

# CITY OF LOS ANGELES

CALIFORNIA

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ECONOMIC AND WORKFORCE  
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Los Angeles City Council  
c/o City Clerk  
Room 395, City Hall

## **REPORT BACK: FINAL MODIFIED DRAFT CITYWIDE ECONOMIC DEVELOPMENT STRATEGY (CEDS) AND FIVE YEAR IMPLEMENTATION PLAN**

### **RECOMMENDATIONS:**

The Interim General Manager of the Economic and Workforce Development Department (EWDD) or designee, respectfully requests that the City Council, subject to the approval of the Mayor as required:

1. APPROVE the final modified CEDS and related five-year implementation plan attached to this transmittal (Attachment A);
2. DIRECT the Interim General Manager of the EWDD or designee, in conjunction with the Chief Legislative Analyst (CLA) and City Administrative Officer (CAO) and key City departments identified in the CEDS to implement the final modified CEDS attached to this transmittal (Attachment A);
3. DIRECT the Interim General Manager of the EWDD or designee, to submit the CEDS to the U. S. Economic Development Administration for approval in the appropriate form to conform to EDA formatting and submission requirements;
4. DIRECT the Interim General Manager of the EWDD or designee, to develop and submit proposals and applications to secure EDA funds and available non-EDA funds to any public, private, nonprofit, or governmental entity for economic development-activities in accordance with City grant regulations;

5. DIRECT the Interim General Manager of the EWDD or designee, to accept funds and execute grant award agreements, subject to the review and approval of the City Attorney as to form and legality, in the event any proposals and/or applications are selected by any public, private, nonprofit, or governmental entity for funding in accordance with City grant regulations.;
6. DIRECT the Interim General Manager of the EWDD or designee, to review and update the CEDS annually as required by the EDA and/or other grantors;
7. DIRECT the Interim General Manager of the EWDD or designee, to report back annually on economic development program metrics and/or award of grant funds successfully granted by the EDA and/or other federal, private, or non-profit foundations and agencies for economic development projects;
8. DIRECT the Interim General Manager of the EWDD or designee, to report back on the outstanding personnel needs of the department to accomplish the actionable items of the implementation plan for the CEDS, including the convening of representatives from key City departments, tracking status of action items, recording data, and preparing presentation reports for the economic development task force; and
9. DIRECT the Interim General Manager of the EWDD or designee, to monitor and assess changing requirements to implement the CEDS on an ongoing basis, and work with the CAO, CLA and other City Departments to identify and request additional resources required to effectuate the implementation plan including staffing and/or funding needs.

## **FISCAL IMPACT STATEMENT**

Prior to the request from Budget and Finance, on April 4, 2019 the CAO submitted a separate report requesting the EWDD provide a prioritized list of implementation strategies to determine feasible funding and staffing requirements. In response, the EWDD has revised the proposed implementation plan and funding originally submitted with the draft CEDS in June 2018. The list of action items, lead entity for each action item and start and end periods have been updated based on the approved recommendations from the CLA (Attachment C - Proposed Implementation Plan).

The EWDD will continue to work with the CAO and CLA on staffing and funding needs necessary for successful implementation of the CEDS. The EWDD will continue to review existing staffing and funding levels; based on this review additional requests may be submitted through the City's budget process.

## **BACKGROUND**

The draft Citywide Economic Development Strategy (CEDS) and five-year implementation plan was completed by the EWDD in concert with HR&A Advisors, Inc., a nationwide consulting firm. HR&A was selected through a Request for Proposals (RFP) procurement, and their selection was approved by the Mayor and City Council.

The draft CEDS and implementation plan was submitted in June 2018 and considered by the Ad Hoc on Comprehensive Job Creation Plan and Economic Development Committees

in August 2018. Preliminary hearings were conducted by both Committees, and the CAO and CLA were instructed to report on the draft CEDS. The CAO reported on the CEDS and five year-plan in September 2018.

Prior to submitting their report, the CLA surveyed all Council offices representing the designated focus areas to determine whether recommended strategies for these areas needed amendment. The CLA subsequently submitted their report and related recommendations in February 2019. The Economic Development Committee approved the CLA report as amended on February 26, 2019, and the Ad Hoc on Comprehensive Job Creation Plan Committee approved the CLA report as amended on February 27, 2019. On March 20, 2019, City Council adopted the Ad Hoc on Comprehensive Job Creation Plan Committee report.

## **EWDD RESPONSE TO CLA CEDS REPORT**

As directed by the City Council, the EWDD worked with the CLA and other City departments to amend the draft CEDS and provide a modified version (see Attachment A). The revisions included the following:

- A. Revising Goal Number 8, “Enhance the delivery of economic development services” by deleting reference to the Strategic Technical Services Group.

In response to strategic goals outlined in the Comprehensive Job Creation Plan, “Building Internal Capacity”, and since the June 2018 submission of the draft CEDS, the EWDD has significantly enhanced its organizational structure with the formation of a Real Estate Asset Management (REAM) Unit and a reformulated and expanded Business Advancement Team and Business Assistance Unit. Given the formation and strengthening of these entities, and the array of economic development services they provide, the recommendation for a Strategic and Technical Service Group (STSG) to expand the EWDD’s capacity to provide economic development programs and services is no longer required. However, collaboration, cooperation and communication among the City departments that provide economic development programs and services does require strengthening. The EWDD concurs with the recommendation put forward by the Economic Development Committee to evaluate forming a City department working group tasked with oversight and tracking of economic development and projects in the City. To this end, the EWDD will lead the economic development working group meetings to facilitate the inter-departmental collaboration and cooperation beginning Q3 of 2019. Additionally, the EWDD will actively explore the idea of leveraging existing resources, such as the Los Angeles Development Fund (LADF) to further enhance the delivery of economic development services.

- B. Revise and report on the five-year implementation plan and align the CEDS with the existing Jobs Plan and other existing program priorities and initiatives.

The proposed final CEDS now aligns with the Jobs and Business Advancement in Los Angeles Plan previously adopted by the City Council, which set the economic development framework sufficient to implement the five-year implementation strategy, and which established the City’s Asset Management Evaluation Framework, Business Advancement Team, a new marketing program, and target geographic economic development zones, among other actions. Moreover, the proposed final plan now reflects efforts underway by

the Los Angeles Housing and Community Investment Department's (HCIDLA) financial literacy program and other focused industry assistance.

The proposed final CEDS aligns with key elements of the Sustainability pLAN and Resilient Los Angeles plan which outline the City's vision, goals and related strategies for a more sustainable and resilient Los Angeles. Together with the CEDS, these plans ensure the City will advance the environment, economic development and equity for all Angelenos.

C. Revise focus area strategies identified in the draft CEDS.

The draft CEDS identified five focus areas of the City that remain historically disadvantaged despite the recent economic upswing: Eastside of Los Angeles (Boyle Heights, El Sereno and Lincoln Angeles), Harbor (San Pedro, Wilmington and Harbor City-Gateway), Pico-Union/Westlake, South Los Angeles, and Eastern San Fernando Valley. Per the recommendations in the CLA's report, the final CEDS includes an update to the strategies for each of these five focus areas as well as updated census tract numbers included in the Appendix-Volume II (See Attachment B).

D. Include maps attached to this report and expanded Pico Union Focus Area Census Tracts in the CEDS, and update all census and demographic information as necessary.

Maps contained in the draft CEDS have been replaced with updated maps and census tract numbers that include an expanded map for Pico-Union/Westlake and updated demographic information.

E. Include analyses necessary to ensure that all EDA grant-eligible areas are qualified to apply for EDA Grants.

The updated maps and census tract numbers included in Attachment B have been expanded to capture areas within the City eligible to apply for EDA Grants.

F. Prepare elements of the CEDS for compliance with the requirements of the EDA grant applications including an evaluation framework.

The attached final version of the CEDS has the elements required by EDA that adhere to its Comprehensive Economic Development Strategy requirements, including an evaluative framework comprised of performance measures to evaluate the impact of the City's plan on the City's economy. To confirm these requirements, the EWDD communicated with the EDA regional representative to determine whether the City CEDS will be competitive. Although a preliminary ruling from the EDA on the City's strategy was not possible, the EDA representative provided further information on EDA requirements and acknowledged the availability of funds for economic development projects.

EWDD conducted an additional analysis of the elements required to submit a successful EDA application for funding. Based on this analysis, the EDA's key elements have been incorporated in the City's CEDS including the following: summary background, Strengths, Weaknesses Opportunities and Threats (SWOT) analysis, strategic direction/action plan and evaluation framework. The evaluation framework and performance measures were revised and strengthened not only to meet EDA requirements but also to measure impact on the City's economy.

Additionally the City's CEDS incorporates economic resilience, a new EDA requirement. As defined by the EDA, economic resilience includes three attributes: the ability to recover quickly from a shock, the ability to withstand a shock, and the ability to avoid a shock altogether.<sup>1</sup> Both the City's Sustainability pLAN and Resiliency Plan establish a foundation to ensure the City is prepared and responsive to address current and future challenges. Upon approval of the final modified CEDS, the EWDD will submit the CEDS in the appropriate form to the EDA for their approval and concurrence.

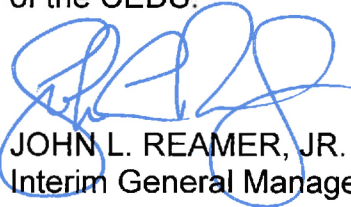
G. Report on a definition for economic development to be included in the final CEDS.

The concept of economic development is multi-faceted and includes a variety of professional practices and activities. Nonetheless, EWDD concurs that a definition of economic development will further frame the City's strategy and implementation plan. To this end, the definition below has been included in the final version of the CEDS (see Volume I). This definition, together with the vision, goals and action items identified in the CEDS will serve to further shape economic development for the City.

“Economic development in Los Angeles leverages resources to create and retain jobs and businesses that improve the quality of life for people and communities while stimulating the growth and vitality of the City.”

## CONCLUSION

The EWDD will continue to work with the City Council, Mayor, key city departments and economic development entities and stakeholders to ensure the successful implementation of the CEDS.



JOHN L. REAMER, JR.  
Interim General Manager

JLR:SH:SC

Attachment A: Final Modified Citywide Economic Development Strategy Volume I  
Attachment B: Citywide Economic Development Strategy Appendices-Volume II  
Attachment C: Proposed Implementation Plan

CC: Deputy Mayor William Chun, Mayor's Office of Economic Development

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<sup>1</sup> US Economic Development Administration-030916, Comprehensive Economic Development Strategy (CEDS) Content Guidelines: Recommendations for Creating an Impactful CEDS, pp 15-17.