolution adopted by the City Council (C.F. 26-0906) on October 2, 2026;
- VI. **AUTHORIZE** the General Manager of CID, or designee, to execute a new contract with Managed Career Solutions (MCS), Inc., for the amount of \$30,000 and for the term of November 1, 2026 through August 31, 2027, with an option to amend for an additional 12 months, for the purpose of conducting outreach among eligible displaced Lineage

employees, assisting them with program applications and eligibility document collection, providing referrals and assisting with enrollment into other public benefits, providing ongoing case management support to ensure housing and financial stability, and distributing program debit cards on which funds are loaded, subject to approval of the City Attorney as to form. City procurement authority to utilize MCS, Inc. is based on emergency declaration resolution adopted by the City Council (C.F. 26-0906) on October 2, 2026;

- VII. **AUTHORIZE** the General Manager, or designee, of CID to prepare, process, and execute any documents, memos, and disbursement of funds necessary with U.S. Bank, utilizing the Office of Finance's contract with U.S. Bank National Association, C-203951, and any successor contract, as appropriate, to distribute program funds;
- VIII. **AUTHORIZE** the General Manager of CID, or designee, to prepare technical corrections that may be necessary and consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer.

BACKGROUND

Boyle Heights Lineage Warehouse Fire

On June 17, 2026, a fire broke out at the Lineage warehouse at 1400 South Los Palos Street in Boyle Heights. In the immediate aftermath, residents experienced significant health and economic impacts, including exposure to toxic fumes and increased health and cleanup costs. Workers faced workplace disruptions and, as a result, disruptions to their livelihoods. Local businesses experienced reduced customer traffic and employee availability. These impacts on an already vulnerable low-income immigrant community underscores the need for a recovery fund that can provide flexible financial assistance, tailored to the distinct needs of businesses and workers.

In response, Councilmember Jurado and the City Council introduced a motion, Council File Number 26-0906-S12, which calls for CID to mobilize existing City resources and infrastructure to create a financial assistance program to support impacted businesses and Lineage employees.

CID Financial Assistance Experience

CID has significant experience designing, implementing, and administering direct financial assistance programs for Angelenos experiencing economic hardship. CID administered the City's Basic Income Guaranteed: Los Angeles Economic Assistance Pilot (BIG:LEAP), which provided \$1,000 in monthly unconditional assistance to 3,200 low-income Angelenos over 12 months. The program demonstrated the City's capacity to implement a large-scale Guaranteed Income initiative and built the infrastructure and operational experience to inform additional direct financial assistance programs. Building on this experience, CID developed the STAY SAFE (Supporting Transitional-Aged Youth and Survivors in Achieving Financial Empowerment) Guaranteed Income program to provide flexible financial assistance to survivors of Intimate Partner Violence and Transitional-Aged Youth.

In addition to its Guaranteed Income programs, CID has administered multiple rounds of one-time emergency financial assistance designed to respond to immediate economic disruptions affecting Angelenos. The Los Angeles Housing Department delegated administration of the Measure ULA-funded Income Support Program to CID. The current round of the program has provided \$13.7M in financial assistance to low-income, rent-burdened households with a senior and/or person with a disability, prioritizing households impacted by recent local emergencies. Future annual rounds of this program will support additional housing-unstable Angelenos and have larger distribution budgets.

Most recently, CID partnered with the California Community Foundation and the East Los Angeles/Boyle Heights BusinessSource Center (BSC), operated by New Economics for Women (NEW), to administer the Boyle Heights Fire Relief Fund, providing one-time financial

assistance to businesses and residents impacted by the Lineage warehouse fire. Beyond financial resources, the BSC conducted outreach and provided technical assistance to over 300 businesses, deployed commercial air purifiers, and coordinated services with other businesses to meet immediate needs. The BSC is also co-hosting the Small Business Administration (SBA) to extend Economic Injury Disaster Loans (EIDL) at very low interest rates and with extended repayment options. This work and partnership creates a relevant foundation for the proposed Boyle Heights Recovery Fund, including established relationships with Community-Based Organizations and familiarity with the unique challenges that businesses, residents, and workers are facing.

These programs have given CID experience rapidly establishing eligibility and enrollment processes, partnering with Community-Based Organizations, coordinating secure fund disbursements, and adapting program infrastructure to meet the needs of communities experiencing acute crises.

DISCUSSION

In response to the Lineage fire, CID proposes creating the Boyle Heights Recovery Fund, a program designed to provide financial assistance to businesses and Lineage employees that experienced immediate and/or ongoing significant financial and/or medical impacts as a direct result of the fire. The Boyle Heights Recovery Fund would address the unique challenges these populations faced, including lost income, reduced economic activity, medical expenses, and other costs associated with the disruption. By providing flexible financial assistance, the program would help affected community members address their most pressing needs and support the economic recovery and stabilization of the Boyle Heights community.

The City Administrative Officer has identified \$2.5 Million from the Unappropriated Balance Fund No. 100/58, Account No. 580196, which CID proposes utilizing for financial relief for impacted businesses, financial relief for current and former employees of the Lineage warehouse, and program administrative costs.

Furthermore, CID has secured additional funding from the Los Angeles County Affordable Housing Solutions Agency (LACAHS), which CID proposes utilizing for financial relief for impacted residents and workers. The report outlining the usage of these funds to address the needs of the other target populations referenced in the Council Motion will be released separately.

Data on Impacted Businesses and Lineage Workers

To gather more information on the Lineage fire's impact on small businesses, CID partners in Boyle Heights surveyed about 300 brick-and-mortar businesses in the affected area. Based on preliminary data, CID estimates that approximately 1,133 small businesses in Boyle Heights were negatively impacted. Note that this preliminary count excludes government offices and agencies, police and other public agencies, schools and educational institutions, churches and religious organizations, nonprofit and social-service organizations, hospitals and large medical centers, larger institutional healthcare organizations, banks and automated teller machines (ATMs), franchises and major chains, and fast-food or limited-service restaurants. Additionally, there were 120 total impacted Lineage employees at the Boyle Heights facility.

Proposed Mechanism to Disburse Funding

CID proposes leveraging the Office of Finance's contract with U.S. Bank (C-203951) and/or any successor contract to utilize a prepaid debit card solution and administrative portal in order to distribute monthly funds to participating businesses and Lineage employees. The contract with U.S. Bank expires in January 2027, and the Office of Finance is currently leading an RFP process to identify the City's permanent prepaid debit card vendor, which is expected to provide at least the same functionality as U.S. Bank currently provides.

CID has worked closely with U.S. Bank to administer program funds for several of the aforementioned financial assistance programs, including STAY SAFE, the ULA Income

Support Program, and the Boyle Heights Fire Relief Fund.

Program Requirements

CID proposes the following eligibility criteria for each of the program target populations. Impacted businesses should demonstrate that they operated in the 90023, 90033, or 90063 ZIP codes in June 2026. They also should demonstrate that they experienced financial hardship due to the Lineage fire, including, but not limited to staff shortages, closures, reduced foot traffic, reduced hours of operation, loss of revenue, lost inventory or spoilage, canceled orders or contracts, supply chain disruption, cleanup costs, damage or repair costs, equipment or inventory replacement costs, temporary relocation costs, property cleaning, improvement, and/or remediation costs. Furthermore, depending on application demand for the program, CID may consider additional prioritization based on number of employees and annual revenue.

Impacted Lineage employees should demonstrate that they were employed by the Boyle Heights Lineage facility in June 2026, currently live within the City of Los Angeles, and have experienced financial or medical hardship due to the Lineage fire, including, but not limited to lost wages or employment, reduced work hours, increased medical bills, increased medication costs, temporary relocation costs, increased childcare costs, and/or property cleaning, air filter, or air purifier costs.

Budget and Assistance Structure

CID recommends allocating \$1,897,000 of the program budget to provide 6 months of financial assistance to impacted businesses. The amount of recommended assistance varies by number of employees: \$2,500 per month for businesses with between 1 and 5 employees and \$5,000 per month for businesses with 6 or more employees. As such, the exact number of businesses that each allocation of funds would serve is to be determined. However, CID estimates that this would serve approximately 101 total businesses with 6 months of assistance. This utilizes an estimate of 75% of businesses having between 1 and 5 employees, which is based on census estimates and ratios from previous CID programs.

CID recommends allocating \$228,000 of the program budget to provide \$2,000 per month for 6 months to impacted Lineage employees, which would serve up to 19 total employees. Unutilized employee-focused funding would be rerouted to the proposed business track of this program.

CID recommends allocating \$375,000 of the program budget to administrative expenses, utilized for Departmental administrative costs and to contract with the program partners as described below.

Program Administrative Cost and Partners

In order to successfully administer the program, CID proposes the following usage of administrative funds:

CID Administrative Costs

Administering this program, including implementation, contract execution, invoicing, and more, will incur additional expenses for the Department. The proposed cost for CID administration is \$93,500.

East LA/Boyle Heights BusinessSource Center, operated by New Economics for Women

As an existing CID contractor, the East LA/Boyle Heights BusinessSource Center (BSC), operated by New Economics for Women (NEW), is experienced in serving the local business community and has already leveraged similar program infrastructure to deliver financial assistance to impacted businesses. The BSC would conduct outreach among eligible businesses, assist business owners with program applications and eligibility document collection, provide ongoing case management support to ensure financial stability, and

distribute program debit cards on which funds are loaded. The proposed cost to contract with NEW for this program is \$110,000.

Boyle Heights WorkSource Center (WSC), operated by Managed Career Solutions

As an existing CID contractor, the Boyle Heights WorkSource Center (WSC), operated by Managed Career Solutions (MCS), is experienced in serving the local worker community with vital services and has already been responsive to the needs of displaced Lineage employees. The WSC would conduct outreach among eligible displaced Lineage employees, assist them with program applications and eligibility document collection, provide referrals and assist with enrollment into other public benefits, provide ongoing case management support to ensure housing and financial stability, and distribute program debit cards on which funds are loaded. The proposed cost to contract with MCS for this program is \$30,000.

FORWARD Platform

FORWARD is a technology platform designed to make cash assistance programs more accessible, effective, and user-friendly. CID and FORWARD have collaborated on several programs, including the STAY SAFE Guaranteed Income program and ULA Income Support Program. FORWARD would design and administer a centralized online program application portal, verify applicant eligibility, manage communications with and notifications to applicants, provide applicant customer service, enroll program participants, report on program outcomes, and facilitate referrals to partner agencies. The proposed cost to contract with FORWARD for this program is \$141,500.

Selection of Partners

CID currently contracts with NEW, MCS, and FORWARD to provide services to City residents through various CID programs. Through this transmittal, the department requests City Council approval to exempt these three contractors from competitive procurement in order to quickly deliver the services required for the City to adequately respond to the needs of residents impacted by the Lineage fire. This exemption is justified under the emergency declaration resolution adopted by the City Council (C.F. 26-0906) on October 2, 2026. Section six of the emergency declaration resolution exempts departments from compliance with Charter Sections 371 and 372.

FISCAL IMPACT STATEMENT

Approval of the recommendations in this report will have a General Fund impact of \$2.5 Million. In its pending report (Council File No. 26-0906-S12), the Office of the City Administrative Officer (CAO) recommends to transfer \$5 Million from the Unappropriated Balance Fund No. 100/58, Account No. 580196 "Reserve for Mid-Year Adjustments" to the General City Purposes (GCP) to fund the Lineage Fire Mitigation Response. Approval of the CAO's report would make General Fund funding available for the program outlined in this transmittal while leaving a balance of \$2.5 Million for other costs of the Lineage Fire Mitigation Response.



ABIGAIL R. MARQUEZ
General Manager