City of Los Angeles
Citywide Comprehensive Economic Development Strategy
2019
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City of Los Angeles
Citywide Comprehensive Economic Development Strategy
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Dear Angelenos:

On behalf of the City of Los Angeles I’m pleased to announce the release of the City of Los Angeles Citywide Economic Development Strategy (CEDS). I am committed to growing and expanding the economy of the City of Los Angeles for all Angelenos, and that is why, in partnership with the City Council instructed the Economic and Workforce Development Department (EWDD) to develop the Citywide Economic Development Strategy and a related five-year implementation plan. The Strategy and plan will serve to guide economic development throughout the City of Los Angeles and ensure growth is distributed equitably.

The Strategy will be guided by an overarching vision to leverage the City’s position as a gateway to the Pacific Rim and other world markets; it includes eight long-term goals and related actions for immediate implementation. The Strategy and plan are action oriented and serve as a road map with milestones to measure success.

I want to thank everyone who participated in the development process of this Strategy and implementation plan. Led by Interim General Manager John Reamer of the Economic and Workforce Development Department and a team of consultants headed by HR&A Advisors Inc., numerous public outreach and engagement meetings were held with key stakeholders and residents, before and after the Strategy’s development, to gain valuable input on equitable economic growth and key economic opportunities for Angelenos.

Sincerely,

Eric Garcetti
Dear Angelenos:

The newly released Citywide Economic Development CEDS (CEDS) and five-year implementation plan will serve as a roadmap to revitalize communities and bring greater economic opportunity to Los Angeles residents. The CEDS will also guide the Economic and Workforce Development Department (EWDD) as we fulfill our mission to develop, deliver and promote best-in-class economic and workforce development services to generate, sustain and grow individual, business and community prosperity in the City of Los Angeles.

In response to directions from Mayor Garcetti and the City Council, the EWDD worked collaboratively to obtain feedback from key City departments and stakeholders throughout the City to refine and finalize the CEDS. In cooperation with a team of consultants led by HR&A Advisors Inc., the EWDD identified constraints to equitable economic growth and economic opportunities to form a vision for economic development that included: determining existing economic and socio-economic conditions and trends in the City, identifying best practices from other like municipalities, and assessing opportunities for equitable growth in prosperity.

The CEDS is meant to be more than just another document on a shelf because it includes a five-year implementation plan with specific actions and evaluation metrics to measure progress and success. In particular, the CEDS targets disenfranchised areas (Eastern Los Angeles, East Valley, Pico-Union/Westlake, South LA and Harbor) that have often not benefitted equally from economic growth in the City.

Thank you to everyone who participated in the development of the CEDS and implementation plan. I also want to acknowledge former General Manager Jan Perry for her work in developing this document.

I look forward to working with the Mayor, City Council, City departments and other key stakeholders on the implementation of the CEDS and grow and expand the City’s economy.

Sincerely,

[Signature]

JOHN REAMER, JR.
Interim General Manager
Executive Summary
Introduction

The City of Los Angeles (the “City” or “Los Angeles”) economy is now in full recovery from the 2007-2009 Great Recession. Total employment now matches the historic level just before the Great Recession, and unemployment is at a new low; many new and existing industries are thriving; major construction activity is occurring across the City; and tourist and convention visitation is at an all-time high. Los Angeles benefits from a population base of about 4.0 million residents and a highly diversified economy with a strong foundation of core industries, including health care, professional services, trade and transportation, entertainment, information, finance and insurance, and certain manufacturing sectors. As a key North American gateway to the Pacific Rim and home to one of the busiest ports and international airports in the world, Los Angeles plays a pivotal role in international trade and tourism networks. The City’s $278 billion gross domestic product accounts for 30 percent of all economic activity in the Southern California region; were it a separate country, Los Angeles would rank as the 42nd largest economy in the world.

However, to sustain long-term economic growth in a context of increasingly global competition and accelerating technological change and to accommodate the additional 600,000 jobs by 2040 forecasted by the Southern California Association of Governments, Los Angeles cannot afford to be complacent. The City must be diligent and intentional about strengthening its regional, national, and global economic position to support the resilience of key industries and capitalize on emerging opportunities. Like many growing metropolitan areas, Los Angeles must also contend with the fact that economic growth has not benefited all Angelenos. In recent years, the City has experienced rising income inequality and uneven access to opportunity, especially in terms of the ability of households to build wealth and for Angelenos to access well-paying jobs. Today, nearly one in five City residents lives below the poverty line, and nearly 60 percent of Angeleno renters spend over 30 percent of gross income on rent.
Strategy Development Process

In 2017, Mayor Eric Garcetti and the Los Angeles City Council tasked the City’s Economic and Workforce Development Department with developing the Citywide Comprehensive Economic Development Strategy (“CEDS” or “Strategy”). This assignment was accomplished through a series of research efforts and with input from community stakeholders, businesses, and industry experts. Throughout this process, the EWDD was advised by a Project Steering Committee with representation from over 15 City departments and proprietary agencies, who provided feedback on Strategy direction and opportunities for interdepartmental coordination to support implementation.

The Strategy was informed by detailed analyses of the City’s sociodemographic, economic, and industry characteristics; a study of the City’s current economic development delivery structures, resources, and initiatives; and a review of economic development policies, programs, and structures in other leading cities. These analyses laid the foundation for a needs assessment, which identified key City strengths, weaknesses, opportunities, and threats informed by input from focused roundtable sessions with business and neighborhood leaders across the City, as well as a widely distributed online survey.

Economic Development Needs and Best Practices

Analysis of the City’s existing economic development climate focused on the City’s existing organizational structure for delivering economic development services; existing tools and incentives and their capacity to implement the City’s economic development objectives; stated City economic development priorities and initiatives; and the City’s current approaches to economic development and its ability to implement stated priorities and initiatives.

Although there appears to be general agreement about these priorities within and across the City, analysis of existing City economic development initiatives found that efforts to implement them are largely uncoordinated and widely distributed across numerous City departments and agencies, limiting their effectiveness. The analysis also found that while there are numerous workforce- and housing-related programs and initiatives that are currently well-resourced, compared with other cities, there are few dedicated sources of funding specifically targeted for economic development (as discussed in the chapter “Economic Development Existing Conditions and Global Best Practices,” as well as in Volume II, “Economic Development Existing Conditions”).

Beyond this internal analysis, the Strategy was also informed by a robust analysis of best economic development practices in other major cities. This analysis included detailed profiles of the “holistic” economic development approaches of four large, economically diverse cities (Austin, London, New York, and Philadelphia) with innovative and effective economic development delivery models and achievements, as well as a review of various economic development initiatives from 10 additional U.S. cities that address one or more of the top economic development priorities in Los Angeles.

Six Overarching Themes Emerged as Observed Priorities for Economic Development within the City

1 / Address key industry sector challenges and capitalize on existing opportunities.
2 / Leverage resources for transformative urban projects that benefit the City and its communities.
3 / Strengthen regional partnerships and trade networks.
4 / Support a prepared workforce.
5 / Expand access to affordable housing.
6 / Promote equitable economic growth.
Recognizing these and other challenges, as well as many competitive advantages and opportunities, the Los Angeles City Council directed the City’s Economic and Workforce Development Department (“EWDD”) to prepare the first formal Citywide Comprehensive Economic Development Strategy for Los Angeles. Although the City is part of a complex regional economy, Los Angeles requires its own plan for economic growth because of its significant size, diversity, and control of critical economic assets, including the Port of Los Angeles, Los Angeles International (LAX) and Van Nuys Airports, and the Los Angeles Convention Center. Furthermore, City residents, businesses, and workers have particular socio-economic needs, which differ from those in adjacent cities and Los Angeles County (the “County”) as a whole.

In the past, the City has often developed isolated responses to particular economic shocks and stresses resulting from both human and natural causes. This Strategy is different: It is proactive, multidimensional, and forward-looking, with ambitious, long-term goals and specific, measurable near-term actions and resources to set the stage for sustainable and equitable economic growth across the City. It also directly supports other contemporaneous City, County, and regional strategies to improve workforce preparation, increase the supply of affordable housing, alleviate homelessness, improve resilience, and achieve sustainability. The Strategy combines traditional objectives of economic development (i.e., creating jobs, supporting core and emerging industries, and growing the tax base) with new resident-focused, inclusive growth objectives (i.e., increasing access to well-paying jobs and affordable housing and decreasing economic disparities and dislocation) to work toward shared prosperity that is accessible to all Angelenos.

Los Angeles cannot afford to be complacent during this economic upswing, and must be intentional about strengthening its regional, national, and global position to support the resilience of key industries.
Economic Development Definition, Vision, and Goals for Los Angeles

Economic development is concurrently a professional practice, an activity and an idea or concept. Many believe that economic development is fundamentally about enhancing the factors of productive capacity—land, labor, capital, and technology—of a nation, state, or local economy generally measured by Gross Domestic Product (GDP). Some describe it as a process that influences growth and restructuring of an economy to enhance the economic well-being of a community, while still others suggest that it is the process of raising the level of prosperity and material living in a society through increasing the productivity and efficiencies of its economy.

A clear understanding of what is meant by economic development will allow the City to establish well-defined goals and objectives that can facilitate the establishment of metrics by which to measure the City’s progress. To improve the economic condition within the City, it’s critical that the components of an economy are monitored to confirm that activities undertaken actually produce tangible benefits that result in positive impacts.

Measuring economic development goes beyond looking at the retention and creation of jobs and businesses or the development of housing and commercial centers. Economic development must consider quality of life. Therefore, for the purpose of the CEDS and to provide context to the proceeding goals and implementation plan, the following definition will be used:

**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.**

Vision Statement

Building on the previously described analyses and City priorities, the Strategy is guided by the following Vision Statement, which represents overarching aspirations for the City’s future economy.

**Los Angeles will leverage its position as a gateway to the Pacific Rim and other world markets to grow our economy for the benefit of all Angelenos. Building on our unparalleled culture of creativity and leadership in innovation, we will expand our regional, national, and global presence by investing in our people, neighborhoods, and industries.**

Strategy Development Process (continued)

**Key Findings from Analysis of Other Cities**

1/ High-performing cities generally have strong leadership and collective buy-in on a clear vision for economic development and coordination and trust among city departments and with the private sector.

2/ Lead economic development entities must be well resourced, with access to a dedicated set of funding sources.

3/ To promote sustainable and equitable economic growth, high-performing cities focus not only on top-line economic expansion, but also invest in communities and residents to support growth, prosperity, and inclusion, evaluating progress on a citywide level and for key populations.

4/ In light of 21st-century global economic changes, leading cities have adopted comprehensive industry-focused strategies that leverage the potential of city assets and new forms of investment to support transformative changes.
Long-Term Goals

Expanding on this vision, the Strategy includes a set of all-encompassing long-term goals to guide the direction of future City policies, ongoing programs, and new projects and capital investments. These goals are based on collectively identified City priorities, strengths, weaknesses, and opportunities and include the following:

1 / Strengthen Los Angeles’s position as a world-class city.

To leverage and grow its position as one of the world’s leading cities, and to bring new dollars into the local economy, Los Angeles will continue to strengthen its regional and global partnerships and trade networks, actively work to attract high-quality foreign direct investment, and partner with regional and local entities to help local businesses expand abroad and nurture key industries.

2 / Ensure growth is equitably distributed.

Recent economic growth has been accompanied by rising income inequality; rapidly rising residential and commercial rents; and falling inflation-adjusted wages, making Los Angeles one of the least-affordable places in the United States. To ensure that growth is both sustainable and equitable, the City will continue to implement policies to reduce economic disparities, prioritize increasing economic opportunity for the most disadvantaged Angelenos, and promote community-serving growth in historically disinvested neighborhoods.

3 / Grow the resilience of core industries.

The City’s industry sector anchors—particularly diversified manufacturing as well as the entertainment industry—remain vulnerable to disruptions in the global economy. For example, in the 2007-2009 Great Recession, the City lost approximately 160,000 jobs, with losses heavily concentrated in core industries and unemployment rates rising to almost 12 percent. To support the City’s strong base of core industry sectors in light of 21st-century economic shifts, the City will adopt strategies to support core industries’ abilities to adapt to disruptive trends and other stresses and foster a workforce prepared for the changing nature of work.

4 / Catalyze emerging and growing industries.

Although Los Angeles is well positioned to take advantage of emerging opportunities in technology and other advanced industries, it still lags behind other large American cities in terms of venture capital investment and industry specialization. To leverage developments in technology and other advanced industries, the City will continue to foster a culture of innovation, ensure that skills and infrastructure are aligned with the growing knowledge economy, and develop a flexible and accommodating environment to support growth industries.

5 / Support the City’s small businesses.

Small businesses are the backbone of the Los Angeles economy, with one-third of establishments in the City employing between five and 49 workers. To support its small businesses, the City will enable increased access to capital and technical assistance, preserve and create affordable space for legacy businesses, and promote new opportunities for underrepresented businesses and entrepreneurs.
6 / Create financial and economic security for disadvantaged Angelenos.

Today, many Los Angeles households are economically insecure: Approximately 19 percent of City residents live below the poverty line, and about half of all residents lack sufficient savings to remain above the poverty level in case of financial emergency. To help grow prosperity among Los Angeles’s most disadvantaged groups, the City will work to ensure that housing is more affordable and to provide better access to quality jobs, develop asset-building and wealth-creation opportunities, and support services to allow all residents to reach their full potential.

7 / Develop world-class infrastructure to support economic growth.

The City has several initiatives already underway to modernize its infrastructure, including significant facility upgrades at the Port of Los Angeles and LAX. Over the next 40 years, Measure M will also provide the County with over $120 billion in transportation investments, much of which will be within the City. To leverage pending capital investments in transit, tourism, and trade infrastructure for economic growth, the City will use its assets to develop transformative urban projects, and enhance Los Angeles’ international points of entry to grow its economic base.

8 / Enhance the delivery of economic development services.

The City’s existing economic development delivery system remains fractured and largely uncoordinated, which limits the impact of its collective efforts and efficient use of its limited resources. To expand and strengthen its economic development delivery structure, the City will coordinate key economic development functions across City departments and agencies to maximize public benefit, identify opportunities to develop a portfolio of sustainable and impactful funding resources, and work to more nimbly deliver key projects and programs.
Five-Year Implementation Plan

The Strategy includes a Five-Year Implementation Plan with actions to direct the City to make meaningful progress toward the defined economic development vision and goals. The actions include strengthening the City’s economic development delivery system and specific actions to be implemented by City departments and other entities to address the goals noted in the previous section and to support the economic prosperity of communities, individuals, and businesses. These actions are outlined below.

1 Actions to Strengthen the City’s Economic Development Delivery System

By ordinance, the EWDD is the City’s designated economic development delivery entity and provides a range of asset management, business and workforce development services. The department, however, currently lacks the financial resources and authority to meet all economic development delivery needs. Furthermore, many economic development services remain spread across multiple City agencies and other entities.

Recognizing the need for a more cohesive and flexible economic development delivery model, these actions recommend restructuring the City’s economic development delivery structure by establishing an economic development working group. Doing so would enable the City to more effectively track and monitor economic development related projects and programs, and assist with strategic planning and policy development, while at the same time leveraging the independent authorities provided to all City departments providing economic development services.
Actions to Strengthen the Economy of City Communities

Neighborhoods are the backbone of social and economic well-being across Los Angeles. However, many communities continue to lack access to jobs, transit, and quality education. To promote community-serving growth across the City, this Strategy includes actions to catalyze neighborhood development by initiating transformative, industry-focused, and place-based initiatives that can create well-paying jobs accessible to local residents and strategies for commercial corridor revitalization. Other actions address the needs of legacy businesses and small businesses in light of increasing rents, gentrification, and lack of sufficient capital resources for growth and expansion.

The actions also include measures to better align City land use and planning efforts with economic development objectives. This involves revisiting the City’s industrial land preservation policies, evaluating and integrating economic development goals and actions into Community Plan updates, and implementing a comprehensive asset-management strategy that maximizes the potential of underused City real estate assets to better serve communities.

The City should promote community-serving growth across the City.
3

Actions to Empower City Residents

Today, many Angelenos are economically insecure: they are unable to support a baseline standard of living today and in the foreseeable future. Many households are plagued by high housing costs, low-wage employment, and difficulty accessing job opportunities. To ensure that economic growth benefits all Angelenos, this Strategy includes actions to help reduce economic disparities and increase employment and entrepreneurship opportunities. This set of actions targets the City’s most vulnerable population groups through new and expanded programs that support wealth creation and financial empowerment, including protections against predatory lending practices and increased access to asset-building opportunities. Other actions are intended to help remove barriers to workforce participation by building on existing workforce services and developing programs that reduce barriers to workforce participation and opportunity.

4

Actions to Strengthen City Businesses

Although Los Angeles benefits from a strong and highly diversified economy, the City’s core industry sectors remain vulnerable to disruptive forces in the global economy, including new technologies and fierce national and global competition. To grow the City’s competitive position in the 21st-century economy, this Strategy identifies actions to support sustainable economic growth of businesses across the City. The Strategy includes actions to streamline and increase services for key industries and all businesses. It also includes actions that would strengthen the City’s global, national, and regional prominence; increase the scale of foreign investment; and support businesses that export products internationally.

The Strategy recognizes that technology and global economic trends are likely to evolve significantly over time. To address these unknowns, the Strategy outlines actions that the City government can take to partner with the private sector and academic institutions to respond to disruptive trends. A final set of actions are intended to promote diversity, support underrepresented entrepreneurs, and businesses Citywide by increasing City resources to support equitable growth.
Focus Area Strategies

Finally, the Strategy includes a set of goals and actions customized for several areas of the City that have benefited least from recent growth. Because of a long history of disenfranchisement and other limitations, many Angelenos and some City communities have been left behind. Based on a Citywide assessment and stakeholder outreach in advance of the project, the EWDD selected five areas for more focused attention: the Eastern San Fernando Valley, the Eastside of the City of Los Angeles, the Harbor Area, South Los Angeles, and Pico-Union/Westlake. Each Focus Area Strategy includes tailored long-term goals and recommendations to ensure that the Five-Year Implementation Plan addresses each area’s unique needs and opportunities.

Eastern San Fernando Valley

The Eastern San Fernando Valley is a residential and industrial area in the northern part of the City with approximately 582,000 residents. The Focus Area Strategy for this area includes measures to preserve, enhance, and strengthen the Eastern Valley’s industry presence through targeted infrastructure investments that support land use regulations in Sun Valley (where there is a significant amount of underused industrial land) and catalyzing emerging opportunities to diversify the area's economic base. At the same time, this strategy includes actions to leverage and expand the impact of pending transit investments to support local businesses and ensure financial security for Eastern Valley residents in advance of future development.

Eastside of the City of Los Angeles

The Eastside of the City of Los Angeles (or the “Eastside”), for the purposes of this Strategy, refers to the communities of Boyle Heights, Lincoln Heights, and El Sereno; the community of “East Los Angeles” is excluded because it is located outside City limits, in unincorporated Los Angeles County. The Eastside has approximately 160,325 residents and is known for its rich history and cultural vibrancy. This Focus Area Strategy includes measures to help grow the resilience of the Eastside community’s core manufacturing and other industries and small businesses, while supporting new economic opportunities, including those that leverage such assets as the LAC-USC Medical Center (Los Angeles County+University of Southern California Medical Center). The Strategy also includes measures to help create wealth and economic security for disadvantaged Eastside residents and to target City investments to support equitable growth.

Harbor Area

The Harbor Area includes the City’s coastal communities of San Pedro, Wilmington, Harbor City, and the southern portion of the Harbor Gateway neighborhood. Because of the Harbor Area’s direct access to the twin ports of Los Angeles and Long Beach, the Focus Area Strategy for this area includes actions to strengthen regional and global partnerships and trade networks and create a “clean and green” logistics and transportation hub in light of redevelopment and environmental quality challenges in the area. The strategy also includes measures to leverage pending infrastructure investments to support small business, preserve affordability, and expand economic opportunity for Harbor Area residents.
South Los Angeles (as defined for this Strategy) comprises over two dozen unique neighborhoods between Interstate 10 and the Harbor Gateway within the City of Los Angeles and has a population of approximately 670,000. The Focus Area Strategy identifies efforts to establish a cultural, arts, and entertainment hub in the heart of South Los Angeles and includes other initiatives to address historic disinvestment and support wealth building. The strategy also includes efforts to ensure that regional growth and transit infrastructure investments benefit South Los Angeles residents by supporting locally owned legacy businesses and helping them thrive and prosper.

Pico-Union/Westlake

Pico-Union/Westlake is a small, diverse, and highly dense area located directly west of Downtown Los Angeles with a population of approximately 147,000. As one of the most economically distressed areas of the City, the Focus Area Strategy includes focused measures to invest in Pico-Union/Westlake’s residents by supporting equitable access to jobs and financial and economic empowerment. In parallel with renewed workforce development efforts, the strategy includes support for businesses along key corridors in light of potential affordability issues and other external pressures.
Five-Year Implementation Plan Actions

Actions to Strengthen the City’s Economic Development Delivery System

1. Restructure the City’s Economic Development Delivery Structure

Actions to Strengthen the Economy of City Communities

2.A. Develop Transformative, Industry-Focused and Place-Based Initiatives
2.B. Create Neighborhood and Corridor Revitalization Toolkit and Pilot Projects
2.C. Create a Commercial Affordability Toolkit
2.D. Revisit and Update Industrial Land Preservation Policies
2.E. Integrate Physical Planning Efforts and Economic Development Objectives
2.F. Enhance Implementation of Asset-Management Functions

Actions to Empower City Residents

3.A. Support Economic Empowerment
3.B. Increase Workforce Participation for Underrepresented Groups
3.C. Support Equity Building through Affordable Housing
3.D. Address Gaps in Financial Services and Ban or Limit Predatory Lending

Actions to Strengthen City Businesses and Industries

4.A. Promote Diversity and Entrepreneurship in Growth Industries
4.B. Streamline Services and Support for Core Industries
4.C. Market the City and Support Business Expansion
4.D. Shape the Implementation of Disruptive Technologies
Strategy Development Overview
Introduction

Over the past three decades, various efforts have been made by City leadership to consolidate and align economic development functions to address critical issues and to improve the local economy. Many of these efforts were developed in response to economic crises (see list below); this CEDS, however, represents a proactive effort by the City to strengthen the Los Angeles economy and increase its resilience to future economic shocks and stresses.

1990: Los Angeles was hit hard by the nationwide recession and defense industry downsizing, which caused the loss of tens of thousands of generally high-wage aerospace jobs in the City and elsewhere in Southern California.

1992: Following the economic downturn and civil unrest in April-May, the City Council commissioned a report to examine how to restructure business and economic development programs into a single City entity. This report was prepared by the General Managers of four City departments and coordinated by the former Community Redevelopment Agency of the City of Los Angeles (“CRA/LA”).

1993: The Council adopted the recommendations from the 1992 report and simultaneously approved the creation of a Community Development Commission and directed the City Administrative Officer (“CAO”) and the Chief Legislative Analyst (“CLA”) to prepare and present the next steps required to effectuate these changes.

1996: The City Council adopted a Framework Element of the City’s General Plan that included a policy calling for reorganization to coordinate economic development and business support services, which remains in effect today.

1999: As part of the City’s ongoing consideration of the functional consolidation and change of CRA/LA into a Community Development Commission, a task force was created to advise the City Council on the organizational restructuring of the City’s economic development functions. The task force recommended the formation of an economic development department.

2007: Following the effects of the 2001 dot-com bubble and a national crisis in the savings and loan industry, and as the Great Recession began to take hold, the Mayor formed the Los Angeles Economy and Jobs Committee, which again recommended the formation of an economic development department, in addition to numerous other recommendations.

2012: Pursuant to the State of California government decisions and legal action regarding redevelopment agencies, CRA/LA and all other redevelopment agencies around the state began an organizational and financial unwinding process that included returning certain property tax revenues and assets to other local government entities.
Until this time, CRA/LA served, in part, as the City’s de facto economic development agency, providing an array of key functions, including strategic planning and policy, real estate support, affordable housing and infrastructure development, and industry and business support.

In response to the dismantling of CRA/LA, the Mayor and City Council commissioned a report to assess the restructuring of economic development delivery in the City. The report, titled *Economic Development in Los Angeles: A New Approach for a World Class City*, set forth a framework for the City’s economic development structure, including recommending the creation of a new economic development department, an independent Citywide economic development nonprofit organization, and a more-empowered Deputy Mayor for Economic Development.

**2013:** Per the report’s recommendation, the City Council passed an ordinance splitting responsibilities of the former Community Development Department between a new Economic and Workforce Development Department (EWDD) and the Los Angeles Housing and Community Investment Department (HCIDLA).

The formation of the EWDD and HCIDLA, and their absorption of some of CRA/LA’s capacities and assets, has supported economic development delivery in Los Angeles in the intervening years.

**2015:** The Council established the Special Ad Hoc Committee on Comprehensive Jobs Creation Plan to inform the development of a Citywide comprehensive job-creation plan. As a result, in 2016, the CLA released the *Jobs and Business Advancement in Los Angeles Action Plan*, which presented a set of strategies to better assist businesses and promote job creation in the City.

**Today:** The EWDD is now the primary mover in the City’s economic development delivery ecosystem, providing a range of business and workforce development services, including small-business services, workforce development and employment assistance, youth workforce training programs, and other economic development services, including real estate support services for the City. The Mayor’s Office, numerous other City departments, and various City agencies and proprietary departments also play a role in implementing economic development entities. In March 2018, the Council also adopted an ordinance establishing a new Economic Development Trust Fund associated with the disposition of City assets.
Strategic Development

Process

While the economies of Los Angeles County, Southern California, and the United States are closely tied with the City’s, its residents, businesses, and workers all have particular needs that require a tailored economic development strategy. This is especially true today due in part to significant reductions in federal resources and growing uncertainty about the longevity and scale of programs that have supported local economic development, workers, and the environment. There are also a range of new and pending federal policies likely to adversely affect such states as California that provide greater levels of services and whose residents and businesses have commensurately higher tax burdens than other states. All these actual and potential changes suggest the need for a more locally focused role in guiding the future of the City’s economy.

The City also lacks a unified strategy that fully leverages the potential of its significant land area, employment base, and economic assets, such as the Port of Los Angeles and the Los Angeles International and Van Nuys Airports. Further, although Los Angeles has a highly diversified economy and many economic advantages, the City lacks a clear strategic direction to ensure that economic growth is sustained and that the benefits of growth are more equitably shared by its neighborhoods and people.
Accordingly, in 2017, the EWDD was tasked by the Mayor and City Council with developing the City’s first formal Citywide Comprehensive Economic Development Strategy to guide and catalyze economic development. HR&A Advisors, Inc., was retained to assist in preparing the Strategy and an associated implementation plan. Throughout the Strategy-development process, the EWDD was advised by a City Departmental Steering Committee, comprising representatives from key City Departments, which met to provide feedback on Strategy direction, with focused attention on a shared, overarching vision for economic development, long-term goals, and opportunities for interdepartmental collaboration to support the implementation of the Strategy. The Strategy was developed through a series of parallel analytical processes, as described on the following page and illustrated in Figure 1.

The following pages summarize the Strategy development process and engagement as described in Volume II, “Phase 1 Roundtable Meeting and Online Survey Survey Summary” and “Phase 2 Engagement Summary.”
Base Economic Analysis

The “Economic Base Analysis” underpinned the Strategy, which included research regarding the City’s (1) sociodemographic, economic, and industry characteristics; (2) current economic development organization, resources, and initiatives; and (3) a review of economic development policies and structures in select major cities of relevance to the City.

The data analysis of City characteristics revealed trends and existing conditions that framed subsequent discussions with stakeholders about economic development needs and Strategy priorities. This data analysis also focused on five priority Focus Areas identified by the EWDD as having a particular need for economic development: the Eastern San Fernando Valley, the Eastside of the City of Los Angeles, the Harbor Area, South Los Angeles, and Pico-Union/Westlake (see definitions of these regions in the “Context” sections of the strategies)—collectively encompassing more than two dozen unique neighborhoods.

Economic Development Existing Conditions and Global Best Practices

The analysis of existing economic development conditions assessed the City’s current structure and tools for delivering and funding economic development. To identify best practices, a precedents analysis was undertaken to examine economic development structures in four successful cities (Austin, London, New York, and Philadelphia) and successful initiatives in 10 additional U.S. cities that have addressed issues relevant to the City.
Needs Assessment

A second phase of Strategy development included a needs assessment with input from community stakeholders through roundtable sessions, each of which reviewed and refined findings from the Economic Base Analysis identifying strengths, weaknesses, opportunities, and threats to the City’s economy and its people. These roundtable sessions, which were held in the City’s priority Focus Areas and several other locations, reached more than 100 community-based organizations, small businesses, representatives of underrepresented groups (including immigrants and lesbian, gay, bisexual, transgender, and queer [“LGBTQ”] individuals), neighborhood leaders, religious groups, and Citywide economic development organizations. An online survey received more than 400 responses from residents, businesses, and nonprofit organizations. Based on this feedback and the Economic Base Analysis, the EWDD collaborated with the City Departmental Steering Committee to develop an overall vision for Citywide economic development and set a series of long-term goals that the City can work toward to address identified needs.

Strategy Development and Refinement

In alignment with the overall vision and goals, and through the synthesis of data findings, best practices, and other information, a Five-Year Implementation Plan was developed. There are 15 actions in this plan, including a range of policies, ongoing programs, and projects that involve capital investment to drive the City’s economy forward, with a focus on the City’s communities, residents, and businesses and industries. A set of Focus Area Strategies were also developed, including specific goals related to Citywide priorities and actions tailored to Focus Area needs. A draft Strategy was reviewed and refined by the City Departmental Steering Committee and through a second round of stakeholder engagement in early 2018, which included presentations to umbrella groups of neighborhood leaders, business, and industry organizations, as well as a period of online public comment. The overall Strategy-development process is illustrated in Figure 1.

Strategy Organization Overview

Following summaries of the Strategy development process; the City’s sociodemographic, economic, and industry context; and the economic development existing conditions and global best practices, this Strategy lays out a comprehensive vision and set of overarching long-term goals to guide the direction of future policies, ongoing programs, and projects that involve capital investment (collectively, “initiatives”). The Strategy then includes a set of specific actions that Los Angeles should take in the next five years to make meaningful, if incremental, progress toward furthering a more equitable and prosperous city. This is followed by a set of specific goals and actions targeted to specific areas and populations in the City that have benefited least from recent growth.
City and Focus Area Sociodemographic, Economic, and Industry Context
Introduction

Since the end of the 2007-2009 Great Recession, the City, like the country as a whole, has made a strong economic recovery. The overall economic outlook is bright, as the total number of jobs has returned to the pre-recession peak and the unemployment rate has fallen to 4.2 percent. The City remains a leader in international trade with its strategic coastal location, highly used infrastructure (airports, ports, highways, and rail), access to a large domestic market, and global ties to the Pacific Rim and Latin America. The City is densely populated and economically and ethnically diverse, and its roughly 4 million residents comprise a labor force with a variety of skills and backgrounds that support the City’s economy. The City’s diverse population, nearly half of which is Latino, is reflected in its cultural landscape—ethnic food, arts, film, music, and entertainment.

In spite of the overall recovery, the City faces economic challenges, especially relating to equity; economic prosperity is not broadly shared across all of the City’s neighborhoods and communities, particularly those in certain distressed areas of the City. Several converging trends have created challenges for middle- and low-income Angelenos seeking to better their economic prospects. These trends include automation and the outsourcing of low- and middle-skill work, stagnant or declining real wages, an overconcentration of jobs in lower-wage service-sector industries, and an overheated housing market, which drives rents and home prices in previously affordable neighborhoods to record levels across the City. Increasingly, residents are being forced to leave the City for more-affordable housing markets elsewhere in the region, even if it means lower wages or longer commutes. Some City residents, including those with mental or other health issues, limited support networks, and other vulnerabilities, as well as limited access to housing and employment, have ended up on the streets, with almost 35,000 homeless residents at last count. Should these trends continue, Los Angeles may be at risk of losing its identity as a cosmopolitan city that offers opportunity for those who see it as a place for personal and family betterment. The strategies offered in the Five-Year Implementation plan help address many of these challenges faced by the City.

This chapter summarizes trends and current economic conditions in the City and in the five Focus Areas that have been selected because of their conditions of greater economic distress (see Volume II, “Sociodemographic, Economic and Industrial Context,” for more details). This analysis provides the basis for an informed economic development strategy that focuses on promoting equity as its principal objective. The first chapter, “The Los Angeles Economy: Today and Tomorrow,” surveys the trends impacting the City’s employment base, including Citywide and Focus Area industry concentrations, growing and declining sectors, forward-looking occupation projections, and a discussion of opportunities to increase diversification and economic opportunity. The second chapter, “People,” presents a demographic and socioeconomic profile of City residents and the five Focus Areas, with an emphasis on variables related to economic mobility, such as educational attainment, income, poverty, transportation, and housing. The final chapter, “Real Estate and Infrastructure,” documents overarching trends and investments related to the City’s built environment that are inextricably connected to opportunities to grow the economy, followed by a highlight of key takeaways from each of these chapters.

The Los Angeles Economy: Today and Tomorrow

With an improving U.S. economy, the City’s employment level has reached its pre-recession peak, while the unemployment rate has declined to pre-recession lows. Employment for the City has bounced back from the Great Recession low of 1.41 million jobs in 2009 to 1.57 million in 2016, representing an increase of 11.1 percent. From a peak of 13.3 percent in 2010, the City’s unemployment rate has gradually fallen to 4.2 percent in March 2018.

Figure 2. Annual Average Employment, City of Los Angeles, 2006–2016

- 2006: 1.46M
- 2008: 1.56M
- 2010: 1.44M
- 2012: 1.47M
- 2014: 1.51M
- 2016: 1.57M

SOURCE: Data provided by the California Employment Development Department, Labor Market Information in 2017.

NOTE: Data from 2006 and 2007 are trended averages to account for months during which certain zip code data were unavailable from the California Employment Development Department.

Figure 3. Historical Unemployment Rate, 2007–2018

City of Los Angeles
- 2006: 5.3%
- 2007: 5.3%
- 2008: 8.4%
- 2009: 12.8%
- 2010: 12.5%
- 2011: 13.3%
- 2012: 8.7%
- 2013: 5.6%
- 2014: 5.1%
- 2015: 4.2%
- 2016: 4.2%
- 2017: 4.2%
- 2018: 4.2%

Los Angeles County
- 2006: 8%
- 2007: 8%
- 2008: 12.8%
- 2009: 12.5%
- 2010: 11.5%
- 2011: 13%
- 2012: 8.7%
- 2013: 5.6%
- 2014: 5.1%
- 2015: 4.2%
- 2016: 4.2%
- 2017: 4.2%
- 2018: 4.2%

State of California
- 2006: 5.3%
- 2007: 5.3%
- 2008: 8.4%
- 2009: 12.8%
- 2010: 12.5%
- 2011: 13%
- 2012: 8.7%
- 2013: 5.6%
- 2014: 5.1%
- 2015: 4.2%
- 2016: 4.2%
- 2017: 4.2%
- 2018: 4.2%

Industry Composition

The composition of the City’s industrial base has evolved significantly over time. In the 1800s, the Los Angeles economy was led by real estate and oil extraction, and, at later points, it has been powered by aerospace and defense manufacturing, film and television production, and international trade. Over the past several decades, the City’s economy has trended toward a services-oriented economic base. While the region is still home to one of the largest manufacturing employment bases in the United States, the City has lost many legacy manufacturing jobs related to the production of fabrics and aerospace and defense products. Conversely, growth in advanced professional services, digital entertainment, technology, and logistics are driving new job growth across the City and the region.

SUCCESS STORY

NORTH VALLEY BUSINESSSOURCE CENTER HELPS TOP CHEF-LED RESTAURANT EXPAND, RETAIN EMPLOYEES, AND CREATE NEW POSITIONS

The North Valley BusinessSource Center recently helped an Encino-based restaurant secure a $250,000 business loan, allowing it to complete an expansion, keep 15 jobs, and add 26 new positions. Douglas MacClean owns a chain of four restaurants, including Scratch Bar & Kitchen (SBK), which opened in December 2015 with great fanfare for its unique twist on standard restaurant concepts and commitment to preparing artisanal dishes from scratch. Leading SBK’s kitchen is Executive Chef Phillip Frankland Lee, who competed in season 13 of the popular Bravo TV cooking competition show Top Chef. In its first year, SBK was recognized as one of Los Angeles’s top new restaurants and regularly received five-star reviews on Yelp and OpenTable. In an effort to accommodate high demand, SBK signed a lease for an adjoining space in July 2016 and began developing a new restaurant concept called Woodley Proper. The expansion quadrupled the seating capacity of the restaurant and allowed the addition of an a la carte menu to the current fixed-price menu. Because of the cost to acquire a liquor license for the adjoining space, along with the purchase and installation of additional equipment, furniture, and fixtures, the business was drained of its working capital and needed access to additional funds to complete the expansion and avoid losing employees. MacClean was referred to the North Valley BusinessSource Center, where, with the assistance of a business development officer, he obtained a $250,000 business loan through the Valley Economic Development Center. As a result of this business loan, the expansion became a reality, resulting in the retention of 15 employees and 26 new jobs.

(Top) Scratch Bar & Kitchen executive chefs and owners Margarita Kallas-Lee and Phillip Frankland Lee in the kitchen. Lee was prominently featured in season 13 of Top Chef. (Bottom) Adjacent to Scratch Bar & Kitchen is its expansion project, Woodley Proper, located in Encino. / Photos: EWDD
Over the past several decades, the City’s economy has trended toward a services-oriented economic base.

SOURCE: Data provided by the California Employment Development Department, Labor Market Information in 2017.
Industry Composition (continued)

The leading industry sectors by number of jobs include some that contribute to the City’s economic base as well as others that primarily provide services and goods to the resident population and local businesses. Local government (City and County), with a 14.8 percent share of all jobs, has the highest employment of all public- and private-industry sectors. The next top five industries by employment share are as follows: health care and social assistance (11.3 percent); accommodation and food services (10.2 percent); retail trade (8.9 percent); professional, scientific, and technical services (7.7 percent); and administrative and support and waste services (5.8 percent).

The City has strong concentrations of several key sectors that reflect its position as the governmental, cultural, and economic locus of Southern California. Industry sectors with particularly high concentrations of employment, as measured by having a location quotient greater than 1.2, include educational services; local government; real estate, rental, and leasing; arts, entertainment, and recreation; and information. Other sectors with a location quotient greater than 1.0 affirm the City’s role in providing critical services to businesses, residents, and tourists; these include finance and insurance, other services, accommodation and food services, professional services, transportation, warehousing, and utilities. The City’s weakest sectors, defined by those with both a location quotient less than 1.0 and a decline in employment from 2006 to 2016, include manufacturing, construction, and management of companies and enterprises.

SUCCESS STORY

GRID110 AND THE STARTUP ECOSYSTEM OF DOWNTOWN LOS ANGELES

Founded in 2015 as an economic and community development 501(c)(3) nonprofit in partnership with the Office of Mayor Eric Garcetti, Grid110 began as a collective of seven entrepreneurs who all shared a similar vision of Downtown L.A. as the next tech hub and wanted to support the growth of the startup ecosystem in Downtown Los Angeles.

Run voluntarily for the first two years, a recent grant awarded by the EWDD allowed Grid110 to hire its first full-time staff and scale programming exponentially over the last nine months. Since the inception of the first program, Grid110 has provided 50 early-stage startups with access to free office space, mentoring, and other critical resources through cohort-based programs. Grid110 does not currently provide any funding, but companies also do not give up any equity or pay fees to participate in the program. The focus remains to help companies realize sustainable growth paths that allow them to scale their businesses (and teams) right here in Los Angeles.

Various Grid110 events. The nonprofit provides free mentoring and resources to early-stage startups. / Photos: EWDD
Occupational Composition

The City of Los Angeles’s diverse industries and clusters support a wide variety of occupations—a type of job or set of tasks that can be found in any industry, although some occupations are more common in certain industries than others. The City’s share of occupations largely parallels that of the State as a whole, with notably higher shares of building, production, and food preparation jobs. The City has relatively smaller shares of farming, protective services, and management occupations.

The City’s occupational makeup is rapidly changing as demand for high-, middle- and low-skill workers is being impacted by macroeconomic trends. Reflective of (or perhaps driving) widening income inequality, occupational openings over the next decade will be the greatest at opposite ends of the skills spectrum—high-paying positions that require substantial levels of education and experience and low-paying positions that require very few skills. Growth in middle-skill jobs, which once offered a pathway to the middle class for many Angelenos, is expected to be limited. The top five occupations with the most job openings Countywide all fall on the low-wage side of the spectrum and include personal care aides, combined with food preparation and service workers, waitstaff, retail salespersons, and cashiers. The top five fastest-growing occupations include some low-wage occupations (e.g., personal care aides, restaurant cooks), but also include middle- and high-wage occupations (e.g., statisticians and construction-related occupations, such as reinforcing iron and rebar workers and brick and block masons).

Figure 5. Jobs by Occupation

<table>
<thead>
<tr>
<th>Occupation</th>
<th>California</th>
<th>City of Los Angeles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>15.3%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Professional</td>
<td>22.4%</td>
<td>22.7%</td>
</tr>
<tr>
<td>Health care</td>
<td>2.0%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Protective service</td>
<td>2.1%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Food preparation</td>
<td>4.7%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Building</td>
<td>4.3%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Personal care</td>
<td>4.7%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Sales</td>
<td>10.8%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Office and admin</td>
<td>12.6%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Farming</td>
<td>1.6%</td>
<td>3%</td>
</tr>
<tr>
<td>Construction</td>
<td>7.5%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Production</td>
<td>5.1%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Transportation</td>
<td>5.9%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

Small Business and Entrepreneurship

Small businesses are the backbone of the Los Angeles economy, with one-third of establishments in the City employing between five and 49 workers. The broader small-business and entrepreneurial ecosystem, as well as the economy as a whole, is supported by key anchor institutions. This includes world-renowned educational institutions—a dynamic network of community colleges and numerous local and regional nonprofit organizations that foster an ecosystem that promotes entrepreneurship and creativity. The Los Angeles region ranked third nationally in the number of startups (roughly one in every ten companies), due in part to its diversity and anchor institutions. However, the region has room to grow in terms of high-tech entrepreneurship and business-civic collaboration.

To be competitive in a 21st-century globalized information- and knowledge-based economy, the City must strengthen and expand its economic base and invest in improving the pipeline of skilled workers. Opportunity areas for economic diversification may leverage the City’s existing and expanding physical and human capital infrastructure. This could also include next-generation products and technologies related to legacy industries (including aerospace, fabrics/materials, culture, and media-tech), as well as other areas where the City is beginning to innovate, including transportation technology, clean technology, and biotechnology. Specifically, automation and technological advances, advanced manufacturing, international trade, workforce development, and the ability to innovate will continue to play a significant role in strengthening the City’s competitive advantage and the future of the region. Demographic, socioeconomic, technological, and land-use trends, in addition to regulatory and political factors, continue to have an impact on the economy and economic output of the region. The City needs to capitalize and unite its stakeholders and resources—industry, academia, government, and nonprofits—and work in partnership to ameliorate economic stresses, leverage opportunities, and create a better environment to live, work, and play for all.
People

The City of Los Angeles’s population base is growing, albeit at a slower pace than in previous decades, partly due to a decline in births and net immigration and a scarcity of vacant, buildable land to accommodate new households. The share of the City’s working-age population is higher than the County’s and State’s and, combined with a lower share of seniors, is indicative of a stable employment base. These factors have the potential to support continued economic growth, as other geographies face labor-force contractions associated with retiring Baby Boomers and growing labor-force demand. Further, migration patterns in the City have changed. Contrary to long-time trends that saw many affluent (and typically white) households leave the core of the City to live in the suburbs, a recent trend toward reurbanization has seen a significant influx of younger, high-income households into the City seeking urban lifestyles. This trend has put significant pressure on housing prices, making it more difficult for many lower-income households to be able to afford to live within the City.

Despite overall economic growth, much of the City’s resident workforce is impeded by low educational attainment, linguistic limitations, and other barriers. The City’s lower educational attainment and linguistic isolation can be a significant barrier to employability and career mobility, in particular for underrepresented, disadvantaged, and immigrant populations. One-quarter of Angelenos age 25 and older have less than a high-school degree. Although the high-school dropout rate has declined, the City’s dropout rate exceeds County and State averages. In addition, 28 percent of Angelenos age five and older speak English less than “very well.” Lower skill levels, combined with linguistic isolation, makes the labor force unprepared to compete in 21st-century jobs and puts a downward pressure on earnings.

The median annual household income for the City is $50,205, lower than the County and State medians of $56,196 and $61,818, respectively. More than one-quarter of City households earn less than $25,000 annually, and proportionately fewer households earn more than $125,000, compared with the County and State. This income disparity is especially acute for minorities: 40 percent of black households, 31 percent of Latino households, and 26 percent of Asian households earn less than $25,000 per year, compared with 20 percent of white households. At the upper end of the income distribution, 27 percent of white households earn more than $125,000, compared with only 8 percent for black households and 7 percent of Latino households.

Overall, per capita income (PCI) has been on the rise since 2012. The City’s PCI grew from $27,252 in 2012 to $30,136 in 2015, outpacing the County’s $29,403 PCI in 2015. However, income inequality is also on the rise in the City: Inequality in Los Angeles, as measured by the Gini coefficient (a metric for which 1 represents total inequality and 0 represents total equality), is significantly higher than the County’s. This inequality can be attributed to a large share of wealthy and very wealthy residents as well as large numbers of residents who are predominantly low income and impoverished. While the increasing accumulation of wealth to the top stratum of society is a national trend, the hollowing out of middle-income work and stagnant wages for many workers has exacerbated this trend.
SUCCESS STORY

EWDD PROMOTES SERVICES AT VSEDC MOBILE RETAIL AND FOOD TRUCK EXPO

Former EWDD General Manager Jan Perry promoted the EWDD’s services to entrepreneurs attending the fifth annual Mobile Retail and Food Truck Business Expo and Mobile Marketplace on Saturday September 23, 2017. The event, hosted by the EWDD’s workforce partner Vermont Slauson Economic Development Corporation (VSEDC), showed many entrepreneurs how to empower themselves by developing mobile small businesses. “The lesson for the day: Start small to grow big. The EWDD is here to help with microloans and small-business loans,” said Perry. In tandem with Council District 9’s Council Member Curren D. Price and VSEDC Executive Director Joseph Rouzan, Perry emphasized the EWDD’s services to dozens of people attending workshops at the annual event, which provides guidance on marketing strategies and business advice to hundreds of aspiring and up-and-coming food truck and mobile business entrepreneurs. As attendees filtered into the event at Los Angeles Trade Technical College, one of the first mobile businesses they spotted was Brewtique, a mobile coffee cart that specializes in nitrogen-infused craft coffee and tea. Trina Smith launched the family business after applying the mobile business lessons she learned at previous VSEDC workshops, which she said were extremely helpful. “It’s an access point for individual ownership,” she said. “This is a fantastic stepping stone to opening a brick-and-mortar shop,” said Smith.

Poverty and disability status have a significant impact on economic opportunity for City residents. Despite an improving economy, there is entrenched poverty in the City—nearly one-third of the City’s youth are living in poverty, while about 20 percent of the adult population is living in poverty—rates that are higher than both the County and State. Further, disability can be both a cause and consequence of poverty. The proportion of population with disability status in the City was 7.3 percent, marginally higher than the County’s 7.2 percent but lower than California’s 8.1 percent. Various safety-net programs, such as increased educational opportunities for students and affordable access to health care, provide low-income individuals and struggling families with assistance to reduce hardship and poverty. There are proportionately more households receiving public assistance in the City compared with either the County or State. Nearly 4.4 percent of the households are on public assistance in the City, compared with 4.1 percent in the County and 3.9 percent in the State.

Intra-City and regional mobility and access to jobs are critical to ensure a healthy economy and economic opportunity. As an economic driver and employment destination for the region, the City sees approximately 152,000 more workers commute into the City daily than the number of City residents with jobs who commute to jobs elsewhere. The proportion of workers taking public transportation to work was higher in the City—10.7 percent, more than double State’s average of 5.3 percent. However, the vast majority of workers, or 68.2 percent, reaches their employment destinations by driving alone. While public transportation is an excellent and affordable option for many commuters, the average commute time for those taking transit is 66-percent longer (roughly 50 minutes on average).
than those who drive (30 minutes), indicating that many transit-using workers must endure long commutes to access job opportunities. The share of households in Los Angeles without a vehicle available is higher than for the County or State; nearly 13.2 percent of the City’s households do not have a vehicle available, compared with 9.7 percent for the County and 7.7 percent for the State. Workers with limited vehicle availability may have reduced economic opportunity and limited access to jobs.

Availability of housing that is affordable to workers in the City is critical for ensuring economic vibrancy and a well-functioning labor market. About 63 percent of City households are in renter-occupied units, compared with 54 percent for the County and 46 percent for the State, leaving households subject to rent increases and potential displacement. Nearly 61 percent of City households are rent burdened or severely rent burdened, which means that they are paying more than 30 percent of household income for their gross rent. Housing unaffordability typically leads to overcrowding. Nearly 13 percent of occupied housing units in the City are overcrowded or severely overcrowded, a rate higher than County and State averages.
Real Estate and Infrastructure

The City’s real estate market is inextricably connected to opportunities for economic development. Over the past five years, the City has attracted significant investment in its residential and commercial real estate inventory, including from prominent international investors (notably from China and Canada). Although real estate revenue growth outpaced construction cost growth for much of the past several years, increasing costs and flattening rent growth in 2017 suggest that a real estate market correction may be coming in the near future. However, other indicators suggest sustained real estate growth in the greater Los Angeles market. For example, a survey of real estate professionals by the Urban Land Institute placed Los Angeles in the top 10 percent of growth markets in the country for 2018.

Housing

As the economy has grown, an influx of new workers has driven demand for more housing and has increased residential values to record highs in the City and Focus Areas. The City’s housing market, hit hard by the Great Recession, has made a strong recovery both in terms of pricing and in the amount of new construction. While the resurgence of the housing market has been a boon for property owners who have seen asset values appreciate dramatically over the past five years, renters have been hard hit by rapidly rising average rents across the City. The sharp escalation in the price of homes has not only made the City increasingly unaffordable for first-time homebuyers, but it has also contributed to displacement of renters as landlords redevelop properties, which constrains the rental market and contributes to rent increases.

Figure 7. City of Los Angeles, Median Home Sales Price for Existing Homes (in $ Thousands), 2000–2016


Median rent in the City is $2,750/month, 15% higher than the State.
Figure 8. City of Los Angeles, Office Rent (Square Foot per Year) and Vacancy, 2006–2017

Office

Demand for new office space in the City has grown, in particular for creative office space (i.e., office spaces that fall outside the traditional office environment) on the Westside near Silicon Beach. Downtown Los Angeles has seen demand increase for creative office spaces in the Arts District and the Historic Core, while many traditional high-rise Class A spaces in Bunker Hill and the Financial District have been renovated to align with current trends toward open-floor plans and greater amenities.

Retail

The City’s retail market has been evolving alongside dramatic national changes in consumer behavior. As more and more shopping has moved online, consumers are increasingly seeking experiences rather than goods—a trend many successful shopping centers have capitalized on by adding more dining and entertainment options. As this transformation is underway, growth in retail inventory has been modest, and rents have grown at a slower rate than other commercial land uses.

Industrial

Industrial land within the City is becoming increasingly more valuable. With a scarcity of industrially zoned land, the City has little physical space for expansion of its industrial inventory, and competition for other uses has caused a slight decline in terms of square footage over the past decade. Demand for this land—especially port- and airport-adjacent land, land along major freeway corridors, and east of Downtown—has not slowed down. Online shopping

Figure 9. City of Los Angeles, Retail Rents (Square Foot per Year) and Vacancy, 2006–2017

has created a new demand for warehouse distribution space from tenants such as Amazon and Walmart. As a result, industrial rents have increased more than 60 percent since the Great Recession, an event that has disproportionately impacted small manufacturing businesses.

**Hotel**

The City’s hotel market has also benefited from economic growth, as indicated by the record number of visitors coming into the City in 2016 and an 8-percent year-over-year growth of passengers traveling through Los Angeles International Airport (LAX). Growth in the hotel average daily rate (ADR) has been very high in the City, notably in key hotel submarkets that are critical for tourism, such as Hollywood, Downtown, and near LAX. High ADRs and occupancy rates have stimulated further investment in the hotel market, with many projects underway across the City. The City has emphasized adding hotel rooms near the Los Angeles Convention Center in Downtown to enable larger conferences that provide a substantial economic impact to the City.

**Infrastructure**

The City and other public entities are making plans to reinforce and enhance infrastructure to support the future of the City’s economy. Significant capital investment projects are underway by Los Angeles County Metro, Los Angeles World Airports, Los Angeles Department of Water and Power, and the Port of Los Angeles, among other public institutions. These investments are designed to not only enhance and strengthen infrastructure, but also leverage private-sector investments that lead to new jobs and business development.

![Figure 10. City of Los Angeles, Industrial Rents (Square Foot per Year) and Vacancy, 2000–2017](image-url)
Figure 11. County and Select City Submarkets, Hotel Average Daily Rates

Hollywood

Downtown L.A.

Los Angeles County

LAX


$200 $150 $100 $150 $200 $220 $240 $270 $155

Focus Areas

This report considers the following Focus Areas within the City. Each area has a distinct identity driven by its geography, people, cultures, and history. Although these neighborhoods are geographically and historically distinct, the common threads that bind them are their acute socioeconomic needs and a lack of investment relative to the City as a whole. As shown in Figures 12 and 13, these Focus Areas account and include the following City communities:

1 / Eastern San Fernando Valley within the City (“Eastern San Fernando Valley”)—Arleta, North Hollywood, Pacoima, Panorama City, Sun Valley, and Sunland-Tujunga.

2 / Eastside of the City of Los Angeles, or the “Eastside,” a significant portion of the City east of Downtown Los Angeles, including the communities of Boyle Heights, Lincoln Heights, and El Sereno.

3 / Harbor Area, the southernmost portion of the City—Harbor City, the southern portion of the Harbor Gateway, San Pedro, and Wilmington.

4 / Pico-Union/Westlake — located west of Downtown Los Angeles.

5 / South Los Angeles (or “South LA”), a large portion of the City located south of Washington Boulevard—Baldwin Hills, Central Alameda, Crenshaw, Florence, Leimert Park, Park Mesa Heights, South Los Angeles, South Park, Vermont-Slauson, and Watts, among other neighborhoods, as well as the Los Angeles Convention Center site, but excluding University Park.

Figure 12. Population and Population Density

<table>
<thead>
<tr>
<th></th>
<th>Total Population</th>
<th>Population Density (Pop./Sq. Mile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>38,421,464</td>
<td>247</td>
</tr>
<tr>
<td>Los Angeles County</td>
<td>10,038,388</td>
<td>2,474</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>3,900,794</td>
<td>8,323</td>
</tr>
<tr>
<td>Focus Areas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Los Angeles</td>
<td>665,707</td>
<td>16,213</td>
</tr>
<tr>
<td>Eastern San Fernando Valley</td>
<td>582,306</td>
<td>7,002</td>
</tr>
<tr>
<td>Harbor Area</td>
<td>195,659</td>
<td>7,151</td>
</tr>
<tr>
<td>Eastside of the City of L.A.</td>
<td>160,325</td>
<td>11,736</td>
</tr>
<tr>
<td>Pico-Union/Westlake</td>
<td>146,868</td>
<td>30,617</td>
</tr>
</tbody>
</table>

**Eastern San Fernando Valley**

The Eastern San Fernando Valley is predominantly residential, home to a population of 582,306 living in an 83-square-mile boundary. The area has a large Latino and white population. In general, the Eastern San Fernando Valley’s household incomes and poverty levels are roughly on par with the City’s. A significant amount of industrially zoned land has helped manufacturing thrive in this area, and jobs in this sector have been relatively stable compared with the City as a whole.

**Harbor Area**

The Harbor Area consists of the southernmost 29 square miles of the City and includes the coastal and coastally adjacent communities of San Pedro, Wilmington, Harbor City, and the southern portion of the Harbor Gateway. The Harbor Area’s population of 195,659 is more than 50 percent Latino, with an additional 20 percent being non-Latino/white. Household incomes and poverty levels within the Harbor Area are approximately on par with the City, but residents have below-average educational attainment. With direct access to the twin ports of Los Angeles and Long Beach, the Harbor Area is home to many industrial and logistics companies.

**South Los Angeles**

South Los Angeles is defined (for the purposes of this Strategy) as a large portion of the City south of Washington Boulevard and Downtown Los Angeles and north of the Harbor Gateway (41 square miles and with a population of 665,707). There are important differences among the neighborhoods that are part of this large area. Nevertheless, South Los Angeles, as defined in this report, is an economically distressed area that is majority Latino, but with a 30-percent share of black residents (a proportion that has declined significantly over the past 30 years). As the home of USC, South Los Angeles has a large share of educational services jobs. However, as a predominantly residential area, South Los Angeles has few high-quality jobs to support its resident base. Many of the noneducational services jobs are in low-wage service-sector positions.

**Eastside of the City of Los Angeles**

The Eastside of the City of Los Angeles (or the “Eastside”) encompasses the communities of Boyle Heights, Lincoln Heights, and El Sereno. The 13-square-mile area has approximately 160,325 residents, with high percentages of Latino residents. The area has many both long-term residents and new immigrants; as such, linguistic isolation—the area is home to many non-native English-speaking residents—is a major concern. Access to the Metro Gold Line provides enhanced transportation to Downtown and regional destinations. The Eastside is home to many manufacturing jobs located in industrially zoned properties near the Los Angeles River, as well as a large concentration of health care jobs tied to the LAC+USC Medical Center (Los Angeles County+University of Southern California Medical Center).

**Pico-Union/Westlake**

Pico-Union/Westlake is a small area immediately west of Downtown Los Angeles across the Harbor Freeway and extending south from the 101 Freeway and lying adjacent to Echo Park. This dense neighborhood, with a population of 145,200, is predominantly Latino, with many residents of Central American origin. Adjacent to Koreatown and Historic Filipinotown, the neighborhood also has a sizable Asian and Asian American population. With its severe poverty, Pico-Union/Westlake is one of the most economically distressed parts of the City of Los Angeles. Residents also face conditions of severe overcrowding and housing cost burdens. The neighborhood has high public transit usage, owing to its proximity to the City’s rail network, which mitigates its relatively low rates of vehicle access.
Economic Development
Existing Conditions and Global Best Practices
Economic Development
Existing Conditions Summary

This Strategy addresses not only sociodemographic, economic, and industry needs and opportunities, but it also examines ways to strengthen the City’s delivery of economic development services. This component of the Strategy (included in full in Volume II, “Economic Development Climate”) was informed by an analysis of the City’s existing economic development climate, with a focus on the City’s existing organizational structure for delivering economic development services; existing tools and incentives and their capacity to implement the City’s economic development objectives; stated City economic development priorities and initiatives; and the City’s current approach to economic development and its ability to implement stated priorities and initiatives.

As discussed previously, following the 2012 dissolution of CRA/LA, formerly the City’s primary entity responsible for place-based economic development and urban renewal activities, the City has taken several steps to consolidate and reorganize economic development functions. One important step was the 2013 creation of the EWDD, which is tasked with some of the same economic development responsibilities formerly undertaken by CRA/LA, plus strategic economic development research and planning, real estate and asset management, business assistance, and workforce development. The availability of federal resources for workforce development has allowed the department to provide substantial programs and services. However, there are fewer federal resources available for local economic development, which largely relies on the City’s constrained General Fund. Additionally, the responsibilities of the EWDD and many other economic development functions are duplicated and scattered throughout other City departments, with limited coordination (as shown in Figure 13).

To date, the City has not adopted a formal economic development strategy, however, a range of documents have addressed components of the City’s economic development needs and opportunities. Based on input from City officials and representatives of economic development organizations from across City government and a review of City plans (e.g., City public-relations materials and other documentation), six overarching themes emerged as top priorities for economic development within the City. These six themes are articulated in the next sections, accompanied by an assessment of the City’s capacity, delivery mechanisms, and available tools and incentives to assess the degree to which they are sufficient to implement the City’s economic development priorities.
## Figure 13. Core Economic Development Services Provision by Relevant Entities

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City Economic Development Priorities

Addressing Key Industry Sector Challenges and Capitalizing on Existing Opportunities

City-controlled tools to address industry sector challenges and opportunities are currently limited, and the City depends on federal and State grants and tax credits to support desired economic activity, which have had mixed results on the local economy. Based on successful experiences in other cities, Los Angeles should improve its industry-development tools by expanding the tools under its control, such as incentives to companies in target industries and low-cost loans to support business operations and funding for capital facilities. Additionally, the City should collaborate to place a greater emphasis on human capital development within local educational systems to foster a skilled labor force in alignment with target industries.

Strengthening Regional and Global Partnerships and Trade Networks

The City has a relatively strong organizational capacity for strengthening regional and global partnerships and trade networks, but few policy or funding tools to do so, beyond marketing and networking efforts led by the Mayor’s Office and the Tourism and Convention Board and capital improvements planned by the Harbor Department and Los Angeles World Airports. Economic development departments in other cities (such as San Francisco) play a larger role in fostering international trade by providing access to tax incentive and grant tools to attract investment, incentivizing tourism by maintaining international offices in major visitor-generating countries, and offering promotions for visitors at local businesses.

Expanding Access to Affordable Housing

The City has numerous tools to address housing development and affordability, but implementation is made challenging due to a considerable dependence on fluctuating federal funding, recurrent neighborhood political opposition to new development, and the scale of the housing crisis. Expanding access to affordable housing will require continued investment, regulatory innovation, and a robust portfolio of funding resources.

Promoting Equitable Economic Growth

The City currently has few tools designed to explicitly address equitable economic growth, except for housing tools and the City’s new minimum-wage law. Other cities have developed initiatives to expand access to opportunity, wealth creation, and entrepreneurship by underrepresented minorities. Cities have also developed targeted programs to support minority-owned businesses, including increased access to low-cost capital, programs that address commercial affordability, and robust technical assistance programs for small businesses.

Supporting a Prepared Workforce

The City’s workforce development tools are largely dependent on federal funding, making them highly vulnerable to policy shifts. Nonprofit organizations provide valuable workforce development tools and funding, but at a much smaller scale relative to federal resources. However, there is strong capacity for implementing workforce development tools, and gaps are regularly assessed and addressed, as the City’s Workforce Development Board, in tandem with the EWDD and regional workforce development boards, evaluates and updates its strategies annually.

Leveraging Resources for Transformative Urban Projects That Benefit the City and Its Communities

There is a robust set of financial and organizational tools to leverage the City’s resources to deliver transformative urban projects—particularly with respect to infrastructure investments from Measure M—that will greatly impact the City over the next several decades.
Global Best Practices

This Strategy was informed by a robust precedents analysis to identify economic development strategy best practices relevant to the City and to guide the development of actions within the Five-Year Implementation Plan. This analysis considered a range of policy initiatives and public-sector investments across comparable cities, the effectiveness of each economic development effort, and potential replicability and suitability for the City. The full analysis (included in Volume II, “Precedent Analysis”) includes four detailed profiles of the holistic economic development approaches of four large, diverse cities (Austin, London, New York, and Philadelphia), which were selected for evaluation based on their innovative and/or effective economic development delivery models, financing techniques, and associated initiatives. The report also evaluates various economic development initiatives that have been implemented in 10 additional U.S. cities, each of which addresses one or more of the City’s key economic development priorities.

Like Los Angeles, each city profiled or referenced is unique in terms of governmental structure, sociodemographic, and economic and industry composition; as such, each has a different set of opportunities and challenges related to economic development. Nevertheless, these cities provide important lessons about economic development delivery and/or offer ideas about addressing key economic development priorities in Los Angeles.

Photo: Thomas Hawk
This Strategy reviewed the following four high-performing cities with strong economic development delivery models.

**Austin**

Austin is a slightly smaller and less-diverse city, but with a high-performing economy anchored by a booming technology sector and a well-structured delivery model that includes an extensive network of global development and small-business services and provides targeted support to key industries.

**New York**

New York is a large, diverse city with a well-established economic development delivery structure, which is guided by a clear, uniform strategy that targets core and growth industries and leverages city’s assets (from its large, talented workforce to access to global markets).

**London**

London is a large, global city with a strong international brand and highly effective multifaceted delivery model, which includes strong public-private partnerships, ongoing support for innovation, and strong marketing to international markets.

**Philadelphia**

Philadelphia is a large, high-performing formerly industrial city, which benefits from a well-structured delivery model and prioritizes interdepartmental coordination, leverages a well-reourced nonprofit entity, and uses a well-developed network of business leaders.

The Strategy also looked at the following ten cities with noteworthy economic development initiatives related to City priorities:

**Atlanta, Boston, Dallas, Denver, Minneapolis-St. Paul, Pittsburgh, Portland, San Diego, San Francisco, and Washington, D.C.**

Key findings from the precedents analysis are summarized in the following pages.
Best Practices: Economic Development Delivery Structure

1 / High-performing cities closely coordinate the implementation of strategies across economic development-related departments and other entities and generally have **strong leadership and collective buy-in on a clear vision for economic development**.

2 / These precedents demonstrate that lead economic development entities must be **well resourced, with access to a dedicated set of funding sources** to support activities and retain talented staff.

3 / In many cities, **coordination and trust among departments** and with the private sector have unlocked the ability to successfully “package” a wide range of pending projects to achieve economic development benefits. These include both public- and private-sector investments, which can be designed or augmented to achieve multiple benefits at modest incremental cost.

4 / Similarly, to expand the impact of economic development initiatives, several cities foster **partnerships with community-based organizations** to expand awareness and/or proactively market services and financial resources for individuals or businesses.

5 / These leading cities often use a **well-resourced citywide economic development nonprofit entity**, which provides for greater flexibility in the implementation of key initiatives. More specifically, these nonprofit entities are able to leverage underused city-owned real estate on behalf of their respective cities to support key industries and revitalization.
Best Practices: Economic Development Priority Initiatives

1 / To address key industry-sector challenges and opportunities, cities have adopted comprehensive industry cluster strategies pairing physical investment and technical assistance and have expanded measures to support core industries, while attracting and nurturing growing and emerging sectors (particularly those focused on innovation and those that offer above-average wages).

2 / Cities have focused efforts to develop transformative urban projects that grow the economy, create affordable housing, and expand access to jobs by ensuring that transit planning, capital investments, and land-use regulations are aligned with one another and with economic development priorities.

3 / The cities studied often develop coordinated asset-management strategies that maximize the benefit of underused property to catalyze industry growth and/or neighborhood revitalization.

4 / Sustained economic growth also requires robust regional and global partnerships and trade networks that bring new dollars into the economy by attracting high-quality foreign investment that supports export-oriented industries.

5 / Cities must continue to invest in people and skills to support growth, prosperity, and inclusion in light of global economic changes. This requires supporting universal education (from pre-kindergarten to college), developing holistic approaches to remove barriers to workforce participation, and educating workers about opportunities to access economic opportunity and build assets.
Housing is a critical component of wealth creation. To forestall a growing affordability crisis across the country, cities have enacted measures to **preserve and expand the creation of affordable housing**. These efforts should be leveraged to grow wealth and ensure long-term affordability.

Cities have recently focused their efforts to fostering economies accessible to and inclusive of all residents by **promoting sustainable and equitable economic growth**. To achieve this, cities have embedded inclusive prosperity goals and evaluation metrics in many economic development efforts, as well as have supported underrepresented business owners and entrepreneurs.

**SUCCESS STORY**

**MID-CITY BUSINESSOURCE CENTER ASSISTS GEOTECHNICAL ENGINEER WITH $250,000 SMALL BUSINESS ADMINISTRATION LOAN**

The Mid-City BusinessSource Center recently assisted Dr. Dotun Oyenuga in securing a $250,000 Small Business Administration loan that will enable his engineering firm to hire 20 employees, create a new location, and fulfill a contract for the Los Angeles County Metropolitan Transportation Authority (Metro). An industry expert in geotechnical engineering, Dr. Oyenuga started Dotun Oyenuga DBA Analysis and Solutions Consultants in 2007. Mid-City BusinessSource Center loan counselor Redy Babasa-Thompson has been providing Dr. Oyenuga with ongoing business and credit counseling since they met at a Metro networking event in October 2017.

Dr. Dotun Oyenuga (center) proudly holds a check toward a $250,000 Small Business Administration loan that will allow his firm to fulfill a contract with Metro. / Photo: EWDO
Strategy
Purpose and Vision
Purpose

The City of Los Angeles has a highly diversified economy and many different economic advantages, including its location as a gateway to global markets; a large, diverse, and cosmopolitan population; its rich culture of creativity and innovation; a healthy balance of large and small businesses; and a strong and growing foothold in a number of key industries. Since the end of the Great Recession of 2007-2009, the City has made a strong economic recovery, with the total number of jobs returning to pre-recession levels, the unemployment rate recently dropping below 5 percent and approaching 4.2 percent, and the median household income having grown an average of almost $5,000 since 2010. The economy has been supported by competitive advantages in entertainment, tourism, technology, international trade, professional services, and diversified manufacturing industries.

Although the Los Angeles economy is well positioned to continue expanding, the City, its businesses, and its residents face a series of challenges. These include competitive pressures from national and global economic shifts that are outside of local control, changes in the nature of work, significant uncertainty about federal policy changes, proposed cuts to federal funding that will affect the City’s workforce, housing and transportation initiatives, increasing unaffordability of housing and commercial space, and rising income inequality between the lowest- and highest-paid workers. The City must preserve and improve its global competitiveness and mitigate economic stresses while reinforcing its position to withstand and recover quickly from unexpected economic or environmental events, other physical crises and disasters, or shocks.

Fortunately, City voters have demonstrated strong support for a more prosperous, sustainable, and equitable City. Local ballot measures were recently passed to generate new funding to help reduce homelessness and expand investment in public transportation throughout the City and surrounding region, which will also stimulate the economy and support access to jobs. Similarly, City voters rejected limitations on new development, and elected officials have supported new regulations that will ensure living wages and affordable housing development. These moves will help some of the City’s most vulnerable populations and support more-equitable growth across all neighborhoods.

However, the City must redouble its efforts to ensure that economic growth continues and that prosperity is accessible to and inclusive of all Angelenos. It is important to note that top-line economic growth does not guarantee benefits for all of the City’s residents, workers, and businesses. Because of a long history of disenfranchisement by public and private sectors, many Angelenos and some of the City’s communities have been left behind. It is critical that future growth is more equitably distributed and economic opportunity is expanded for those who need it most. Doing so will require the City to enhance the delivery of economic development services, secure and allocated additional funding for economic development, and take a series of actions to meet these needs.
Vision Statement

Recognizing these facts, this Strategy and the related initiatives undertaken by the City, its departments, and proprietary agencies will be guided by the following vision:

Los Angeles will leverage its position as a gateway to the Pacific Rim and other world markets to grow its economy for the benefit of all Angelenos. Building on our unparalleled culture of creativity and leadership in innovation, we will expand our global, national, and regional presence by investing in our people, neighborhoods, and industries.
Long-Term Goals
GOAL 1
Strengthen Los Angeles’s Position as a World-Class City

The City represents 30 percent of the economic activity within the Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area, which has a gross metropolitan product of more than $900 billion, second only in the United States to the New York-Newark-Jersey City Metropolitan Statistical Area. Were it a separate country, Los Angeles would rank as the 42nd largest economy in the world, between Singapore and Venezuela.

Los Angeles, as the U.S. gateway to the Pacific Rim economies and home to one of the busiest ports and international airports in the world, is a leading exporter and plays a pivotal role in international trade networks. The Port of Los Angeles handles more than eight million cargo containers worth billions of dollars each year and is responsible for nearly one million jobs in California alone. Los Angeles benefits from the presence of local branches of European and Asian companies, which have significant investments in many of the City’s key industries. In 2017, the City tied New York as the top U.S. destination for international commercial real estate investment. In Los Angeles County (“County”), it is estimated that foreign direct investment contributes more than $13 billion in wages and more than 200,000 jobs, a large portion of which are located in the City.

In addition to its position as a leading economic force, Los Angeles is also a major international attraction. In 2016, the County welcomed 47 million tourists, a 4-percent increase from 2015, and Los Angeles International Airport (“LAX”) accommodated a record high of 80 million passengers (28 percent of which were international travelers). The City is the region’s top destination and is home to many world-renowned attractions: from its numerous beaches and museums to iconic locations such as the Hollywood Walk of Fame and the Griffith Observatory. These assets have continued to fuel a growing tourism industry over the past decade.

Leading global cities are not only defined by their economic clout, financial power, and global competitiveness; they also must be innovative and mobile, possess a high quality of life, and have highly skilled labor forces, transparent business environments, and strong local branding. To leverage and grow its global position, the City must continue to strengthen its regional and global partnerships and trade networks. The City must actively work to attract high-quality foreign direct investment—an essential element to high-performing economies because with investment comes job creation and support of key industries. The City must also continue to partner with regional affiliates and increase its efforts to help local businesses expand abroad and nurture key industries that support the City’s international prominence.

5 / Unless otherwise noted, all statistics are from the “Context” chapter of this Strategy.
To achieve this goal, Los Angeles will . . .

Collaborate with other municipalities, institutions, and the private sector to increase the City’s competitive advantage.

The City will expand local coordination to strengthen the Los Angeles region’s value proposition for existing and new companies and retain and attract a robust pool of talent. The City will coordinate these efforts through the Los Angeles Tourism and Convention Board (“LATCB”) and other local and regional partners to expand tourism and market the City’s economic opportunities.

Increase opportunities and exposure for businesses to access overseas markets.

The City will proactively pursue opportunities for local businesses, expand awareness of these opportunities, and deliver technical assistance to ensure that global links benefit a diverse range of businesses. This effort will include a specific focus on core industries related to entertainment, culture, manufacturing, and others, each of which is core to the City’s economic success and pay above-average wages.

Increase the scale of foreign investment.

The City will continue to devote resources to increase the scale of foreign direct investment to help grow its economy and deliver priority projects. The City will strengthen partnerships with other public entities, including the County, and will work with local businesses to ensure that Los Angeles remains a stable, predictable destination for foreign capital.
GOAL 2

Ensure Growth Is Equitably Distributed

Like many large metropolitan areas, the City’s recent period of growth has been characterized by rising economic inequality and unequal access to opportunity, especially in terms of building wealth and securing high-quality jobs that pay above-average wages. Notably, recent economic growth has exacerbated a chronic shortage of housing, driving rents across the City to all-time highs. The problem of rapidly rising housing costs is compounded by a high concentration of relatively low-paying retail and service-industry jobs. In fact, over the past decade, rents region-wide have increased by approximately 11 percent, while real wages have fallen by 4 percent, making the City one of the least affordable areas in the United States.11 Despite a declining unemployment rate that is now 4.2 percent, for those without an advanced education, many of the fastest-growing occupations are in low-wage service positions that offer limited career mobility. In the coming years, low-wage service-job growth is projected to outpace other middle- and high-wage jobs, including in the fields of personal care, food preparation, and health care support. Other macroeconomic trends, including globalization and automation, have pushed prosperity and high-quality jobs further out of reach for many residents.

Rising inequity in the City is particularly pronounced among black and Latino households, which continue to experience higher poverty, lower incomes, and lower levels of educational attainment than white and Asian households in the City. Forty percent of black households and 31 percent of Latino households make less than $25,000 per year, compared with white households (20 percent) and Asian households (26 percent). These racial and ethnic groups are also highly concentrated in several of the City’s areas that have seen sustained disinvestment in schools, infrastructure, and amenities, with wide-ranging effects. Inequality between the most- and least-affluent neighborhoods in Los Angeles in terms of life expectancy, educational attainment, and earnings is among the widest in the state. These gaps are particularly evident in the areas within the Eastside of the City of Los Angeles, South Los Angeles, and Pico-Union/Westlake, along with the other Focus Areas identified as priorities in this Strategy.

The City will build on policies that address growing inequities and ensure that the benefits of economic growth are equitably distributed. Many recent City and County initiatives have directed resources to increase economic opportunity for underrepresented groups, including immigrants, formerly incarcerated individuals, and lower-skill workers through regulation, education, and workforce programs. These efforts are critical first steps to reverse the historic disenfranchisement that has contributed to the economic stresses that plague the diverse communities that make Los Angeles a cosmopolitan place; the City must use its scale and regional influence to promote policies that prioritize the neediest populations.

To achieve this goal, Los Angeles will . . .

**Implement policies to reduce economic disparities among racial, ethnic, and other underrepresented groups.**

The City will ensure all policies and actions support a more-inclusive economy, in which public- and private-sector resources are equitably distributed to areas across the City regardless of ethnicity, gender, or sexual orientation. The City will work to reverse the impacts of historic disenfranchisement for significant segments of its population and ensure that public investment and private-sector growth creates opportunities for underrepresented minorities.

**Prioritize increasing economic opportunity for the most disadvantaged Angelenos.**

The City will also expand protections for all workers to ensure that residents do not face discrimination in accessing jobs and have the domestic and social support necessary to take advantage of economic opportunities. This will include robust collaboration with the private sector to remove barriers to opportunity and ensure that all parties are held accountable to meaningfully expanding economic opportunity for Angelenos.

**Promote community-serving growth in historically disinvested neighborhoods.**

The City will prioritize initiatives in disinvested communities to improve living conditions and access to wealth-building opportunities, while ensuring that growth benefits long-term residents. The City will develop tools and resources to support neighborhood revitalization, with a particular focus on existing small businesses, long-term and sustainable affordability, and community participation.
GOAL 3
Grow the Resilience of Core Industries

Los Angeles benefits from a strong base of core industry sectors and a highly diversified economy. The City maintains a competitive advantage in a variety of traded sectors, including information, finance and insurance, entertainment, and certain subsectors of manufacturing. Los Angeles has long been considered the entertainment capital of the world, and the region’s creative industry—which includes film and television, fashion, digital media, design, and publishing—plays a vital role in the economy, contributing more than $190 billion in total output across the County. Although Los Angeles has lost manufacturing jobs over recent years, it is still one of the largest diversified manufacturing clusters in the United States, with nearly 90,000 employees in the City.

However, these and other industry sector anchors are vulnerable to disruption in the global economy, including new technologies, fierce competition nationally and globally, and other factors. During the Great Recession of 2007-2009, for example, the City lost approximately 160,000 jobs across all industries, and unemployment rates rose to over 13 percent. Automation and technology have rapidly changed industry landscapes and the nature of work—most notably in manufacturing and other middle-skill jobs. Increasingly, these changes are impacting lower-skilled service workers; a recent McKinsey report projects that more than one-third of American jobs could be automated by 2030, which could have catastrophic impacts on the City’s 1.6 million workers.12 The City must support the resilience of its economy and workforce, while advancing its competitive position in key industries. This effort includes adopting strategies to support higher-wage jobs, identifying and responding to disruptive technologies, preparing workers for the changing nature of work, and supporting the continued diversification of the City’s economy to become more resilient.

To achieve this goal, Los Angeles will . . .

Advance its position as the world’s preeminent hub for arts, culture, and entertainment.

The City will leverage its existing competitive advantage by continuing to support the film and creative industries and encourage innovation in emerging forms of media across numerous industries. The City will increase its global position as a hub of innovation and entrepreneurship and will celebrate the diverse cultures that have contributed to its success, ensuring that benefits are widely distributed.

Support core industries’ abilities to identify, regulate, and adapt to disruptive trends, including shocks and stresses.

The City will ensure that companies—and especially small businesses—in core industries have the resources to appropriately prepare for disruptive technologies and global economic shifts, understand how to leverage these trends, and have the resources to invest in their workers and equipment to pursue new opportunities. The City will also continue to support measures to diversify its economy to better weather shocks (e.g., economic recessions and natural disasters) and stresses (e.g., limited skilled labor and global competition).

Foster a workforce that is prepared for the changing nature of work.

The City will help prepare Angelenos for the 21st-century economy by ensuring that workers and residents are exposed to opportunities in growth industries and have the skills to seize the higher-wage jobs in these expanding fields. To remain competitive, Los Angeles’s current and future industries will require a range of traditional educational and workforce training programs to close skills gaps; these efforts are also critical to ensuring that Angelenos continue to have access to jobs that will secure their position in the middle class.
GOAL 4
Catalyze Emerging and Growing Industries

Los Angeles is a leader in creativity and entrepreneurship. The City is well positioned to take advantage of emerging opportunities in technology and other advanced industries because of its large employment base, network of educational and training institutions, legacy manufacturing, and interconnected supply chain-supporting industry sectors. These advantages have the potential to offset job losses and other impacts that come with changes in the broader global and regional economies. Many of the growing industry sectors in the City are related to technology, and the majority of high-tech positions pay above-average wages. In fact, the average annual wage for jobs in the City’s information industry sector ($135,500) is twice the average of all City jobs ($67,500). Los Angeles’s information- and knowledge-based economy has grown rapidly in recent decades—as evidenced by the hub of media and technology companies based in Hollywood, Silicon Beach, and elsewhere—and offers new opportunities for economic diversification and high-paying jobs, including in biotechnology and other health care-related industries.

However, the City still lags other large American cities in terms of venture capital, industry specialization, talent pool, and entrepreneurial culture. The City ranks lower than other large cities in both educational attainment levels and concentration of skilled technology workers. Cities such as San Francisco continue to outpace Los Angeles in attracting game-changing innovation and a continuous stream of new companies through leadership in technology and entrepreneurial culture. To remain competitive in this new economy, the City must invest in its entrepreneurial ecosystem, which relies on strong public infrastructure, a high quality of life, civic engagement, and institutional and professional support networks.

As evolution in technology accelerates, innovative businesses will also have new and unpredictable needs. The City, in collaboration with regional partners, must foster these companies and meet their expectations by developing a flexible and accommodating regulatory environment, growing 21st-century infrastructure, and actively supporting nascent industry sectors. The City must invest in its residents’ education at an early age, facilitate access to higher education and higher-wage jobs, and develop world-class amenities to ensure that the City is a desirable destination for new businesses and their workers.
To achieve this goal, Los Angeles will . . .

**Foster a culture of innovation.**
The City will continue to grow its global position as a destination for emerging and growing industries by building partnerships with educational institutions and the private sector to encourage the expansion of entrepreneurial and inclusive professional networks. The City will also develop a range of programs and policies that support innovation.

**Ensure that skills and infrastructure are aligned with the growing knowledge economy.**
The City will focus strategies to prepare its workers for the changing nature of the economy and invest in early and higher education, understanding that companies that employ knowledge-based economy workers and that offer higher wages require not only a skilled labor pool, but also a range of amenities, support services, and infrastructure.

**Capitalize on emerging opportunities in technology and other advanced industries.**
Los Angeles will capitalize on emerging opportunities in technology and other advanced industries in collaboration with regional partners by developing a flexible and accommodating regulatory environment, providing support to nascent industry sectors, and capitalizing on a robust pipeline of public-sector investments to grow a 21st-century infrastructure.
GOAL 5
Support the City’s Small Businesses

Small businesses are the backbone of the Los Angeles economy, with one-third of establishments in the City employing between five and 49 workers. Business ownership offers key wealth-building opportunities for minorities and other underrepresented groups, including immigrants. The City already offers an array of existing services to small businesses and entrepreneurs—business planning and management support, marketing, and select funding resources. The Economic and Workforce Development Department (“EWDD”) operates nine Citywide BusinessSource Centers, providing training, access to capital, and business plan development services. The EWDD also coordinates an array of other programs related to relocation, financing, and development incentives, and it administers several business loan programs, including the Small Business Loan Program, Section 108 Loans, and the newly approved Microloan Program for small businesses.

However, significant challenges remain in supporting small-business success. Commercial rents have increased significantly in recent years across the City—a trend that reflects a healthy real estate market and has stimulated investment, but one that has left many small businesses overburdened. In addition to existing BusinessSource Center support services, other initiatives help protect local businesses from the rising cost of leasing commercial space or help support new ownership programs. Although the City has a flourishing group of immigrant-owned businesses (with immigrants comprising 53 percent of self-employed persons), gross revenues for minority-owned businesses lag behind nonminority-owned businesses. To address these issues, and to more broadly expand existing business assistance for all Angelenos, the City must prioritize retaining businesses and jobs by lowering barriers to success; helping existing businesses expand regionally, nationally, and internationally; and fostering the creation of new businesses.

To achieve this goal, Los Angeles will . . .

**Increase access to capital and technical assistance for small businesses and entrepreneurs.**

The City will provide additional resources to expand the impact of current efforts, streamline business-support services, and expand partnerships to increase access to capital and legal assistance.

**Preserve and create affordable space for businesses.**

The City will work to improve commercial space affordability for the City’s small businesses, including expanding real estate-acquisition opportunities to create wealth and preserve location for small-business owners.

**Promote opportunities for businesses owned by persons of historically disadvantaged groups.**

The City will expand existing procurement-related inclusion programs and incentivize equitable spending by the City’s corporations. The City’s $4.5 billion budget, which includes over half a billion dollars in expenses and other purchases, is one of the most effective tools to expand economic opportunity for small and minority businesses through targeted procurement and other assistance.
GOAL 6
Create Financial and Economic Security for Disadvantaged Angelenos

Today, many Los Angeles households are economically insecure: They do not have predictable or adequate incomes or savings to support a baseline standard of living today or in the foreseeable future. High housing costs, low-wage employment, and difficulty accessing job opportunities are all leading causes of economic insecurity in the City. Sixty percent of Angelenos who rent their homes are rent burdened, meaning they spend more than 30 percent of their gross income on rent. Furthermore, with employment centers highly dispersed across the region, access to jobs is often a barrier to many residents. More than 13 percent of City households do not have access to a vehicle, well above the State and County averages of 9.7 and 7.7 percent, respectively, despite the fact that almost 70 percent of Angeleno workers reach their employment destinations by car alone. While public transportation is an improving and affordable option for many workers, the average commute time for those taking transit to work is 66 percent longer (roughly 50 minutes on average) than those who drive (30 minutes), indicating that many transit-using workers must endure long commutes to access job opportunities.

In addition, many of the City’s disadvantaged residents live in low-income neighborhoods that have traditionally lacked amenities critical to economic security, including access to healthy food, health care, and quality education. This is especially true for areas that have large underrepresented and/or disadvantaged populations. Approximately 19 percent of City residents live below the poverty line, and more than 50 percent are liquid-asset poor (lacking sufficient savings to live above the poverty level for even three months in case of a financial emergency), and 22 percent have zero net worth. Wealth building is essential to ensuring that all Angelenos have sustainable and secure futures; without safety nets, individuals are unable to withstand unforeseen medical crises, family issues, or other financial shocks and stresses.

The City has also enacted a series of initiatives to support the region’s most-vulnerable population groups, including the phased implementation of a $15-per-hour minimum wage and related worker protections, as well as support programs for immigrants and formerly incarcerated persons. The City must prioritize increasing prosperity through wealth creation and financial empowerment so that residents understand and can act on their opportunities to build assets that support their economic resilience.
To achieve this goal, Los Angeles will . . .

Ensure housing is affordable and provides access to quality jobs.

The City will continue to leverage planned public infrastructure investment, including Measure M, which will provide the County with more than $120 billion in infrastructure funding in the next 40 years (the largest portion of which will go to the City) to ensure that residents have a range of affordable transportation options. The City will also continue to expand initiatives to develop and preserve affording housing to prioritize access to jobs and lower the combined cost of housing and commuting for workers through effective and impactful planning.

Grow prosperity by educating and protecting families.

The City will expand asset-building support and financial empowerment services, which will enable residents to more fully participate in Los Angeles's economy, take advantage of State and federal programs, and increase social cohesion, allowing the City to continue to grow. The City also will enact restrictions on predatory lending, which can contribute to cycles of poverty and inhibit wealth creation, and partner with nonprofits working to limit predatory lending locally and Statewide.

Expand health care, education, and support services—in parallel with other efforts—to allow Angelenos to reach their full potential.

The City will collaborate with regional partners to increase access to health care and support services for workers and their families to ensure the health and resilience of the City's workforce and to remove barriers to economic opportunity and labor force participation.
GOAL 7

Develop World-Class Infrastructure to Enable Economic Growth

Capital investments in transportation, multimodal and utility infrastructure, and real estate development have the potential to provide myriad transformative benefits to support economic development. The City’s aging infrastructure suffers from significant deferred maintenance; the estimated bill to repair roads, sidewalks, and water in 2014 was $8.1 billion—roughly the same amount as the City’s entire budget for that year. Traffic congestion in the City is also up—a sign of a healthy economy, but also a factor in a strained transportation network. Gaps in broadband access also exist across the City. A 2017 study by the University of Southern California estimated that in South Los Angeles, only one-half of households have a broadband connection at home, indicating a growing homework gap for K–12 students unable to complete assignments at home.

The City has several initiatives already underway to modernize its infrastructure and an extensive portfolio of publicly owned assets that can be leveraged to develop future projects aligned with economic priorities. The Port of Los Angeles and Los Angeles World Airports, two assets that are critical to the Los Angeles region’s preeminence in both global trade and tourism, continue to upgrade their facilities to further the City’s economic goals. Over the next 40 years, Measure M will provide the County with more than $120 billion in transportation investments (many of which are within the City or provide enhanced access to it), and the City continues to support densified hubs of jobs and housing through transit-oriented development.

The City must develop a strategy to leverage pending capital investments and package projects underway by various City and regional entities. These projects should include, where possible, initiatives that support economic development and transformative urban projects that benefit all Angelenos and contribute to equitable and sustainable growth. By doing so, Los Angeles will identify and act on opportunities to maximize the benefits of public investment to achieve a range of objectives, including ensuring that the positive impacts of infrastructure investments are broadly shared.

To achieve this goal, Los Angeles will . . .

**Leverage its infrastructure assets to develop transformative urban projects.**

The City will leverage upcoming infrastructure investments and partner with the private sector to magnify the impacts of its initiatives, using economic development as a lens for investment decisions. The City will also evaluate its own assets, optimize its portfolio of land holdings, and use these properties to further economic development.

**Focus continued enhancement of the City’s international points of entry to grow the City’s economy.**

The City is in the midst of a $14 billion capital improvement program at LAX and continues to undertake a range of critical upgrades at the Port of Los Angeles. The City will support these initiatives to ensure that two of its largest economic assets remain world-class facilities in support of the City’s key industries. The City will continue to explore opportunities to strengthen its workforce, while providing long-lasting benefits for the City’s diverse industries.
GOAL 8

Enhance the Delivery of Economic Development

Despite the recent formation of the EWDD, the City’s existing economic development delivery system remains fractured and largely uncoordinated, which limits the impact of the EWDD and the City’s collective efforts and resources. The City has a large set of related resources and tools at its disposal, which are coordinated by the EWDD, the Mayor’s Office, various other City departments and City agencies, and proprietary agencies, as well as several special purpose nonprofit entities. The City also has access to numerous City, State, and federal funds.

The City must consolidate key economic development functions and closely coordinate others to ensure that resources are effectively used to deliver projects with multiple benefits and to best leverage City investments. Therefore, the City will form a working group of City departments tasked with the oversight and tracking of economic development issues and projects.
To achieve this goal, Los Angeles will . . .

**Coordinate key economic development functions to maximize public benefit.**

The City will consolidate key economic development functions to ensure that resources are effectively used, expand the role of and resources for the EWDD, and facilitate departmental coordination to deliver projects that have multiple benefits and that better leverage City investments.

**Identify opportunities to develop a portfolio of sustainable and impactful resources.**

Because of uncertainty surrounding future federal funding, the City will also develop a diverse portfolio of sustainable and impactful resources, including leveraging existing funds, making use of new public financing tools, and expanding a range of private resources.

**Expand opportunities for the implementation of flexible public-private partnerships where appropriate.**

The City will ensure that projects are delivered in an effective manner, wherein investments are structured in a way that appropriately minimizes risk and maintains high quality. The City will also explore opportunities to leverage public assets and to attract private capital to deliver projects that support economic development; these efforts will be particularly focused within the City’s neediest communities.
Five-Year Implementation Plan
Introduction

To make meaningful progress toward achieving the City’s progressive vision for equitable growth and other long-term economic development goals, the Strategy includes a Five-Year Implementation Plan consisting of 15 actions, including policies, ongoing programs, and projects, that involve capital investment to propel the economy of the City forward, with a focus on creating jobs, strengthening key industries, and improving the City’s resilience to economic shocks. The Focus Area Strategies included later in the Strategy include versions of these actions tailored to identified Focus Area needs.

The City must redouble its efforts to ensure that economic growth continues and that prosperity is accessible to and inclusive of all Angelenos.
Implementation Plan Actions

1. Actions to Strengthen the City’s Economic Development Delivery System
   1 / Restructure the City’s Economic Development Delivery Structure

2. Actions to Strengthen the Economy of City Communities
   2.A / Develop Transformative, Industry-Focused Place-Based Initiatives
   2.B / Create Neighborhood and Corridor Revitalization Toolkit and Pilot Projects
   2.C / Create a Commercial Affordability Toolkit
   2.D / Revisit and Update Industrial Land Preservation Policies
   2.E / Integrate Physical Planning Efforts and Economic Development Objectives
   2.F / Enhance Implementation of Asset-Management Functions

3. Actions to Empower City Residents
   3.A / Support Economic Empowerment
   3.B / Increase Workforce Participation for Underrepresented Groups
   3.C / Support Equity Building through Affordable Housing
   3.D / Address Gaps in Financial Services and Ban or Limit Predatory Lending

4. Actions to Strengthen City Businesses and Industries
   4.A / Promote Diversity and Entrepreneurship in Growth Industries
   4.B / Streamline Services and Support for Core Industries
   4.C / Market the City and Support Business Expansion
   4.D / Shape the Implementation of Disruptive Technologies
How to Understand and Use the Action Items

The 15 actions in the Five-Year Implementation Plan—and additional tailored versions of these actions included within the Focus Area Strategies—are organized to enable City departments to begin implementing key projects that support long-term Citywide economic development goals. Because implementation will require internal vetting, refinement, and resource allocation, each action includes a preliminary set of steps, resource and staffing needs for implementation, and/or feasibility analysis, as well as accountability metrics, so that progress can be monitored and evaluated. Figure 14 illustrates how each action is organized and presented.

<table>
<thead>
<tr>
<th>Action Title</th>
<th>Context</th>
<th>Goals Addressed</th>
<th>Lead Entity</th>
<th>Supporting Depts/Orgs</th>
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<tbody>
<tr>
<td></td>
<td>Action context provides an overview of issue and rationale</td>
<td>Primary Strategy goals supported by the action</td>
<td>Department or other entity that lead implementation</td>
<td>Departments that should support implementation</td>
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</table>

**Implementation Process**

City Government should...

- Specific policies, programs, or projects for the City to pursue

**Priority Geographies**

Potential locations for demonstration projects

**Timeline**

Initial implementation milestones

**Accountability Metrics**

Recommended steps to track implementation
# Definitions and Abbreviations

## City Entities

**CAO:** City Administrative Officer

**City Controller:** Los Angeles City Controller

**CLA:** Chief Legislative Analyst

**DCA:** Department of Cultural Affairs

**DCP:** Department of City Planning

**DPW:** Department of Public Works

**EWDD:** Economic and Workforce Development Department

**GSD:** Department of General Services

**HACLA:** Housing Authority of the City of Los Angeles

**HCIDLA:** Los Angeles Housing and Community Investment Department

**LADBS:** Los Angeles Department of Building and Safety

**LADOT:** Los Angeles Department of Transportation

**LADWP:** Los Angeles Department of Water and Power

**LAUSD:** Los Angeles Unified School District

**OOF:** Office of Finance

**Recreation & Parks:** Department of Recreation and Parks

**WDB:** City of Los Angeles Workforce Development Board

## Collectively, Business Development Services

- Business Improvement Districts
- City of Los Angeles Business Assistance Virtual Network ("BAVN")
- EWDD’s Business Advancement Team services
- EWDD’s BusinessSource Centers
- EWDD’s Small Business Loan Program
- GO-Biz California
- Los Angeles Business Portal
- MAKE IT IN LA
- Restaurant & Hospitality Express Program ("RHEP")

## Collectively, Workforce Development Services

- EWDD’s WorkSource Centers
- EWDD’s YouthSource Centers
- Hire LA’s Youth initiative
- JobsLA.org
- LA Cash for College
- LA: RISE
- Permanence Partnership Pilot (P3)

## Family and Domestic Support Services

- HCID’s FamilySource Centers
ACTIONS TO STRENGTHEN THE CITY’S ECONOMIC DEVELOPMENT DELIVERY SYSTEM

1. Restructure the City’s Economic Development Delivery Structure

Context

Following the Statewide dissolution of redevelopment agencies in 2012, the City Administrative Officer (“CAO”) and Chief Legislative Analyst (“CLA”) commissioned a study to evaluate and recommend a new approach to delivering Citywide economic development services. The report proposed a new framework for the City, including recommending the creation of a new economic development delivery entity; an independent Citywide economic development nonprofit (with substantial private-sector leadership and professional staffing) to perform transaction-oriented and other services under a contract with the City entity; and a more-empowered Deputy Mayor for Economic Development to coordinate economic development delivery across City departments and proprietary agencies.¹⁶

Per these recommendations, in 2013, the City Council passed an ordinance establishing an economic development department, named the Economic and Workforce Development Department (“EWDD”). A contract with a Citywide economic development nonprofit was not implemented, and coordination between departments that deliver economic development-related services remains limited.

Today, per ordinance, the EWDD is the primary entity in the City’s economic development delivery ecosystem, providing a range of business and workforce development services. These include a network of services provided to small businesses through nine BusinessSource Centers; workforce development and employment assistance through 16 WorkSource Centers; educational and career-readiness services for youth through 13 YouthSource Centers and year-round and Summer Youth Employment Programs (“Hire LA’s Youth”) that provide first-time job experience. In addition to the BusinessSource Centers that serve as a one-stop shop providing services to small businesses and entrepreneurs, the EWDD provides business attraction and assistance through the Business Advancement Team, which specializes in providing aid to entrepreneurs who are navigating through the City’s business related departments. This aid includes real estate assistance, business financing, and loan programs, including administration of Section 108 loans and a newly approved microloan program for small businesses and a U.S. EDA-supported Revolving Loan Fund for business lending.

¹⁶ / This report, Economic Development in Los Angeles: A New Approach for a World-Class City, was completed in 2012 by a team led by HR&A Advisors, Inc.
Implementation Process

As the City seeks to expand its delivery of economic development related programs it has become essential for EWDD to explore alternative funding sources to the Community Development Block Grant (CDBG) and the City’s General Fund. By leveraging the Los Angeles Development Fund (LADF) tax-exempt status the City can increase its chances of securing outside non-city resources wherever possible. Given the current economic environment, the City’s objective should be to use local public funding judiciously and seek opportunities to identify other funding when available. In doing so, LADF may be able to increase its capacity by leveraging EWDD staff to act as a surrogate to help advance the City’s economic development framework.

Alongside the EWDD’s central role in leading workforce- and job-training programs, many economic development services remain spread across multiple City agencies and external entities. Real estate transactions often include assistance from the CLA and CAO. Business assistance programs can be found at EWDD, but also LAWA, the Port of Los Angeles, and the Department of Convention and Tourism Development. At present, there is limited coordination between these and other departments who play a role in economic development. In order to increase coordination and oversight of the economic development delivery structure, an Economic Development Working Group will be formed. This group is to be comprised of the following City departments:

- EWDD
- CLA
- CAO
- Board of Public Works
- City Clerk
- Department of Convention and Tourism Development
- Department of City Planning
- Department of Water and Power
- HCIDLA
- ITA
- Mayor’s Office
- Port of Los Angeles
- Los Angeles World Airports
- Bureau of Contract Administration
- Department of Cultural Affairs
- LADBS
- Office of Finance

Potential duties of the working group may include:

- Production of an annual report or score card of Citywide economic development efforts
- Monitoring of legislation that would affect the economic development of the City
- Recommendations regarding proposed programs to the City Council
- Recommendations and reports regarding innovative economic development solutions
- Recommendations of yearly economic development objectives for the City
- Recommendations regarding geographies or emerging industries which require additional programmatic support
- A forum to share economic development projects, planning efforts, and best practices across the City organization
- Development and monitoring of metrics

Goals Addressed

- Enhance the delivery of economic development services.
- Develop world-class infrastructure to support economic growth.
- Strengthen Los Angeles’s position as a world-class city.

Lead Department

EWDD

Supporting Depts/Orgs

CLA and CAO

Timeline

Starting in Q2 of 2019, convene monthly working group meetings.
ACTIONS TO STRENGTHEN THE ECONOMY OF CITY COMMUNITIES

Develop Transformative, Industry-Focused, and Place-Based Initiatives

2.A Context

The City must continue to facilitate investment in Los Angeles neighborhoods via the redevelopment of underused land and the creation of employment hubs for the City’s residents to support sustained and equitable growth and remain competitive in the regional and national economy.

Goals Addressed

- Ensure growth is equitably distributed.
- Grow the resilience of core industries.
- Catalyze emerging and growing industries.

Lead Entity

EWDD

Supporting Depts/Orgs

Mayor’s Office, City Council, EWDD, DCP

Implementation Process

The EWDD should consider initiating efforts to catalyze transformative place-based projects that support core and emerging industries, create high wage jobs, and support economic development in underinvested areas of the City. These efforts should build on and closely coordinate with the City’s cultural, academic and institutional assets.

- Support Focus Area or Citywide long-term goals, specifically community revitalization and existing or emerging competitive strengths.
- Create good-paying jobs and strengthen the resilience of the City’s core industry sectors, including preparing the City’s industries and workforce for advancements in technology and catalyzing and incubating new industry sectors.
- Use public-private partnerships to leverage public assets, land use policies, and investment to incentivize private-sector investment.
- Foster collaboration between civic, educational, philanthropic, workforce, and private organizations to support project success and Citywide benefit.
- Catalyze new industry hubs that promote synergies among large employers, business support services, and educational pipelines.
- Strengthen the creation of jobs that lead to living wages and career advancement and the resilience of the City’s core industry sectors, including preparing the City’s industries and workforce for advancements in technology and catalyzing new industry sectors.
The EWDD should consider pursuing the following projects in the under-invested Focus Areas identified in the CEDS. These prototypical projects should serve as pilots/examples for future projects, which should be implemented as deemed appropriate throughout the City, including:

- Downtown Los Angeles “Innovation District”: This idea builds on Downtown L.A.’s high-density, mixed-use environment and competitive price advantages over Westside office space, as well as Union Station and Civic Center assets, which would facilitate the key components of “innovation districts”—that is, the ability of institutions and business to cluster and connect with start-ups, business incubators, and accelerators.

- Eastside “Biotechnology Hub”: Leveraging the LAC+USC Medical Center and a County initiative already in progress, this project creates a hub of biomedical science, venture capital, and entrepreneurship that would attract international talent, high-paying jobs, growth, capital, and resources.

- Wilmington Harbor “Advanced Manufacturing and Export Hub”: This project takes advantage of the proximity to the Port of Los Angeles to support the region’s advanced manufacturing, logistics, and export industries. If pursued, this project should be coordinated with the efforts of the Port of L.A. and the Brookings Institution related to creating an “Innovation District” at the Port.

- South Los Angeles “Culture Hub”: This hub would grow South Los Angeles’s cultural vibrancy to create a center of arts, history, music, and entertainment. This development would serve as a new job center and opportunity for neighborhood revitalization.

- Eastern San Fernando Valley “Intensified Manufacturing and Job Hub”: This project would maximize the potential of underused manufacturing areas to expand the job base in the San Fernando Valley by leveraging City assets and former landfills through infrastructure investments, land use regulation, and targeted financial resources.

- Los Angeles “World-Class Aerotropolis”: This idea would leverage development potential on rental car lots freed by the Consolidated Rent-A-Car (“ConRAC”) facility for the development on a globally connected office district to take advantage of Los Angeles International Airport’s (LAX’s) international connections and proximity to Silicon Beach and regional transportation systems.

For each initiative, the EWDD and other relevant entities should undertake a series of actions that include the following steps:

- **Step 1**: Develop a project task force consisting of relevant public, private, academic, and nonprofit entities to shape the direction of the project.

- **Step 2**: Develop a vision to ensure that the project has explicit objectives and metrics to measure success and a program of stakeholder outreach to align Citywide objectives with local needs and preferences.

- **Step 3**: Establish requirements for all projects using public funds to provide for inclusionary procurement, local hiring, workforce training, and apprenticeship support.

- **Step 4**: Assess project feasibility, including undertaking physical planning efforts, evaluating financial feasibility, identifying partnership needs, estimating job creation, and creating solutions for project financing gaps.

- **Step 5**: Implement value-capture financing techniques (including Enhanced Infrastructure Financing Districts, Community Redevelopment Infrastructure Authorities, or others) if applicable.

- **Step 6**: In partnership with DCP, update or develop the appropriate planning documents (after, or in parallel with, the implementation of value capture techniques), including a defined set of priority community benefits and strategies to incentivize lot consolidation and redevelopment.

- **Step 7**: Identify and market available tools and incentives to developers, industries, and companies relocating to the project area, including project financing tools (e.g., New Markets Tax Credits, IDA Bonds) and business incentives.

- **Step 8**: Initiate infrastructure investment by reevaluating and refining in-progress City investments (by LADOT, the Department of Public Works [DPW], and others) to support project objectives, leverage value capture and/or other public-private financing tools to fund necessary infrastructure, and pursue federal and State grants.

- **Step 9**: Fund or partner with industry-specific incubators and meeting spaces that help foster innovation, provide affordable office space to early stage businesses, facilitate knowledge-sharing and technical support, and offer gathering spaces where entrepreneurs, industry leaders, and financial partners can connect.

- **Step 10**: Procure a partner to redevelop any available City assets, with the aim of attracting (including subsidizing, if necessary) an “anchor,” which could include an incubator and/or should be an external-facing organization, academic institution, or amenity.

- **Step 11**: Ensure existing or new BusinessSource Centers are available to provide existing and new businesses with entrepreneurial training, financial and technical assistance, and workforce development tools.
Priority Geographies

Initial prototype projects should be explored as described on the first half of the previous page, with subsequent projects targeting underused commercial areas, particularly those with adjacencies to economic, academic, and institutional assets.

Timeline

Feasibility study* (2x projects)
Start: Q3 2019  Duration: 1 year

Approval and project initiation
Start: Q3 2020  Duration: Ongoing

Evaluation
Start: Biennially  Duration: Q1

* A feasibility study should be initiated for two additional projects by Q1 2021; those projects should be initiated by Q1 2022, pursuant to feasibility findings and the success of the first two projects.

Short-Term Accountability Metrics

- Q3 2020: Identify and initiate efforts on first two projects.
- Q1 2020: Implement Steps 1–4 for first two projects by 2020; identify key partners, funding strategy, and planning for projects that support the creation of at least 5,000 jobs.
- Q4 2023: Implement Steps 5–9 for first two projects.
2.B Create Neighborhood and Corridor Revitalization Toolkit and Pilot Projects

Context

Neighborhoods are the backbone of social and economic well-being across Los Angeles. The City Council and Mayor approved the Jobs and Business Advancement in Los Angeles Action Plan and Sustainability Plan that identified the need for targeted corridor revitalization efforts, in coordination with community members, to enhance neighborhoods as better places to live, work, and learn.

Goals Addressed

- Ensure growth is equitably distributed.
- Create financial and economic security for disadvantaged Angelenos.

Lead Entity

EWDD

Supporting Depts/Orgs

Mayor’s Office, City Council, DCP, LADOT, DCA, Recreation and Parks, DPW, DWP, local community development corporations and other nonprofit agencies/organizations

Implementation Process

The EWDD should implement a toolkit for neighborhood revitalization, which should include targeted capital investments, small-business support, and meaningful tools to support and preserve affordability and growth for existing business and industries. This toolkit should be piloted in identified pilot areas of the City and should include the following programs and policies:

Programs

- Develop a set of metrics to identify focus neighborhoods within the Focus Areas of this strategy and select six pilot areas to implement over first five years.
- Establish local steering committees (comprising business and community leaders) in pilot areas to develop three-year neighborhood action plans that identify key economic challenges and opportunities and include marketing/placemaking strategies to better promote the neighborhood’s assets.
- Offer seed funding and technical assistance packages to committees via the microloan program and other efforts to support community development corporations and other neighborhood organizations.
- Use existing City business development services, as well as the County’s SCORE Los Angeles program (which offers business mentoring, low- or no-cost businesses training, and other development tools) to support area businesses.
- Leverage pending investment opportunities by coordinating with local steering committees and the EWDD to ensure that LADOT, HCIDLA, Los Angeles Department of Water and Power (LADWP), DPW, and Metro investments support economic growth and resilience along each corridor.
- EWDD should continue to launch marketing and outreach efforts to promote investment in Federal Opportunity Zones located in the City, including implementation of a dedicated website and investment prospectus.

Policies

- Coordinate with community development financial institutions to launch Opportunity Funds and prospectuses.
- Create infill incentives to spur redevelopment, including the reduction of development impact fees where possible, in coordination with DCP, to increase zoning capacity for mixed-use development, residential density, and floor area ratio intensity.
- EWDD should continue development and implementation of Jobs and Economic Development Incentives (JEDI) Zones.
- EWDD should establish the governance policies for the Small Business Commission approved by the City Council and Mayor and identify members to serve as an advisory group to promote, grow and retain small businesses in the City. The Commission will serve as a liaison between the small business community and the City, and as a public forum dedicated to issues affecting small business owners and entrepreneurs.
- EWDD should explore the establishment of policies for other geographic based programs such as Community Revitalization Areas (CRIAs) and Enhanced Infrastructure Districts (EIDFs) that use tax increment financing for economic development.

Projects

- Consider coordinating with the County Treasurer and Tax Collector to negotiate and transfer tax-delinquent assets with economic development promise to the EWDD for redevelopment and process nuisance liens on properties that do not yet meet the five-year threshold for tax foreclosure along underinvested corridors.
- Coordinate with LADOT, DPW, and other departments to initiate capital, streetscape, and aesthetic improvements and to remove graffiti and improve facades where feasible.
**Priority Geographies**

Identify relevant corridors within the five priority Focus Areas of the Strategy and initiate feasibility studies for six pilot corridors on which the toolkit should be applied.

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**Timeline**

<table>
<thead>
<tr>
<th>Event</th>
<th>Start</th>
<th>Duration</th>
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</thead>
<tbody>
<tr>
<td>Feasibility study* (2x projects)</td>
<td>Q4 2019</td>
<td>1 year</td>
</tr>
<tr>
<td>Approval and project initiation</td>
<td>Q1 2020</td>
<td>Ongoing</td>
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* A feasibility study should be initiated for two additional projects in Q1 2020; projects should be initiated pending evaluation of the first project in Q3 2020.

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**Accountability Metrics**

| Q3 2019 JEDI Zone Implementation
| Q1 2019 Promotion of Opportunity Zones
| Q1 2020: Implement toolkit in two pilot areas and develop feasibility study for two other pilot areas.

**Q3 2020:** Evaluate the first set of projects implemented and refine toolkit as needed. Implement toolkit in second set of pilot areas. Select two additional Focus Areas. Repeat annually.

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**SUCCESS STORY**

**SOUTH L.A. BEAUTY SALON LAUNCHES MAKEOVER WITH EWDD ASSISTANCE**

Over the past 26 years, Isabel Beauty Salon in South Los Angeles has become a favorite local hangout, with lines of people waiting to get in for the latest hairstyle. Still, even beauty trendsetters need an update. Salon owner Maria Cabrera wanted to expand her business, so she turned to the Central/West BusinessSource Center for business counseling and advice. The center has provided entrepreneurs and small-business owners with training, technical assistance, and access to capital through their Business Assistance Center since 1993. Working closely with the center, Cabrera completed a business plan and created a pricing strategy to further her business goals. In late 2016, she was approved for a $20,000 small-business loan to fund interior and exterior building improvements. The infusion of capital will allow Cabrera to remodel eight salon stations and hire four additional stylists and an additional nail technician to meet the growing needs of her clients.

Isabel Beauty Salon at 4060 S. Central Ave. in South L.A. / Photo: EWDD
2.C Create a Commercial Affordability Toolkit

Context

In recent years, commercial rents have increased significantly—a trend that reflects a healthy real estate market and increased investment, but one that has left many small businesses and nonprofit organizations overburdened. City entities must support small and creative businesses and nonprofits to ensure that they remain in their communities and benefit from a growing economy.

Goals Addressed

- Support the City’s small businesses.
- Ensure growth is equitably distributed.
- Grow the resilience of core industries.

Lead Entity

EWDD, DCP

Supporting Depts/Orgs

DCA, OOF, CAO, CLA, City Council, Mayor’s Office

Implementation Process

The EWDD should expand on the existing tools and apply incentives to preserve commercial and creative space affordability for small and underrepresented businesses, with a focus on increasing ownership opportunities, creating stability and wealth-creation in changing neighborhoods, and helping small businesses with legal and technical assistance. The DCP should evaluate the feasibility of adopting an affordable commercial space-bonus ordinance. This should including the following programs and policies:

Programs

- Use the recently approved EWDD Microloan Fund Program, which will provide loans at amounts of $5,000 to $50,000 to qualifying small businesses.
- Additional terms should be appended to existing Small Business Loan criteria to allow that loans be made in the priority geographies noted in this action and to support the preservation and creation of jobs.
- EWDD should seek strategies to expand the Small Business Loan portfolio to provide loans of greater size and diversity, leveraging private sector capital and building on the EDA Revolving Loan Fund

Policies

- Enact protections for legacy and culturally significant businesses, which should include partnering with the DCA to define “legacy” and “culturally significant” businesses, to:
  - Establish an online registry for qualifying businesses.
  - Explore the development of financial tools to help qualifying businesses and nonprofits renew leases either through subsidies from a new fund or gross receipt tax discounts of up to an unspecified cap (based on a formula that includes the total number of employees and annual gross revenues).
- The City will explore an affordable commercial space program for small and underrepresented businesses and nonprofits to incentivize their retention in their neighborhoods. Such a program may focus on requirements or incentives for smaller commercial tenant spaces, groundfloor commercial spaces and/or creative space in new developments.
- DCA will serve to connect grantees as well as other culturally specified businesses and organizations to these programs.
Priority Geographies

The EWDD should target areas:

- Experiencing substantial year-over-year increase of average annual commercial rents.
- At risk of commercial gentrification due to upcoming investments.
- Within one-half mile of pending City, L.A. County, or Metro investments in infrastructure and open space.

Timeline

**Feasibility study**
Start: Q 2 2020
Duration: 9 months

**Approval and project initiation**
Start: Q4 2020
Duration: Ongoing

**Evaluation**
Start: Annually
Duration: Q1

Accountability Metrics

Q1 2021: With the DCA, develop online registry for legacy and culturally significant businesses. Assess feasibility of providing financial support for businesses to renew long-term leases.

SUCCESS STORY

**EAST LA BUSINESSSOURCE CENTER HELPS SPECIALITY AUTO REPAIR SHOP GROW**

The East Los Angeles BusinessSource Center provided long-term support and guidance to the owner of a specialty auto shop, helping him grow his business and hire new employees. Javier Rojas is a master technician with more than 40 years of experience. In 1999, he launched Alpina Tech, an auto repair shop that specializes in German cars. Since March 2010, Rojas has worked closely with the East Los Angeles BusinessSource Center, operated by EWDD partner Barrio Planners, Inc. Together, they strategically planned by conducting a market analysis of the potential client base of local German auto owners; obtained permits and licensing; and secured referrals to the local WorkSource Center for new hires. In addition, the East LA BusinessSource Center assisted Rojas with financial planning, including a small-business loan with ProAmerica Bank, to purchase a new location in Los Angeles for $450,000. Alpina Tech currently employs three full-time staff and two part-time hires and has grown to a stable company with a regular client base. Rojas said he values the services provided by the East LA BusinessSource Center and that he would not be where he is today without its assistance.
2.D Revisit and Update Industrial Land Preservation Policies

Context

Despite global shifts in the economy because of technology and automation, Los Angeles remains one of the largest diversified manufacturing clusters in the United States, with nearly 90,000 manufacturing employees in the City. The City’s 2007 Industrial Land Preservation Policy should be reevaluated in light of piecemeal development in formerly industrial neighborhoods and increasing pressure from lower-density logistics uses, with the goal of preserving and intensifying employment hubs.

Goals Addressed

- Grow the resilience of core industries.
- Catalyze emerging and growing industries.

Lead Entity

DCP

Supporting Depts/Orgs

EWDD, CAO, CLA

Implementation Process

To continue to support high-density job-producing uses, DCP should initiate efforts to reevaluate its industrial land preservation policy. This evaluation should include assessing the impact to date of industrial preservation policies on job retention and creation, specifically requirements that the conversion of industrial and commercial lands result in no net loss of employment and variations or zoning flexibilities provided on an ad hoc basis. Specifically, DCP should:

- Consider geographies for industrial land preservation.
- Incorporate additional restrictions against lower-density industrial uses, including storage and logistics/warehousing.
- Develop incentive zoning systems in largely industrial areas that support the creation of higher-intensity job uses.
- Consider development of an environmental justice policy to help better protect currently at-risk communities from pollution and other long-term effects of industrial and otherwise contaminated areas.
- Consider implementation of a concept similar to Hybrid Industrial Live/Work zoning Citywide in appropriate areas, a type of zoning that intended to encourage higher-density productive space in transitioning industrial areas subject to housing pressures, as well as to incentivize on-site public benefits (including affordable housing, public space, and public art).
- Coordinate community planning efforts with the EWDD to align industrial land preservation initiatives with business incentives to accelerate development, creation, and preservation of jobs.

*Hybrid Industrial zoning has not been broadly implemented because of litigation regarding environmental review; however, the parameters are generally required of applicants receiving approval for project-specific General Plan Amendments that align with the Hybrid Industrial zone incentives in the Central City North Community Plan area. The zoning is expected to be adopted more broadly in upcoming Community Plans.
Priority Geographies
DCP should target industrially zoned land in the five priority Focus Areas to serve as study areas.

Timeline
Industrial land preservation policies are being addressed through the City’s updating of Community Plans, which is ongoing, with all plans due to be updated by 2024.

Accountability Metrics
Q4 2024 Review for Completion
Integrate Physical Planning Efforts and Economic Development Objectives

Context
Community planning shapes opportunities for economic development and can be leveraged to catalyze job creation. City agencies should capitalize on an accelerated schedule of Community Plan updates to ensure that land use regulations are aligned with Citywide economic development efforts.

Goals Addressed
- Ensure growth is equitably distributed.
- Strengthen the City’s position as a world-class city.
- Develop world-class infrastructure to support economic growth.

Lead Entity
DCP

Supporting Depts/Orgs
EWDD, CAO, CLA

Implementation Process
The City Council and Mayor recently approved an accelerated strategy for DCP to update all 35 City Community Plans by 2024. In each Community Plan update, the DCP should evaluate economic development opportunities during the update of each Community Plan and design policies that support equitable economic development in coordination with the EWDD. These policies should be used to inform DCP’s efforts and to:

- Identify key local industries and potential growth within a community.
- Develop land use strategies to leverage Measures JJJ, M, and HHH investments and provide necessary infrastructure investment and incentives for growth in these industries and with developers and new businesses.
- Develop strategies to retain affordable commercial spaces for small and underrepresented locally owned businesses.
- Identify opportunities for shared amenities (parking, retail, co-working spaces, open-space investment) to support investments that support economic development, including coordination with LADOT and DPW to package investments that achieve Community Plan objectives and bolster economic development.
- Include equity and economic development goals, objectives, policies, and implementation programs in each Community Plan update.

Priority Geographies
DCP should incorporate equitable design policies into pending Community Plan updates. Note: Updates that are finalized but currently pending approval should not be redesigned to include new policies.

Timeline
- Ongoing community plan update
  Start: Q2 2018  Duration: Ongoing
- Ongoing analysis of plans
  Start: Biennially  Duration: Q1

Accountability Metrics
- Q3 2019: Establish inclusivity and economic development goals.
- Q1 2020: Fully transition to include strategies, policies, and goals in each Community Plan update.
2.F Enhance Implementation of Asset-Management Functions

Context

Although the City has disposed of several key surplus properties in recent years (a move that is expected to generate significant economic benefits), these efforts have historically been largely uncoordinated. The City’s newly adopted Asset Management Evaluation Framework (the “Framework”) maximizes the potential of strategic, underused, publicly owned property and supports specific job-creation and economic development goals. Goals contained in the Jobs and Business Advancement in Los Angeles Action Plan, Sustainability plan and Resilient Los Angeles plan strengthen the City’s internal infrastructure to better serve businesses and promote job creation. These goals align with this action and others included in the CEDS.

Municipal Facilities Committee (MFC), GSD, EWDD and HCIDLA.

Goals Addressed

- Catalyze emerging and growing industries.
- Enhance the delivery of economic development services.

Supporting Depts/Orgs

Mayor’s Office, CAO, CLA

Implementation Process

In May 2016, the City adopted the City Asset Management Framework to guide the use of surplus City property. The City will explore the following programs and policies to strengthen the asset management function:

1. Finalize the inventory of publicly owned land via the Asset Management System (AMS) that classifies inventory based on site characteristics (use, lifespan, vacancy, zoning, potential development uses).
2. Evaluating the highest and best use and greatest economic/social benefit for underused assets, including requirement for the EWDD and HCIDLA to submit proposals for reuse to relevant Council Offices and the Municipal Facilities Committee.
3. Assessing the financial feasibility of a set of alternatives that meet the City’s objectives and developing a set of financial assistance.
4. Negotiating a long-term ground lease using financial feasibility findings to maximize revenue potential, including regular escalation clauses and opportunities for renegotiation.
5. Evaluating performance and renegotiate as necessary.

EWDD should expand Section 108 and other loan programs to support gap financing for potential nonprofit ground leases of City assets to maximize the economic development potential of the City’s real estate portfolio.
These efforts should be prioritized within the five Focus Areas of the Strategy and for assets within or adjacent to preliminary project areas noted in Action 2.A.

**Feasibility study/planning**
- Start: Q4 2019
- Duration: 6 months

**Approval and transition**
- Start: Q2 2020
- Duration: 6 months

**Q1 2020:** Enter into several strategic ground leases for underused City real estate, with the intention of generating revenue for further economic development activities.

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**SUCCESS STORY**

**NORTHRIDGE BEAUTY BAR**

Eva Rodriguez, a licensed aesthetician and massage therapist, is the owner of Magical Touch Day Spa, a small business that was established in 2004 at 19631 Parthenia Street in Northridge in the San Fernando Valley. Magical Touch Day Spa offered a variety of services, including massages, facials, waxing, extractions, permanent makeup, and body treatments.

Rodriguez came to the South Valley BusinessSource Center looking to market and expand her business. In December 2013, she attended the center’s marketing workshop and applied some of the techniques she learned in the course—such as delegating marketing responsibilities to an assistant, assigning a marketing director, setting automatic emails, Facebook promotions, and setting appointment reminders/promotions through email—to increase her business. Because of these efforts, Magical Touch Day Spa saw a 25-percent increase in business, a jump that motivated her to hire another employee. The lessons from the course excited Rodriguez, who saw bigger possibilities for her business.

Since then, the small business owner has been working closely with her South Valley BusinessSource Center consultant to develop a marketing and expansion plan. Rodriguez was able to incorporate and rebrand her business to Northridge Beauty Bar, obtaining a loan of $50,000 to use toward her business. She negotiated and leased a larger space, to which she added new features in support of business goals. The South Valley BusinessSource Center worked with Rodriguez during this phase of her business growth with licensing, permitting, marketing plan development, research, logo design, grand opening planning assistance, human resources assistance, customer service training, and a referral to the local WorkSource Center for hiring staff. On September 16, 2017, Northridge Beauty Bar held their grand opening.

Rodriguez is a driven, self-taught entrepreneur whose goal has always been to offer the best customer service and to encourage client loyalty. She has been able to attract positive reviews on her Yelp page, which attests to the success of Northridge Beauty Bar. Rodriguez continues her association with the South Valley BusinessSource Center’s Latino Entrepreneur training programs, where she volunteers, speaks, and mentors others who have been inspired by her story and who hope to be able to enjoy such success.
### 3.A Support Economic Empowerment

**Context**

Personal and household wealth creation is critical to reducing chronic poverty, supporting financial stability, and building resilience against economic shocks. City entities should use existing programs administered by HCIDLA, the Mayor’s Office, and the County to provide financial empowerment education and services to target disadvantaged groups, including but not limited to racial and ethnic groups, immigrants, and LGBTQ communities.

**Goals Addressed**

- Create financial and economic security for disadvantaged Angelenos.
- Ensure growth is equitably distributed.

**Lead Entity**

HCIDLA

**Supporting Depts/Orgs**

EWDD, Mayor’s Office, L.A. County Center for Financial Empowerment, L.A. County Department of Health

**Implementation Process**

HCIDLA currently implements a successful financial empowerment program that provides services through the City’s sixteen (16) FamilySource Centers. It provides on-going financial education based on the needs of the participants, including financial literacy and counseling. HCIDLA has partnered with the Federal Deposit Insurance Corporation (FDIC) and Consumer Financial Protection Bureau to train FamilySource Center staff on how to deliver services aimed at promoting access to safe and affordable banking products. The program offers free financial coaching to improve skills and resources for financial success such as tax preparation, how to build savings, improving credit scores, and reducing debt. It also assesses if participants are under-banked and provides referrals to non-predatory lenders, as appropriate. HCIDLA will be expanding the financial empowerment program to participants under the City’s Domestic Violence Program, and subsequently to those participating in the Housing Opportunities for Persons with Aids (HOPWA) Program.

To enhance current economic empowerment efforts, in partnership with EWDD, the Mayor’s Financial Empowerment Window, and the County’s Center for Financial Empowerment, EWDD will consult with HCIDLA to develop curriculum to integrate WorkSource and BusinessSource Centers into the existing program and pursue the following:

- Increasing marketing of FamilySource Centers, which offer:
  - Free, professional, one-on-one financial counseling that provides residents with skills and resources to move toward financial success and tools to build assets.
- Free tax-preparation services at all Centers through the Free Tax Prep Los Angeles campaign.
- Free skills-building classes (including financial literacy, computer literacy, parenting, and English as a Second Language).
- Partnerships with local nonprofits to increase scope of services and with financial institutions to connect currently “unbanked” residents with reliable financial services.
- Expanding scope and reach of services offered at the Mayor’s Financial Empowerment Window (Ventanilla de Asesoría Financiera), a joint program with the Consulate General of Mexico, Citi, and the Youth Policy Institute that provides free and linguistically competent financial counseling at the Consulate.

- Using catalog services provided by L.A. County’s Center for Financial Empowerment (housed at the Department of Consumer and Business Affairs), which helps coordinate and promote existing financial literacy and tax-preparation services provided by various entities across L.A. County.

- Developing new partnerships with nonprofits and community organizations, including the Los Angeles LGBT Center and others, that provide targeted social and employment support to specific groups to increase scope and reach of impact.

**Priority Populations**

The EWDD should target disadvantaged groups, including low-income households, certain racial and ethnic groups, immigrants, and LGBTQ communities.

**Timeline**

**Initiation**
- Start: Q4 2018
- Duration: Ongoing

**Evaluation**
- Start: Annually
- Duration: Q1

**Accountability Metrics**

- Q1 2020: Reach 100,000 City residents annually through expanded marketing efforts and increased use of financial empowerment services through WorkSource Centers by 50 percent. Develop at least five robust community partnerships annually.

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**SUCCESS STORY**

**HARBOR-WATTS BUSINESSSOURCE CENTER HELPS ENTREPRENEUR SECURE LOAN FOR COBLER BUSINESS**

The Harbor-Watts BusinessSource Center, overseen by EWDD Partner Managed Career Solutions, helped entrepreneur Jose Rivera obtain a $3,500 working capital loan for his business, Paul’s Original Shoe and Working Boot Manufacturing in San Pedro. Rivera is a cobbler with more than 30 years of experience. He started out as an apprentice when he first immigrated to the United States; after the original owner, Paul, retired, Rivera took over the business. Rivera’s specialty is work boots for dock workers and firefighters in the Harbor region, along with custom jobs and shoe repairs. The San Pedro Chamber of Commerce referred Rivera to the Harbor-Watts BusinessSource Center earlier this year, when he was looking to obtain a working capital loan for his business. Rivera’s business was in the process of changing locations, and he needed additional capital to complete pending work orders. He brought in his financials, purchase orders, and business documentation, and a Harbor-Watts BusinessSource consultant submitted a loan package on Rivera’s behalf, which was approved in March 2018.

The Harbor-Watts BusinessSource Center helped cobbler Jose Rivera obtain a $3,500 loan for his business, Paul’s Original Shoe and Working Boot Manufacturing, which he purchased from the owner. / Photo: EWDD
### Increase Workforce Participation for Underrepresented Groups

#### Context
To support a more inclusive economy, the City government should invest in a multifaceted approach to workforce development that removes barriers to workforce participation by ensuring that all Angelenos have the support necessary to take advantage of economic opportunities.

#### Goals Addressed
- Create financial and economic security for disadvantaged Angelenos.
- Ensure growth is equitably distributed.

#### Lead Entity
Mayor’s Office

#### Supporting Depts/Orgs
EWDD, City of Los Angeles Workforce Development Board (WDB), Recreation and Parks, City Council, Information Technology Agency

#### Implementation Process
The Mayor’s Office should continue to lead efforts to expand education and increase support services for underrepresented Angelenos. In partnership with the WDB and other partners, the EWDD should continue to expand the City’s workforce development efforts, leveraging funding and existing programs to build a pipeline of skilled workers from currently underrepresented groups. The implementation process should include:

**Educational and Family Programs**
- Continue to support universal college through the Los Angeles College Promise Program and school to career services and youth employment through the EWDD’s YouthSource System and HireLA’s Youth Program.
- Continue to facilitate coordination between the the Los Angeles Unified School District, local community colleges and universities and technology industry leaders (and with the Innovative Technology Task Force as discussed in detail in Action 4A) and the Workforce Development Board to increase the diversity of the City’s skilled workforce and increase access to opportunity Citywide.
- Continue to increase access to affordable health care and daycare options in coordination with the LA County Department of Public Health by providing outreach materials and support for the Medi-Cal enrollment process to ensure that workers and their families are healthy and not overly burdened by illness and health care costs.

**Workforce Development Programs**
- In partnership with existing partners, increase outreach of existing employment support services beyond existing outreach efforts and consider expanding a worker-facing outreach campaign presenting opportunities in growth industries (i.e., job openings and projections and associated educational and training assistance).
- Continue to partner with nonprofits and other community based organizations and other entities developing reentry and other programs targeted to vulnerable populations, including formerly incarcerated individuals, immigrants, LGBTQ and other disadvantaged groups.
- Partner with CTD and LATCB to explore job training program for the tourism/hospitality industry.

**Small Business Support**
- Continue to increase visibility of existing City business-development services to small and underrepresented entrepreneurs, including of the Minority Business Development Agency Business Center and the Business Inclusion Program.
- Continue to partner with private nonprofits and community based organizations that provide funding, mentorship, networking, and other support to underrepresented entrepreneurs, and provide outreach materials at relevant WorkSource and BusinessSource centers.
- Continue engagement with technology partners to increase broadband access across the City by focusing efforts to increase access in under-served communities.
- Ensure sidewalk vendors have access to small business support programs, including incubators, micro-loans, and the opportunity to purchase/lease vending equipment at a subsidized cost.
Priority Populations

The EWDD should focus efforts to support underrepresented groups.

Timeline

| Initiation | Start: Q1 2020 | Duration: Ongoing |
| Evaluation | Start: Annually | Duration: Q1 |

Accountability Metrics

Q1 2021: Reach 100,000 City residents annually through expand marketing and outreach efforts to financial empowerment services (Metric to be determined in collaboration with the WDB).

SUCCESS STORY

HOLLYWOOD BUSINESSSOURCE CENTER HELPS METAL DESIGNER FEATURED AT COACHELLA GET $35,000

The Hollywood BusinessSource Center recently helped designer Rafael Portillo secure a $35,000 loan to expand his company Vuro Industries, a business specializing in custom designed products, including furniture, prototypes, and sculptures. Born in Juarez, Mexico, Portillo left his hometown in 2008 with a truck and $2,000 in his pocket. Within a week, he had a job at a metal fabrication company in Los Angeles. The company specialized in creating pieces for the museum and art industries. Portillo quickly rose to become the foreman of a team of 13 employees, where, under his leadership, he modified the workflow to improve the team's efficiency. The owner of the company recognized his hard work and, as a reward, the owner allowed him to use the shop after hours for personal projects. Portillo used this time to experiment, and by 2015, Vuro Industries was born. He posted his creations to social media and began to gain a larger audience for his innovative metal work. He began to take on small contracts and was eventually offered a six-figure contract to create pieces featured at the Coachella Music Festival.

Shortly after this contract was completed, Portillo was referred to the Hollywood BusinessSource Center so he could access the capital he needed to continue to grow his business. He was looking to secure an equipment loan as well as an additional line of credit that would be used to complete new contracts. In early 2018, a Hollywood BusinessSource Center consultant recommended that he apply for a new loan program that was a good fit for Vuro Industries. He agreed and submitted a loan package, and Vuro Industries was approved for the $35,000 loan earlier this year.

Support Equity Building through Affordable Housing

Context

Housing is a critical component of household wealth creation: Rent is often one of a household’s largest expenses, and homeownership is one of the greatest opportunities to build equity and grow assets in the United States. In response to a growing housing crisis, the City has enacted a series of measures to preserve and expand the creation of affordable housing, primarily for low- and very low-income rental households and moderate-income homebuyers. These efforts should continue to promote asset building and preserve long-term affordability. The provision of affordable housing is critical to building and maintaining the City’s sustainability and resiliency and meeting the needs of all Angelenos.

Goals Addressed

- Create financial and economic security for disadvantaged Angelenos.
- Ensure growth is equitably distributed.

Lead Entity

HCIDLA

Supporting Depts/Orgs

City Council, DCP, Mayor’s Office and City Attorney
Implementation Process
The Housing and Community Investment Department will continue to promote policies and programs to support the production of affordable housing, the preservation of existing affordable housing, and the expansion of down-payment assistance to first-time low and moderate-income buyers. These initiatives should include the following policies and programs:

Policies
- Augment and expand the adoption of policies that align with HCIDLA’s programs, existing land use incentives and Linkage Fee Expenditure Guidelines.
- Evaluate how California State Legislation AB 1505, which became effective in January 2018, impacts the City’s potential to adopt and implement an inclusionary zoning ordinance for residential rental projects and promote the production of affordable housing.
- Develop policies and programs to address areas facing gentrification pressures, and expand affordable housing preservation efforts.

Programs
- Expand the Low Income Purchase Assistance Program (LIPA) and Moderate Income Purchase Assistance Program (MIPA), the City’s first-time buyer assistance programs for low- and moderate-income buyers at HCIDLA, which currently offers loans to cover the down payment, closing costs and acquisition.
- Explore a mixed-income development program for new rental housing development.
- Implement the Affordable Housing Linkage Fee program, establish the Linkage Fee Oversight Committee, and expend proceeds per the expenditures guidelines and program priorities as approved by the City Council and Mayor. Specifically, implement a Linkage Fee expenditure plan that prioritizes funding for affordable rental housing for lower-income households and scales up the City’s homeownership and housing innovation programs, and continue to increase affordable housing production and preservation efforts.
- Continue to pilot a Naturally Occurring Supportive Housing (CSH) loan funds.
- Predevelopment/acquisition financing for approximately 500 units annually.
- Facilitate predevelopment and/or acquisition financing for approximately 500 units annually.
- Add 500 rental units annually to the City of Los Angeles affordable housing stock, of which approximately 30% will be Permanent Supportive Housing (PSH). The remaining 70% will be a mix of housing targeting large families and seniors. Addition of units into the City of Los Angeles affordable housing stock will be in the form of both new construction and acquisition/rehabilitation. The funding resources will include tax credit proceeds, HOME, CDBG, former CRA assets, City-owned land, Affordable Housing Linkage Fee, Proposition HHH, State Permanent Source of Funding, as well as other intermittent resources.

Timeline
Policy development and testing
Start: Q3 2019  Duration: Ongoing

Implementation
Start: Q4 2019  Duration: Ongoing

Evaluation
Start: Annually  Duration: Ongoing

Accountability Metrics
Q1 2020:
- Provide purchase financial assistance to low- and moderate income first-time homebuyers through down payment/closing cost assistance, loans, tax credits and rehabilitation costs through the City’s Low Income Purchase Assistance, Moderate-Income Purchase Assistance, and Mortgage Credit Certificates (MCCS). Require new homebuyers to attend homebuyer education classes.
- Annually: 50 loans for low-income homebuyers and 50 loans for moderate-income homebuyers; if funding permits; issue 80 MCCs per year: 40 for low-income and 40 for moderate-income.
- Facilitate predevelopment and/or acquisition financing for approximately 500 units annually through the New Generation Fund (NFG) and the Corporation for Supportive Housing (CSH) loan funds. Predevelopment/acquisition financing will be aligned to the production and preservation goals as outlined in the City’s Housing element and the Affordable Housing Linkage Fee Expenditure Plan, including the production of permanent supportive housing units.

Priority Populations
- HCIDLA should target all actions at extremely low, very low, low-income and moderate-income households. The shortage of housing supply, specifically affordable housing combined with gentrification pressures, exacerbates access to both rental housing and homeownership housing. In addition, due to financial and credit requirements, and increasing median sales prices for single-family homes, it is highly difficult for lower-income households to qualify for mortgages. The City needs to engage in every effort to support both the economic and housing stability of its residents through a myriad of programs that provide affordable housing to both renter and prospective homebuyers in the City.
Address Gaps in Financial Services and Ban or Limit Predatory Lending

Context
The Jobs and Business Advancement in Los Angeles Action Plan and Sustainability Plan identify the importance of building the City’s internal capacity and strengthening external partnerships and regional coordination to support economic empowerment for residents and businesses in the City. Gaps in financial services exist in regions of the City for many residents and businesses, these “banking deserts” lack sufficient access to financial institutions. The existence of these “deserts” facilitates the entrance and use of predatory lending, where lenders ignore or limit a borrower’s ability to repay debt and/or impose excessive interest, fees, or unfair loan terms, disproportionately affecting low-income Angelenos and other groups. Building on existing City and State limitations on high-cost refinancing and mortgage loans, the City Council should expand partnerships with Federal agencies, the State of California and County of Los Angeles and other non-profit agencies to increase access to financial services and significantly limit predatory lending citywide.

Goals Addressed
- Create financial and economic security for disadvantaged Angelenos.
- Ensure growth is equitably distributed.

Lead Entity
City Attorney, OOF

Supporting Depts/Orgs
CLA and HCIDLA EWDD, DCP, Mayor.

Implementation Process
The City Attorney should examine the closure of bank branches in low-income areas of the City that severely limit access to financial services. Additionally the City Attorney should significantly limit payday, high-interest installment, and car title (collectively, “predatory”) lending through restrictions on lenders and assistance to at-risk populations. The City should additionally expand collaborative efforts with the Federal Deposit Insurance Corporation (FDIC) and the Alliance for Economic Inclusion and coordinate efforts with the Federal Reserve Bank of San Francisco-Los Angeles Branch, and the State Office of the Controller and the L.A. County Department of Consumer and Business Affairs. The City should explore the following:

- Researching best practices to protect consumers from harmful effects of high-cost loans.
- Assessing the feasibility of zoning regulations to limit predatory lenders.
- Expanding a comprehensive marketing campaign in collaboration with the County of Los Angeles that includes providing educational materials on the risks of high-cost lending.
- Tracking and analyzing pending legislation regarding high-cost lending.
- Identifying safe and affordable financial products for residents, including potential partnerships between the County and local credit unions or banks.
- Partnering with financial institutions to provide loans to startup, small, minority-owned and other businesses seeking capitalization, that would be prequalified through the City.
- Enacting legislation that limits the size and terms of loans, including:
  - Limiting the size of loans to no more than 20 percent of customers’ gross monthly income.
  - Requiring that 25 percent of each payment go toward the original principal and capping interest rate and loan fees to a total annual percentage rate of 36 percent or less.
  - Prohibiting mandatory arbitration as a condition of the loan terms.
- Adopting a requirement that lenders register with the City and disclose a monthly report.
- Expanding partnerships with nonprofits that work to limit predatory lending locally and Statewide, such as the California Reinvestment Coalition and Center for Responsible Lending and Los Angeles County Consumer Protection Bureau to provide safe and affordable banking products to all Angelenos.
- Developing a multilingual awareness campaign that advertises the terms, potential detrimental consequences, and true costs of predatory lending and targets neighborhoods in which high-cost lending is prevalent (in tandem with the County’s campaign).
• Expanding partnerships with financial institutions such as the Federal Deposit Insurance Corporation’s Alliance for Economic Inclusion and to continue to provide financial coaching (including literacy, education and free EITC tax preparation services) through the City’s network of FamilySource, WorkSource, and YouthSource Centers, and other City initiatives to provide safe and affordable financial products and low-cost loans to at-risk populations.
• Exploring the need and feasibility of enacting protections and new gap financing assistance programs for small and underrepresented businesses similarly at-risk of predatory small-business loans.
• Expanding financial literacy and financial coaching efforts to scale these efforts in coordination with the Los Angeles Unified School District, Los Angeles Community College District, Los Angeles Public Library and the Workforce Development and BusinessSource systems.
• Expanding a multilingual awareness campaign that advertises the terms, potential detrimental consequences, and true costs of “banking deserts” and predatory lending and targets neighborhoods in which high-cost lending is prevalent.
• Developing a financial literacy program for small businesses in collaboration with the FDIC to stabilize the financial stability of small businesses citywide.
• Continue to monitor and report on State legislation concerning public banking and other related legislative or regulatory actions.

**Priority Populations**
The City Attorney and HCIDLA should target policy protections and the marketing campaign to low-income populations that are vulnerable to such lending practices.

**Timeline**

**Feasibility study**
Start: Q3 2019  
Duration: 6 months

**Approval and transition**
Start: Q3 2020  
Duration: 3 months

* To be drafted and implemented

**Accountability Metrics**

- **Q4 2019:** Complete resolution limiting predatory lending and placing new requirements on lenders.
- **Q4 2020:** Approve and implement resolution.

**SUCCESS STORY**

**MID-CITY BUSINESSSOURCE CENTER HELPS ENTREPRENEUR REFINANCE AND EXPAND BUSINESS**

The Mid-City BusinessSource Center assisted Genny Alberts in obtaining a $650,000 loan to save and expand her business, Genessy Management and Development LLC. Alberts’s business offers managerial services of residential buildings to nonprofits that serve the homeless and low-income individuals and families. Due to the loss of her beloved son, who was managing the business, she had a difficult time operating and focusing on the business. She borrowed money from a high-interest lender to help keep her business operating. Earlier this year, she met a loan counselor at the Mid-City BusinessSource Center, run by EWDD partner PACE. By July 2017, Alberts’s loan counselor helped her refinance her debt and get an initial $50,000 loan with much lower interest. After, the counselor worked closely with her to improve her business, helping her get approved for an additional $650,000 loan from First General Bank to expand in August 2017. Alberts credits the Mid-City BusinessSource Center for giving her business new life and meaning. “Without the BusinessSource Center, I don’t know where the business would be today,” she said.
SUCCESS STORY

NORTH VALLEY BUSINESSSOURCE CENTER HELPS OPEN SABORES MICHOACÁN

The North Valley BusinessSource Center helped entrepreneur Marisela Bulgarin achieve her dream of opening Sabores Michoacán, a Mexican ice cream parlor in northeast San Fernando Valley. North Valley BusinessSource staff helped Bulgarin develop a business plan through one-on-one consultations, along with assistance filing permits and licenses and lease review. To prepare for the shop’s opening, her son Ivan traveled to Michoacán, Mexico, to learn the art of making fresh fruit ice cream. The Sylmar-based specialty ice cream parlor has become a very popular and sought-out place. Bulgarin’s team has managed to keep a steady cash flow and create local jobs.

Photo: Yelp
Promote Diversity and Entrepreneurship in Growth Industries

Context
As noted previously, although Los Angeles has a strong ecosystem of businesses owned by underrepresented populations and immigrants (with immigrants comprising 53 percent of self-employed persons in the City), these businesses’ revenues lag behind Citywide averages. Similarly, minority representation in the technology and entertainment industries, among others, requires significant improvement. The City should address these disparities by increasing targeted resources for entrepreneurs and increasing diversity in growth industries.

Goals Addressed
- Ensure growth is equitably distributed.
- Catalyze emerging and growing industries.
- Support the City’s small businesses.
- Create financial and economic security for disadvantaged Angelenos.

Lead Entity
EWDD

Supporting Depts/Orgs
CAO, Mayor’s Office, Los Angeles Department of Building and Safety (LADBS), Bureau of Contract Administration

Implementation Process
The EWDD should expand its portfolio of support resources for underrepresented entrepreneurs and workers in growth industries. This approach should engage and incentivize private-sector organizations to increase workforce diversity. This should include expanding City resources, using innovative partnerships, and implementing new strategies to track diversity and accountability.

Programs
- Use the marketing and outreach of the microloan program to provide loans to underrepresented entrepreneurs in a range of technology-related and other emerging industries through social media and other electronic communications strategies.
- Continue and expand marketing of existing and future City incubation and acceleration services for underrepresented entrepreneurs.
- Expand existing partnerships with organizations that offer diversity training programs and create a centralized online resource portal with tools and services for businesses to increase workplace diversity.
Continue to seek and evaluate new opportunities for expansion of the City’s inclusionary procurement process to unlock opportunities for small and minority-owned businesses.

Develop a Diversity Best-Practices Program and convene organizations and companies that offer diversity training programs and create a centralized online resource portal with tools and services to increase workplace diversity.

Priority Populations
As noted, this action is focused on supporting underrepresented entrepreneurs and persons Citywide. This designation should be collectively defined and agreed on by the City and key stakeholders, however, this often includes women as well as men who identify as black, Hispanic or Latino, Native American or Alaskan Native, Native Hawaiian or other Pacific Islander, or two or more races, as well as LGBTQ and disabled persons.

Program planning
Start: Q4 2019
Duration: 6 months

Implementation
Start: Q2 2020
Duration: Ongoing

Evaluation of planning progress
Start: Annually
Duration: Q1

Timeline

Accountability Metrics
Q1 2020: Develop electronic marketing/outreach campaign accountability dashboard, including determining accountability metrics.

SUCCESS STORY
WEST VALLEY BUSINESSSOURCE CENTER GUIDES ASTOR PRINTING

The West Valley BusinessSource Center (WVWSC) provided long-term guidance to an entrepreneur, ultimately helping him become the owner of Astor Printing in Northridge, where he had worked for nearly 30 years. In April 2017, Salvador Najarro came into the WVWSC to ask for information about business services and workshops and to discuss the possibility of purchasing a business. The center provided him with one-on-one consultation and assistance with applying for a business license and permits. Najarro also inquired about the process for applying for a business loan. From April to June 2017, he attended several workshops presented by WVWSC on marketing strategies, licenses and permits, and starting your own business. In July, Najarro returned to the WVWSC for help on writing his business plan. In August, the center referred him to the Opportunity Fund for an additional loan to complete the purchase of the business, and in September, he was granted a business loan for $26,000. As a result, Najarro was able to purchase the existing business and keep the current clients and is actively seeking new ones. The West Valley BusinessSource Center team is very excited and committed to continuing its collaboration with Najarro as his business grows and becomes more successful.
Streamline Services and Support for Core Industries

Context

Los Angeles benefits from a highly diversified economy and a strong base of core industry sectors, including information, finance and insurance, entertainment, and certain subsectors of manufacturing. City entities have undertaken several initiatives to increase transparency and clarity and to reduce burdens for businesses in core industries; these efforts should be continued and expanded.

Goals Addressed

- Strengthen the City’s position as a world-class city.
- Grow the resilience of core industries.
- Catalyze emerging and growing industries.
- Support the City’s small businesses.

Lead Entity

EWDD

Supporting Depts/Orgs

EWDD, DWP, LADBS, Mayor’s Office, World Trade Center Los Angeles, Los Angeles Economic Development Corporation

Implementation Process

The EWDD should develop a resource toolkit in partnership with the Los Angeles Economic Development Corporation identifying available incentives and marketing City services. The City should more closely collaborate with industry leaders to identify new methods to support economic growth. These should include:

Programs

- Identifying key industries for investment and growth, which could include advanced manufacturing, trade and logistics, creative/entertainment, technology, and health care and bioscience.
- Continue the implementation of EWDD’s Business Response Unit (BRU) that serves as ombudsmen for businesses that need assistance in complying with City requirements or navigating the bureaucratic processes. As part of its business and referral services, the BRU has identified and compiled a list of incentives offered by various City departments that support economic growth. EWDD should continue to proactively market the services and resources provided by the BRU.
- Establishing a task force for key industries comprising public, private, and educational leaders, which would:
  - Meet semiannually.
  - Discuss current industry trends and new opportunities for the City to support growth.
  - Establish subcommittees as needed to respond to industry-specific issues.
- Develop industry-engagement strategies and policy recommendations for the City.
- Expand resources for human capital development and industry-specific worker training via Workforce Development Board efforts.
- Proactively market existing resources to key industries and groups and collaborate with industry organizations to expand awareness and use for the following and other resources:
  - Cost-of-doing business support, such as recent reductions to the gross receipts tax, and the small-business tax exemption.
  - Financial assistance, including expanding the EWDD’s Small Business Loan Program by $75 million to provide loans of greater size and diversity, leveraging private-sector capital and supporting an additional $25 million of private-sector/community development-financial institutions loans through the implementation of a Loan Loss Reserve Fund.
  - Technical assistance, such as the EWDD’s Business Advancement Unit, the LA Business Portal, and LADBS’s Development Services Case Management System.
- Entertainment-industry resources, such as the State’s Film and TV Production Tax Credit and the LA Original project, which showcases creative businesses.
- Manufacturing industry resources, such as MAKE IT IN LA, which provides networking and educational opportunities and other support to manufacturing entrepreneurs, and the State’s Manufacturers’ Investment Credit.
- EWDD should continue to offer an array of lending products to meet the financial needs of the diverse business in the City, including the microloan program, small business loans, and major projects Section 108 loans. EWDD is in process of reconstituting its revolving loan fund to provide another financing tool to business owners. The City should continue to fund these loans programs, while leveraging private sector financing.
## Priority Industries

As noted, the EWDD should target identified key industries, including advanced manufacturing, trade, logistics, the Creative economy, innovative technology, biotechnology, and biosciences.

## Timeline

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## Accountability Metrics

- **Q2 2019**: Identify key industries.
- **Q3 2019**: Establish task forces; formalize meeting schedule and processes.

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**SUCCESS STORY**

**EAST LA BUSINESSSOURCE CENTER HELPS LA TROPICANA MARKET EXPAND**

The East Los Angeles BusinessSource Center provided business consulting services to La Tropicana Market, guiding the Highland Park neighborhood grocery through key issues during its expansion. Founded in 2002 by owner Rana Silyan Redfield, the specialty market offers high-quality Latino and Jamaican products that reflect the tastes of local residents. Located at 5200 Monte Vista Street near Avenue 52, Redfield initially leased a portion of the building and saw an opportunity to expand when the space next door became available. The East LA BusinessSource Center assisted La Tropicana Market with permit and strategic planning, helping the market navigate local planning and zoning issues to secure parking for the market.

Redfield opened the market with family savings. East LA BusinessSource staff also guided her through reincorporating her business structure to better protect owner interest and allow for greater access to capital. The center also provided referrals to the Boyle Heights/East LA WorkSource Center, one of the EWDD’s 16 WorkSource Centers, to assist in helping find local and qualified new hires. La Tropicana Market is now currently housed in a 4,000-square-foot retail location and employs 20 full- and part-time employees, most from the local community. La Tropicana also offers booths for local entrepreneurs to sell products inside the market. Current services include an espresso bar, a juice bar, and Monte 52, a gourmet deli tucked in the rear of the store.
4.C Market the City and Support Business Expansion

Context
The City of Los Angeles is an economic powerhouse and major destination for visitors, businesses, and foreign capital. To grow its position as a leading global city, the City should continue to strengthen its global and regional partnerships, trade networks, and proactively pursue high-quality foreign direct investment.

Goals Addressed
- Grow the resilience of core industries.
- Strengthen the City’s position as a world-class city.
- Catalyze emerging and growing industries.
- Support the City’s small businesses.

Lead Entity
Mayor’s Office

Supporting Depts/Orgs
EWDD, Los Angeles Economic Development Corporation, World Trade Center Los Angeles, Los Angeles Area Chamber of Commerce

Implementation Process
The Mayor’s Office and the EWDD should collectively develop a program in partnership with the Los Angeles Economic Development Corporation’s World Trade Center that supports global expansion for the City’s businesses, increases the City’s visibility globally, and expands successful tourism-marketing initiatives to continue to attract investment to the City. This should include:

- Developing a multipronged strategy to enhance Los Angeles’s prominence and role as a leading global city through:
  - A process to identify the region’s strongest export-oriented industries, including the technology sector as described in Action 4.D, as well as target global markets with significant opportunity for trade growth in these areas.
  - A prioritization of infrastructure enhancements that are critical to unlocking new global trade in targeted export-oriented industries.
  - New foreign direct investment attraction programs through the Los Angeles Area Chamber of Commerce and World Trade Center Los Angeles, two groups that promote the region globally and aid companies looking to expand to Los Angeles.
  - Strengthening the Los Angeles “brand” as a promotional tool and increasing staff capacity to actively market the City. Key actions include:
    - Coordinating existing Citywide and regional marketing efforts by the Los Angeles Tourism and Convention Board and the Los Angeles Convention Center, with the World Trade Center’s foreign direct investment attraction effort and the Mayor’s Office and the EWDD’s economic development initiatives.
    - Developing a team, which may overlap with the industry ombudsmen described in the previous section, that promotes Los Angeles as a key destination for businesses and investors and can effectively package incentives, navigate the City bureaucracy, and pursue leads.
  - Contributing resources to existing international business-matching programs hosted in the City, including the Asia Pacific Business Outlook and the U.S. Trade Development Agency “Making Global Local” In-Bound Missions.
  - Facilitating export-promotion activities and supporting export-oriented training for small businesses (in partnership with the existing California State Trade Export Assistance Promotion program and “Export University”), including mentoring services, workshops, and marketing tools, with a particular focus on strengthening supply chains for key export-oriented industries.

Priority Groups
As noted, this action should target both international entities (for FDI and tourism attraction efforts) and local businesses (for export promotion activities).

Timeline
Feasibility study
Start: Q2 2019 Duration: 1 year

Approval and project initiation*
Start: Q2 2020 Duration: Ongoing

Evaluation
Start: Annually Duration: Q1

Accountability Metrics
- Q1 2021: Contact with at least 1,000 local firms and 250 international firms annually.
- Q4 2021: Sourcing at least ten international or domestic job-producing investments worth over at least $1 million annually.
Shape the Implementation of Disruptive Technologies

Context
To remain competitive in the 21st century, as technology dramatically reshapes urban economies, the City of Los Angeles must develop a flexible strategy to respond to trends, shape the implementation of disruptive technologies, attract and incubate innovators, help re-train workers, promote digital equity and literacy, and educate businesses so that they can take advantage of new opportunities.

Goals Addressed
- Grow the resilience of core industries.
- Strengthen the City's position as a world-class city.
- Catalyze emerging and growing industries.
- Develop world-class infrastructure to support economic growth.

Lead Entity
DOT, ITA

Supporting Depts/Orgs
EWDD, DCP, CAO, CLA

Implementation Process

The City's Jobs and Business Advancement in Los Angeles Action Plan and the Sustainability Plan established a foundation that supports technology to assist businesses, improve equity, and revitalize communities. The City of Los Angeles should continue to actively participate in the Los Angeles Cyber Lab, a public-private partnership, non-profit organization dedicated to protecting personal and protected information from cyber threats. This partnership dramatically increases public, private, and educational collaborations to facilitate cohesive policy development to respond to disruptive technologies (those that significantly alter existing markets or that create a new industry altogether).

The City should continue to promote economic opportunities in new and emergent technologies through workforce training that is accessible to those in fields at risk of automation. Programs like the Tech Talent Pipeline with ITA and the Los Angeles Chamber of Commerce, the City's Data Science Federation partnership with 17 universities and colleges, and the Find Your Future programs are helping students, disconnected youth, and those coming from underserved areas get better access to jobs in the tech sector.

Finally, the City should continue to work to bring digital literacy, access, and connectivity throughout the City so all Angelenos are better able to participate in today's workforce services. Programs like OurCycleLA that provides computers to disadvantaged residents, the LAPL program Tech2Go that loans WIFI hot spots and tablets, and the ability to equitably deploy 5G across the City are important parts of this plan. The City's process for shaping the implementation of disruptive technologies should entail:

- Establishing a task force for the technology industry (as discussed in Action 4.B), which should focus on guiding the City with policy direction to meet the following goals:
  - Adopt an economic value-based approach across City policies and City departments to promote alignment between new regulations and long-term Citywide goals.
  - Continue implementation of public-private pilot programs to test new technologies and data-sharing across industries to inform City policy and regulation, and to drive economic growth through the sharing of open data.
  - Develop strategies to maximize community engagement and resident benefits in the roll-out of new technologies (for example, through City resident-centered principles in the implementation of new technologies).
  - Continue to refine and adopt said policy recommendations from the task force as needed in response or anticipation of specific industry changes, new technologies, and other shared issues.
  - Continue to coordinate and plan regular events through City and community incubators and in partnership with nonprofits, universities, and regional entities that convene the technology community and facilitate discussion on barriers to success.
  - Make grants available to local...
SUCCESS STORY
SOUTHERN CALIFORNIA BUSINESS SOURCE CENTER ENTREPRENEURIAL TRAINING BOOSTS DIGITAL MARKETING FIRM

After earning a degree in systems analysis from Cerritos College, Avilio Rubio approached the South LA BusinessSource Center (SLABSC) to learn more about its Entrepreneurial Training Program. He enrolled in the center's Business Plan class in September 2016 and completed the class November 15, earning a comprehensive business certificate. The SLABSC also assisted Rubio with obtaining a City of Los Angeles business license and, by November 30, he unveiled ScanWeb21, a digital marketing consulting company that provides publicity, e-commerce, and website design. SLABSC also helped Rubio pick up some new clients. While in the class, several of his colleagues were so impressed with his knowledge and skills that five of them hired him to assist them with their marketing and social media activities, which included designing business cards, fliers, brochures, and webpages for their businesses. Rubio's vision is to support small and medium businesses in advertising, branding, design, and marketing.

Photo: EWDD

entrepreneurs to explore disruptive technology that could benefit the City and in a way that benefits Angelenos.

- Continue LA DOT's development and implementation of the Mobility Data Specification, digital infrastructure, and other transportation technology projects to build an efficient and cost-effective way to manage right-of-way transportation modalities.

Timeline

Planning
Start: Q4 2019 Duration: 6 months

Budget approval and initiation
Start: Q3 2020 Duration: Ongoing

Evaluation
Start: Annually Duration: Q1

Accountability Metrics

- Q3 2020: Establish innovative technology task force and begin regular semiannual meetings.
- Q3 2021: Engage at least 2,500 business leaders and entrepreneurs annually.
- Q4 2020: Secure CDBG funding to issue 3 grants-partnerships of approximately $100,000 to explore disruptive technology.

Priority Industries

As noted, the City should partner with a diverse range of technology leaders and target local entrepreneurs and established LA businesses.
Focus Area Strategies
Introduction

Although the economy of the City has experienced substantial growth in recent years, it has also seen rising economic inequality and unequal access to opportunity. As noted previously, rising inequity in the City is particularly pronounced among black, African American, and Latino households, which continue to experience higher poverty, lower incomes, and lower levels of educational attainment. These and other historically disadvantaged groups are also highly concentrated in several areas within the City that have sustained underinvestment in schools, infrastructure, and amenities, leading to wide-ranging negative effects.

The City should prioritize reversing this underinvestment; the Focus Area Strategies presented in this section were developed for a set of five priority Focus Areas identified by the EWDD, including the Eastern San Fernando Valley, the Eastside of the City of Los Angeles, the Harbor Area, South Los Angeles, and Pico-Union/Westlake, which collectively encompass over two dozen unique areas. Each Focus Area Strategy incorporates and aligns overarching, Citywide long-term goals to support durable prosperity in each area. These strategies also include a set of implementation actions drawn from the Five-Year Implementation Plan and tailored to each Focus Area’s unique needs and opportunities to provide direction for meaningful and impactful investment in each area.
Figure 15: Focus Areas

- Eastern San Fernando Valley
- Warner Center
- 101
- Pico-Union/Westlake
- Beverly Hills
- DTLA
- Eastside of the City of Los Angeles
- Santa Monica
- South L.A.
- Harbor Area
- LAX
- Inglewood
- Long Beach
- Palos Verdes
- Warner Center
- 101
- 210
- 5
- 101
- 101
- 405
- 405
- 710
- 105
EASTERN SAN FERNANDO VALLEY

The Eastern San Fernando Valley is a residential and industrial area in the northeastern portion of Los Angeles, generally northeast of Burbank. The area covers a relatively built-out 83-square-mile region and has a population of approximately 582,000, nearly 70 percent of who are Latino. The Eastern San Fernando Valley benefits from a comparatively strong economy, which has recovered well since the 2007–2009 Great Recession, with employment levels surpassing the pre-recession peak. Manufacturing has remained the leading employment sector in the region because of a significant amount of industrially zoned land and stable job levels. However, like much of the San Fernando Valley, there are relatively few jobs per household, with only 20 percent (one-half) of the number of jobs per 100 residents, compared with 40 percent for the City as a whole.

Overall, poverty rates and income levels in the Eastern San Fernando Valley resemble City averages, although there are areas of severe poverty. The Eastern San Fernando Valley has a lower share of residents with bachelor’s degrees compared with the City, and more than 33 percent of residents age 25 and older lack a high school degree. The area also struggles with linguistic isolation; about one-third of residents age five and older speak English less than “very well.” The area has experienced little new real estate investment and has relatively few educational, retail, and entertainment assets that attract employers of higher-wage workers.

Residents, employees, and business owners identified the area’s manufacturing base and industrial land, multicultural and diverse community, Los Angeles Mission College and proximity to other educational institutions, and many small businesses as strengths of the Eastern San Fernando Valley. The area’s auto dependency creates a challenge for many residents, who must travel long distances across the Los Angeles region to work, often finding themselves stuck in traffic. Increasing residential and commercial rents are indicators of a strengthening real estate market. However, rising rents have also had negative impacts on some residents and businesses because of affordability challenges, factors that have contributed to the region’s increasing homelessness.

The future light rail transit corridor project will bring an estimated $1.3 billion investment to the region, providing a much needed transportation alternative. To ensure that this investment is equitable, the City will explore creative strategies to promote design of future developments around the corridor that recognize the character of the community and promote commercial affordability.
Long-Term Goals

This Focus Area Strategy includes measures to preserve and intensify the strength of key existing industrial sectors in the Eastern San Fernando Valley, as well as to catalyze emerging opportunities in new sectors. Building on transit investments by Metro, which are likely to stimulate change in the Eastern Valley, the City will:
Grow the resilience of core industries in the Eastern San Fernando Valley, including manufacturing and related sectors.

The most highly concentrated industry clusters in the Eastern San Fernando Valley are manufacturing, construction, wholesale trade, and transportation and warehousing, which are all related to the area’s large expanses of industrially zoned land along major freeways and rail corridors. The City will preserve this industrial land as appropriate, make targeted investments to catalyze new commercial development, and explore opportunities to leverage underused City assets and former landfill sites for job-producing uses.

The City will additionally explore the feasibility of creating a Cleantech incubation center in Sylmar and support film industry growth in the area.

Ensure financial security for Eastern San Fernando residents in the face of substantial change.

Although Eastern San Fernando Valley’s economic indicators are similar to the City’s, approximately 38 percent of residents are severely rent burdened (meaning they spend more than 50 percent of income on rent), a situation that is likely to increase because of pending Metro investments that will expand local and regional connectivity. As with other areas, remedying underlying income inequality will require continued investment in the Eastern San Fernando Valley’s workforce and the City’s economy to increase access to higher-paying jobs. However, these investments must be paired with services that support asset building and financial security; the City will undertake these efforts, directly and with a range of partners, and will continue to support initiatives and adopt policies that preserve and expand housing supply and affordability.

SUCCESS STORY
ANNA’S CLEANING SERVICE

Anna Moreno, owner of Anna’s Cleaning Service, came to the North Valley BusinessSource Center in July 2018, seeking assistance on how to grow her business. Specifically, Anna was seeking assistance on how to leverage her existing California Small Business Enterprise (SBE) certification as well as how to win contracts with the government to increase her revenues. She was also concerned about having enough financing to be able to grow her business.

Anna’s Cleaning Service has been in business since 1999, with the goal to change and empower the community around her, one cleaning at a time. The staff at North Valley BusinessSource Center worked with Anna to create an action plan to accomplish her goals.

The next challenge Anna faced was how to use her certifications to market, bid, and win contracts. North Valley BusinessSource Center staff discussed marketing techniques that are specific to businesses bidding from government contracts. Since there were a number of large upcoming events targeted to certified businesses, the staff assisted her in creating a statement of capabilities. Armed with marketing materials, Anna was ready to attend events such as the Small Business Expo and Accessing LA conference where she was able to connect with decision makers and procurement officers of government services.

After getting certified, developing her statement of capabilities, and marketing her business, she started preparing and winning bids on contracts and her business started growing. She was able to create four new jobs due to the new contracts. Currently, Anna is seeking a $15,000 loan from the Center to help her manage her business growth and to further expand her business. The North Valley BusinessSource Center is packaging her loan and is ready to assist her in her next stage of success.
Creation of an Intensified Manufacturing and Job Hub in Sun Valley

**Context**
To grow the resilience of the Eastern San Fernando Valley’s manufacturing base, the City should leverage underused industrial land, as described in Citywide Action 3.A, to explore opportunities to intensify manufacturing uses and expand the job base in the area. This should include targeted infrastructure investments, including through a potential Enhanced Infrastructure Financing District, and updated land use regulations to attract private-sector interest, including the use of value capture techniques for gap financing.

**Lead Entity**
EWDD and DCP (supported by City Council, CAO, Chief Legislative Analyst [CLA])

**Implementation Process**
- The EWDD and DCP should define a project boundary and, in partnership with business leaders, develop a plan to incentivize redevelopment of underused property, including City assets, in the San Fernando Valley.
- As detailed in Citywide Action 2.D, DCP should initiate efforts to evaluate the City’s 2007 industrial land use policy to ensure ongoing support of high-density job-producing uses in highly industrial areas such as the Eastern San Fernando Valley.
- The evaluation should include an assessment of the impact-to-date of industrial preservation policies on job retention and creation and should consider environmental and other community impacts.

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Van Nuys Transit Investments for Corridor Revitalization

**Context**
Leveraging Metro’s Van Nuys Transit Corridor Investments (and pursuant to Citywide Actions 2.B and 2.C), the City should expand technical assistance and financial resources for small businesses and develop meaningful resources to ensure commercial affordability in parallel with corridor growth. The City will also support marketing and placemaking efforts to increase local and regional visibility for businesses.

**Lead Entity**
EWDD (supported by EWDD, Mayor’s Office, CAO, DCP, and local Community Development Corporations)

**Implementation Process**
- The EWDD, pursuant to Citywide Action 2.B and 2.C, should implement a toolkit for corridor revitalization in the Eastern San Fernando Valley.
- The Eastern San Fernando Valley toolkit should include small business displacement assistance during construction, including forgivable loans for sales losses, marketing campaigns, and business planning services. The toolkit should also focus on leveraging upcoming Metro investments to support small-business expansion through marketing and placemaking efforts.
- In partnership with the City Council and the CLA, the EWDD should also consider policies to support commercial affordability ahead of new development.
EASTSIDE OF THE CITY OF LOS ANGELES

The Eastside of the City of Los Angeles (or the “Eastside”) includes the dense communities of Boyle Heights, Lincoln Heights, and El Sereno; it excludes East Los Angeles, which is located outside of City limits, in the unincorporated area of Los Angeles County. The area has approximately 160,325 residents and is predominantly Latino—comprising a large ethnically Mexican/Chicano population—and is home to both long-term residents and recent immigrants. The area is known for its cultural vibrancy and boasts a strong tradition of small business and entrepreneurship along key commercial corridors. The area also has a large concentration of industrially zoned land along rail corridors and the Los Angeles River, which supports about 7,000 manufacturing jobs in Boyle Heights alone. The Eastside is home to a significant concentration of health care jobs related to the Los Angeles County+University of Southern California Medical Center (“LAC+USC Medical Center”), located immediately north of Boyle Heights. The Metro Gold Line connects Boyle Heights to Union Station and a number of bus lines, linking the area to Downtown and other nearby job centers.

Despite its many assets, the Eastside lags behind the City on a number of economic and social indicators. The median household income of Boyle Heights, which is representative of the area, is $32,100, which is nearly 36 percent below the median of the City as a whole. More than half of residents age 25 and older have less than a high school education, and 45 percent of residents in Eastside of the City of Los Angeles age five and older speak English less than “very well.” With many non-native English-speaking residents, linguistic isolation and low educational attainment rates remain key concerns for this area. Finally, employment levels in the area have yet to return to pre-Great Recession highs (unlike the City, which has recovered overall).

Residents and community stakeholders in Boyle Heights and Lincoln Heights engaged through the development of this Strategy identified the Eastside’s proximity to the LAC+USC Medical Center and California State University, Los Angeles; the dynamic and vibrant community; and the mix of residential and employment use as key strengths of the neighborhood. But these stakeholders also expressed concerns about the retail environment, housing affordability, the area’s small share of property-owning households, and increasing gentrification and associated displacement. Residents have also been disproportionately impacted by longstanding environmental injustices related to contamination from the Exide battery recycling plant and air pollution from a ring of highways that crisscross through the community. Stakeholders also expressed fear that recent economic growth will not benefit long-term residents and agreed that retraining residents for the jobs of the future is a key priority. Eastside residents also stressed the importance of maintaining community identity and increasing homeownership, along with the implementation of programs to support small businesses, as well as increased transit connection to employment hubs.
Long-Term Goals

This Focus Area Strategy includes measures to help Eastside residents take advantage of growing economic opportunities, specifically related to its strong entrepreneurial and small-business culture, growing competitive advantage in biotechnology and other sectors, and ongoing transit investments. Recognizing the importance of preserving and strengthening the Eastside’s vibrant community, the City will:

1. Ensure new growth is equitably distributed among all residents.

The Eastside of the City of Los Angeles has experienced a wave of new investment in recent years. However, this growth has also led to increased costs of living that have outpaced City and income growth in the area. According to the online real estate company Zillow, median rents in Boyle Heights, where rental rates are increasing more rapidly than elsewhere in the Eastside, are $2,370 (as of December 2017), an increase of 49 percent (or $780 per month) since 2010. In response to growing threats of displacement, the City will work to ensure that the potential benefits of economic growth help support long-term income growth among residents and better financial performance for businesses. First and foremost, this will entail the expansion of existing City efforts and procurement targeted to residents of Boyle Heights, Lincoln Heights, and El Sereno to support economic development. The City will also explore the potential for expanded City procurement of services from the Eastside of the City of Los Angeles’s small businesses for relevant investments and build on Citywide efforts to increase private-sector opportunities for under-represented minorities.

2. Create wealth and economic security for disadvantaged Eastside residents.

The Eastside has both higher-than-average poverty levels and unemployment rates. Approximately 28 percent of adult residents in the Eastside live below the poverty line, with almost double that share (47 percent) of residents below the age of 18 living in poverty. Remediating these conditions will require continued investment in the Eastside of the City of Los Angeles’s workforce and the City’s general economy to increase access to higher-paying jobs. However, these investments must be paired with services that support asset building and financial security. The City will also continue existing initiatives that preserve and expand housing supply and affordability.
3 Grow the resilience the Eastside’s core industries and support its small businesses.

Historically, the local government, manufacturing, and health care sectors have made up the largest share of jobs in the Eastside. The community is home to a large area of industrial land along the Los Angeles River and is located adjacent to the LAC+USC Medical Center and White Memorial Medical Center. Additionally, the area has a strong and flourishing entrepreneurial and local business community made up of many long-term residents and new immigrants. In addition to Citywide efforts, the City will expand the scale and marketing of services to small businesses in the Eastside, including those that provide access to capital, technical assistance, and initiatives that promote commercial space affordability.

4 Catalyze emerging and growing industries in the area, especially in biotechnology and other advanced industries, to create jobs for residents.

Building on existing health care strengths, the Eastside is situated in a prime location to capitalize on emerging opportunities in bioscience, medicine, and other advanced industries. The City will develop a set of policies and place-based initiatives, in collaboration with County plans for a “Los Angeles Biosciences Corridor,” to grow the number of skilled, high-paying jobs in the Eastside of the City of Los Angeles. These efforts will be coordinated with workforce development initiatives and will prioritize the engagement and accrual of economic benefits to community residents.

SUCCESS STORY

EAST LOS ANGELES BUSINESSSOURCE CENTER PLAYS ROLE IN RESTAURANT OPENING

The East Los Angeles BusinessSource Center played an integral role in the Cinco de Mayo grand opening of Casa Fina Restaurant and Cantina, a Boyle Heights eatery created by famed Real Women Have Curves Chicana writer Josefina López and partners Emmanuel Deleage, Alonzo Ricardo, and Executive Chef Augustin Alvarez. Since March 2016, the East LA BusinessSource Center has provided key business services to assist the Casa Fina founders with the establishment of the restaurant, including providing entrepreneur training, assisting with entitlement issues, and permit and strategic planning assistance regarding the licensing of the business under a new establishment name. The East LA BusinessSource Center also assisted with promotional and marketing efforts for the restaurant’s grand opening. Perhaps most importantly, Casa Fina hired 30 local full-time workers based on referrals from the East LA BusinessSource Center and Boyle Heights Chamber of Commerce to the Boyle Heights/East Los Angeles WorkSource Center.

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Located at 1842 E. First Street, Casa Fina occupies the 2000-square-foot space formerly occupied by López’s favorite restaurant, Serenata De Garibaldi, which closed unexpectedly in January 2017. Casa Fina offers quality authentic Mexican cuisine with a modern twist, including ceviche, fajitas, molcajetes, and desserts. The restauranteurs opened Casa Fina with the aim of filtering patrons and using profits to support another endeavor, CASA 0101, a theater and art gallery located three blocks away. Established by López in 2000, the theater specializes in plays and exhibits about underrepresented communities.

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Five-Year Implementation Plan Actions

ES.1 Eastside Biotechnology Hub

Context
The Eastside is well positioned to capitalize on emerging opportunities in bioscience, medicine, and other advanced industries to support high-paying jobs and equitable economic growth. Pursuant to Citywide Action 2.A, the City should leverage upcoming investments for LAC+USC Medical Center, and a County initiative already in process to create a hub of biomedical science, venture capital, and entrepreneurship in the Eastside.

Implementation Process
- As detailed in Citywide Action 2.A, the EWDD should explore partnerships with the County to establish a Boyle Heights biotechnology hub to stimulate corridor investment and to strengthen the City and regional competitive advantage. This process will require developing a vision to ensure that the project aligns with local needs, specifically, to create high-paying jobs, attract capital investment without displacement, and to support sustained and equitable economic growth.
- Throughout the process, the EWDD should partner with Boyle Heights and Lincoln Heights community leaders and other relevant public, private, and academic entities to guide the direction of the project and shape an implementation strategy.

Lead Entity
EWDD (supported by Mayor’s Office, City Council, Los Angeles Department of City Planning (DCP))

ES.2 Expansion of Cesar Chavez Great Streets Initiative

Context
In light of ongoing concerns with gentrification, the City should expand on Cesar Chavez Great Streets investments to continue corridor revitalization in Boyle Heights, Lincoln Heights, and El Sereno by expanding technical assistance and financial resources for existing small businesses, including developing meaningful resources to ensure commercial affordability.

Implementation Process
- Pursuant to Citywide Actions 2.B and 2.C, the EWDD should implement a toolkit for corridor revitalization in Boyle Heights, as one of the identified pilot areas of the City.
- This toolkit should include new tools to preserve and expand commercial affordability, such as providing low-cost loans to assist qualified business in purchasing buildings and other technical and legal assistance, incentivizing businesses to sign long-term leases, and enacting protections for legacy and culturally significant businesses.
- The EWDD should coordinate with residents and community organizations through a project steering committee.

Lead Entity
EWDD (supported by DPW, Mayor’s Office, City Administrative Officer (CAO), DCP, Department of Public Works (DPW), and local community development corporations)
The Harbor Area, consisting of the southernmost 29 square miles of the City, includes the coastal communities of San Pedro, Wilmington, Harbor City, and the southern portion of the Harbor Gateway. The area is more than 50 percent Latino, in addition to being home to several distinct ethnic communities. The Harbor Area has direct access to the twin ports of Los Angeles and Long Beach and is home to many industrial and logistics companies. The region holds a competitive advantage in transportation and warehousing and wholesale trade, among other industry sectors.

On average, household incomes and poverty levels in the Harbor Area are approximately on par with the City, but the area lags in terms of average educational attainment. The poverty rate for children under age 18 also remains slightly above the City’s average, at around 36 percent. Additionally, despite the area’s strength of being home to many industrial and logistics companies, residents suffer from environmental injustices associated with heavy industry, including refineries in adjacent cities.

Stakeholders emphasize the Harbor Area’s rich culture—a strong and growing arts community and benefits from tourism through the Port and the waterfront. In addition to the aforementioned environmental issues, stakeholders believe that overregulation of businesses and a perceived lack of follow-through for business-related initiatives have stymied economic opportunity. While some perceive that the Harbor Area lacks a unique “brand” and suffers from a negative image, the consensus is that there is great potential for redevelopment around the Port. Due in part to community activism related to environmental justice, stakeholders also strongly believe in opportunities to support innovative business and opportunities for green industries resulting from AltaSea, a new innovation campus related to ocean sciences.
Long-Term Goals

This Focus Area Strategy includes measures to strengthen the area’s global trade networks and stimulate public- and private-sector collaboration to catalyze industries that support both local employment and the creation of impactful solutions for environmental problems, especially as they relate to industry. To do so, the City will do the following:

1. **Strengthen Los Angeles’s regional and global partnerships and trade networks.**

   The Harbor Area will continue to capitalize on the presence of the Port of L.A. and the Port of Long Beach to grow quality jobs locally. The region will provide technical assistance, marketing, and other support for key industries to expand access to global markets in an effort to grow exports through the Port.

2. **Grow the resiliency of the Harbor Area’s logistics base and develop a cluster of innovation around environmentally conscious industries.**

   The most concentrated industry sector in the Harbor Area is transportation and warehousing (with a concentration of employment three times greater than the State). The City will support the logistics industry and respond to environmental injustices by providing support and incubation for companies that develop and manufacture innovative and environmentally conscious technologies.

3. **Expand economic opportunity for Harbor Area residents.**

   The City will work to expand educational opportunities for residents, limit barriers to employment and economic opportunity, and ensure that residents are aware of job opportunities provided by the Port and other growing industries. The City will also support opportunities for the Harbor Area’s vibrant and burgeoning arts community.

4. **Leverage infrastructure investments to enable economic growth in the Harbor Area.**

   The City will continue to ensure that investments in the Port of L.A. expand opportunities for existing businesses and attract new industries. The City will explore opportunities for procurement support through the Port for the innovative technologies and additional infrastructure investment that could unlock the potential of underused land in close proximity to the Ports and transportation infrastructure. These efforts will help to better connect the waterfront to the greater Harbor Area, supporting regional tourism. The City will additionally explore the cleanup and re-development of brownfield sites and ensure the infrastructure and streetscape environment is conducive to economic development.
**HA.1 Creation of a “Clean and Green” Logistics and Transportation Hub**

**Context**
The City should catalyze redevelopment of underused land in Wilmington, support the legacy of local community activism regarding environmental justice, and assist regional advances in transportation and logistics to foster innovation and community revitalization. This should include targeted infrastructure investments, new land use regulations (as described in Citywide Action 2.E), and the provision of financial resources to attract private-sector interest, including the use of value capture techniques for gap financing.

**Lead Entity**
Potential EWDD/ Port of Los Angeles (supported by DCP, City Council, CAO, CLA)

**Implementation Process**
- Pursuant to Citywide Action 2.A, the EWDD should initiate efforts to establish a “clean and green” logistics hub in Wilmington.
- The EWDD should work with local community groups and regional industry leaders to create a multi-benefit project that would support the resilience of transportation and logistics industries, while addressing environmental justice and other local concerns.
- In tandem, the EWDD should work with the DCP to ensure that future related Community Updates include new land use regulations and the provision of financial resources to attract private-sector interest.

**HA.2 Corridor Revitalization at the L.A. Waterfront**

**Context**
Pursuant to Citywide Actions 2.B and 2.C, the City should capitalize on pending investments at San Pedro and Wilmington’s Waterfront to provide technical assistance and financial resources for small businesses and to develop meaningful resources to ensure affordability for residents, artists, and small businesses in the Harbor Area. The City should also support marketing and placemaking efforts to increase local and regional visibility for businesses.

**Lead Entity**
Port of Los Angeles (supported by EWDD, Mayor’s Office, CAO, DCP, and local Community Development Corporations)

**Implementation Process**
- As detailed in Citywide Actions 2.B and 2.C, the EWDD should select San Pedro and Wilmington as a priority area for implementation of a toolkit for corridor revitalization, and work with the Port to execute on the strategy.
- The Port should work with EWDD on leveraging pending investments to provide technical assistance and financial resources to small businesses to expand regionally and/or globally.
- Ahead of regional growth, the EWDD should work alongside community partners to ensure affordability for residents, artists, and legacy and culturally significant small businesses.
Develop Programs to Support Export Industries and Employees

**Context**

Capitalizing on the location of the Port of L.A. and strength of the Harbor Area’s logistics and transportation industries, the City should facilitate export promotion activities and support export-oriented training for small businesses. As outlined in Citywide Action 4.C, the City should focus on those that provide services to the maritime or logistics industries to increase the flow of new dollars into the economy.

**Lead Entity**

EWDD (In coordination with Los Angeles Economic Development Corporation)

**Timeline**

The EWDD should initiate feasibility studies for a new program in Q3 2019 and develop a Citywide strategy by Q1 2020.

**Implementation Process**

- Pursuant to Citywide Action 4.C, the EWDD and the Los Angeles Tourism and Convention Board should work to develop a comprehensive program to support global expansion for City businesses. The EWDD should tailor global expansion services to Harbor Area small-business needs related to maritime and logistics industries.

The EWDD should also use existing programs, including the Port of L.A.’s Trade Connect Program and the California State Trade Export Assistance Promotion program, which offer export training, mentoring services, workshops, and marketing tools targeted at small businesses in export-oriented industries.

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**SUCCESS STORY**

**HARBOR BUSINESSEXPORT CENTER FUNDING HELPS SUNBOX, INC.**

Vanessa Ballesteros and Elisa Gomez are the owners of Sunbox, Inc., located at 2308 Las Colinas Avenue in Los Angeles. Sunbox is an innovative and healthy kiosk market that offers the finest in organic, all-natural, and locally sourced food, snacks, and beverages at convenient locations. Ballesteros and Gomez started the business in 2015.

In 2016, the two entrepreneurs went to their local bank to try to get a loan to grow the business. The banker informed them that they would not qualify for a loan because of the relatively young age of their business. However, the banker referred them to a non-bank Small Business Administration (SBA) lender to see if they could qualify for a loan through their Community Advantage program. At the time, current BusinessSource Program Director Richard Pallay was working for the non-bank SBA lender. Although a deal could not be approved at that time, Pallay worked with Ballesteros and Gomez to put together a plan for how to present the business in the best light to lenders and hopefully qualify in the future.

When Pallay became the program director for BusinessSource, he put the two business owners in touch with a business consultant at the Harbor BusinessSource Center to revisit loan opportunities. The consultant shared information with Ballesteros and Gomez about what lenders look for when assessing a borrower and also helped them overcome the potential pitfalls that many young businesses face when applying for a loan. The consultant worked with the two owners to put together a new loan package and began looking for a lender who was interested in the deal.

On January 31, 2018, Sunbox obtained a $149,500 loan. This capital allowed the company to purchase seven new Sunbox Market vending machines and should result in the creation of ten new jobs.

Business owners Vanessa Ballesteros and Elisa Gomez / Photo: EWDD
PICO-UNION/WESTLAKE

Pico-Union/Westlake is a highly dense area immediately west of Downtown Los Angeles across the Harbor Freeway, extending south from the 101 Freeway, and lying adjacent to Echo Park. Pico-Union/Westlake is a predominantly Latino area, with a population of approximately 147,000 that includes many recent immigrants. Adjacent to Koreatown and Historic Filipinotown, the neighborhood also has a sizeable Asian American population. With strong connections via Metro’s Red and Purple subway lines, Pico-Union/Westlake has high public-transit usage rates and good access to major job centers. However, despite some recent job growth, Pico-Union/Westlake is still one of the most economically distressed areas of the City. Median household incomes are well below the City average at approximately $38,000. More than 14,000 youth live in poverty, and many residents face significant English-language barriers. Over 91 percent of residents are renters, with 57 percent being rent burdened (that is, paying more than 30 percent of income on rent). The area is also experiencing significant housing cost pressures from Downtown, with new development pushing west along Wilshire Boulevard to MacArthur Park, the heart of Pico-Union/Westlake.

Residents and community stakeholders expressed serious concerns about issues related to housing affordability and the vulnerability of residents to gentrification in the face of spillover from Downtown Los Angeles and associated displacement. Immigrants’ and residents’ participation in the informal economy—which includes street vendors who are prominent in Pico-Union/Westlake—is also a primary concern for stakeholders because of recent federal policy changes surrounding undocumented immigrants and limited access to expanded economic opportunity.
Long-Term Goals

This Focus Area Strategy includes measures to protect and empower residents to participate more fully in the City’s economy. In parallel with renewed workforce development efforts targeted at empowering Pico-Union/Westlake’s residents with the skills they need, the City will:

1. Create wealth and increase financial security for all Pico-Union/Westlake residents.

Currently, over 91 percent of residents are renters, with 57 percent being rent burdened (that is, paying more than 30 percent of income on rent). The City will target programs that support financial empowerment and asset building, in addition to initiatives that support affordable housing creation and preservation to protect residents against displacement. The City will target Citywide efforts to expand access to health and child care to Pico-Union/Westlake residents and will expand protections for immigrants and minorities, including the monitoring and refinement of pending processes for regulating and permitting food vendors to ensure that all Angelenos can thrive, irrespective of immigration status.

2. Invest in equitable access to jobs and opportunity.

The majority of Pico-Union/Westlake residents hold low-wage jobs, with only 36 percent of households earning more than $50,000 annually. The City will prioritize Pico-Union/Westlake residents for the delivery of economic development initiatives and will build on Citywide efforts to increase private-sector opportunities for underrepresented minorities. To increase access to jobs and opportunity, the City will also ensure that services are readily available in residents’ native languages.
Support the neighborhood’s small businesses in light of affordability and other external pressures.

In face of new development pressures, the City will implement place-based projects that provide community benefits and support local small businesses and expand resources for existing businesses to allow them to grow and thrive. Specifically, the City will increase technical assistance for small businesses and individual entrepreneurs—including those operating in the informal economy—to provide greater access to the City’s economy and to unlock new opportunities.
Five-Year Implementation Plan Actions

**PU.1 Corridor Revitalization in Pico-Union/Westlake and Small Business Support**

**Context**
To support Pico-Union/Westlake’s local entrepreneurial culture and small businesses, the City should provide targeted technical assistance and financial resources to small businesses along Olympic, 7th, 8th, Wilshire, 6th, and Alvarado and develop meaningful resources to ensure continued commercial affordability in the face of development pressures.

**Implementation Process**
- Pursuant to Citywide Actions 2.B and 2.C, the EWDD should provide enhanced small-business support, including technical and legal assistance, to Pico-Union/Westlake businesses (specifically along Olympic, 7th, 8th, Wilshire, 6th, and Alvarado).
- The EWDD should work with local leaders and community organizations through a local steering committee to implement place-based projects to provide community benefits and promote growth.
- In light of growth and new development pressures, the EWDD should target efforts to preserve and expand commercial affordability for Pico-Union/Westlake small businesses.

**Lead Entity**
EWDD (supported by Mayor’s Office, CAO, DCP, and local Community Development Corporations)

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**PU.2 Economic Empowerment for Pico-Union/Westlake Residents**

**Context**
In partnership with the Mayor’s Financial Empowerment Window (Ventanilla de Asesoría Financiera), Los Angeles Housing and Community Investment Department (LAHCID), the Federal Deposit Insurance Corporation/Alliance for Economic Inclusion, and the County’s Center for Financial Empowerment, the EWDD should focus financial empowerment efforts targeted at residents of Pico-Union/Westlake, and work with other organizations to reduce barriers to participation in the formal economy.

**Implementation Process**
- As detailed in Citywide Action 3.A, HCIDLA should build on existing services offered at FamilySource Centers and at the Mayor’s Financial Empowerment Window to develop a comprehensive financial empowerment program to create wealth-building opportunities for disadvantaged Angelenos.
- The EWDD should work with local leaders and community organizations in Pico-Union/Westlake to assess targeted needs and gaps in educational and wealth-building opportunities.
- With LA County’s Center for Economic Empowerment, the EWDD should increase marketing of and expand existing services (provided through FamilySource Centers and nonprofits) in the area.

**Lead Entity**
HCIDLA (supported by EWDD, Recreation and Parks, Mayor’s Office, and L.A. County’s Center for Financial Empowerment)
SOUTH LOS ANGELES

For the purposes of this Strategy, South Los Angeles is defined as a 41-square-mile area comprising 25 unique neighborhoods south of Interstate 10 and north of the Harbor Gateway. South Los Angeles is a predominantly residential area with a diverse population of approximately 670,000 and several key commercial corridors and areas of industrially zoned land, including, notably, the historic Goodyear Tract. The area is the historical center of Southern California’s African American community, although the black population has declined significantly in recent decades to around 30 percent of the total population; the majority today is Latino. However, the area remains a cultural focus for the City’s African American community, which comprises a Citywide population of over 350,000, with a high concentration of activity and community spaces devoted to African American art, business, and faith. Adjacent to USC, South Los Angeles also benefits from a large share of educational services jobs and increasing investment around USC and in Exposition Park.

However, recent investment in certain parts of South Los Angeles, especially along Metro’s Expo Line and the under-construction Crenshaw Line, as well as in the adjacent communities of Inglewood, Culver City, Downtown, and LAX, have not resolved serious and persistent inequality in the area, where economic outcomes for residents have lagged compared with most other parts of the City. The physical, economic, and social scars of systematic disenfranchisement and resulting civil unrest in the latter half of the 20th century still manifest in the area today, in particular for South Los Angeles’s African American community. This history—and the relatively built-out landscape of the area—has contributed to limited job growth and is home to few high-quality schools. Approximately 42 percent of residents over age 25 lack a high school degree (with only 10 percent holding a bachelor’s degree or higher), and most of the jobs concentrated in this Focus Area are low wage. Additionally, the area’s median income, at $31,000, is about 35 percent lower than the City’s average.

Residents, business owners, and community leaders emphasized that the area has a large and diverse workforce that is eager for opportunity. The area’s strengths are the large number of small businesses and active nonprofit organizations that provide services to and advocates for the community. However, public safety and aging infrastructure remain major concerns, as do the lack of quality jobs for residents and access to fresh food and other amenities. Although neighborhoods within South Los Angeles are threatened by rising homelessness and gentrification, two symptoms of a larger regional housing crisis, notable opportunities lie in the area’s underused real estate and workforce training programs for forgotten youth.

The area’s strengths are the large number of small businesses and active nonprofit organizations that provide services to and advocates for the community.
Long-Term Goals

To address these issues, the City will target efforts in South Los Angeles to remedy historic disinvestment. Specifically, the City will:

1. **Ensure that regional growth benefits all South Los Angeles residents.**

   In advance of the delivery of pending transit investments, the City will direct additional resources to ensure that public investments, including streetscape improvements, positively impact South Los Angeles residents and businesses. In response to growing threats of displacement, the City will work to ensure equitable and sustainable growth and that investments and City assets are used to support long-term residents and businesses. This will require the prioritization of City efforts targeted toward South Los Angeles residents and businesses to deliver economic development initiatives and secure procurement of other public services.

2. **Protect and grow South Los Angeles’s small businesses.**

   South Los Angeles is home to an increasingly vibrant small-business community. Recognizing the impact of Metro investments and increasing development interest, the City will strive to preserve local small businesses in the face of development pressures and gentrification. This includes initiatives aimed at commercial space affordability, increased provision of technical and financial resources to businesses, and City procurement of services from South Los Angeles’s small businesses.

Photo: Metro
3. Create wealth and economic security for disadvantaged residents.

In addition to incomes that are significantly lower than the Citywide average, almost half of South Los Angeles households are severely rent burdened (that is, they spend more than 50 percent of their income on rent). As in other Focus Areas, remedying these conditions will require continued investment in the workforce of South Los Angeles and the City’s economy to increase access to higher-paying jobs, including in the healthcare and entertainment fields. However, these investments must be paired with services that support asset building and financial security. The City will also continue initiatives that preserve and expand housing supply and affordability.

4. Build on South Los Angeles’s international recognition as a hub of culture and entertainment.

South Los Angeles residents have for decades shaped trends in media, arts, and culture across the nation and the world. This has bolstered the City’s competitive advantage and entertainment-related economy, but with only modest benefits to South Los Angeles residents. The City must invest in infrastructure and develop partnerships that leverage this history and its continued cultural vibrancy, attract private-sector investment, foster entrepreneurship, and create sustainable, well-paying jobs.
Five-Year Implementation Plan Actions

Corridor Revitalization, Stabilization, and Creation of a Job-Producing Hub for Culture and Entertainment

Context
Recognizing and building on pending investments along historic Crenshaw and Central Boulevards, the City should provide technical assistance and financial resources for existing small businesses, as well as develop meaningful resources to ensure commercial affordability in light of rapidly increasing real estate values. To further catalyze community-oriented growth, the City should also use parcels owned by the City near Leimert Park and the area’s Promise Zone designation to create a hub for arts and culture incubation to grow the local job base and build on residents’ contributions to the City’s cultural legacy. This should be accomplished in coordination with faith-based organizations to advance community development goals, while promoting “responsible development” on public and/or quasi-public land.

Lead Entity
EWDD (supported by City Council, Mayor’s Office, CAO, CLA)

Implementation Process
• Pursuant to Citywide Actions 2.A, 2.B and 2.C, the EWDD should implement a toolkit for corridor revitalization in South Los Angeles and develop plans for a new job-producing hub for culture and entertainment.

• Ahead of new development and in light of increasing real estate values, the EWDD should develop meaningful resources to ensure commercial affordability, including increased technical and legal assistance.

• The EWDD should also leverage the area’s Promise Zone designation to create a hub for arts and culture incubation to support new jobs and build on residents’ contributions to the City’s cultural legacy.

SUCCESS STORY
SOUTH LA BUSINESSSOURCE CENTER HELPS ENTREPRENEUR PURCHASE MARKET

The South Los Angeles BusinessSource Center assisted an entrepreneur with business planning and financing to realize his dream of purchasing a small grocery store offering fresh meats and vegetables. Juan Martinez is no stranger to hard work. He is a licensed vocational nurse and has also worked as a salesman of wholesale products to local stores in the Los Angeles area. In early 2016, Martinez found an opportunity to fulfill his lifelong dream of owning and operating his own store. He completed the Spanish-language business plan course at the South LA BusinessSource Center and, with a combination of his savings and angel funding, Martinez purchased Mercado El Oaxaqueño later that year. “My goal is to continue to grow this business and make it profitable for my family. The challenge now is to find the capital to invest in my employees, sustainability, and growth,” he said. “South LA BusinessSource is supporting me in this effort through access to capital.”

Business owner Juan Martinez / Photo: EWDD
**SLA.2 Actively Market Business Resources and Job Opportunities**

**Context**

To support entrepreneurship and small businesses in South Los Angeles, the City should target expansion of its portfolio of resources to increase support for entrepreneurs and incentivize businesses in growth industries to hire a diverse workforce. This approach should expand existing efforts to market job placement and training to South Los Angeles residents and should also identify and actively communicate future industry and job growth to the general public to increase labor force participation.

**Lead Entity**

EWDD (supported by HCIDLA, Recreation and Parks, Mayor’s Office, and L.A. County’s Center for Financial Empowerment)

**Implementation Process**

- Pursuant to Citywide Actions 3.A and 4.A, the EWDD should increase targeted support for underrepresented entrepreneurs and small businesses in South Los Angeles and incentivize businesses to increase workforce diversity.
- The EWDD should expand existing employment services through WorkSource Centers and work to create a holistic-support workforce development strategy that reduces barriers to workforce participation for South Los Angeles residents.
- With HCIDLA and L.A. County’s Center for Financial Empowerment, the EWDD should expand marketing of existing financial empowerment support services and asset-building opportunities for residents.

**SLA.3 Supporting Equity Building through Affordable Housing**

**Context**

Building on existing Citywide efforts to preserve and expand affordable housing, the City should continue to promote policies and programs to support the production of affordable housing, the preservation of existing affordable housing, and the expansion of down-payment assistance to first-time low and moderate-income buyers.

**Lead Entity**

HCIDLA (supported by City Council, EWDD, Recreation and Parks, Mayor’s Office, and L.A. County’s Center for Financial Empowerment)

**Implementation Process**

As detailed in Citywide Action 3.C, the City should enact policies to support the production of affordable units in South Los Angeles, including expanding first-time home buyer assistance and exploring a Naturally Occurring Affordable Housing program.
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### Community Economic Development Stakeholders

- Amgen
- Autism Movement Therapy, Inc.
- AxA Advisors United Chamber of Commerce
- Best Streets, Panorama City Neighbors
- Boyle Heights Chamber of Commerce
- California State University, Northridge
- Carlsmith Ball, LLP
- Central Alameda Neighborhood Council
- Central San Pedro Neighborhood Council
- Charter Communications Dickey’s Barbecue Pit
- City of Calabasas
- City of Los Angeles Workforce Development Board
- Coalition for a Safe Environment
- Coastal San Pedro Neighborhood Council
- Community and Neighbors for Ninth District Unity Neighborhood Council
- Corporate Impressions LA, Inc.
- Crenshaw Chamber of Commerce
- David Gershwin Consulting
- Dolphin Group
- Dr. Ref Rodriguez, Los Angeles Unified School District School Board Member Staff
- Empowerment Congress North Area Neighborhood Development Council
- Empowerment Congress South West Area Neighborhood Development Council
- Empowerment Congress Southeast Area Neighborhood Development Council
- Empowerment Congress West Area Neighborhood Development Council
- Englander Knabe & Allen
- Greater Los Angeles African American Chamber of Commerce
- Green Public Affairs & Campaigns
- Greenberg & Bass, LLP
- Groundwork Coffee
- Harbor Alliance of Neighborhood Councils
- Harbor City Neighborhood Council
- Health Net, Inc.
- Hollywood Chamber of Commerce
- Ignite Wilmington Youth Foundation
- JVS Los Angeles
- L.A. Works
- L.A. Coalition
- Lincoln Heights Chamber of Commerce
- LISC Los Angeles
- Los Angeles Business Improvement District Consortium
- Los Angeles Area Chamber of Commerce
- Los Angeles County Federation of Labor
- Los Angeles Development Fund
- Los Angeles LGBT Center
- Los Angeles Tourism and Convention Board
- Metropolitan Water District
- Neighborhood Council Valley Village
- Northridge Chamber of Commerce
- Northridge East Neighborhood Council
- Northwest San Pedro Neighborhood Council
- Office of Assemblymember Laura Friedman
- Office of California State Controller Betty T. Yee
- Office of Congresswoman Nanette Diaz Barragan
- Office of Supervisor Kathryn Barger
- Pacific Asian Consortium in Employment Finance Corporation
- Park Mesa Heights Community Council
- Proactive Protection Agency
- Public Council
- Regional Black Chamber San Fernando Valley
- Resurrection Catholic Church
- Rodriguez Strategies
- San Fernando Valley Business Journal
- San Pedro Property Owners’ Alliance
- San Pedro Waterfront Arts District
- South Central Neighborhood Development Council
- State Farm Insurance
- Strategic Actions for a Just Economy
- Sunland Tujunga
- The Adult Skills Center (TSAC)
- The Reason Foundation
- The Valley Economic Alliance
- Trust South LA
- UCLA Governmental & Community Relations
- University of Southern California
- Urban Rising Group
- Valley Industry Commerce Association
- Van Nuys Neighborhood Council
- VEDC Los Angeles
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