

Federal Economic Stimulus in Los Angeles County: Hope or Failure?



Voice of California Coalition
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www.voiceofcalifornia.org

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About Us

With the passing of the American Recovery and Reinvestment Act (ARRA) in 2009, the Open Society Institute (OSI) awarded grants to several non-profit, non-partisan, coalitions throughout the nation. The goal of these statewide coalitions was to research the best and worst practices in the distribution of ARRA funding in their states, the effects on communities of color, and to empower local communities seeking transparency.

Voice of California was among three coalitions awarded grants through OSI within the state. Moreover, *Voice of California* is the most diverse coalition in the nation, with the partnership of California Alliance, Equality California, Mobilize the Immigrant Vote and the PowerPAC Foundation.

Our mission is to research the distribution of stimulus funding in hard-hit counties throughout the state of California and advocate for equitable distribution. We work with leaders to empower their communities through job creation, local accountability and statewide government transparency.

As four different organizations, we have united through core integral *values*:

- Equitable distribution of funds and resources
- Government accountability & transparency
- Private – public partnerships
- Job creation & sustainability
- Equality & Dignity

For more information on each partner, please visit www.voiceofcalifornia.org

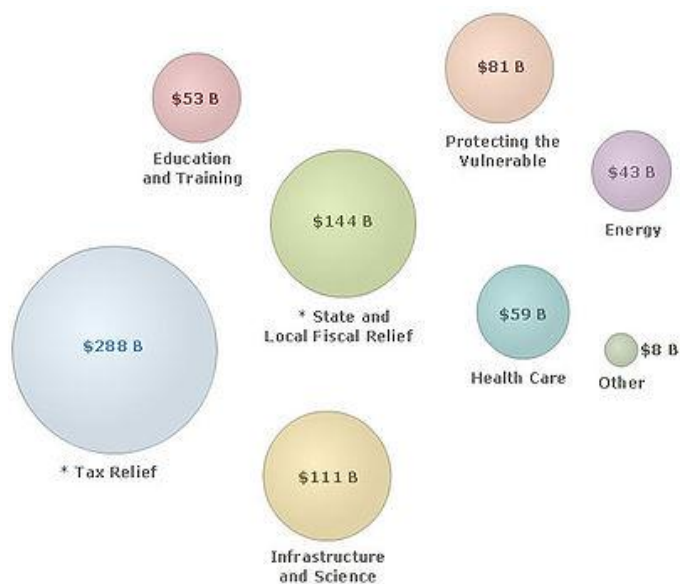
ARRA Funding

On Feb. 13, 2009, at the urging of President Obama, Congress passed the American Recovery and Reinvestment Act (ARRA) of 2009. The American Recovery and Reinvestment Act was a “bailout” for Main Street as a direct response to the recession affecting many families. By December of 2008, American families had seen the worst recession since the great depression. With unemployment rates skyrocketing, jobs dwindling, and the housing crisis, ARRA had three immediate goals:¹



- Create new jobs and save existing ones
- Spur economic activity and invest in long-term growth
- Foster unprecedented levels of accountability and transparency in government spending

The \$787 Billion for ARRA stimulus was divided into short and long term benefits.



The short term benefits provide \$288 billion in tax cuts, increasing federal funding for education and health care, state and local relief, and expanding unemployment benefits. Approximately \$499 billion are currently allocated for programs administered by the federal government, state governments, local governments and private organizations, including “shovel ready” projects in the transportation and energy sectors.

ARRA targets infrastructure development and enhancement through grants and loans. For instance, ARRA invests in the domestic renewable energy industry and the weatherization of over 1 million private homes across the nation.

Long term project funding includes medical research and the study of medical treatment. ARRA funding was dispersed through several sectors, but mainly through higher education institutions, private and public foundations and hospitals that were capable of extensive research.

Oversight: At the national level, ARRA funds are overseen by federal agencies, such as the Department of Transportation, and the Department of Agriculture among others. The Office of Management and Budget (OMB) frequently publishes a guide for federal agencies on how ARRA funds should be disbursed. Moreover, the Council of Economic Advisers (CEA) reports to the President and Congress, outlining the impact of the Recovery Act on the overall economy.

¹ Recovery.gov, “About. The Act.” Internet: http://www.recovery.gov/About/Pages/The_Act.aspx. Accessed, January 2010.

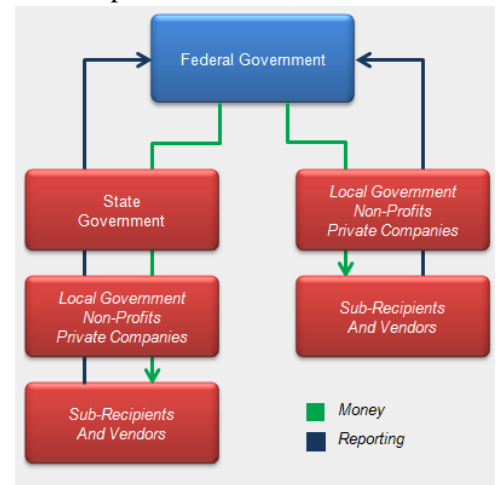
California Recovery

Since 2006, California has experienced an unprecedented downward economic spiral. However, the historical economic downfall began in 1978 with the passage of Proposition 13, which limited the state's ability to change tax law, thus reducing a relatively stable revenue source, property taxes. Before 1978, the state's income rested more equally on different sources of revenue. With the passing of Prop.13 the state's revenue became income dependent, with personal income tax accountable for 49% of the General Fund. This left California particularly vulnerable to recession and economic fluctuations. Moreover, sales taxes have increased to 9.75%, the highest sales tax in the nation. Prop 13 left a financial void that has been increasingly difficult to overcome.^{2,3}

The state's vulnerability coupled with the recession led to massive budget deficits. As the state budget was cut again in 2009-2010, many public social services suffered, propelling a decrease in services and job loss. While California faced a \$40 billion deficit, the federal stimulus proved crucial, almost immediately saving and/or creating jobs throughout the state. However, the federal aid to jumpstart the state economy did not prevent the state from a budgetary shortfall in the 2010-2011 fiscal year.

In perspective, the estimated ARRA funding for California is \$55 billion, which is equivalent to nearly 50 percent of the entire state budget (not including federal funds). California's share of the Recovery Act funding is also larger than the annual General Fund budgets of all but two states (Texas and New York).⁴

ARRA funds are distributed in a twofold method. Either funds are disbursed directly from Federal agencies to recipients, or are funneled through state agencies. The recipients are then to report directly to the agencies (federal or state) with information regarding their usage of funds. Reporting consists of notifying where the projects are located (geographically), how many jobs were created/saved, and how much of the funding has been received and used. Federal reporting documents can be found at www.federalreporting.gov.



The State of California utilizes the www.recovery.ca.gov portal as a transparency tool for constituents to track funding in their counties. As of January, the reporting can also be viewed by Congressional Districts. Unfortunately, the site is only a great tool for tracking funding but has limited information. For example, reporting small businesses receiving any grants/loans do not state whether or not they are minority owned, as the state reporting does not ask these types of questions. In addition, reports do not ask if new hires are local or if the particular position was outsourced to another state, among other questions. Thus, vital information to economically empower local communities is limited or nonexistent. The Governor's Recovery Taskforce office spearheads the reporting and transparency process. **They could, if pressured, change the reporting guidelines to display this information.**

The office of the Recovery Inspector General works with community partners throughout the state to *Deter, Detect and Disclose* any misuse or fraud of stimulus funding in the state. In addition, the Recovery Inspector General issues reports on non disbursement and lax oversight to the Governor. If community leaders identify misuse of funding, it is encouraged they contact the Inspector General's office.

<http://www.inspectorgeneral.ca.gov>

² California Budget Project "California's Tax System" February 2009

³ Public Policy Institute of California "California Budget" July 2009

⁴ California Recovery. ARRA Overview. Internet: <http://www.recovery.ca.gov/html/about/recoveryactoverview.shtml>. Accessed March 2010

Los Angeles County

Los Angeles County is the most populous in the United States, with an estimated population of 10,441,080.⁵ It contains the largest city, Los Angeles, with 4,094,764 residents; and the smallest city, Vernon, with a population of only 95 residents.⁶ Eighty-eight incorporated cities and seventy-four unincorporated⁷ areas make up the county, making it one of the most diverse counties in the nation, whose ethnic demographics include:⁸

- Hispanic or Latino 48%
- White 28.4%
- Black 9.3%
- Two or more races 1.9%
- Asian 13.4%
- American Indian and Alaska Native 1.0%
- Native Hawaiian and Other Pacific Islander 0.3%

Median Income, Unemployment and Poverty

The economic makeup of Los Angeles County shows alarming statistics. The median household income in the county is \$55,452, with 15.30 % of families living at poverty level.⁹ As of July 2010, the county saw a 12.3 % unemployment rate, equal to that of the state.¹⁰ Most notable, the City of Los Angeles alone has an unemployment rate above both the state and county levels, at 13.0%.¹¹ The City of Los Angeles has: a median household income of \$36,687, where the highest income is \$207,938 and the lowest income is \$15,003; and a poverty level of 18.3%. When poverty levels are demographically connected, disparities become more apparent: 19.3% of Black residents and 20.1% of Latino residents, versus only 8.1% of white residents, live below the poverty line in the county.¹²

ARRA in Los Angeles County

Los Angeles continues to struggle through the current recession. The housing market bottomed out with **foreclosures increasing**. In the last two years, the county - which uses its \$23.6 billion budget to provide a host of public safety, health, welfare and other services - has lost \$426 million in state funding. Moreover, the state borrowed an additional \$360 million in property tax revenues from the county.¹³ In response, the American Recovery and Reinvestment Act of 2009 (ARRA) dispersed **\$5.2 billion** into Los Angeles county, including **\$2.4 billion in education and \$1.1 billion in transportation infrastructure**. This is the largest investment by the federal government in the state and will work to diminish the impact of the recession in Los Angeles; however, without proper oversight these funds may not reach the most impacted communities and sectors.

⁵ Department of Finance. January 2010

⁶ L.A. County Estimated Populations: http://ceo.lacounty.gov/forms/Population%20Pg_Color.pdf

⁷ L.A. County City Data: http://www.city-data.com/county/Los_Angeles_County-CA.html#ixzz0wKil6K00

⁸ L.A. County Demographics: <http://quickfacts.census.gov/qfd/states/06/06037.html>

⁹ Median Household Income and poverty Level: <http://quickfacts.census.gov/qfd/states/06/06037.html>

¹⁰ Unemployment statistics: <http://www.labormarketinfo.edd.ca.gov/?pageid=4>

¹¹ Unemployment statistics: <http://www.labormarketinfo.edd.ca.gov/?pageid=1003>

¹² LAANE (2009), Los Angeles On the Edge, Part II

¹³ Daily News Los Angeles "L.A. County face big budget shortfall" 01/10/2010

Disparities

The state can, and should, improve its distribution of funds to ensure that disadvantaged neighborhoods receive equitable assistance. In several regions where foreclosure and poverty are high, ARRA investments have failed to meet the needs. This is particularly true in the South Central, East Los Angeles, and the Antelope Valley regions, where a dangerous mix of poverty and foreclosures has not been met with ARRA funding. For example, zip code 90222 in the city of Compton, where the foreclosure rate is more than three times higher than the national average and the family poverty rate is 30%, received **\$0 in ARRA funding**. Vernon, in East Los Angeles County, has the second highest poverty rate and the 5th highest foreclosure rate in the county, a combination not emulated anywhere in Los Angeles, and they only received \$5 million dollars, or 0.1% of total funding, creating only 9 jobs. Additionally, 7 of the 10 neighborhoods hardest hit by the foreclosure crisis are located in the Antelope Valley, yet the region received the lowest per capita allocation, at **\$57 dollars per person**, while the Metro region received **\$1,749 per person**. Furthermore, even as the Metro region experienced high funding levels, neighborhoods with high poverty such as Boyle Heights and Pico Heights received demonstrably lower levels of funding at just over \$1 million each. These funding disparities only exacerbate already historic divisions in the county and will result in uneven recovery patterns.

Workforce

California should concentrate on providing living wage jobs and job training that will provide long term security for residents. In Los Angeles, approximately \$205 million was allocated for labor development with over half, \$108 million, directed through the Workforce Investment Act (WIA). WIA funds are dedicated to the hiring of youth and assisting unemployed workers to assess their labor market skills and connect with the work readiness and occupational skills training needed to assure success in the job market. The largest WIA grant, almost \$47 million, was directed through the City of Los Angeles, creating 113 jobs. This grant funded case managers, program support staff and the hiring of youth program counselors and mentors as well as summer job placements between May and September for out-of-school youth. The county of Los Angeles also received \$36 million in WIA funding, creating 198 jobs that funded additional case managers and youth programs. This investment represents only 2% of total funds and for a city of over 10 million residents, 300 jobs is woefully lacking.

Outside of the WIA grants, Los Angeles County received several additional funds for labor development. This includes Community Service Employment for Older Americans, providing work opportunities for older Americans who have been disproportionately affected by the recession. Not only were retirees hit hard by the decreased value of their pensions, but they also faced the added disappointment of no cost-of-living increase in Social Security checks this year. With the continually escalating cost of health care and other costs, the number of seniors living alone who seek help from food pantries in the U.S. increased 81% in 2008.¹⁴ In Los Angeles the *Asociacion Nacional Para Personas Mayores Inc.* received a \$2.3 million to provide subsidized, part-time, community service work-based training to low-income persons, with poor employment prospects, that were age 55 or older. This wise investment targets a community in need just as the WIA targets youth and unemployed Angelinos. However, the investment in the city has consistently failed to meet the needs.

Transportation funding was an excellent opportunity to improve the infrastructure of communities in need while creating jobs and boosting the local economy. In Los Angeles, transportation funding topped \$1 billion - funding projects from the expansion of the I-405 freeway to re-pavement and resurfacing across the county. The Los Angeles County Metropolitan Transportation Authority (LAMTA) received an estimated \$312 million for public transportation infrastructure. The largest grant of \$225 million would allow LACMTA to purchase approximately 141 Natural Gas buses, overhaul 290 buses, implement pedestrian improvements, replace rail communications equipment, replace 20 aging traction power

¹⁴ Bauman, Valerie. Huffington Post 'Recession Sends Older Americans To Food Pantries.' 11/28/09

substations, and update Natural Gas fueling facilities. This grant could represent a positive investment in equitable public transportation and a reduction in the disproportionate impact of pollutants on impoverished communities in Los Angeles; however, it is crucial that transparency and community investment is maintained. This investment is dampened by the lack of job training opportunities, ensuring a limited access to high paying, albeit temporary, jobs.

Housing

The Department of Housing and Urban Development received \$13.6 billion¹⁵ in ARRA funds to alleviate the national housing crisis, promote energy efficiency, support shovel ready projects, and create jobs. California received \$1.1 billion state controlled funds for the Tax Credit Assistance Program, Homeless Prevention and Rapid Re-Housing, and the Community Development Block Grant (CDBG). This was the largest state controlled grant awarded throughout the nation. Concurrently, each county was able to seek additional grants through the American Recovery and Reinvestment Act (ARRA), bringing the total housing funds awarded through ARRA to \$1.169 billion¹⁶ for the state of California.

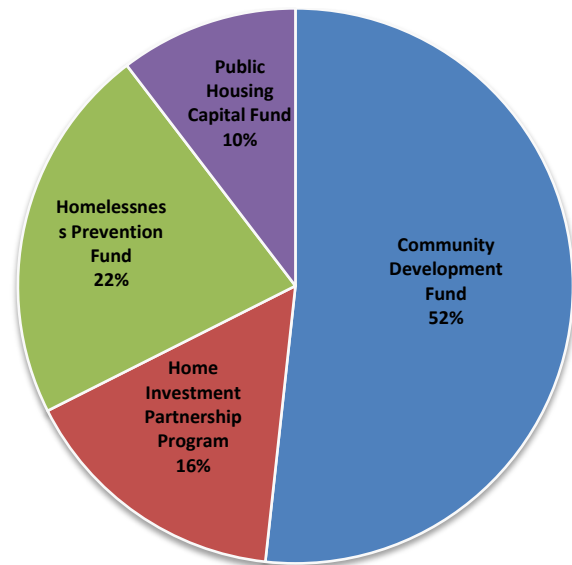


Figure 1: Los Angeles County Housing ARRA Funding Distribution

With an unemployment rate of 12.3%, a foreclosure rate of 12.58%, and nearly 50,000 people identified as homeless, the County of Los Angeles obtained \$411.9 million¹⁷ in locally controlled housing funds through ARRA. While nonprofits could seek ARRA grants, the majority of funds were obtained by cities and local housing authorities. Grants were allocated by programs and special projects, such as: Public Housing Capital Fund, Native American and Native Hawaiian Housing Block Grants, Neighborhood Stabilization Program, Assisted Housing/Green Retrofitting, Homeless Prevention, Community Block Grants, Office of Healthy Homes and Lead Hazard Control programs. To better identify the distribution of funds per program and block grant, the following illustrates ARRA funding categories:¹⁸

- **Community Development Block Grant** stabilizes property values and prevents neighborhood blight by providing housing benefits to low-income persons and eliminating slums and decaying conditions.
- **Homelessness Prevention and Rapid Re-Housing Program** provides temporary financial assistance and housing relocation services and rapid re-housing for those who are homeless.
- **Home Investment Partnership Program** provides funds to state housing credit agencies for capital investments in stalled Low-Income Housing Tax Credit (LIHTC) projects, which increase the quality of housing stock, create affordable housing units, and unlock private lending. Overall, providing affordable rental housing to low income communities.
- **Public Housing Capital Fund** transforms distressed public housing into energy efficient communities, elderly/disabled housing, and overall retrofits housing projects that lack the private capital to proceed.

¹⁵ <http://portal.hud.gov/portal/page/portal/HUD/recovery/about>

¹⁶ <http://www.recovery.ca.gov/html/funding/housing/housing.shtml>

¹⁷ Los Angeles County Table. www.recovery.ca.gov/viewcountytable.doc

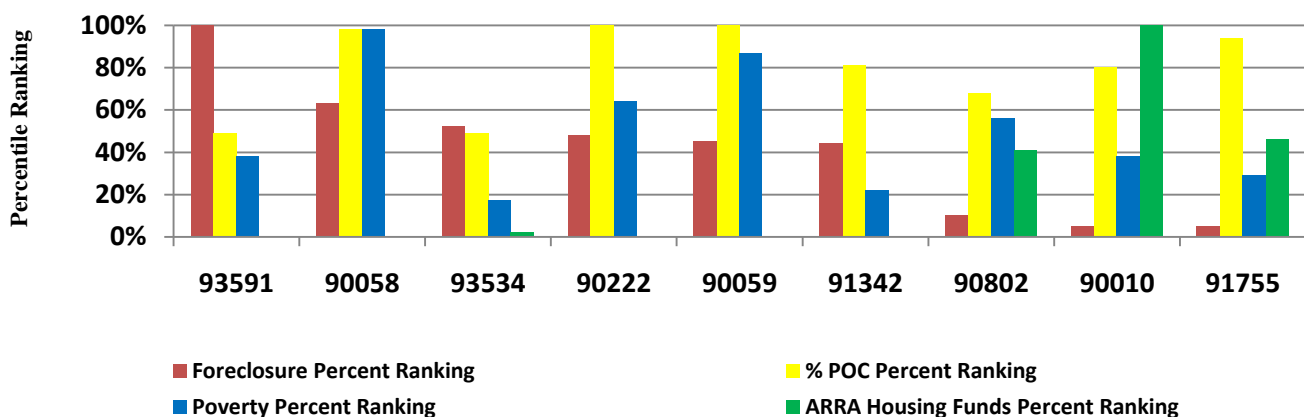
¹⁸ <http://portal.hud.gov/portal/page/portal/HUD/recovery/about>

- **Neighborhood Stabilization Program:** mitigates the impact of foreclosures through the purchase and rehabilitation of foreclosed, vacant properties in order to create more affordable housing and renew neighborhoods devastated by the economic crisis. NSP was divided into 3 categories: NSP 1 – formula based grant, NSP 2- competitive funding, and NSP 3- formula based grant.

With the increasing disparities in Los Angeles County, two grants were crucial to economically stabilize communities and create employment opportunities: the Community Development Block Grant – Recovery (CDBG-R) and the Neighborhood Stabilization Program (NSP). Combined, these grants could create or save hundreds of jobs, decrease blight in underserved communities, and rehabilitate local affordable housing. Many Housing and Urban Development (HUD) funds are subject to Section 3 of the Housing and Urban Development Act of 1968. This is true for CDBG. Thus, local governments are required, to the greatest extent possible, to provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.¹⁹ However, few Section 3 jobs were created.

Neighborhood Stabilization Program

In Los Angeles County, the wake of the economic recession brought soaring unemployment rates and a spiraling mortgage crisis that propelled an increase in foreclosures, most evident in the Southeast cities of Los Angeles and Antelope Valley. Notably, the zip codes with the highest poverty and foreclosure rates were located in the Antelope Valley, South Los Angeles, and the San Fernando Valley. Zip code 90058 located in City of Vernon, has the second highest poverty rate and fifth highest foreclosure rate in the entire county; yet the City did not receive Neighborhood Stabilization Funds. Furthermore, while Palmdale (93591) has the top foreclosure percentile ranking in the county, 100%, it received \$7.4 million in NSP 1 and \$2.3 million in NSP 3 funding to assist with the blight of empty properties or subsidize low-income housing rental. Unfortunately, jobs have yet to be accounted for in the first round of expenditures of the city. In contrast, Long Beach (90802) with a foreclosure percentile ranking of 10%, sought NSP 2 funding, receiving \$22 million. With these funds, the City of Long Beach has processed applications and committed funds for second mortgages on 14 properties.²⁰ Comparatively, the City of Long Beach with a population of 492,682 and an unemployment rate of 7.4% received over double the amount of Palmdale with a population of 152,622 and an unemployment of 14.2%.



¹⁹ <http://www.hud.gov/offices/ftheo/section3/section3.cfm>

²⁰ <http://www.recovery.gov/Transparency/RecipientReportedData/pages/RecipientProjectSummary508.aspx?AwardIdSur=98408&AwardType=Grants>

Community Development Block Grants (CDBG)

Community Development Block Grant - Recovery (CDBG- R) projects were meant to create greener housing, repair dilapidated or outdated housing, and secure job/training opportunities. The County of Los Angeles received an accumulated²¹ \$52.2 million in ARRA CDBG-R funding, which was disbursed to several projects across incorporated cities and unincorporated areas of the county. These funds have created or saved approximately 660 jobs,²² in the unincorporated areas of the county alone. The largest CDBG-R grant, \$19.3 million, was awarded to the Housing Authority of the City of Los Angeles (HACLA); the second largest was awarded to the City of Long Beach, \$2.3 million. Although much of the funds were utilized for outdoor, façade and beautification projects, job opportunities were sparse throughout the duration of the project.

ARRA funding has resulted in the employment of the following positions: electricians, laborers, carpenters, plumbers, pipefitters, painters, drywall scrappers, drywall finishers, environmental consultants and roofers.²³ While these numbers may seem positive to some extent, research shows that jobs were temporary and for the most part outsourced. Projects in Ramona Gardens Housing located in East LA (90033) with a 35% poverty rate, received public housing funds for landscaping, concrete walkways, exterior painting, playground equipment, and street furniture. This created no jobs within the housing unit. Other housing projects such as Nickerson Gardens (90059) and Jordan Downs (90002), located in the city of Watts, both have a 40% foreclosure percentile ranking and 40% poverty rate and received approximately \$20 million in combined funding. This created 17.98 jobs, but none were given to residents of the housing projects. Nonetheless, many of the projects are less than 50% complete which could potentially create a vast improvement for job creation and retention for the first quarter of 2011.

Jobs and Employment Training Opportunities

ARRA CDBG-R and Neighborhood Stabilization grants had an opportunity to provide employment and long-term labor investment through construction, skill-building or union apprenticeships, especially with the promise of green technology and green jobs. While NSP 2 funds were competitive, incorporated cities such as Vernon could have sought NSP 1 and NSP 3 funds, creating jobs and diminishing blight in their communities. Yet, as mentioned above, the bulk of jobs created or saved were temporary and for the most part, outsourced.

Providing jobs and apprenticeships that hire housing and local residents would have developed better job sustainability. Stimulus funds could have provided seed funding for employment and pre-employment training for area residents. Promoting work in public housing could have developed programs which encompassed employment-related services, rent-based work incentives that allow people to keep more of their earnings, and neighbor-to-neighbor support activities.²⁴

²¹ Small cities included. Such as Alhambra, El Monte, Los Angeles, Long Beach and Burbank.

²² Los Angeles County Fact Sheet_JobsandHousing.pdf

²³

<http://www.recovery.gov/Transparency/RecipientReportedData/pages/RecipientProjectSummary508.aspx?AwardIdSur=33888&AwardType=Grants>

²⁴ Promoting Work in Public Housing: The Effectiveness of Jobs-Plus. www.mdrc.org/publications,405/overview.html

Health and Human Services

As of March 2010, Los Angeles County received \$79 million in ARRA Health and Human Services (HHS) funds.²⁵ This funding served to increase access and quality health care services, propel job creation, preservation, and training to regional and local constituents.

Distribution of Funds

Los Angeles County received ARRA dollars in several categories within Health and Human Services. Recovery Act funds supported programs, such as the Federal Medical Assistance Percentages funding for Medicaid/Medi-Cal services, food stamp benefits, elderly nutrition services, the Women Infant Children (WIC) program, lead hazard reduction, and employment for persons with disabilities. The distribution of funds in Los Angeles illustrates the county's priorities for health and economic empowerment. **SEE Figure 3.**

The majority of funds, \$58 million, was disbursed to community health centers (CHC), in projects that ranged from increased clinical hours and staffing, to the construction of new clinic sites.²⁶ The Lead Hazard Reduction Program, which identifies and controls lead-based paint hazards in privately owned rental or owner-occupied housing, received the second highest amount of funds (\$8 million). The Temporary Emergency Food Assistance Program received the third highest funding (\$7 million), providing additional food to banks and pantries as well as administration costs for food distribution.²⁷

Communities of Color

Los Angeles County is expansive, encompassing a range of diverse communities thus catapulting local health agencies and departments to use Service Planning Areas (SPAs) for health care delivery purposes. Each SPA contains different neighborhoods and enclaves, illustrating varying health needs and service delivery models. Examining ARRA HHS funds by SPA can demonstrate the county's priorities. **SEE Figure 4.**

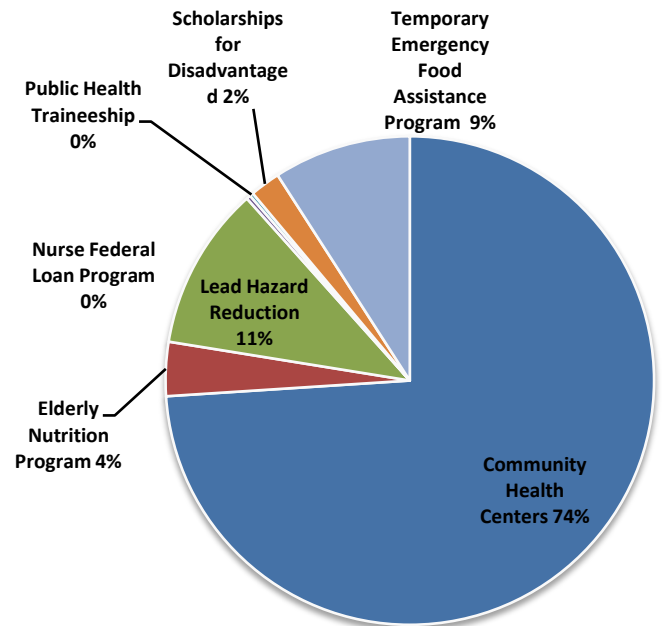


Figure 3: Categorical Distribution of ARRA Health and Human Services Funds in Los Angeles County

²⁵ California Recovery Website. www.recovery.ca.gov

²⁶ Ibid

²⁷ Ibid

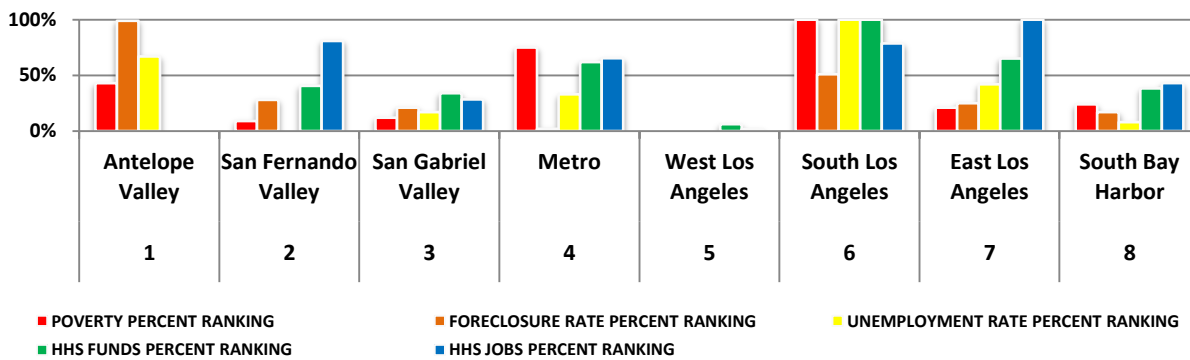


Figure 4: ARRA HHS Distribution of Funds and Jobs per Service Planning Area (SPA)

On the surface, it seems that ARRA provided support to communities hard hit by the economic recession. Further examination of the distribution of funds demonstrated not only a lack of support for some of LA County’s poorest neighborhoods, but also that it did not alleviate the massive health and human service budget cuts incurred by the state, such as \$11 million²⁸ in cuts to county HIV/AIDS funds and \$18.6 million to safety net clinic programs like Healthy Families, and Medi-Cal Optional Benefits.²⁹ Overall, the distribution of HHS funds illustrates two major problems: 1) inequitable funding across SPAs and 2) the inequitable distribution within SPAs, notably in SPA 1 and SPA 5.

ARRA in Service Planning Areas (SPAs)

As Figure 4 illustrates, the economic recession has had a stronger impact on particular regions of LA County, specifically in SPAs 1 (Antelope Valley) and 6 (South LA). Although each SPA has specific economic concerns, SPA 4 (Metro) has the 3rd highest ranking poverty rate, SPA 7 (East LA) has the 3rd highest ranking unemployment rates, and SPA 1 shows the highest rate of foreclosure and second highest rate of unemployment in the county.

Though SPA 6 shows the worst effects of the recession – the highest-ranking poverty and unemployment rates in the county. While SPA 6 received ARRA HHS funds and jobs that meet the needs of the hardest hit communities, SPA 1 received no such funds. In fact, each SPA that exhibits lower foreclosure, poverty, and unemployment rates received significantly more ARRA funds and jobs. Each SPA received a pocket of HHS funds that reflected the various health and economic needs of their communities. For example SPA 5 (West LA), which ranks the lowest in the county for all the listed economic indicators, received a little over \$1 million for health and human services.

SPA 1 (Antelope Valley) faces an uphill battle when it comes to accessing federal funds for CHCs. Unlike other SPAs in the county, Antelope Valley does not have CHCs that qualify for a specific line of federal funding. These clinics, called Federally Qualified Health Centers (FQHCs), are able to apply for and access stimulus funds. All of the clinics that received funding in the county were FQHCs. SPA 1 does have a CHC that is close to achieving this status, and unfortunately, was not able to access these funds. However, LA County in conjunction with the political leadership of Antelope Valley could have worked with CHCs and other clinics to apply for stimulus funds that could reach their most vulnerable communities. Despite having several other ARRA HHS opportunities, SPA 1 failed to access any funds or jobs.

²⁸ <http://file.lacounty.gov/bos/supdocs/51247.pdf>
²⁹ Community Clinics Association of Los Angeles County

Inequitable Distribution

The largest grant dispersed in SPA 6 (South Los Angeles) of \$14 million was directed to the South Central Family Health Center to expand infrastructure and access to health care. Located in Central Alameda (90011), the neighborhood is composed of 99% people of color and has a 37% poverty rate. The second highest, \$7 million, was granted to Vernon (90058), SPA 7, granted to the Los Angeles Regional Foodbank and Clougherty Packing LLC for the Temporary Emergency Food Assistance Program. With a 45% poverty rate, Vernon is the second most impoverished city in the county. The third largest was granted to Altamed Health Services Corporation in the city of Commerce (90040), also located in SPA 7, where \$4 million was used to develop new clinic sites and expand health services. The city of Commerce has an 18% poverty rate and is composed of 96% people of color. The communities that received the most jobs overlap with those that received HHS program funds. The top three belong to City of Commerce, Sun Valley/Verdugo (91352) in SPA 2, and Vernon.³⁰

While some SPAs may show the high numbers of jobs funded, many of these job opportunities are not local or do not provide health career pipelines, thus do not build long-term economic prosperity. For example, the city of Vernon (90058), SPA 7, has the highest percentage of jobs, provided by Clougherty Packing LLC, a meatpacking plant. Despite having the highest poverty level in the county of 45%,³¹ the only economic opportunities were for meatpacking assembly-line jobs funded by the Temporary Emergency Food Assistance Program of HHS. In the city of Commerce (90040), Altamed Health Service Corporation provided the highest percentage of job opportunities. Unfortunately, these jobs were not local; they were directed to health care centers in Orange County. Two of the poorest neighborhoods in East Los Angeles - City Terrace (90063) and East LA proper (90022), received less than 5 jobs. Despite rich opportunities for job training in the health sector for low-income people of color, many of the jobs opportunities were only for medically trained personnel such as physicians and nurses, ignoring the need for community outreach staff.

LGBT Communities

Compared to all counties in the state, Los Angeles County has the highest number of HIV (15,957) and AIDS (56,589) cases. Despite the high number of HIV and AIDS cases and the devastating HIV/AIDS budget cuts, zero funding was provided for HIV/AIDS specific care.³² This lack of funding left an HIV service void and impacted LGBT agencies the most. The Metro (SPA 4) neighborhoods of West Hollywood (101%), Downtown Los Angeles (56.1%), Hollywood (35.1%), Silverlake/Chinatown (31.5%), and Long Beach (30%) have the highest AIDS rates in the county,³³ yet no ARRA funds were directed to alleviate the needs in these communities.

Despite the highest recorded concentration of LGBT people in the Metro section of LA County (SPA 4), no funding was allocated for LGBT specific health services. The challenge LGBT communities face, especially LGBT communities of color, is the lack of health data collection that could have assisted and created ARRA funding opportunities. Very few state and federal health agencies as well as local health service entities collect sexual orientation and gender identity, which prevents an effective health assessment of LA County's diverse LGBT community. Without an accurate health assessment of the LGBT community, we cannot create effective and culturally competent health care and services. ARRA HHS funds could have supported health initiatives to explore the unique health issues that affect LGBT people, especially transgender and LGBT people of color. Creating CHC and LGBT center partnerships will not only improve data collection, but it could also increase the LGBT health workforce - improving

³⁰ Ibid

³¹ American Community Survey

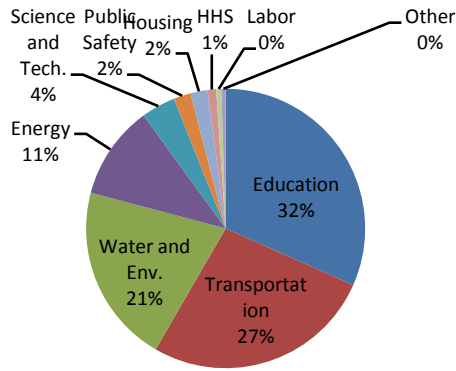
³² www.avert.org

³³ HIV Surveillance Quarterly Report 2010

<http://publichealth.lacounty.gov/wwwfiles/ph/hae/hiv/HIVAIDSSemiannualSurveillanceSummaryJanuary2010.pdf>

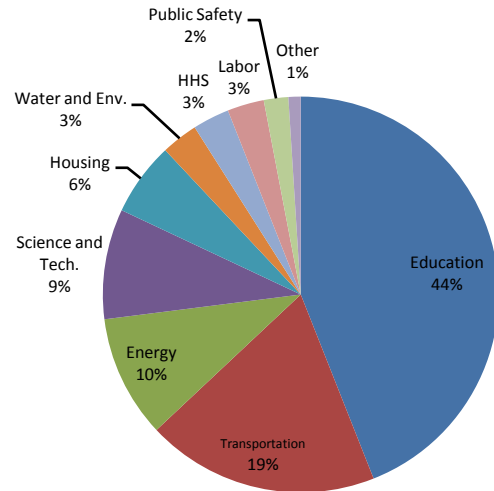
cultural sensitivity in CHCs, and benefitting awareness development of HIV/AIDS patients and their care. Moreover, improved cultural competency of providers would reduce the stigma experienced by LGBT people when accessing health services, thereby improving health outcomes.

County Comparison



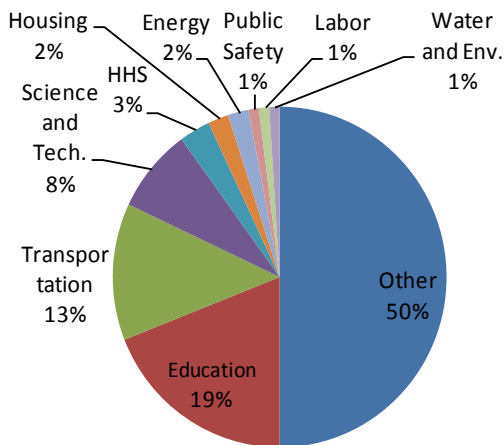
Alameda County

Alameda Total Population: 1,457,169
 Metro Unemployment Rate: 11.4%
 Foreclosure Rate: 1 in every 235
 Total Funding: \$2.75 Billion



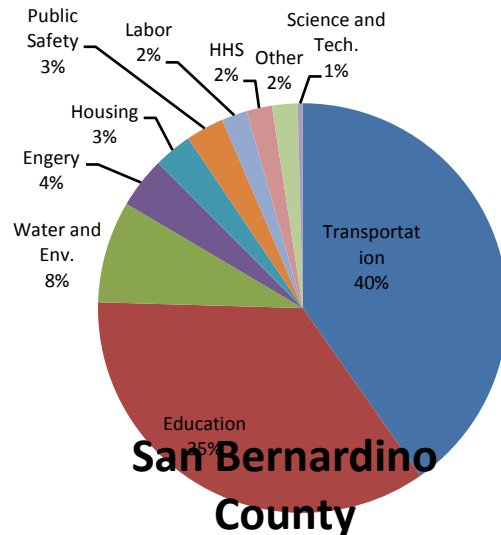
Los Angeles County

Los Angeles Total Population: 9,832,137
 Metro Unemployment Rate: 12.3%
 Foreclosure: 1 in every 232
 Total Funding: \$5.68 Billion



San Diego County

San Diego Total Population: 3,001,072
 Metro Unemployment Rate: 10.4%
 Foreclosure Rate: 1 in every 215
 Total Funding: \$1.44 Billion



San Bernardino County

San Bernardino Total Population: 1,999,753
 Metro Unemployment: 14.2%
 Foreclosure Rate: 1 in every 116
 Total Funding: \$936 Million

Summary

Problem:

With California's state budget in deficit over the last ten years, ARRA funds have created opportunities to stimulate local and statewide economies. Communities of color, immigrants and LGBT individuals are struggling to obtain a better quality of life in their neighborhoods. Health and Human services are consistently being cut or terminated, and shovel ready projects in these neighborhoods have been placed on the backburner. Moreover, the distribution of ARRA is oblivious to the needs of hard hit communities suffering through budget cuts and increasing foreclosures. This problem stems from 1) the local government entities not applying for stimulus funding, or not enough stimulus funding, and 2) local businesses not applying for grants or, more often than not, being under-awarded.

Solution:

The California Recovery Taskforce can and should ensure that ARRA funds are disbursed in the neighborhoods most devastated by the economic recession. By comparing foreclosure rates, unemployment rates and poverty levels to project and granting opportunities in the area, the California Recovery Taskforce and the Federal Recovery Taskforce can equitably distribute ARRA funding; thus, nurturing communities in need and ensure quality of life, job training, employment and economic stimulation throughout the regions. In addition, local legislators can and should ensure that funds are kept within the state, ensuring job creation and economic stimulation throughout the state.

Ask:

Equitable distributions of federal funds are needed to improve the quality of life of all residents. California must, immediately, seek a method to distribute ARRA funds to communities most in need. The California Recovery Taskforce must develop a transparent process in the distribution of ARRA funding, inclusive of community input, and draft better report backs from grantees, capturing minority statistics.

Action:

Not only has the state failed to provide targeted funding throughout the state, the lack of transparency has limited the ability of citizens to hold them accountable. Now is the time to demand equity, accountability and transparency. **Call** your local legislators and the California Recovery Task Force demanding equitable distribution and transparency of funds. Interested in being a voice of and for California? **Meet** with your community leadership and local grantees to seek public-private partnerships.

Join the Voice of California for updates and actions.

Values

- Grantee transparency and accountability
- Equitable distribution of funds
- Job creation
- State and Federal Taskforce transparency in report backs

www.voiceofcalifornia.org

www.vozdecalfornia.org