

09-2722

MOTION

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The nation continues to face tough economic times, and while third quarter reports of the nation's economy show a 3 percent growth, unemployment in the City of Los Angeles has now reached 14 percent. The City is currently considering additional business tax reforms, programs and policies that create jobs and attract businesses. The establishment of a Green Corps to provide energy audits, as well as the creation of an Economic Development Department are two examples of the programs that the City is currently working on to create jobs and attract businesses. Over the next few years, the City must continue to respond in a manner that focuses on strengthening its foundation to better compete for new private-sector investment; retain current businesses; create good-paying jobs for Angelenos; and establish a global reputation as a "business-friendly" city.

As the City of Los Angeles develops policies to achieve these economic goals, it is increasingly important to understand the impact of new legislation on business attraction and retention, job creation, tax and fee revenues to the City as well as the overall economic climate. Currently, there is no requirement that the City conduct an Economic Impact Analysis to objectively evaluate new legislation. Having this information during the legislative process will improve the overall quality of legislation by identifying policies that have an impact on City revenue.

The City/County of San Francisco established an Office of Economic Analysis (OEA) in 2004. Staffed by two economists, the OEA evaluates the impact of introduced legislation that meets threshold criteria for their review. The staff also prepares a Monthly Economic Barometer, Quarterly Economic Briefing and supports the City's economic and workforce development policy efforts. The City of Los Angeles should refer to this model as it looks to develop it's own economic analysis group, and specifically look to house this either in the Chief Legislative Analyst's Office or in the City Administrative Officer's Office.

I THEREFORE MOVE that the Chief Legislative Analyst and the City Administrative Officer, in conjunction with the City Attorney, report back to the Budget & Finance Committee within sixty days on a proposal to develop a group that is responsible for economic impact analysis, as well as a process for incorporating the use of economic impact analysis in legislative decision making. This report should be based upon the best practices established by the City/County of San Francisco and also include recommendations on where to locate this new office to ensure independence and objectivity.

I FURTHER MOVE that the City Attorney and the Chief Legislative Analyst be requested to provide input on whether a Charter amendment is required to effectively implement such a program.

Presented by: Eric Garcetti
ERIC GARCETTI
Councilmember, 13th District

Seconded by: Greig Smith
GREIG SMITH
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