

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to a Request for Proposals (RFP) to develop a Citywide Economic Development Strategy.

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

1. AUTHORIZE the General Manager, Economic and Workforce Development Department (EWDD), or designee, to release an RFP, attached to the Council file, to identify a contractor to develop a Citywide Economic Development Strategy.
2. INSTRUCT the General Manager, EWDD, or designee, to submit the RFP results and recommendations for the selection of a contractor(s) to prepare the Economic Development Strategy and related recommendations for implementation.
3. AUTHORIZE the General Manager, EWDD, or designee, to prepare such Controller's instructions as are necessary to implement actions approved by the Mayor and City Council on matters presented in or deriving from this transmittal, and/or to make necessary technical adjustments, subject to review by the City Administrative Officer; and REQUEST that the Controller implement such instructions.

Fiscal Impact Statement: The EWDD reports that the recommendations contained in the December 15, 2016 EWDD report, attached to the Council file, have no impact to the General Fund. On November 2, 2016, the City Council authorized funds totaling \$500,000 to be transferred from the Unappropriated Balance to the EWDD's contractual services account Fund No. 100/22 for the procurement of qualified contractors to develop a Citywide Economic Development Strategy (Council file No.16-0600-S167).

Community Impact Statement: None submitted.

(Ad Hoc on Comprehensive Job Creation Plan Committee waived consideration of the above matter)

Summary:

On January 24, 2017, your Committee considered a December 15, 2016 EWDD report relative to an RFP to develop a Citywide Economic Development Strategy. According to the EWDD, with economic development efforts in Los Angeles having undergone significant changes since the dissolution of the former Community Redevelopment Agency of the City of Los Angeles and the establishment of the EWDD, the Ad Hoc Committee on Comprehensive Job Creation Plan and the Economic Development Committee held a series of meetings to discuss the need to establish clear guidelines, goals and objectives for citywide economic growth, and the potential for new financing tools available to the City to carry out economic development activities. On May 27, 2016, Council adopted recommendations from the Ad Hoc Committee on Comprehensive Job Creation Plan and the Economic Development Committee for the EWDD to prepare and present recommendations for a Scope of Work and RFP to identify a contractor to prepare a Citywide Economic Development Strategy.

Since the Council action of May 27, 2016, the EWDD conducted extensive research in preparing

the RFP and scope of work, and held a series of focus group meetings to develop an RFP that reflects best practices to formulate a strategy that results in strong economic growth in the City through greater economic inclusion, and a positive financial result when applying for federal funds for economic development. The key programs/activities formerly administered by the Community Development Department (CDD) and assumed by EWDD, and its new economic development authorities and responsibilities which went into effect by Ordinance 182500 on July 1, 2013 include:

- a. Workforce Development Programs funded with Workforce Innovation Opportunity Act funds-WorkSource and YouthSource Centers
- b. Community Development Block Grant (CDBG) funded Programs such as the BusinessSource Centers; Section 108, Small Business and Micro Loan programs.

Since Fiscal Year 2013-14, the EWDD has received funding and position authority for 30 new positions to expand Citywide economic development and asset management programs and activities, including continuing certain economic development activities under the Housing and Community Development Consolidated Plan.

The EWDD's overall goal for the Citywide Economic Development Strategy is to promote robust economic growth through greater economic inclusion by the utilization of new economic development financing tools, the growth of existing businesses, the establishment of new business, and enhanced competitiveness when applying for federal funds. Since the 2009 recession, the City's population has increased to 3.96 million, about 39 percent of the entire population of Los Angeles County, with approximately 18.7 percent of the population living below the poverty line. According to the 2015-2020 Los Angeles: People and Industry and Jobs report, commissioned by the Workforce Development Boards from the City and County of Los Angeles, poverty is a relative measure of inequality, those who live below poverty level face additional challenges as they lack the resources necessary to maintain a certain quality of life; they do not have the same choices and options in regards to nutrition, health care, housing, education, safety and transportation.

Despite the economic recovery taking place, not all City residents have benefitted. The unemployment rate for September 2016 reported by the State of California Employment Department was 5.5 percent, which represents over 110,000 unemployed in a labor force of 2.065 million. Still other Angelenos are working poor, often juggling work schedules from more than one job along with family/personal needs and transportation issues.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the EWDD report and detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	YES
HARRIS-DAWSON:	YES
KREKORIAN:	ABSENT
O'FARRELL:	YES

ARL
1/24/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-