



Workforce Development Board
LASHONDRA MERCURIUS
CHAIR



COMMUNITY INVESTMENT DEPARTMENT

Karen Bass, Mayor
Abigail R. Marquez, General Manager

August 3, 2026

Council File Number: 25-0006-S60
Council Districts: All
Contact Persons & Phone:
Gerardo Ruvalcaba (213) 281-2404

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

City Council
c/o City Clerk
Room 395, City Hall

Attention: Economic Development and Jobs Committee

TRANSMITTAL: APPROVAL OF RECOMMENDATIONS FROM THE COMMUNITY INVESTMENT DEPARTMENT TO REALLOCATE LOS ANGELES COUNTY FIRE ADDITIONAL ASSISTANCE GRANT FUNDS FOR THE BOYLE HEIGHTS LINEAGE FIRE RECOVERY TO IMPACTED WORKERS AND BUSINESSES

RECOMMENDATIONS

The General Manager of the Community Investment Department (CID) respectfully requests that the City Council:

1. AUTHORIZE the General Manager of CID to reallocate up to \$940,000 in Los Angeles County (County) Fire Additional Assistance (AA) Grant funds to the Boyle Heights WorkSource Center (WSC) for Lineage Fire Recovery to support impacted workers and businesses as outlined in Table 1; and
2. AUTHORIZE the General Manager of CID, or designee, to execute a contract amendment with the Boyle Heights WSC for the period through March 31, 2027.

FISCAL IMPACT

There is no fiscal impact to the City General Fund.

BACKGROUND

On January 23, 2025, the Workforce Development Board (WDB) held a Special Executive Committee Meeting to approve the acceptance and allocation of up to \$4.5 million in

Workforce Innovation and Opportunity Act (WIOA) funding from the California Employment Development Department (EDD) for the County's Fire AA Grant program. Following this WDB action, a transmittal for these funds was provided to the LA City Council, and approved on February 26, 2025 (C.F. 25-0006-S60). The unprecedented damage and economic losses across the region in the wake of the January 2025 wildfires required a coordinated regional response to support recovery efforts for individuals and businesses in need of workforce services. In partnership with the County's Department of Economic Opportunity (DEO), the City of Los Angeles (City) initially secured a total award of \$2,868,743 to serve up to three hundred seventy-three (373) participants, address workforce needs, and support individuals and businesses impacted by the wildfires.

As of July 13, 2026, the City has supported thirty (30) wildfire-impacted individuals through career services, training, transitional jobs, and supportive services and expended approximately \$310,000. The grant is scheduled to end on March 31, 2027. Following extensive outreach and recruitment, the City has been unable to identify dislocated workers who are eligible for workforce services available through the grant program. As part of the program's eligibility, participants' employment must have been directly impacted by the wildfires. This requirement significantly decreased the pool of individuals eligible to be enrolled. Additionally, residents in these areas were seeking assistance with insurance claims, business loans, and help navigating rebuilding efforts as opposed to workforce services. The WIOA eligibility requirements include valid authorization to work in the United States. Many of the affected workers in the wildfire impacted areas were domestic workers (i.e. gardeners, nannies, housekeepers, etc.) that did not possess this documentation and were therefore ineligible for program enrollment.

Based on actual performance and expenditures to date, the City anticipates returning unspent funds in the near future unless enrollment increases.

DISCUSSION

On the afternoon of June 17, 2026, a massive fire began at the Lineage, Inc. cold storage warehouse facility located in the historically Latino, working-class Boyle Heights neighborhood. The large amounts of smoke from the fire prompted a shelter-in-place order and a particle pollution advisory for nearby residents due to poor air quality. Additionally, three (3) days after the start of the fire, on June 20, 2026, Governor Gavin Newsom proclaimed a State of Emergency for the County, directing state agencies to support local response efforts and help protect public health and safety.

The destruction of the warehouse is estimated to have impacted approximately one hundred twenty (120) Lineage, Inc. employees and several businesses and workers in the surrounding area. Surveyed businesses reported income losses due to smoke-related closures, limited customer access to the affected area, reduced staffing, and other operational disruptions. Many workers living in or employed in the community also reported being unable to work due to health concerns and unsafe working conditions caused by the smoke.

Following the Boyle Heights Lineage Fire, the County DEO, in partnership with the newly created CID, submitted a modified application to the California Employment Development Department (EDD) to expand participant eligibility and allowable program activities under

the grant program to support impacted individuals and businesses. The proposed modification will make available up to \$1,000,000 to support a minimum of one hundred (100) workers and fifty (50) businesses impacted by the fire through training, transitional employment, emergency supportive services, and consulting resources to impacted businesses.

Services to be provided under this grant modification include emergency workforce relief, such as wage support for lost wages, employment retraining, access to unemployment benefits, and reemployment, which are critical to supporting individuals at risk of low-income wages and workers with fewer protections. Furthermore, many of the impacted workers lack in-demand skills and English proficiency, making them vulnerable to long-term unemployment. Under the grant, participants may continue to engage in training and transitional employment, with additional emergency supportive services and resources available to eligible individuals and small businesses. In partnership, the Boyle Heights BusinessSource Center (BSC) New Economics for Women (NEW) will provide layoff aversion services for employers affected by business closures or reduced hours, employment services for displaced workers, temporary wage subsidies, customized resource referrals, and PPE.

RECOMMENDATION

As outlined in Table 1, the CID recommends reallocating up to \$940,000 to the Boyle Heights WSC (operated by Managed Career Solutions, SPC (MCS)) to serve one hundred (100) individuals and fifty (50) businesses via the services mentioned above. A total of \$250,000 was made available immediately through the WDB action, with an additional \$690,000 to be made available upon City Council and Mayoral approval.

Additionally, up to \$250,000 of the \$1,088,225 total allocated to the Boyle Heights WSC will be subcontracted to the Boyle Heights BSC (operated by NEW) to provide layoff aversion and business consulting services.

Table 1: LA County Fire Additional Assistance Grant Funding Reallocation Recommendations

CONTRACTORS		CURRENT AMOUNT	REVISED FUNDING	NEW TOTAL
1	Managed Career Solutions, SPC (Boyle Heights WSC)	148,225	940,000	1,088,225
2	Asian American Drug Abuse Program, Inc. (West Adams WSC)	148,225	0	148,225
3	Managed Career Solutions, SPC (Harbor Gateway WSC)	148,225	0	148,225
4	Coalition for Responsible Community Development (Vernon Central / LATTC WSC)	148,225	0	148,225
5	Housing Authority of the City of Los Angeles (Watts LA WSC)	148,225	0	148,225

6	JVS SoCal (West Los Angeles WSC)	148,225	0	148,225
7	Managed Career Solutions, SPC (Hollywood WSC)	148,225	0	148,225
8	UAW - Labor Employment and Training Corporation (South LA WSC)	148,225	0	148,225
9	Goodwill Industries of SoCal (Northeast San Fernando Valley WSC)	230,730	0	230,730
10	CID - Admin	90,417	60,000	150,417
11	Unobligated	1,361,796	(1,000,000)	361,796
TOTALS		2,868,743	0	2,868,743

WDB ACTION

In accordance with the WDB-Local Elected Officials (WDB-LEO) Agreement, the WDB approved the item on July 21, 2026.



ABIGAIL R. MARQUEZ
General Manager



LASHONDRA MERCURIUS, Chair
Workforce Development Board

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