

ECONOMIC DEVELOPMENT COMMITTEE

Tuesday, May 10, 2016

ROOM 1010, CITY HALL - 1:00 PM

200 NORTH SPRING STREET, LOS ANGELES, CA 90012

MEMBERS: COUNCILMEMBER CURREN D. PRICE, JR., CHAIR
COUNCILMEMBER GILBERT A. CEDILLO
COUNCILMEMBER MARQUEECE HARRIS-DAWSON
COUNCILMEMBER PAUL KREKORIAN
COUNCILMEMBER NURY MARTINEZ

(Adam Lid - Legislative Assistant - (213)-978-1076 or email Adam.Lid@lacity.org)

Click [here](#) for agenda packets

Note: For information regarding the Committee and its operations, please contact the Committee Legislative Assistant at the phone number and/or email address listed above. The Legislative Assistant may answer questions and provide materials and notice of matters scheduled before the City Council. Sign Language Interpreters, Communication Access Real-Time Transcription (CART), Assistive Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting/event you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days notice is strongly recommended. For additional information, please contact the Legislative Assistant listed above.

ITEM NO. (1)

[16-0420](#)

Communication from the Mayor relative to the appointment of Ms. Ingrid Hutt to the Industrial Development Authority Board of Directors for the term ending June 30, 2016 and subsequent term ending June 30, 2019.

Financial Disclosure Statement: Pending

Background Check: Pending

Community Impact Statement: None submitted.

TIME LIMIT FILE - MAY 28, 2016

(LAST DAY FOR COUNCIL ACTION - MAY 27, 2016)

ITEM NO. (2)

[16-0385](#)

Communication from the Mayor relative to the appointment of Mr. Raymond Bishop to the Industrial Development Authority Board of Directors for the term ending June 30, 2017.

Financial Disclosure Statement: Pending

Background Check: Pending

Community Impact Statement: None submitted.

TIME LIMIT FILE - MAY 20, 2016

(LAST DAY FOR COUNCIL ACTION - MAY 20, 2016)

ITEM NO. (3)

[12-1549-S5](#)

City Administrative Officer (CAO) report relative to the Citywide Industrial Commercial Revolving Fund Settlement Receipts.

Fiscal Impact Statement: Yes

Community Impact Statement: None submitted.

ITEM NO. (4)

[10-0154](#)

CD 1,13 City Clerk report relative to amending the consultant contract to allow for continued formation efforts in connection with the proposed Echo Park Business Improvement District.

Fiscal Impact Statement Submitted: Yes

Community Impact Statement: None submitted.

ITEM NO. (5)

[16-0456](#)

Economic and Workforce Development Department (EWDD) report relative to authorization to accept \$2,480,333 in Los Angeles County Youth Jobs Program funds for implementation of youth work experience programs.

Fiscal Impact Statement Submitted: Yes

Community Impact Statement: None submitted.

ITEM NO. (6)

[15-0842](#)

Chief Legislative Analyst (CLA) report in response to Motion (Wesson - Price) relative to instructing the CLA and City Administrative Officer (CAO), in coordination with the City Attorney and other relevant City agencies, to report in regard to:

- a. The current regulatory code as it pertains to the current climate surrounding business development, recruitment, and retention in the City of Los Angeles.
- b. The development of innovative and developing "shared economy" or "on demand" business models to ensure that the City's current regulations keep pace with new ways.
- c. A cost-benefit analysis on current regulations affect the areas detailed in the Motion.

(Also referred to the Ad Hoc Committee on the Comprehensive Job Creation Plan)

Fiscal Impact Statement Submitted: Yes

Community Impact Statement: None submitted.

ITEM NO. (7)

[13-1090-S1](#)

EWDD and Joint CAO/CLA reports relative to efforts to create a Citywide Economic Development Plan.

(Also referred to Ad Hoc on Comprehensive Job Creation Plan)

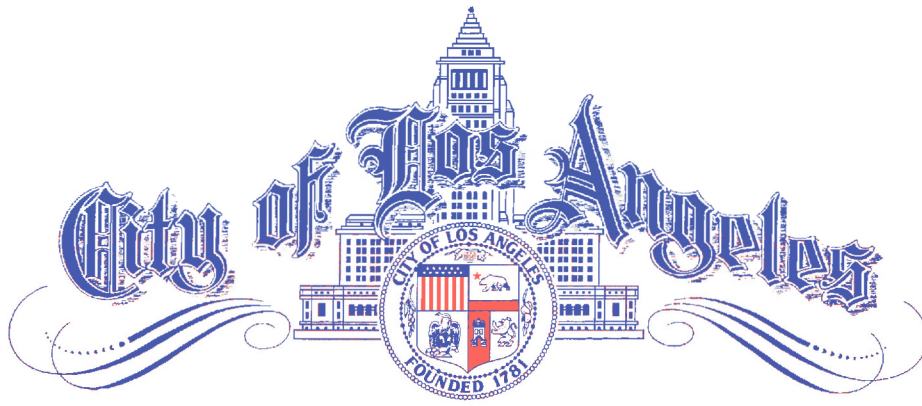
Fiscal Impact Statement: Yes

Community Impact Statement: None submitted

**COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN
THIS COMMITTEES SUBJECT MATTER JURISDICTION**

If you challenge this Committee's action(s) in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Clerk at or prior to, the public hearing. Any written correspondence delivered to the City Clerk before the City Council's final action on a matter will become a part of the administrative record.

Materials related to an item on this agenda submitted to the committee after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 200 North Spring Street, Room 395, City Hall, Los Angeles, CA 90012 during normal business hours.



ERIC GARCETTI
MAYOR

April 13, 2016

Honorable Members of the City Council
c/o City Clerk
City Hall, Room 395

Honorable Members:

Subject to your confirmation, I have appointed Ms. Ingrid Hutt to the Industrial Development Authority for the term ending June 30, 2016 and for the subsequent term ending June 30, 2019. Ms. Hutt will fill the vacancy created by Peklar Pilavjian, who has resigned.

I certify that in my opinion Ms. Hutt is qualified for the work that will devolve upon her, and that I make the appointment solely in the interest of the City.

Sincerely,

ERIC GARCETTI
Mayor

EG:dlg

Attachment

COMMISSION APPOINTMENT FORM

Name: Ingrid Hutt
Commission: Industrial Development Authority
End of Term: 6/30/2016, 6/30/2019

Appointee Information

1. **Race/ethnicity:** African American
2. **Gender:** Female
3. **Council district and neighborhood of residence:** 10 - South Los Angeles
4. **Are you a registered voter?** Yes
5. **Prior commission experience:** Convention and Exhibition Center Authority
6. **Highest level of education completed:**
7. **Occupation/profession:** Advertising, Target Marketing & Branding Specialist
8. **Experience(s) that qualifies person for appointment:** See attached resume
9. **Purpose of this appointment:** Replacement
10. **Current composition of the commission (excluding appointee):**

Commissioner	APC	CD	Ethnicity	Gender	Appt Date	Term End
Esparza, Moctesuma	East LA	14	Latino	M	13-Jun-14	30-Jun-20
Bishop, Raymond	(pending council confirmation)					
Vacant						
Vacant						

Ingrid Hutt

Ingrid Hutt has an extensive history in Marketing that ranges from her background in Real Estate where she was a Mortgage underwriter for 15 years and won Performance awards from Banks and Mortgage Companies in Southern California to her more recent endeavor, **The Hutt Group** a Strategic *Marketing, Branding, Community Outreach* Company with such prestigious clients as NAACP National Board, The Los Angeles Sentinel, GEM Communications, Brotherhood Crusade, Dancing Classrooms of Los Angeles, New Connections, Assembly Member Mike Davis, Assembly Member and now Senator Isadore Hall III, Senator Ricardo Lara, Councilman / Mayor Danny Tabor, City Clerk (Inglewood), Mayor Aja Brown (Compton) The Gas Companies Advanced Meter Outreach Project, Los Angeles County Democratic Party, US Senator Barbara Boxer, CA State Controller John Chiang and the list goes on...

She has structured Branding Strategies for some of the Los Angeles' greatest events i.e.: NAACP National Board transition of Power Event, L.A. City opening Ceremonies for Black History Month, Los Angeles Kings Black History Month Celebration, Taste of Soul, Compton Summer Soul Jam, Brotherhood Crusade Annual Dinner, New Connections and CPUC Women in Diversity Awards Dinner, 48th Assembly District Living Legends Awards as well as building Marketing and Advertising Campaigns for the Los Angeles County Recorder's office "VOTE LA", L.A. Cities Clean Air- Clear Water, CFSA, California Redistricting, critical outreach to pass the "Durbin Bill" a federal bill that gives credit card fee reduction to businesses and the South Coast Air Quality Control District outreach campaign. Most recently she's worked on the Prince 2011 tour, 2011 NBA All-Star weekend bash for the NBA retired players association in Los Angeles. In 2012 she worked on the DL Hughley comedy during the 2012 DNC, a night with Grammy Award winner KEM during DNC and Los Angeles African American Women's Public Policy Institute as well as co-producing the Balboa Music Festival. During the 2012 reelection Campaign for President Obama, She received the highest honor of being chosen as a Political Leader Delegate for the state of California as did not hold an elected office. In 2013 she worked on the Eric Garcetti for Los Angeles Mayor Campaign and won by a landslide. In January 2013 she was named President of the Watch Me Win Foundation. In 2015 she was appointed by Mayor Garcetti as a Commissioner to the LA Convention and Exhibition Center Authority where she served on the sub-committee of "Bonds and Finance."

Ingrid was born in Los Angeles and educated at UCLA where she studied Political Science. While attending college she interned for Councilman David Cunningham, where she was exposed to the nuts and bolts of City Hall. After completing her education she worked for Ford USA where she was the liaison for California's Black Dealership Owners and is proud to say that she convinced Mandela's Delegation to allow FORD's Black owned Dealerships in Southern California (a company that didn't divest in South Africa) to provide the cars for the Motorcade for Nelson Mandela's first visit to Southern California shortly after the end of Apartheid.

She works tirelessly by giving back to her community by feeding the homeless, feeding the shut in on Thanksgiving morning, serving the children on Easter Saturday and hosting a Toy drive for over 20 years where she's collected over 20,000 books and toys for the underserved children in foster care.

In 2002 she was the Political Advisor for the California Realist where she and a team of African American Real Estate Brokers championed the Predatory Lending Law protecting the minority community from outrageous fees and rates.

She soon became a member of New Frontier Democratic Club where she served two terms as President of New Frontier Democratic Club the oldest and largest African American Democratic Club in the state. She guided the organization's 50th Anniversary celebration.

She is an active member of the following:

Los Angeles County Democratic Party- Finance Committee

California Democratic Party Delegate

Progressive Democratic Club

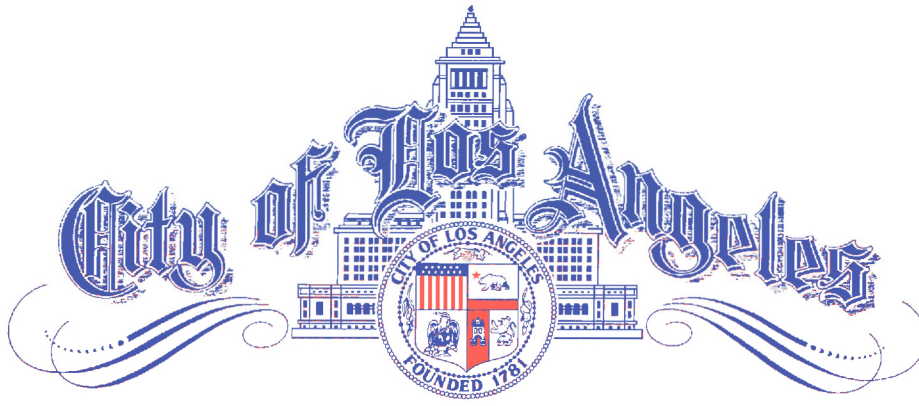
San Pedro Democratic Club

Southwest Democratic Club

54th AD

Deputy Registrar

Ingrid lives, works and plays in Los Angeles, California.



ERIC GARCETTI
MAYOR

April 13, 2016

Ms. Ingrid Hutt



Dear Ms. Hutt:

I am pleased to inform you that I hereby appoint you to the Industrial Development Authority for the term ending June 30, 2016 and for the subsequent term ending June 30, 2019. In order to complete the process as quickly as possible, there are several steps that must be taken, many of which require visiting City Hall. If you require parking during these procedures, please call Claudia Luna in my office at (213) 978-0621 to make arrangements for you.

To begin the appointment process, please review, sign and return the enclosed Remuneration Form, Undated Separation Forms, Background Check Release and Information Sheet **within one week** of receiving this letter. These documents are necessary to ensuring the most efficient, open and accountable City government possible. Further, Mayor's Office policy requires you to be fingerprinted as part of the background check that is done on all potential Commissioners. To do so, please bring this letter to the Background Unit of Employment Services Division, Personnel Department Building, 700 East Temple Street, Room 235, Los Angeles, California 90012. The division phone number is (213) 473-9343. Fingerprints must be taken **within three working days** from the **receipt** of this letter.

As part of the City Council confirmation process, you will need to meet with Herb J. Wesson, Jr., your Councilmember, and Councilmember Curren Price, the Chair of the Economic Development Committee, to answer any questions they may have. You will be hearing from a City Council committee clerk who will let you know when your appointment will be considered by the Economic Development Committee. Sometime thereafter, you will be notified by the committee clerk when your appointment will be presented to the full City Council for confirmation. Once you are confirmed, you will be required to take the oath of office in the City Clerk's Office in Room 395 of City Hall. Claudia Luna will assist you during the confirmation process if you have questions.



Ms. Ingrid Hutt
April 13, 2016
Page 2

Commissioners must be residents of the City of Los Angeles. If you move at any point during your term, have any changes in your telephone numbers, or in the future plan to resign (resignation must be put in writing), please contact my office immediately.

Congratulations and thank you for agreeing to serve the people of Los Angeles.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Garcetti".

ERIC GARCETTI
Mayor

EG:dlg

Attachment I
Ms. Ingrid Hutt
April 13, 2016

Nominee Check List

I. Within three days:

- _____ **Get fingerprinted to complete a background check.**
No appointment is necessary. Bring the Mayor's letter to:
Background Unit of Employment Services Division, Personnel
Department Building, 700 East Temple Street, Room 235, Los Angeles,
California 90012. Phone: (213) 473-9343.

II. Within seven days:

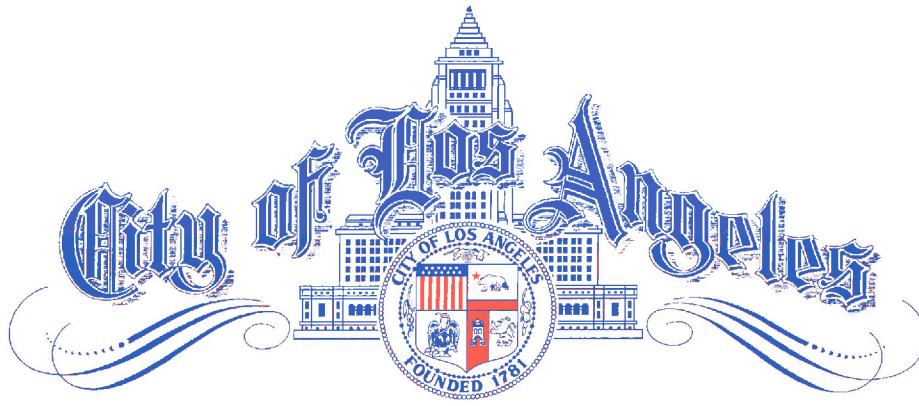
Mail, fax or email the following forms to: Legislative Coordinator, Office of the Mayor, Office of Intergovernmental Relations, City Hall, 200 N. Spring Street, Los Angeles, CA 90012 or email: Claudia.Luna@lacity.org.

- _____ **Remuneration Form**
_____ **Undated Separation Forms**
_____ **Background Check Release**
_____ **Commissioner Information Sheet/Voluntary Statistics**

III. As soon as possible, the Mayor's Office will schedule a meeting with you and:

- _____ **Your City Councilmember Herb J. Wesson, Jr.** (contact at (213) 473-7010).
_____ **Councilmember Curren Price, Chair of the Council Committee considering your nomination** (contact at (213) 473-7009).

Staff in the Mayor's Office of Intergovernmental Relations will assist you with these arrangements.



ERIC GARCETTI
MAYOR

April 5, 2016

Honorable Members of the City Council
c/o City Clerk
City Hall, Room 395

Honorable Members:

Subject to your confirmation, I have appointed Mr. Raymond Bishop to the Industrial Development Authority for the term ending June 30, 2017. Mr. Bishop will fill the vacancy created by Laurette Healey, who has resigned.

I certify that in my opinion Mr. Bishop is qualified for the work that will devolve upon him, and that I make the appointment solely in the interest of the City.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Garcetti".

ERIC GARCETTI
Mayor

EG:dlg

Attachment

COMMISSION APPOINTMENT FORM

Name: Raymond Bishop
Commission: Industrial Development Authority
End of Term: 6/30/2017

Appointee Information

1. **Race/ethnicity:** Caucasian
2. **Gender:** Male
3. **Council district and neighborhood of residence:** 3 - South Valley
4. **Are you a registered voter?** Yes
5. **Prior commission experience:** Convention and Exhibition Center Authority
6. **Highest level of education completed:** Degree in Accounting/Business - Marketing, UCLA, CSUN, ELACC
7. **Occupation/profession:** Owner, Bishop Associates
8. **Experience(s) that qualifies person for appointment:** See attached resume
9. **Purpose of this appointment:** Replacement
10. **Current composition of the commission (excluding appointee):**

Commissioner	APC	CD	Ethnicity	Gender	Appt Date	Term End
Esparza, Moctesuma	East LA	14	Latino	M	13-Jun-14	30-Jun-20
Montes, Joseph F.	West	5	Latino	M	23-Oct-07	30-Jun-16
Pilavjian, Peklar	South Valley	5	Other	M	13-Jun-14	30-Jun-16

RAYMOND J. BISHOP

BUSINESS CONSULTING, BROKERAGE & MANAGEMENT

1971 – Present **Bishop Associates – Owner**

Commercial & Business Brokerage, Leasing, M&A, Property Management Consulting – Government Relations, Contracting, Small Business Development, Political, Marketing, Public Relations, Campaign Management. Business Management for Entertainment Executives, Entertainers, Physicians, Attorneys – Cash Management, Accounting, Budgeting, Taxes, Organizational Development. Small Business Owner & Advisor. Motion Picture & Television Production and Development.

2013 – 2014 Waste to Resources, Inc. Executive Director

A Non-Profit Organization dedicated to Protecting the Environment

2006-2008 NAI CAPITAL COMMERCIAL- Vice President

Commercial & Business Broker, Leasing Agent, Property Management

2003-2006 LASER IMAGES, INC., LASERIUM, CFO/Partner

Developed Laserium Planetarium & Corporate Events, Managed Finances, Laserium at Griffith Park Observatory, Palms Hotel & Casino

2002-2003 LIVING IN STYLE, CFO/Partner

International Trade, Developed & Managed Hong Kong Office/Partner Relations. Developed relationships with investors in Hong Kong.

2001-2002 USC/ADVANCE SBDC Program- Director

Professional services to Business and Companies impacted by government cutbacks and economic adversity. Consulting & SBA Intermediary

1997–2001 ADVANCE- CFO/COO

A Community Development Corporation - Appointed to the Board of Directors by Congressman Torres, elected Treasurer, Oversight of Programs including: Conservation, SBA Intermediary, HUD Housing Projects, Department of Energy Technical Service to Business, CPUC, City of Montebello Redevelopment, Department of Justice Community Outreach.

1982-1992 LA CABARET COMEDY CLUB AND RESTAURANT, Owner

Booked Comedy & Music Entertainment to include Corporate & Major Events. Developed Nightly Shows Seating 250 Main Rm-100 Lounge, Marketing, Managed Business Affairs. Recognized worldwide with major comedy stars. Organized major annual events and provided entertainment for Taste of Encino, Taste of Tarzana, Brentwood Street Fair, and Sherman Oaks Street Fair.

1977-2006 IMAGE INTERNATIONAL, INC. President/CEO Executive Producer/ Owner.
"Once Upon a Scoundrel" starring Zero Mostel, Katy Jurado, A. Martinez, Production &
Development Consultant Bunim Murray Productions.

1970-1971 JAMES HARPER & ASSOCIATES, Accountant/Tax & Investment Specialist.
Managed finances for Motion Picture and Television Executives and Performers,
Responsible for highly successful investment programs.

1968 - 1970 The East Los Angeles Community Union, (TELACU) - Comptroller/CFO,
Founding Member, Executive Board. Designed the Initial Organizational Chart leading
to the development of TELACU Industries and a highly successful Economic
Development Corporation. Responsible to the Executive Director for fiscal
administration and budgeting. Presented financial reports to the Board of Directors.
Managed and supervised; Plaza de la Raza, Congress of Mexican Unity Pride & Unity
Show at the Los Angeles Sports Arena, Smithsonian Institute Reading Is Fundamental
(RIF) program, Housing, and Economic Development Program under Dept. of
Commerce. Consultant to Center for Community Change (CCC) Washington, D.C.

1970-1970 Congress of Mexican American Unity- Comptroller

1966 - 1968 Bank of America – Completed Officer Training Program

HEALTH CARE EXPERIENCE

1970- 1976 Business Manager/Accountant for Physicians

1973-1979 Community Hospital of North Hollywood - President & Chairman, Co-Owner.
Successfully operated a general acute care hospital, developed profitable ancillary
services and expanded the medical staff. Served as Chairman of the Governing Board
and obtained a maximum two-year accreditation.

1972-1976 Valley Psychiatric Medical Clinic - Administrator & Co-Founder. Provided
Mental Health Services with a multi- faceted program of over thirty psychiatrists,
psychologists, social workers and other professionals, and Therapeutic Programs.

1974-1976 Valley Health Fund 501-C3 – President & Chairman - Founder
Created SOS (Save our Seniors Program) to provide free health screens to senior
citizens. Developed proposals for health programs to include a highly successful drug
treatment program, a juvenile diversion program. Conducted a health research program
in conjunction with UCLA Medical Center.

1974-1976 Hospital Management Associates – CEO & Owner
Provided full management to Acute Care Hospitals, Board & Care Homes, and Medical
Groups. Responsibilities included total management of the facilities including hiring of
the Administrators, Contract Negotiation, Financial Planning and Budgeting.

1974-1976 Coldwater Medical Group - Administrator & Founder
Worked with a physician group to develop a family practice medical group to provide service to the community.

1973-1979 Eumenics, Inc. - President & Chairman, Principal
Formerly Hyatt Medical Alcoholism Centers. Acquired the Hyatt program and developed C.A.P (Community Alcoholism Program). Served as the general partner of a hospital group comprised of physicians.

PUBLIC AND COMMUNITY SERVICE

1963-1965 U.S. Army - Qualified and selected for appointment to West Point. Commended for "Professional Actions and Sense of Urgency - Self-Discipline and Cool Thinking Saved Lives", during a Viet Cong attack in Vietnam. Partially Disabled War Veteran.

1998-Present, Commissioner Los Angeles County Small Business
Commissioner/Former Chair & Vice Chair, Office of Small Business (OSB), Chair, Processes Committee, Procurement, Member -Executive Board.

2014-2015, Commissioner Appointed by Mayor Garcetti, Los Angeles Convention and Exhibition Center Authority

2014-Present, Chair, Former Vice President/COO, California Democratic Council (CDC)

2011-Present Advisory Board, California State Senator Fran Pavley

2013-Present, Chair, Business and Professional Caucus, CDP (Elected)

2013-Present, California Democratic Party, Reg. Rep. 45th AD (Elected)

2013-Present, Executive Committee, California Democratic Party

2013- CDP 45th AD – Elected Representative

2011-2015, Voter Services Committee, appointed by Chair, Lead Candidate
Recruitment sub-committee.

2011-Present, Caucus Member – Progressive, Environmental, Business & Professional, Veterans, Senior, Disability, Computer & Internet

2011-Present, Central Committee Los Angeles County Democratic Party (Elected)

2012-Present Board Member, Democratic Party of the San Fernando Valley (DPSFV)
(Elected)

Member – North Valley Democratic Club, Grassroots Democratic Club, PDA-SFV, PDA-SMM

Los Angeles Council on Aging, Appointed as City Commissioner by Mayor Bradley

Consultant to the Carter White House, Under Hon. Esteban Torres, Senior Advisor
City of Los Angeles Harbor Commission (Appointed-Los Angeles Mayor, Executive
Management Committee Los Angeles Export Terminal. (Elected)

Advisory Committee, 39th District California Assembly

Los Angeles County Board of Supervisors Advisory Board Third District

Los Angeles District Attorney's Advisory Council
California State Small Business Advisory Council

Film Advisory Board, Treasurer (Elected)

California State Motion Picture Development Commission

Encino Chamber of Commerce, Board Member

Tarzana Neighborhood Council, Board Member (Elected)

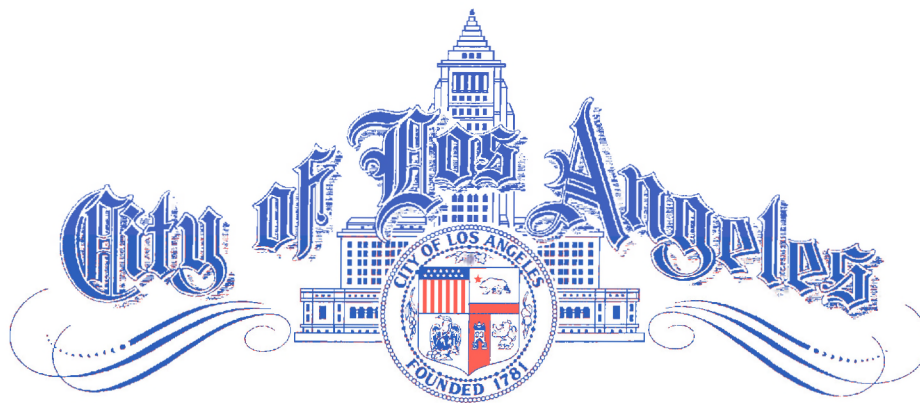
Board Member West Valley Soccer League (Elected)

EDUCATION

Degree in Accounting/Business - Marketing, UCLA, CSUN, ELACC

MEMBERSHIPS

- Producers Guild of America
- Los Angeles Business Council
- United Hospital Association
- California Association of Tax Preparer's
- National Association of Tax Consultants
- California Urban Water Council
- L.A. Convention and Visitors Bureau
- Center for the Study of the Presidency
- Comedy Club Owners Association
- Southland Regional Board of Realtors
- California Association of Realtors
- Sepulveda Golf Club
- International Council of Shopping Centers (ICSC)



ERIC GARCETTI
MAYOR

April 5, 2016

Mr. Raymond Bishop

Dear Mr. Bishop:

I am pleased to inform you that I hereby appoint you to the Industrial Development Authority for the term ending June 30, 2017. In order to complete the process as quickly as possible, there are several steps that must be taken, many of which require visiting City Hall. If you require parking during these procedures, please call Claudia Luna in my office at (213) 978-0621 to make arrangements for you.

To begin the appointment process, please review, sign and return the enclosed Remuneration Form, Undated Separation Forms, Background Check Release and Information Sheet **within one week** of receiving this letter. These documents are necessary to ensuring the most efficient, open and accountable City government possible. Further, Mayor's Office policy requires you to be fingerprinted as part of the background check that is done on all potential Commissioners. To do so, please bring this letter to the Background Unit of Employment Services Division, Personnel Department Building, 700 East Temple Street, Room 235, Los Angeles, California 90012. The division phone number is (213) 473-9343. Fingerprints must be taken **within three working days** from the **receipt** of this letter.

Under separate cover you will be receiving a packet from the City Ethics Commission containing information about the City's conflict of interest laws and a copy of the State Form 700/Statement of Economic Interests. You are required to complete and return this form **within 21 days** of your nomination to the City Ethics Commission, 200 North Spring Street, City Hall, 24th Floor, Los Angeles, California 90012. Any inquiries regarding this form should be directed to Shannon Prior at the Ethics Commission at (213) 978-1960.



Mr. Raymond Bishop
April 5, 2016
Page 2

As part of the City Council confirmation process, you will need to meet with Bob Blumenfield, your Councilmember, and Councilmember Curren Price, the Chair of the Economic Development Committee, to answer any questions they may have. You will be hearing from a City Council committee clerk who will let you know when your appointment will be considered by the Economic Development Committee. Sometime thereafter, you will be notified by the committee clerk when your appointment will be presented to the full City Council for confirmation. Once you are confirmed, you will be required to take the oath of office in the City Clerk's Office in Room 395 of City Hall. Claudia Luna will assist you during the confirmation process if you have questions.

Commissioners must be residents of the City of Los Angeles. If you move at any point during your term, have any changes in your telephone numbers, or in the future plan to resign (resignation must be put in writing), please contact my office immediately.

Congratulations and thank you for agreeing to serve the people of Los Angeles.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. G. H.", likely representing Eric Garcetti.

ERIC GARCETTI
Mayor

EG:dlg

Attachment I
Mr. Raymond Bishop
April 5, 2016

Nominee Check List

I. Within three days:

- _____ **Get fingerprinted to complete a background check.**
No appointment is necessary. Bring the Mayor's letter to:
Background Unit of Employment Services Division, Personnel
Department Building, 700 East Temple Street, Room 235, Los Angeles,
California 90012. Phone: (213) 473-9343.

II. Within seven days:

Mail, fax or email the following forms to: Legislative Coordinator, Office of the Mayor, Office of Intergovernmental Relations, City Hall, 200 N. Spring Street, Los Angeles, CA 90012 or email: Claudia.Luna@lacity.org.

- _____ **Remuneration Form**
_____ **Undated Separation Forms**
_____ **Background Check Release**
_____ **Commissioner Information Sheet/Voluntary Statistics**

III. Within 21 days:

File the following forms with the City Ethics Commission. *If you are required to file, you will receive these forms via email from that office.*

- _____ **Statement of Economic Interest ("Form 700")**
IMPORTANT: The City Council will not consider your nomination until your completed form is reviewed by the Ethics Commission.
_____ **CEC Form 60**

IV. As soon as possible, the Mayor's Office will schedule a meeting with you and:

- _____ **Your City Councilmember Bob Blumenfield** (contact at (213) 473-7003).
_____ **Councilmember Curren Price, Chair of the Council Committee considering your nomination** (contact at (213) 473-7009).

Staff in the Mayor's Office of Intergovernmental Relations will assist you with these arrangements.

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 6, 2016

CAO File No. 0220-01024-2754

Council File No. 12-1549-S4

Council District: All

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Economic and Workforce Development Department Transmittal dated September 1, 2015;
Additional information received through April 29, 2016

Subject: **CITYWIDE INDUSTRIAL COMMERCIAL REVOLVING LOAN FUND SETTLEMENT RECEIPTS**

SUMMARY

In a transmittal dated September 1, 2015, the Economic and Workforce Development Department (EWDD) requests Mayor and Council approval of various actions for economic development activities and asset management functions (C.F. 12-1549-S4), including the re-establishment of a Citywide Industrial-Commercial Revolving Loan Fund (RLF), and receipt and appropriation authority over settlement funds received from related litigation. EWDD is requesting to establish a new fund from proceeds received as the result of a litigation settlement agreement regarding the previous RLF program (C.F. 15-0356) which was originally funded by the U.S. Department of Commerce Economic Development Administration (EDA). EWDD also requests authority for appropriation and expenditure over these proceeds on an as-needed basis. The Mayor's Office has indicated that the City is currently in negotiations with the EDA regarding the final disposition of these funds.

We recommend approval of the establishment of a new Special Fund in order to transfer and track litigation settlement funds from the City's previous RLF program, and appropriation authority for EWDD in an amount up to \$25,000 in order to fulfill payment obligations for contractual services related to the settlement agreement. EWDD states that, as of April 29, 2016, a total of \$933,059.54 has been received by the City and placed temporarily in EWDD's Fund 45L – Miscellaneous Sources Funds, and that no additional receipts from the settlement are expected. In order to preserve the Council and Mayor's ability to oversee and review the Department's programs, we recommend that EWDD report back, with the assistance of the City Attorney, regarding an evaluation of the City's management and funding options for a long-term commercial and revolving loan fund, once final disposition of the settlement proceeds has been resolved between the City and EDA.

BACKGROUND

In the 1970s and again in the 1990s, the City received grant funding for a revolving loan fund from the

EDA. The federal grants capitalized the City's RLF under Title IX of the Public Works and Economic Development Act of 1965. The purpose of the RLF was to foster economic development in designated underserved areas through small business investment lending and job creation. The total cumulative federal award was \$2,460,000 through the 1990s. In the early 1980s, the City created and then contracted with a non-profit entity, the Los Angeles Local Development Corporation (LALDC), to manage the RLF as the City's Operating Agency in compliance with the applicable federal government codes, regulations, and directives. In 2003, the final Operating Agency Contract (City Contract C-99342) between the City and the LALDC expired. LALDC remained in possession of all RLF assets and did not submit reports to the City nor the EDA.

In 2006, pursuant to the Mayor's Office, the EDA placed the City on notice of material noncompliance of the federal program regulations. The City retained independent accountants to construct the required financial reports and negotiated a temporary regulatory compliance extension with EDA. In 2011, after protracted discussions with LALDC, the City filed a Civil Complaint to recover the City and federal assets in the RLF. After a judicially ordered settlement conference, the lawsuit was settled in February 2015. RLF assets in the settlement package total approximately \$900,000, consisting of the assignment of two loans and the remainder in cash in an amount of approximately \$75,000 (as adjusted through calculation of the final principal balance of the two loans at the time of assignment). The City through the Mayor's Office is currently working with the EDA to resolve its outstanding liability under the original RLF grants. Pending the results of these discussions, EWDD will be responsible for managing the recovered RLF loans and cash balances.

We recommend approval of the request to create a separate fund to enable EWDD to transfer and track the settlement receipts. Upon resolution of outstanding grant issues with EDA, EWDD should report back to the Council and Mayor with an evaluation of the City's management and funding options for a long-term commercial and industrial revolving loan fund, including recommendations for the disposition of the current recovered RLF assets. Additionally, we recommend approval to grant EWDD expenditure authority in these funds in an amount of up to \$25,000 to fulfill payment for auditing contractual services performed on behalf of the City which allowed the City to receive a settlement agreement in the litigation (C.F. 15-0356).

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor,

1. Instruct the General Manager, EWDD, or designee, to:
 - a. Report back in 30 days, with the assistance of the City Attorney, with an evaluation of the City's management and funding options for a long-term commercial and industrial revolving loan fund, including recommendations for the disposition of the settlement funds recovered for the former Citywide Industrial Commercial Revolving Loan Program Fund under Title IX of the Public Works and Economic Development Act of 1965;
 - b. Prepare Controller instructions and/or make any necessary technical adjustments consistent with Council and Mayor action on this Report, subject to approval of the CAO, and instruct the

Controller to implement those instructions;

2. Authorize and instruct the Controller to:

- a. Establish an interest-bearing fund entitled "LA City Industrial-Commercial Revolving Loan Fund XXX" to be administered by EWDD to track receipts and disbursements related the City's former Economic Development Agency's Revolving Loan Fund;
- b. Establish a receivable within the newly established LA City Industrial-Commercial Revolving Loan Fund No. XXX from the Los Angeles LDC, Inc. for \$933,060 received from the Los Angeles Local Development Corporation and other borrowers;
- c. Transfer the cash collected from claim settlements and loan principal and interest payments up to \$933,060 and share of interest income earned temporarily recorded in the Miscellaneous Fund No. 45L to the newly-established LA City Industrial-Commercial Revolving Loan Fund No. XXX;
- d. Establish a new account XXX Consulting and Professional Services within the newly established LA City Industrial-Commercial Revolving Loan Fund No. XXX, and upon receipt of claim settlements, loan payments and other collections, appropriate therefrom up to \$25,000 for related consultant and professional services. Appropriations over \$25,000 and additional appropriation accounts require further Council approval; and
- e. Transfer cash, appropriations, encumbrances, expenditures and other financial transactions related to the loan program previously recorded in the Miscellaneous Fund No. 45L to the newly established LA City Industrial-Commercial Revolving Loan Fund No. XXX.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations comply with the City Financial Policies in that the Special Revenue Fund to be created would be supported by non-General Funds.

MAS:SAM:02160080

HOLLY L. WOLCOTT
CITY CLERK

—
SHANNON D. HOPPE
EXECUTIVE OFFICER

City of Los Angeles CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE
CITY CLERK

NEIGHBORHOOD AND BUSINESS
IMPROVEMENT DISTRICT DIVISION
200 N. SPRING STREET, ROOM 224
LOS ANGELES, CA 90012
(213) 978-1099
FAX: (213) 978-1130

—
MIRANDA PASTER
DIVISION MANAGER

clerk.lacity.org

April 11, 2016

Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council District 13

REGARDING: THE PROPOSED ECHO PARK BUSINESS IMPROVEMENT
DISTRICT

Honorable Members:

The Office of the City Clerk has received a request from the proponent group of the proposed Echo Park Business Improvement District ("District") to amend the consultant contract to allow for continued formation efforts of the District.

BACKGROUND

On April 9, 2010, the City Council (Council File No. 10-0154) authorized the expenditure of up to \$40,000 from the Business Improvement District Trust Fund No. 659, and \$40,000 from the Echo Park Chamber of Commerce or other entity as matching funds for activities related to the establishment of the Echo Park Business Improvement District in Council Districts 1 and 13. The City Council further authorized the City Clerk to prepare, execute, and administer a contract between the City and a consulting firm to be chosen through a request for proposal process to provide consulting services for the formation of the Echo Park Business Improvement District.

A consultant was chosen and awarded the business improvement district formation contract and subsequently delivered three of the seven tasks to form a business improvement district. The contract expired in May of 2013. The proponent group continued to do outreach for the business improvement district formation effort and has submitted a letter dated March 7, 2016 to the City Council requesting the City amend the original contract and allow the consultant to complete the formation. The proponent group has reassessed the proposed area and its needs and is ready to move forward to complete the formation.

SCOPE OF WORK

The City Clerk will provide a supplemental agreement to the original proposed Echo Park Business Improvement District formation contract that will enable the formation effort to continue by utilizing the work previously performed. The supplemental agreement reduces the total contract cost to \$60,000, amends the deliverables and updates the timeline. Additionally, the amendment includes the acceptance of \$20,000 from the proponent group to complete the formation and an initial business improvement district operation date of January 2018.

The Scope of Work for the continuation of the formation activities for the proposed Echo Park Business Improvement District are included in the Amendments section of the attached draft of the Supplemental Agreement to contract Number C-118452. The amount of funds for the Supplemental Agreement include \$15,350 remaining from the original contract and \$20,000 from the Echo Park Chamber of Commerce for a total of \$35,350.

SUMMARY

The City Clerk believes it is in the best interest of the City and the wisest use of the funds already expended on the formation of the proposed Echo Park Business Improvement District to approve the supplemental agreement to the original contract with the deliverables as outlined in the letter from the business improvement district formation proponents. The deliverables are in line with the original agreement and make the best use of the funding available for this proposed formation. The City Clerk believes that a business improvement district formation will result from the amended Supplemental Agreement as proposed.

FISCAL IMPACT

There is no impact on the General Fund.

RECOMMENDATIONS

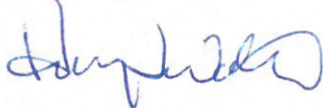
1. FIND that the execution of the Supplemental Agreement to contract C-118452 is necessary for the continuation of business improvement district formation activities.
2. AUTHORIZE and INSTRUCT the City Clerk to execute a supplemental agreement to contract C-118452 with CIVITAS which amends the original contract, subject to the approval of the City Attorney as to form and legality.
3. AUTHORIZE the City Clerk to accept and deposit into BID Trust Fund 659, \$20,000 from the proposed Echo Park Business Improvement District proponent

Honorable Members of the City Council
Page 3

group for the completion of the business improvement district formation prior to the continuation of formation activities.

4. AUTHORIZE the City Clerk to make any clarifications or technical corrections to effectuate the intent of this Council Action.

Sincerely,



Holly L. Wolcott
City Clerk

HLW:SDH:MCP:RMH:rks

Attachments:

Echo Park Business Improvement District Proponent Group Letter
Draft Supplemental Agreement to Contract Number C-118452 between the City of Los Angeles and Civitas Advisors, Inc.

ECHO PARK

CHAMBER OF COMMERCE

March 7, 2016

Honorable Mayor and Council Members
City of Los Angeles
200 N. Spring Street, Room 360
Los Angeles, CA 90012

Re: Echo Park Business Improvement District – Request for Contract Extension

Dear Council Members,

It has been a pleasure working with your team on the Echo Park Business Improvement District. I am writing to provide more information on our request to extend Civitas' contract related to the EPBID. We would like to continue the process in creating a Business Improvement District. We understand that a supplemental agreement with Civitas will be necessary to complete the project. We hereby request that the City: (1) enter into a supplemental agreement with Civitas through August 2017 to complete formation of the EPBID and reduce the total contract price by \$20,000; and (2) accept \$20,000 from the Echo Park Chamber of Commerce for the project.

In the nearly two years since the contract expired, the Echo Park Chamber of Commerce has continued its efforts to build support for the proposed BID. We have been diligently working with property owners and reached a point where there is significant support for the district. In addition, we have earmarked the sum of \$20,000 to complete the district formation. We have kept in contact with Civitas during this period, and agree that there is sufficient support among property owners to create the district.

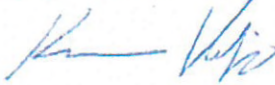
To date, the City has paid Civitas the sum of \$24,650 for work completed on the Echo Park BID project. Pursuant to the contract, the amount paid does not include a fifteen percent withholding equaling \$4,450 (Civitas' invoices totaled \$29,000). A balance of \$11,000 remains from the City's original allocation of \$40,000.

In order to make the investment of \$24,650 already made by the City meaningful, Civitas is willing to complete the project for the remaining balance of available funds (up to \$15,450 from the City and \$20,000 from the Chamber for a total of \$35,450). This is \$20,000 below the original proposed contract price (a total of \$60,000 rather than \$80,000). Further, we understand that additional work will be necessary to update the database, Management District Plan, and Engineer's Report. Civitas has expressed their willingness to take on the additional work at the reduced total contract cost and have proposed the enclosed corresponding payment schedule. The additional \$20,000 is not required in as the Echo Park Chamber of Commerce is willing to act as the non-profit administering the BID.

Please don't hesitate to contact me at (323) 213-9295 or Gina Trechter of Civitas at (951) 285-1461 if you have any questions.

Best regards,

Kamran Valanejad || Echo Park Chamber of Commerce, President || p@epcc.la



Deliverable	Original Date and Price	Amended Date and Price
Feasibility Study	February 2011 - \$10,000	February 2011 - \$10,000
Database	March 2011 - \$5,000	December 2016 - \$8,500
Management Plan & Engineer's Report	December 2011 - \$14,000	January 2017 - \$28,000
Petition Drive	March 2012 - \$8,000	March 2017 - \$6,000
Assessment Ballot Drive	May 2012 - \$3,000	May 2017 - \$5,000
Proof of Nonprofit Status	December 2012 - \$20,000	July 2017 - Free
BID Initial Operation	May 2013 - \$20,000	August 2017 - \$2,500

Supplemental Agreement to Contract Number C-118452
Between the City of Los Angeles and Civitas Advisors, Inc.

This Supplemental Agreement to Contract Number C-118452 ("AGREEMENT") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("CITY") and CIVITAS ADVISORS, INC. ("CONSULTANT") with reference to the following:

WHEREAS, CITY and CONSULTANT have entered into an AGREEMENT for the performance of services related to providing consultant services for the proposed establishment of the Echo Park Business Improvement District; and

WHEREAS, the term of the Agreement expired May 1, 2013 and the CITY and the contract services remain as required by CITY;

WHEREAS, the CITY and the CONSULTANT agree to continue their contractual relationship through August 1, 2017 in order to allow the CONSULTANT to continue providing services; and

WHEREAS, the proponent group for the proposed establishment of the Echo Park Business Improvement District has sent a letter to the City Council asking that the BID formation continue to completion: and

NOW, THEREFORE, CITY and CONSULTANT agree that the AGREEMENT be supplemented effective upon attestation with the following amendments:

AMENDMENT

1. Section 1, TERM OF THE AGREEMENT. Section 1 shall be amended to read in its entirety as follows:

1.1 The term of this AGREEMENT will commence on the date of attestation by the City Clerk, and will, unless otherwise terminated as set forth herein, end on August 1, 2017. Said term is subject to the provisions herein. Performance shall not commence until the contractor has obtained the CITY'S approval of the insurance required in CITY'S Standard Provisions PSC-18 herein.

2. Section 2, TOTAL AMOUNT OF FUNDS. Section 2 shall be amended to read its entirety as follows:

2.1 The total amount of funds to be disbursed under this AGREEMENT will not exceed \$60,000. Of the total funds available, \$40,000 comes from the

CITY CLERK and the remaining \$20,000 comes from the Echo Park Community, including the Echo Park Chamber of Commerce and other business entities in the target BID area.

3. Section 4, PERFORMANCE SCHEDULE. Section 4 shall read in its entirety as follows:

- 4.1 CONSULTANT shall perform tasks listed in APPENDIX 1, Amended Maximum Fee and Performance Schedule for the Proposed Echo Park BID.

4. Section 7, COMPENSATION AND METHOD OF PAYMENT. Section 1 shall be amended to read in its entirety as follows:

- 7.1 The following are authorized to bill under this AGREEMENT:

A. CIVITAS

John Lambeth

Gina Trechter

Nathan Hyde

Melanee Cardoza

Giancarlo Cretaro

B. SUBCONTRACTOR

Orin Bennett, Bennett Engineering Services

5. Section 9, NOTICES AND REPRESENTATIVE OF THE PARTIES. Section 9 shall be amended to read in its entirety as follows:

- 9.1 The representatives of the parties who are authorized to administer this AGREEMENT and to whom formal notices, demands, and communications will be given are as follows:

CITY: Holly L. Wolcott, City Clerk
City of Los Angeles
City Hall, Room 360
200 North Spring Street
Los Angeles, California 90012

CONSULTANT: John Lambeth, President
c/o CIVITAS
1102 Corporate Way, Ste. 140
Sacramento, CA 95831

6. Appendix 1, PERFORMANCE SCHEDULE. Appendix 1 shall be amended to read in its entirety as follows: 'Appendix 1 Amended Maximum Fee and Performance Schedule for The Proposed Echo Park BID' as shown as follows on the chart in Appendix 1.
 7. Except as herein amended, all other provisions and conditions of Contract Number C-118452 shall remain in full force and effect.
-

IN WITNESS WHEREOF, this AGREEMENT is duly executed by CITY and CONSULTANT.

APPROVED AS TO FORM:

MICHAEL N. FEURER, City Attorney

CITY:

CITY OF LOS ANGELES, a municipal corporation, acting by and through its Office of the City Clerk

By: _____
Deputy City Attorney

By: _____
HOLLY L. WOLCOTT
City Clerk

Date: _____

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

CONSULTANT:

CIVITAS ADVISORS, INC., an economic development consultant

By: _____
Deputy

By: _____
JOHN LAMBETH
President

Date: _____

Date: _____

C-118452 S-1
Agreement No.

10-0154
Council File No.

**AMENDED MAXIMUM FEE AND PERFORMANCE SCHEDULE
FOR THE PROPOSED ECHO PARK BID**

DELIVERABLES	ORIGINAL AMOUNT & COMPLETION DATE	AMENDED AMOUNT & COMPLETION DATE
DELIVERABLE 1 – FEASIBILITY STUDY Including, but not limited to: Surveying POTENTIAL ASSESSEES utilizing written surveys, focus groups, and/or interviews to determine probability of success of creating a BID in the proposed area. <u>Deliverable:</u> Report detailing the results of the feasibility study. Provide proposed boundaries to Analyst. Proof of contact with each POTENTIAL ASSESSEE (e.g. copy of mailing list, copy of sign in sheets from scoping meetings, etc.)	FEBRUARY 2011 ----- \$10,000	FEBRUARY 2011 ----- \$10,000
DELIVERABLE 2 – DATABASE OF POTENTIAL ASSESSEES Including, but not limited to: Developing a current DATABASE, as defined in Section 2 of this RFP, that is satisfactory to the CITY CLERK and updated as needed. <u>Deliverable:</u> A current DATABASE in Microsoft Office Excel format; property assessment and other data; and a report of CITY-owned property.	MARCH 2011 ----- \$5,000	DECEMBER 2016 ----- \$8,500
DELIVERABLE 3 – MANGEMENT DISTRICT PLAN AND ENGINEER'S REPORT Including but not limited to: Developing a BID MANAGEMENT DISTRICT PLAN in conjunction with a REGISTERED PROFESSIONAL ENGINEER, the PROPONENT GROUP, and the CITY CLERK pursuant to all applicable laws and Sections 3 and 4 of this RFP. <u>Deliverable:</u> A MANAGEMENT DISTRICT PLAN supported and accompanied by a legible map with parcels easily identifiable and a stand-alone detailed ENGINEER'S REPORT.	DECEMBER 2011 ----- \$14,000	JANUARY 2017 ----- \$28,000
DELIVERABLE 4 – PETITION DRIVE Including but not limited to: Creating a PETITION in a format approved by the CITY CLERK and obtaining signatures adhering to the requirements of Sections 3 and 4 of this RFP, the CITY CLERK and all applicable laws. <u>Deliverable:</u> Draft and final signed copies of PETITIONS adhering to the requirements of the CITY CLERK and all applicable laws and submitted by the deadline determined by the CITY CLERK.	MARCH 2012 ----- \$8,000	MARCH 2017 ----- \$6,000
DELIVERABLE 5 – ASSESSMENT BALLOT DRIVE Including but not limited to: Providing supplemental and mailing materials for an ASSESSMENT BALLOT drive as approved by the CITY CLERK, including an updated DATABASE, related to the ASSESSMENT BALLOT drive as required by the CITY CLERK and all applicable laws <u>Deliverable:</u> Submit an updated DATABASE, mailing materials, and copies of the final CITY CLERK approved MANAGEMENT DISTRICT PLAN, ASSESSMENT BALLOT completion instructions, and all additional documentation as required by the CITY CLERK and applicable laws by the deadline determined by the CITY CLERK	MAY 2012 ----- \$3,000	MAY 2017 ----- \$5,000
DELIVERABLE 6 – PROOF OF NONPROFIT STATUS Including but not limited to: Documentation associated with CONTRACTOR'S assistance to CITY with identifying a NON-PROFIT ORGANIZATION that could administer the BID <u>Deliverable:</u> Copies of the tax-exemption letter from either the Internal Revenue Service or the California Franchise Tax Board; Articles of Incorporation approved by the California Secretary of State; Bylaws; and letter of exemption for a business tax license from the City of Los Angeles Office of Finance Tax and Permit	DECEMBER 2012 ----- \$20,000	JULY 2017 ----- GRATIS
DELIVERABLE 7 – BID INITIAL OPERATION Including but not limited to: Assist appointed NON-PROFIT ORGANIZATION to begin BID operation and ensure compliance with ADMINISTRATIVE CONTRACT requirements (In the event the BID is established and approved by City Council) <u>Deliverable:</u> Original executed ADMINISTRATIVE CONTRACT and Standard Provisions completed by owners association, including certificates of required insurance; copies of minutes from meetings showing adherence to the Brown Act; draft copies of 1 st quarter newsletter and activity report.	MAY 2013 ----- \$20,000	AUGUST 2017 ----- \$2,500

(NOTE: The total amount of the contract has decreased from \$80,000 to \$60,000. No additional funds are added for completion of the contract.)

\$80,000

\$60,000

CITY OF LOS ANGELES

CALIFORNIA



Workforce Development Board
City of Los Angeles

Workforce Development Board
CHARLES WOO
CHAIR



ERIC GARCETTI
MAYOR



Economic and Workforce
Development Department
JAN PERRY
GENERAL MANAGER

April 21, 2016

Council File No.:
Council District Nos.: All
Contact Person and Phone:
Robert Sainz: 213-744-7396

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall

City Council
c/o City Clerk
Room 395, City Hall

Attention: Mandy Morales, Legislative Coordinator

COMMITTEE TRANSMITTAL: AUTHORIZATION TO ACCEPT \$2,480,333 IN LOS ANGELES COUNTY YOUTH JOBS (LACYJ) PROGRAM FUNDS FOR IMPLEMENTATION OF YOUTH WORK EXPERIENCE PROGRAMS

RECOMMENDATIONS

The General Manager of the Economic and Workforce Development Department (EWDD) and the Chairman of the Workforce Development Board (WDB) respectfully request that the Mayor and City Council:

1. AUTHORIZE the General Manager of EWDD, or designee, to accept \$2,480,333 in funds from Los Angeles County Department of Community and Senior Services and to execute grant agreements and/or unilateral amendments with the County of Los Angeles for receipt of funding for implementation of a youth work experience program.
2. AUTHORIZE the General Manager of EWDD, or designee, to contract with the providers listed on Attachment A to provide youth services from April 1, 2016 through June 30, 2016.

WDB ACTION

The Workforce Development Board (WDB) approved the Table of Service Providers (Attachment A) and their individual allocation of funds at the April 5, 2016 WDB and Youth Council Joint Quarterly Meeting. The WDB also approved acceptance and expenditure of up to \$8,000,000 in LACYJ grant funds at the WDB Executive Committee meeting on May 27, 2015, in conjunction with the Year 16/PY 2015-16 Annual Plan. The allocation of \$2,480,333 discussed in this transmittal represents a portion of the \$8,000,000 already approved in the Annual Plan (see page 5-1 of the City of Los Angeles WDB Year 16/PY 2015-16 Annual Plan).

FISCAL IMPACT

There is no negative impact on the General Fund as all items are funded through this grant award. Recommendations contained herein provide full cost recovery for all related costs.

BACKGROUND

LOS ANGELES COUNTY FUNDS \$2,480,333

In February 2016, the County of Los Angeles Department of Community and Senior Services (DCSS) advised EWDD of its award of \$2,480,333 in County funds for provision of youth work experience services and program evaluation services. Program participation is targeted to youth 14-18 years old who receive Temporary Aid to Needy Families (TANF) funds, foster youth 14-21 years old, and low income youth age 14-24. The term of the award is April 1, 2016 through June 30, 2016.

COUNTY FUNDING ALLOCATION BY AREA

AREA	Funding Amount	# of Youth Jobs
Central	\$370,458	198
South	\$722,206	386
East	\$267,553	143
North Valley	\$290,005	155
South Valley	\$248,843	133
Harbor	\$102,905	55
West	\$84,195	45
CSUN Program Evaluation	\$161,333	0
EWDD Administration	\$232,835	0
TOTALS	\$2,480,333	1,115


PROGRAM OVERVIEW

The program goals are to provide 1,115 youth with the opportunity to gain work experience, to participate in personal development workshops on topics that include work readiness and financial literacy, and to earn wages. Participants will be placed in work experience with non-profit, governmental, and private sector worksites and will work toward completion of 120 hours. Supportive services, such as transportation assistance, background checks, and uniforms will also be provided.

The program will be implemented through the EWDD's YouthSource system contractors and through organizations procured through the 2013 Youth and Young Adult System Support Request for Qualifications (RFQ). A notification of available additional County funding for the provision of youth jobs program services during the April-June 2016 period was sent to the 18 eligible PY 2015-16 youth jobs program contractors on March 11, 2016. Of the 18 eligible youth jobs program contractors, 15 contractors requested to participate. A program allocation was developed (see Attachment A), and the 1,115 youth jobs to be funded through the program were allocated by area using percentage of poverty data.



JAN PERRY
General Manager



CHARLES WOO
Chair
Workforce Development Board

JHP:LS:NH
Attachment A: Table of Service Providers


ATTACHMENT A
TABLE OF SERVICE PROVIDERS
City of Los Angeles EWDD
PY 2015-16 LA County Youth Jobs Program
April - June 2016

AGENCY	Central	South	East	N. Valley	S. Valley	Harbor	West	TOTAL	FUNDING
Archdiocesan Youth Employment Services of Catholic Charities	65	55						120	\$224,520
Community Career Development	30							30	\$56,130
El Proyecto del Barrio, Inc.				90	90			180	\$336,780
Goodwill Industries			18					18	\$33,678
Housing Authority of the City of Los Angeles		36	20					56	\$104,776
Los Angeles Community College District -- Los Angeles Harbor College						20		20	\$37,420
Los Angeles Unified School District		190	20	35	43	20		308	\$576,268
Managed Career Solutions	23	30				15		68	\$127,228
Para Los Ninos			60					60	\$112,260
The Regents of the University of California (UCLA)	60						45	105	\$196,455
UAW-LETC		20						20	\$37,420
Watts Labor Community Action Committee		30						30	\$56,130
Youth Opportunity Movement -- Boyle Heights			25					25	\$46,775
Youth Opportunity Movement -- Watts		25						25	\$46,775
Youth Policy Institute	20			30				50	\$93,550
CSUN Program Evaluation									\$161,333
Total	198	386	143	155	133	55	45	1,115	\$2,247,498

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: April 18, 2016

TO: Honorable Members of the Ad Hoc on Comprehensive Job Creation Plan Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No: 15-0842
Assignment No: 16-04-0294

SUBJECT: Study on the Regulatory Climate of Various Cities

Summary:

On July 2, 2015, Motion (Wesson – Price) was introduced, which highlighted the unintended but significant costs of local regulations on business and economic growth (CF: 15-0842). The significant implications for businesses, in terms of regulations and rules, could place a disproportionate burden on small businesses due to the margins of capital to run a small firm, creating a “compliance burden.” As stated by the Motion, regulations naturally accumulate and layer on top of existing rules, at times resulting in duplicative and outdated rules with which the business community must comply. Although regulations are a necessity for facilitating economic activity and enabling a fair business environment, current regulatory environments are often cumbersome and confusing, creating a continual need for refined regulations that are simple and expedient for businesses.

As stated by the Motion, accumulation of regulations over time affects how a company allocates existing time and resources. At times, this results in the shifting of attention and priorities towards compliance, and could prevent companies from focusing on innovation and growth. In addition, an overabundance of compliance and regulations may make the City less competitive compared to other local jurisdictions nationwide. As a result, the Motion was introduced in order to allow for the City Council as policymakers to improve the current business climate by retrospectively reviewing current regulations, and cultivate a less cumbersome regulatory environment.

To begin evaluating the City’s current regulatory environment, we have reviewed information obtained from the U.S. Chamber of Commerce Foundation’s Regulatory Climate Index (2014) of local jurisdictions’ regulatory environments including the regulations of the City of Los Angeles. In analyzing the regulations of other cities, this information will serve as a platform to help initiate discussion on the review of current regulatory codes pertaining to the current climate surrounding business development, recruitment, and retention in the City of Los Angeles, and as requested by Motion (Wesson – Price), focus on:

1. Existing regulations using a formal process to analyze the current regulatory code and develop reform proposals
2. Search for regulations that create redundancy and/or contradict

3. Reducing compliance costs
4. Encouraging innovation
5. Fostering growth
6. Protecting public health and safety
7. Improving competitiveness

The final report will review this and other studies, as well as updates to information that may be available.

Summary of Results:

The following is an analysis of the Regulatory Climate Index (2014) by the U.S. Chamber of Commerce Foundation, which analyzes the regulatory climate of 10 cities nationwide and are as follows: Dallas, St. Louis, Raleigh, Boston, Atlanta, Detroit, Chicago, Los Angeles, San Francisco, and New York City. The 10 cities that were selected represent a wide range of economic and demographic backgrounds of small and large cities from across the region. For the purposes of this report, in order to make a comparison relative to the regulatory climate of Los Angeles, the four other cities that were selected represent the cities considered to be among the least burdensome to small businesses (Dallas, TX and Raleigh, NC) to the most burdensome (San Francisco, CA and New York City, NY). According to the Regulatory Climate Index, the City of Los Angeles is considered to have one of the most burdensome regulatory environments. However, the City in 2014, outperformed the other two large metropolitan cities in this report. To effectively improve the regulatory environment of Los Angeles, the City can learn from the best practices of other jurisdictions that are considered to be the most competitive and adapt to the lessons learned from business regulation.

Although there are sizable variations in the cities selected, it is important to keep in mind that this analysis evaluates the administrative procedures of several areas of business regulation, and that the business climate may have changed since the study was conducted. However, this study is useful for evaluating regulatory environments as it provides a snapshot of other cities. The scores that are given to each city are calculated through the simple average of scores from five areas of business regulation: starting a business, processing of construction permits, registration of property, payment of taxes, and enforcement of contracts. The average scores for the regulatory climate of a city is ranked relative to other cities represented within the study.

City	Average Score	Ranking
Dallas	89.5	1
Raleigh	73.7	3
Los Angeles	47.9	8
San Francisco	41.3	9
New York City	34.7	10

The scores for each area of business regulation are calculated by averaging the normalized values associated with the following three areas: the number of procedures, number of days, and the costs

associated with each regulation. The three areas associated with each business regulation, relative to each individual city, are normalized with respect to the maximum and minimum values of the 10 cities from the Regulatory Climate Index. The assumptions used for the evaluation of each area of business regulation are included within Attachment 1 (Assumptions) of this report.

Starting a Business:

Los Angeles and San Francisco are both tied for the top ranking position for starting a business. Starting a business in both cities is relatively easy compared to other cities in the analysis as it takes the lowest number of procedures, requires the lowest amount of time, and has the least amount of administrative costs of the 10 cities that were part of the study. Differences in the average scores associated with starting a business in Raleigh, Dallas, and New York City are a result of more procedures and higher costs associated with respect to each city. New York City has proven to be the most difficult environment to start a business as it requires businesses to post two advertisements for six consecutive weeks in local newspapers and \$1,306 in administrative costs to register and start a business, creating a burden for small businesses.

Starting a Business								
	Procedures		Time		Cost		Average Score	Rank in Larger Analysis
	Number of Procedures	Score	Number of Days	Score	Cost	Score		
Los Angeles	4	100	5	96	\$70	100	98.8	1
San Francisco	4	100	5	96	\$70	100	98.8	1
Raleigh	5	67	5	96	\$155	93	85.4	6
Dallas	5	67	6	93	\$300	81	80.3	7
New York City	7	0	8	86	\$1,306	0	28.6	9

Processing Construction Permits:

The two cities that have demonstrated to be the most accessible and efficient with regard to processing construction permits (pre- and post-construction phases) are Raleigh and Dallas. Both achieve the best performance in terms of costs of permits, minimal procedures, and waiting times. Dallas has a streamlined permitting and licensing process that is expedited as businesses apply and attain construction permits. Raleigh, the top ranking performer in construction permits, also has an expedited process for applying and receiving construction permits, and outranks Dallas due to its lower procedures and processing times.

The cities of Los Angeles and San Francisco have demonstrated to be the most difficult for processing construction permits. Los Angeles and San Francisco's lower ranking are a result of the unique regulatory environments of the State of California. Due to State law, both cities are subject to zoning and environmental reviews (i.e. CEQA), which contribute to the long processing times. In addition to this, Los Angeles and San Francisco have higher costs for permits, which

represent nearly 3 percent of total cost of construction. More specifically, Los Angeles has higher costs due to fees associated with building permit plan and approval fees as well as the arts development fees.

Dealing with Construction Permits								
	Procedures		Time		Cost		Average	Rank in
	Number of Procedures	Score	Number of Days	Score	Cost	Score	Score	Larger Analysis
Raleigh	13	100	39	100	\$12,927	97	99.0	1
Dallas	14	83	49	93	\$9,900	100	92.1	2
New York City	15	67	79	72	\$32,060	77	72.2	5
Los Angeles	14	83	105	54	\$85,841	23	53.5	7
San Francisco	19	0	184	0	\$108,063	0	0.0	9

Registering Property:

Another area of business regulation that is integral for this analysis is the registration of property, which occurs during commercial building transactions between businesses. A distinct feature that makes Dallas the top performer in the category of registration of property is its absence of a real estate transfer tax both at the state and local levels. This significantly lowers transactional costs for small businesses. Raleigh also ranks higher amongst the other cities in terms of the registration of property. Similarly to Dallas, Raleigh has higher procedural efficiency and lower waiting times when transferring property in a commercial sale. A distinguishing factor of Raleigh is its lower administrative cost, which is the lowest amongst the 10 cities from the analysis.

In contrast, although Los Angeles is third amongst the cities sampled in the following table, in the larger analysis of the 10 cities from the study, Los Angeles ranks near the bottom. This is a result of the higher waiting times and administrative costs for transferring commercial real estate. In comparison to the higher ranked cities, Los Angeles has a higher real estate transfer tax that places an additional burden on small businesses and raises the transactional costs. In contrast, New York City, of the 10 cities that were part of the study, has the highest cost for the registration of property due to their real estate transfer and real property tax, as well as their mortgage recordation tax.

Registering Property								
	Procedures		Time		Cost		Average	Rank in
	Number of Procedures	Score	Number of Days	Score	Cost	Score	Score	Larger Analysis
Dallas	4	100	7	100	\$19,763	93	97.6	2
Raleigh	5	67	8	67	\$13,391	96	76.6	4
Los Angeles	5	67	10	0	\$28,318	90	53.5	7
San Francisco	5	67	10	0	\$35,888	87	51	8
New York City	7	0	10	0	\$249,383	0	0	10

Paying Taxes:

Of the cities studied from the larger analysis, the city of Dallas is identified as the most business friendly due in significant part to its lower taxes. Dallas, and cities within the state of Texas in general, have a lower employment tax and no corporate income tax. The absence of some taxes and minimal charge for other taxes helps to significantly reduce the tax burden on entrepreneurs and small businesses, creating an attractive regulatory environment for investment. Similarly, Raleigh has a friendly tax code and a decreased tax burden, with a moderate corporate income tax of 6 percent and low employment and sales taxes.

In contrast, the City of Los Angeles has among the highest taxes for business owners of the 10 cities that were part of the study. Of the cities covered in this report, small businesses in the City of Los Angeles face the most burdensome tax system, as small companies face higher corporate tax rates, higher sales tax rates, and additional regulations. At the time of the U.S. Chamber of Commerce Foundation's study (2014), Los Angeles required a business tax of 5.07 percent per \$1,000 on gross receipts greater than \$100,000 for professional services companies. As of 2016, the business tax on professional services companies is 4.75 percent per \$1,000 on gross receipts over \$100,000. Due to this decrease in the business tax, the City of Los Angeles may have an adjusted ranking within a future update of the Regulatory Climate Index in this area of business regulation. Businesses in Los Angeles, as well as San Francisco, are also required to pay 1 percent of state disability insurance per employee per year.

Paying Taxes						
	Procedures		Time		Average Score	Rank in Larger Analysis
	Taxes Paid	Score	Number of Payments	Score		
Dallas	\$174,210	100	28	100	100	1
Raleigh	\$198,510	76	33	50	63	3
New York City	\$219,024	56	33	50	52.9	6
San Francisco	\$255,337	20	38	0	10.1	9
Los Angeles	\$275,766	0	38	0	0.0	10

Enforcing Contracts:

The enforcement of contracts within a local jurisdiction's court system is an important aspect of regulation for business owners as it ensures that business agreements are protected under the law. The most integral aspects in the enforcement of contracts are the time and costs required by courts, as they provide an indicator for the maintenance and protection of cities' business environments. The wide variations in the enforcement of contracts throughout the analysis is a result of the total waiting times for steps in the administrative process. In the larger analysis, with regards to the 10

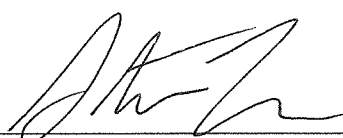
cities studied, Dallas is ranked 4th in the enforcement of contracts. Dallas falls short relative to the higher ranked cities due to the higher volume of procedures that are required to enforce a contractual agreement.

Of the 10 cities that were part of the study, the lowest ranked cities in the enforcement of contracts are Los Angeles and New York City. Both of these cities are subject to a higher number of procedures for enforcing contracts. The most significant factor that contributes to their low rankings are waiting times and administrative costs. For the enforcement of a contract in Los Angeles and New York City, businesses could expect to wait more than a year to settle a dispute through the litigation phase. In New York City, a business owner could wait over a year and a half to settle a contractual dispute.

Enforcing Contracts								
	Procedures		Time		Cost		Average Score	Rank in Larger Analysis
	Number of Procedures	Score	Number of Days	Score	Cost	Score		
Dallas	20	60	180	89	\$325	82.2	77.1	4
San Francisco	23	0	205	83	\$500	56.3	46.4	6
Raleigh	22	20	313	54	\$470	60.7	44.9	7
Los Angeles	23	0	305	56	\$545	49.6	35.2	8
New York City	20	60	511	0	\$880	0	20.0	9

CLA Recommendation: Note and file.

Fiscal Impact: None.


 Steve Luu
 Analyst

Attachment 1: Table – Assumptions to Construct the Regulatory Climate Index

Attachment 2: Motion (Wesson – Price)

Attachment:

Table 1.
Assumptions to Construct the Regulatory Climate Index

Areas of Regulation	Assumptions	Simple Average of the Component Scores
Starting a Business	The business entity is a limited liability company (LLC) with more than one owner that provides professional services; the LLC has \$4 million annual revenues and employs 20 workers; the LLC is not qualified for any special economic assistance.	33% procedures 33% time 33% required fees
Dealing with Construction Permits	A local construction company, with less than \$33.5 million annual revenues, builds a 3-story, 15,000-square-foot commercial office; the total construction costs are \$3,000,000; the new professional building is not located in a special economic zone and does not need additional special permits, such as historical zone and wetlands; the construction project is assumed to be free from environmental issues.	33% procedures 33% time 33% required fees
Registering Property	Buyers and sellers are local LLCs; the property is a new commercial building of 3 stories, 15,000 square feet; the property sells for \$4,000,000; the deed of the property is 15 pages long; the new professional building is not located in a special economic zone, and the professional building does not require any additional special permits or certifications.	33% procedures 33% time 33% required fees
Paying Taxes	The company provides professional services (e.g., accountant and IT services); the company has \$4 million annual revenues; profits are 15% of \$4 million revenue (\$600,000); the company employs 20 workers (half are singles and half are married); the labor share is 20% of revenues (\$800,000); the company is not qualified for any special economic assistance.	50% number of payments per year 50% the amount of tax paid
Enforcing Contracts	Plaintiffs and defendants are local LLCs doing business and based in the same city; plaintiffs request and obtain attachment of defendants' movable assets; the value of dispute is \$1 million; the lawsuit is brought in the lowest court in the state system with jurisdiction for the claim; professional fees for lawyers and expert witnesses are not included; only interactions mandated between the court, the plaintiff, and the defendant count as a procedure; communication from the court to parties counts as a procedure only if it requires parties to comply.	33% procedures 33% time 33% required fees

MOTION ECONOMIC DEVELOPMENT

The natural accumulation of local regulations over time imposes an unintended but significant cost to business and economic growth. Regulations naturally accumulate and layer on top of existing rules, sometimes resulting in a maze of duplicative and outdated rules the business community must comply with. However, no effective process currently exists for retrospectively improving or removing regulations. It is important for the City Council as policymakers, to carefully lower unforeseen obstacles to innovation and growth imposed by past regulatory measures.

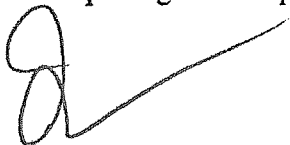
Our current regulatory approval process is focused on individual regulations. But regulations are hardly ever applied individually as a discrete entity – once approved, they are added to the list of regulations companies must already comply with. As the number of approved regulations grows, they inevitably interact in ways we may not expect. And when taken together, multiple regulations can overlap or conflict, and can interfere with a company's willingness and ability to innovate.

The accumulation of regulations over time affects how company management allocates their time and resources. After a certain point, a company will shift its attention and priority toward compliance with rules, and away from innovation or company growth. As the regulatory code grows, people are more likely to make mistakes and are often less motivated to comply. Too many regulations can actually have the opposite effect of what the regulation was intended to accomplish, because excessive regulations hamper a company's ability to operate effectively.

The City of Los Angeles needs to improve the current business climate in order to cultivate an environment that promotes job creation and innovation. The City can take steps to create a less cumbersome environment in which to operate a business if it were to retrospectively review current regulations in order to explore the possibility of crafting a regulatory policy that imposes as few burdens as possible, without compromising innovation, public safety and worker protections.

The City should be guided by a set of regulatory principles that serve as a basis for future actions:

1. Regulations should be used only as a tool to achieve a policy objective as a last resort; the use of regulations indicates the failure of other means to achieve the objective;
2. The cost of a regulation should be no greater than the value of the benefit created for the community;
3. Regulations must be written to ensure the imposition of the minimum possible constraints upon the community;
4. Regulations must be simple, fair and enforceable;
5. The regulation should clearly benefit the consumer or the public;
6. The regulation should complement other laws and rules; and,
7. Local regulations should not exceed federal and state standards unless there is a compelling and uniquely local reason.




WE THEREFORE MOVE, to instruct the Chief Legislative Analyst (CLA), the City Administrative Officer (CAO), in coordination with the City Attorney and other relevant city agencies, to be guided by the principles stated above and report back on the current regulatory code as it pertains to the current climate surrounding business development, recruitment and retention in the City of Los Angeles with a focus on:

1. Existing regulations using a formal process to analyze the current regulatory code and develop reform proposals
2. Search for regulations that create redundancy and/or contradict
3. Reducing compliance costs
4. Encouraging innovation
5. Fostering growth
6. Protecting public health and safety
7. Improving competitiveness

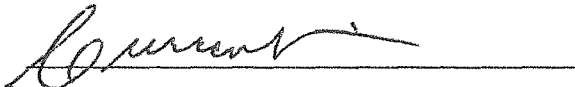
WE FURTHER MOVE, that the CLA and CAO, and other relevant city agencies, report back on the development of innovative and developing “shared economy” or “on-demand” business models, to ensure that the City’s current regulations keep pace with new ways of doing things, and to ensure that the City of Los Angeles is at the forefront of the development of new and innovative 21st century business models.

WE FURTHER MOVE, that the CLA and CAO, and other relevant city agencies, conduct a cost benefit analysis on current regulations that affect the areas listed above.

**PRESENTED
BY**


HERB J. WESSON, JR.
Councilmember, 10th District

**SECONDED
BY**



ORIGINAL

JUL 1 2015

MOTION ECONOMIC DEVELOPMENT

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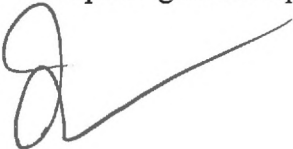
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**PRESENTED
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HERB J. WESSON, JR.
Councilmember, 10th District

**SECONDED
BY**




ORIGINAL

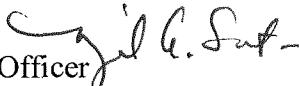
JUL 1 2015

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: April 15, 2016

TO: Honorable Members of the Ad Hoc Committee on Comprehensive Job Creation Plan

FROM: Sharon M. Tso 
Chief Legislative Analyst Council File No. : 13-1090
Assignment No. : 16-03-0208

Miguel A. Santana 
City Administrative Officer Assignment No: 0220-05229-0000

SUBJECT: Citywide Economic Development Strategy

SUMMARY

This report responds to a Motion (Huizar – Cedillo, C.F. 13-1090) and a number of Committee instructions as described in the Related Actions section of this report. These instructions direct the Office of the Chief Legislative Analyst (CLA) and the Office of the City Administrative Officer (CAO) to report on the Economic and Workforce Development Department's (EWDD) efforts to create and implement a Citywide Economic Development Strategy. In response, this report provides: (1) elements that should be considered in an economic development strategy; (2) the City's organizational restructuring of economic development activities; (3) existing policy and new financing authorities that should be considered in a Citywide Economic Development Strategy; and (4) recommendations for EWDD to prepare a Request for Proposals (RFP) for the selection of a contractor to prepare the strategy, work with other departments in defining the RFP's scope of work, and report back to Mayor and Council.

EWDD's role has been shaped by its founding Ordinance and its ability to respond to the City's evolving economic development needs. Within the last four years, the City's economic development efforts have undergone significant restructuring, due in part to the dissolution of the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) and the Community Development Department (CDD). Given the department's experience in the last three years, this is an ideal time to identify areas that need coordination, restructuring or reinforcement for the department to form a foundation for a Citywide Economic Development Strategy. A multi-year Economic Development Strategy could lay out a clear vision for growth with goals and objectives that the City departments and stakeholders can work toward. The Economic Development Chapter of the General Plan and new financing tools available to the City to carry out economic development activities should also be considered in the strategy.

Funding for consultant costs for the development of a Citywide Economic Development Strategy is available in the Adopted Fiscal Year 2015-16 Unappropriated Balance (UB), Economic Development Initiative. This UB item has a current total of \$1.5 million for economic development activities, including strategic planning. The City Administrative Officer anticipates requesting the

balance of the Economic Development Initiative UB funding to be reappropriated for the 2016-17 Fiscal Year in the 2015-16 Year-End Financial Status Report to Council.

RECOMMENDATIONS

That the Council:

1. Authorize the General Manager, Economic and Workforce Development Department (EWDD), or designee, to prepare a Request for Proposals (RFP) for the selection of a consultant to prepare a Citywide Economic Development Strategy, subject to the review and approval of the City Attorney, and report back to Mayor and Council; and
2. Instruct the General Manager, EWDD, or designee, with the assistance of other departments as appropriate, to develop the Scope of Work for the RFP relative to the Citywide Economic Development Strategy.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund.

BACKGROUND

EWDD Prior Reports Relative to an Economic Development Strategy

In 2014 and 2015, EWDD prepared several reports addressing its role in forming an economic development strategy. In the March 27, 2015 report, EWDD recommends the adoption of the economic development work plan from prior April 7 and May 16, 2014 reports. In its latest report dated November 12, 2015, EWDD outlines EWDD goals to fulfill the department's purpose, including:

- Revitalize communities
- Generate economic growth and development
- Expand the job base within the City
- Increase City revenues
- Eliminate the complexity of the economic development processes and policies within the City
- Attract new businesses and industries to the City
- Retain existing businesses and industries

Our Offices recommend that the goals outlined in the November 12, 2015 report be addressed as the larger citywide strategy takes shape.

Economic Development Strategy

EWDD's reports outline the department's purpose under the Ordinance and goals that EWDD established to fulfill this purpose. These reports provide information on departmental work efforts, but do not provide a description of the City's economic development goals and objectives that guide this work. A long-term strategy with clear goals and objectives, short and long-term recommendations for programs and resource planning backed by community support can serve as a blueprint for the City's future economic development initiatives and allocation of resources. The strategy should consider and incorporate, at minimum:

- **Inter-departmental Coordination** - Roles and responsibilities for other departments that play a role in economic development initiatives throughout the City.
- **Existing Policies and Plans** – The (a) Economic Development chapter of the General Plan which outlines City's the policies and goals for economic growth. As an update to the General Plan is forthcoming, the department should propose recommendations for revisions, as necessary, to make more relevant to current economic conditions; and (b) Comprehensive Economic Development Strategy (CEDS) to align regional economic strategies and facilitate future CEDS updates.
- **Regional Conditions** - In January 2016, the Los Angeles County Board of Supervisors released the *Los Angeles County Strategic Plan for Economic Development*. This report can serve as a resource in assessing how the City can best align its goals with regional efforts.
- **Shared Vision** - Input from elected officials, City departments, and community stakeholders, including residents, business representatives, and economic development non-profits.
- **Mayor and Council Initiatives** – Recently proposed initiatives relative to creating a Small Business Commission, developing City-owned properties, exploring new economic development incentive zones, other initiatives currently proposed for Council consideration, and any economic development initiatives identified by the Mayor's Office.
- **Citywide Business Incentive Plan** – Create and maintain a Citywide Business Incentive Plan which would include a comprehensive list of existing incentives available to businesses in the City and identify any new incentives for Council consideration, based on a business services gap analysis. (This recommendation is also made under separate cover relative to Jobs and Economic Development Incentive Zones [JEDI Zones, C.F. 13-0934-S2]). Further, there should be effective marketing and facilitation of all Citywide incentives to current and prospective business owners.
- **Resources** – Resources needed to implement the strategy.

- **Metrics** – Metrics or performance indicators that can be used to track the strategy's progress and outcomes.

Our Offices recommend that EWDD work with a third-party consultant, as necessary, to prepare a Citywide Economic Development Strategy, including the components described in this report.

Recent Economic Development Organizational Restructuring

There has been significant changes affecting the City's delivery of economic development services. Prior to the formation of EWDD, several entities carried major economic development functions. Below is an overview of the departments and their previous roles. Upon the dissolution of these departments, EWDD was formed and absorbed some of these roles as noted below.

Former CRA/LA and Community Development Department - In 2012, when the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) dissolved, a number of functions, including asset management and development of CRA/LA-owned sites, were absorbed by City departments (e.g. City Administrative Officer, Housing and Community Investment Department, and General Services Department). EWDD is now assisting with many of these functions in effort to facilitate the development of City-owned properties for economic development purposes.

EWDD - On July 1, 2013, the Community Development Department was dissolved and EWDD was established. Some of the functions assumed by EWDD include: WorkSource and YouthSource Centers; BusinessSource Centers; Hire LA Youth; Industrial Development Authority; Day Laborer Program; and City Loans (Section 108). As a result of the dissolution, EWDD was established with 30 positions in its Economic Development program, and tasked with continuing certain economic development activities under the Housing and Community Development Consolidated Plan as well as planning, coordinating, and managing economic development activities within the City. Over the course of the 2013-14, 2014-15 and 2015-16 fiscal years, EWDD received funding and position authority for a total of six new positions for economic development and asset management activities. In the current fiscal year adopted budget, the Unappropriated Balance has set aside \$1 million for asset management and \$1.5 million for Economic Development Initiative activities, including strategic planning related to Citywide economic development.

General Plan – Economic Development Chapter

In creating the Citywide Economic Development Strategy, the City should consider utilizing the Economic Development Chapter of the General Plan (Chapter) as a guide that will help frame the goals of the future strategy. The overall planning objectives associated with this Chapter will help the City maximize economic development in terms of cost efficiencies and infrastructure, creating an attractive environment for investment. In addition to this, utilizing the objectives in the Chapter will help ensure that the nature of future economic development is aligned with the goals of citywide planning objectives for long-term growth.

The Chapter provides guidance for the City in achieving two goals: to provide the physical locations and competitive financial environment necessary to attract various types of economic

development to Los Angeles, and to encourage the geographic distribution of job growth in a manner supportive of the City's overall planning objectives. The Chapter emphasizes the need for meaningful development incentives that can attract investment into the City, as there are limited opportunities due to the increasingly competitive national economy. In order to achieve this, the Chapter emphasizes the need to concentrate and incentivize development in areas that have received less of a proportion of Citywide employment and development opportunities.

The Chapter advises utilizing a multi-pronged approach that helps guide economic development through a combination of streamlined approval processes and economic incentives. Economic development incentives include the reuse of existing land, stimulation of concentrated commercial and mixed-use development near transit corridors and in historically under-developed areas, and the creation of industrial preservation zones in order to maintain a core manufacturing base.

The Department of City Planning (Planning) is currently undergoing the process of updating the General Plan, which is being referred to as pLAn 2040. Updates to the General Plan will include amendments to several aspects of the Economic Development Chapter in order to remain applicable to the current and future economic landscape of the City of Los Angeles. Planning anticipates for pLAn 2040 to be complete by 2020. Although the General Plan is currently under revision, the EWDD should continue to move forward in creating an Economic Development Strategy that utilizes the current objectives and policies of the chapter inasmuch as they remain relevant and, if needed, work with Planning toward the completion of pLAn 2040. EWDD should provide continuous input every three to five years to ensure the relevancy and efficiency of the Economic Development Chapter.

Financing Tools and Authorities

New State financing authorities to form Enhanced Infrastructure Financing Districts (EIFD) and Community Revitalization and Investment Authorities (CRIA) are being studied by EWDD, as directed by City actions (C.F. 15-1195, 14-1349, 14-1349 S1-S2, and 15-1195). These financing tools would direct a portion of City tax increment and possibly leverage with other entities additional funding for infrastructure improvements and programs to support economic development activity. In addition, at the local level, EWDD has been requested by the Ad Hoc Committee on Comprehensive Job Creation Plan to study the implementation of Jobs and Economic Development Incentive (JEDI) Zones to target specific incentives to areas where economic activity may thrive (C.F. 13-0934-S2). A strategy should incorporate the potential benefits of these additional tools to help carry out economic development in the City as well as any related financial and policy implications.

Related Actions

This report responds to the original Motion (Attachment A) and several instructions that followed. On August 20, 2013, a Motion (Huizar – Cedillo) was introduced instructing the Economic Development Department (now EWDD), CLA and CAO to report with an accounting of revenues

and projected revenues, along with recommendations for the use of CRA/LA funds for economic development in areas which previously had CRA/LA coverage (C.F. 13-1090).

On October 13, 2015, the City Council adopted an Economic Development Committee (EDC) report pursuant to a Motion (Attachment A) and 2014 budget instructions (14-0600-S79, 14-0600-S80, 14-0600-S81, and 14-0600-S82), relative to the EWDD's efforts to create a Citywide economic development plan, establish department economic development functions, fund these initiatives and implement its role in the City's economic development strategy, including the following recommendations:

1. Note and file EWDD reports dated March 27, 2015, May 16, 2014 and April 7, 2014;
2. Instruct the EWDD, CLA and CAO to report with recommendations to implement to economic development actions identified in the EWDD report dated March 27, 2015; and
3. Direct the CLA to report on the use of boomerang funds for affordable housing and economic development purposes.

This report responds to instruction no. 2 above. A report relative to instruction no. 3 above on the use of boomerang funds is being prepared under separate cover.

On November 18, 2015, the Ad Hoc Committee on Comprehensive Job Creation Plan heard the EWDD's report (dated November 12, 2015) relative to creating a Citywide Economic Development Plan. The Committee provided the following instructions on this item:

1. Hold the EWDD report in Committee;
2. Instruct EWDD to report on an overall economic development strategy with metrics and look at the General Plan's Economic Development chapter;
3. Instruct CLA and CAO to report with recommendations on EWDD's March 27, November 12, 2015 reports and EWDD's overall economic development strategy; and
4. Instruct EWDD to report on the Section 108 program.

This report responds to instructions no. 2 and no. 3 above. In response to instruction no. 4, EWDD reported on the Section 108 program under separate cover (report dated January 25, 2016) and Council adopted the report with amended instructions on February 24, 2016.

Attachment: A. Motion (Huizar – Cedillo)

SMT:MAS/DH:SAM

13-1090

MOTION

The former Community Redevelopment Agency (CRA) was a powerful tool for economic development within approved CRA project areas in the City of Los Angeles. CRA activities were funded by the use of tax increment. 30% of the funding which previously went to the CRA amounts to tens of millions of dollars annually, which now comes directly to the City of Los Angeles.

City Council has not yet developed a specific policy for the use of these funds, which should be used, among other resources, to promote economic development in areas which previously had CRA coverage and which are now grappling with the loss of economic development functions and funding eliminated with the dissolution of the CRA.

I THEREFORE MOVE that the city's Economic Development Department, Chief Legislative Analyst and City Administrative Officer report to the Economic Development Committee within 30 days, with an accounting of revenues and projected revenues, along with recommendations for the use of these former CRA funds for economic development in areas which previously had CRA coverage.

PRESENTED BY: _____

JOSE HUIZAR
Councilmember, 14th District

SECONDED BY: _____

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M.

City of Los Angeles

CALIFORNIA

JAN PERRY
GENERAL MANAGER



ERIC GARCETTI
MAYOR

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
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November 12, 2015

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Council District: All
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Los Angeles City Council
c/o City Clerk
Room 395, City Hall

COMMITTEE TRANSMITTAL: REPORT BACK ON ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT (EWDD) EFFORTS TO CREATE A CITYWIDE ECONOMIC DEVELOPMENT PLAN

RECOMMENDATIONS

The General Manager of Economic and Workforce Development Department (EWDD) respectfully requests that the City Council and Mayor:

RECOMMENDATIONS

1. INSTRUCT the General Manager, EWDD, or designee to develop a programmatic budget for the economic development programs outlined within this report to be submitted for consideration during the FY2016-2017 budget hearings;
2. INSTRUCT the General Manager, EWDD, or designee, to report back with a list of city-owned assets to be considered for economic development purposes, in recommended priority order, with an accompanying status report for each asset; and
3. AUTHORIZE EWDD to lead the data compilation, analysis, mapping, and other actions necessary for the implementation of any community revitalization authority as outlined in the recently approved State legislation AB 2.

FISCAL IMPACT STATEMENT

The recommendations in this report have no impact to the General Fund.

SUMMARY

This report provides a summary and update on EWDD's initiatives in creating a citywide economic development plan, establishing the economic development functions in the department, and implementing its role in the City's economic development strategy, as envisioned by the ordinance that created the EWDD. The above recommendations are necessary to develop a more robust approach to economic development in the City and increase the potential for new streams of revenue for economic investment.

EWDD is dedicated to creating a robust and diversified Los Angeles economy that reaches all communities through inclusive economic development and job creation. While economic development is and should be a citywide effort, EWDD as the City's economic development department has a unique opportunity and responsibility to act as the economic link to neighborhoods, communities, and residents who have yet to benefit from the economic resurgence of Los Angeles. While unemployment citywide has decreased, the rising costs of housing and services makes creating economic opportunity and connecting residents to living wage career path opportunities even more urgent. The City, through the leadership of the Mayor and City Council, has already taken the a major step in addressing the high cost of living in Los Angeles by increasing the minimum wage, but the next crucial step is creating economic and job growth opportunities in communities that the private sector has historically underinvested in.

EWDD is building on the strong foundation of its successful Workforce Development efforts; the department will further enhance the City's existing workforce investments through the economic development program delivery model described in this report. In this effort, EWDD will prioritize neighborhoods and residents who have traditionally not participated in or benefited from economic growth periods by building bridges to the private sector through investment and program development and the department will act as the City's technical advisor on citywide economic development matters. To accomplish these efforts and provide these economic development services, EWDD will utilize a reorganized economic development structure already developed and implemented within the Department.

BACKGROUND

On April 9, 2013, the City Council adopted Ordinance No. 182500, which created the Economic and Workforce Development Department (EWDD). The creation and consolidation of the City's economic development powers into one department was the culmination of years of motions, reports, discussions and efforts within the City. The need for such a department was also heightened in 2012 with the elimination of Community Redevelopment Agencies, the elimination of State Enterprise Zones, and the worst economic recession in a generation.

The ordinance that created EWDD provides an outline of the department's Purpose, Powers, and Duties.

As described in the Ordinance, EWDD's Purpose is to:

- Replace the "loss of certain economic development and financing tools and the elimination of the Community Redevelopment Agency"
- Simplify the economic development process
- Help the city achieve "its goals of promoting the health, safety and welfare of City residents through improved employment, retail, housing and commercial opportunities and providing necessary municipal services"

The goals that EWDD developed to fulfill the purpose of the creation of the department are as follows:

- Revitalize communities
- Generate economic growth and development
- Expand the job base within the City
- Increase City Revenues
- Eliminate the complexity of the economic development processes and policies within the City
- Attract new businesses and industries to the City
- Retain existing businesses and industriesⁱ

In the creation of the department, the City Council determined that EWDD required powers and duties which were necessary to serve its purpose and successfully

accomplish its goals. As described in the Ordinance, the Powers and Duties are explicitly divided between the department's two functions (1) Economic Development; (2) Workforce Development.

1. Economic Development Powers and Duties:

a. Powers:

- i. "Centralized authority over the planning, coordinating, promoting, implementing and managing of all economic development activities within the City"
- ii. Manage all funding resources for economic development activities
- iii. Control, acquisition, and disposition of Real Property citywide for Economic Development

b. Duties:

- i. Recommend a 4 year economic development strategy
- ii. Assist businesses with navigating the City's business-related processes and procedures and provide assistance to such entities in accessing State or federal programs
- iii. Prepare, maintain and update; as necessary, a comprehensive analysis of the City's economic environment, including physical, economic and social factors of economic development
- iv. Provide technical assistance and information relative to economic development to City departments, bureaus, agencies, officers and offices

2. Workforce Development Powers and Duties:

Establish a workforce development team to manage federal development initiatives and establish partnerships with industry groups and educational institutions to further develop job training programs for City residents

Actions Taken with Appointment of General Manager in 2013

With the appointment of Jan Perry as the EWDD's General Manager in 2013, the department prioritized strengthening the Department's relationship with the Department of Housing and Urban Development (HUD), rebuilding staff capacity and identifying and prioritizing funding for staff and project implementation.

1. Strengthen the Department's Relationship with the Department of Housing and Urban Development (HUD)

For EWDD to flourish, it was determined that a strong relationship with HUD, based on strong performance, was important. To that end, in 2013, EWDD proactively engaged

HUD to request technical assistance. As a result of this engagement by EWDD, the department was granted HUD funded technical assistance, provided by Enterprise Community Partners. The technical assistance was an intensive two year process that engaged several nationally recognized Community Development Block Grant (CDBG) experts to correct program issues pre-existing to the creation of EWDD, and to ensure EWDD processes and procedures were on par with best practices nationwide.

EWDD completed the HUD-sponsored technical assistance engagement with in February 2015. CDBG experts who reviewed the Department's CDBG and Section 108 portfolio was reviewed to identify opportunities to improve EWDD's administration of these funds, and EWDD received the final report from the consultant team. EWDD is currently working on implementing their recommendations, including, but not limited to:

- Reconciling the City's Section 108 portfolio balances with HUD balances;
- Implementing documentation and policies and procedures to better demonstrate compliance with CDBG regulatory requirements;
- Developing underwriting policies and procedures; and
- Improving loan accounting and funds management.

Additionally, EWDD has reviewed all outstanding HUD audit and monitoring findings and has begun to work collaboratively with the Housing + Community Investment Department (HCID) to propose proactive solutions to resolve these issues. EWDD's work with HUD to resolve these audit/monitoring findings is important not only in order to make our grant-funded programs work better to serve low-income residents, but also to help mitigate the risk to the City's general fund that outstanding findings can represent. In many cases, HUD-required corrective actions may include required repayment from non-federal funds. It should also be noted that EWDD's time spent researching and responding to these findings is a CDBG Administrative expense. Such expenses are capped within the CDBG budget. Expenses incurred beyond the amount allowed under the cap also create a liability to the General Fund, resulting in either unreimbursed related costs or HUD-imposed repayment requirements from non-federal funds. For these reasons, EWDD will continue to work proactively with HUD to resolve the outstanding audit/monitoring findings.

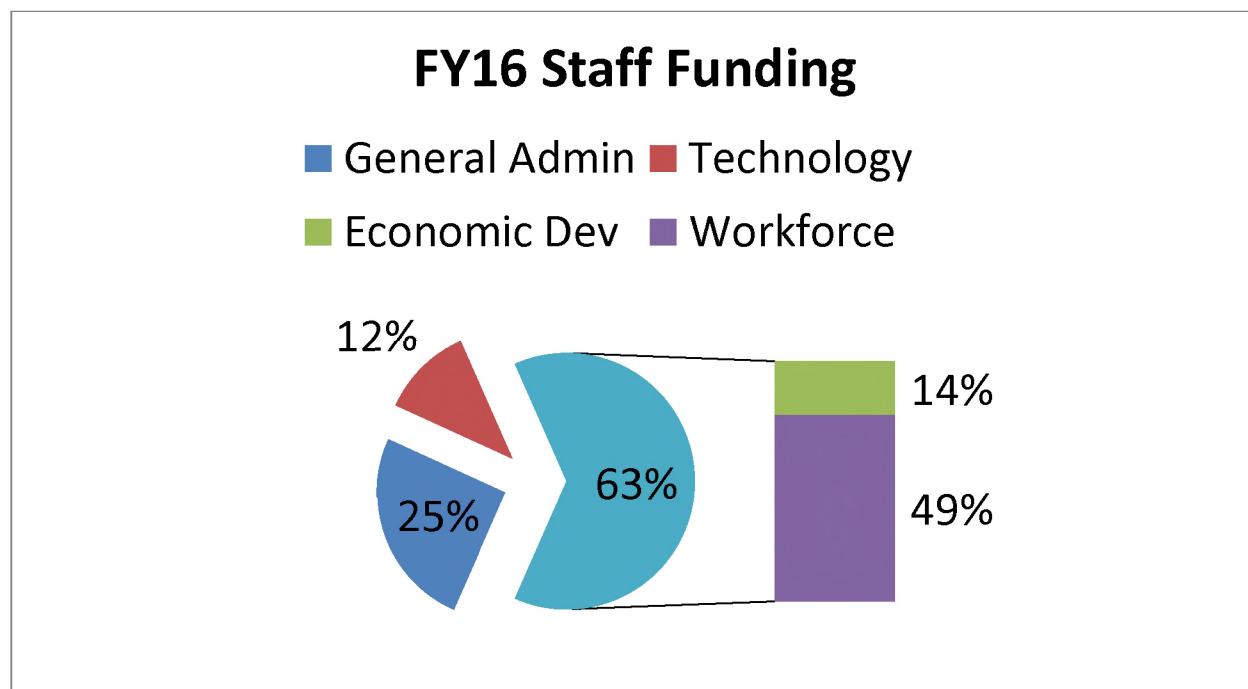
2. Rebuild Staff Capacity

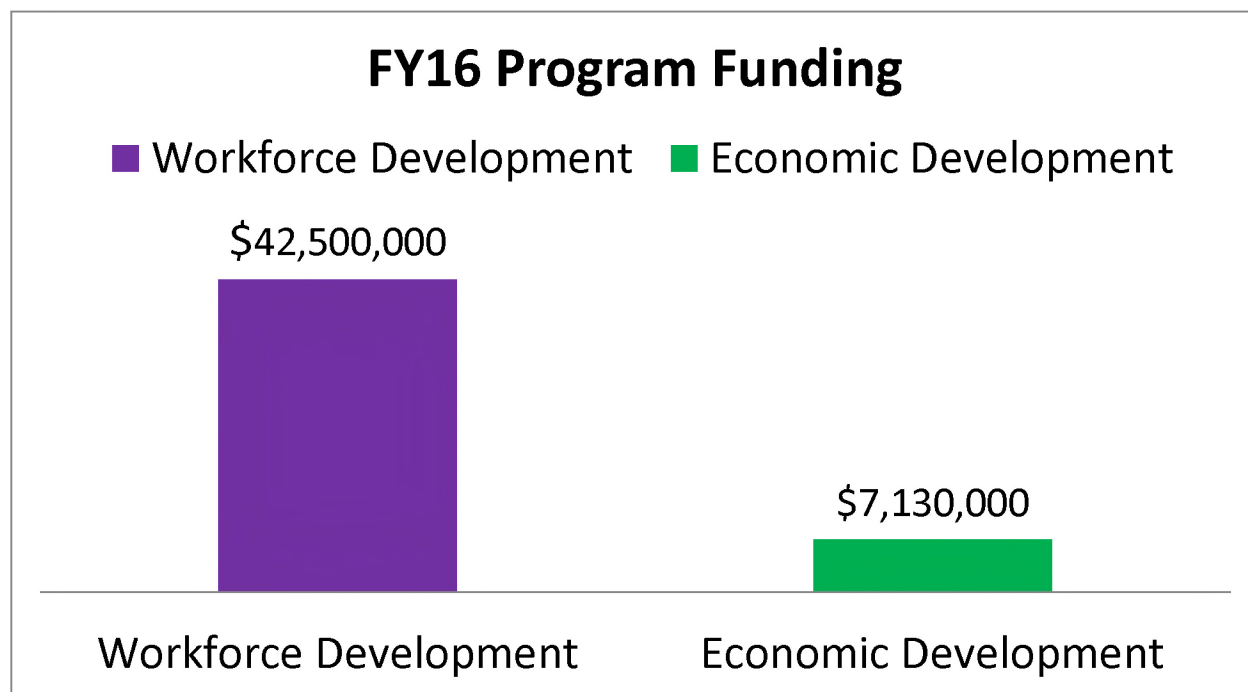
The reorganization of the former Los Angeles Housing Department (LAHD) and Community Development Department (CDD) into the new HCID and EWDD resulted in multiple staff with extensive CDBG expertise being transferred from CDD to HCID. EWDD needed then, and still needs now, much of that expertise in construction

monitoring, eligibility analysis, and financial underwriting to effectively and successfully implement economic development projects and programs. As discussed later in this report, over the past two years EWDD has taken steps to re-align staff, especially in the Economic Development Division, to match the work envisioned in the Ordinance that formed the Department, as well as to ensure that the necessary capacity is in place to implement an effective economic development program.

3. Identify and Prioritize Funding for Staff and Project Implementation

EWDD's current primary funding sources, CDBG funds and Workforce Innovation and Opportunity Act (WIOA) funds, do not allow the department adequate flexibility to utilize the powers and accomplish the duties outlined within the department's implementing ordinance. As illustrated in the Staff Funding and Program Funding graphs below, funds are also severely misaligned. The majority of the duties and powers outlined in the ordinance adopted by Council creating EWDD are directly related to achieving economic development goals, while the majority of staff and program funding is explicitly restricted to workforce development activities, and by Federal regulation cannot be used for economic development. As EWDD was created to be the City's primary economic development agency, and City Council has provided the necessary powers to implement an economic strategy and provide position authorities to support this roll out, the next essential step is to provide a new source(s) of funding for programming that is flexible, adequate and dedicated to economic development.





While the department successfully solidified the foundation created by City Council in April 2013, it also maintained strong performance metrics in programs appropriately staffed and funded. As demonstrated by the 2014 accomplishments within the Workforce Development and the Business Source Programs, EWDD has demonstrated its ability to perform when provided with the requisite funding for both staff and program implementation. While the City has focused the last three years on rebuilding its reserves and regaining the ability to provide increased basic services for residents, little room has been left in the annual budget for the funding necessary for citywide economic growth. EWDD has made every effort to develop and implement a new programming and economic development delivery system within existing funding restraints, while at the same time continuing to exercise its available human capital and grant dollars to triage the City's economic priorities and lay the foundation for a robust economic development delivery system.

It cannot be overstated that a predictable, dedicated source of funds for EWDD is needed so that the department can significantly contribute to reversing historic negative trends on job growth, creating a baseline of housing and amenities that attracts, retains and assists businesses and households, and developing the infrastructure necessary to ensure Los Angeles' position as a competitive global city of the 21st Century. In order to duplicate the successes of the robustly funded Workforce Development Division in the Economic Development Division, the City should prioritize, memorialize and set aside a

significant portion in tax revenue formerly diverted to the Community Redevelopment Agency of Los Angeles (CRA/LA), or “Boomerang Funds”, as a permanent source of funding for economic development and associated affordable housing efforts in Los Angeles.

In prior reports to the Mayor and Council, EWDD described the focus areas listed below, and the department has structured itself to deliver on these core areas. Utilizing its current resources, EWDD is acquiring the necessary capacity to expand these functions, however at present, the department has reached the limits of what current staffing and organizational structure can do to produce additional economic development outcomes.

The following describes the work of these focus areas within the Economic Development Division, including a description of the Workforce Development Division as a whole as well.

Asset Management and Real Estate

This unit’s focus is managing, acquiring, disposing and leasing city-owned property assets assumed upon dissolution of the former redevelopment agency, and, in collaboration with other City departments, other City-owned sites with economic development value. This function replaces a vital tool previously housed with CRA/LA, is a potential future source for economic development opportunities and funding, and creates a single point of contact for the private sector for development opportunities with City-owned assets. In 2015, EWDD hired a Principal Project Coordinator as a first step toward re-establishing this function for the City, and the Department intends to request additional staff to fill out a Property Development and Disposition unit in the FY2016-17 budget. With these additional staff and capacity, EWDD will be able to analyze property potential; address any remediation, facilitate relocation efforts as necessary; prepare the property for reuse; develop and/or oversee Request for Information, Request for Qualification and/or Request for Proposal process for selecting consultants and/or developers; arrange for businesses to lease or purchase City-owned properties; prepare term sheets; draft lease and development agreements for private use; interface with City Attorney’s Office to finalize documents; manage real property assets; and maintain lease and development agreements.

Strategic Opportunities for FY2016:

- Coordinating evaluation and disposition activities with Housing and Community Investment Department (HCID) related to the City’s Purchase Option

Agreements on CRA/LA-DLA properties for the purpose of economic development.

- Presenting a priority list of economic development opportunity sites to the Mayor and City Council prepared by EWDD's Asset Management and Real Estate Unit.

On-Going Opportunities:

- Working with Metro in planning activities associated with the Crenshaw/Vernon Station.
- Providing assistance to HCID in identifying economic development opportunities for commercial space located within affordable housing projects. Developing and implementing a plan for reuse of property to better serve convention center and LA Live entertainment center activities (Convention Center Hotel).
- Working with Los Angeles County to facilitate development of City-owned property adjacent to County-owned property and working with Council to develop strategies to redevelop underutilized sites within various Council districts.

Economic Strategy and Marketing

This unit's role is to prepare, maintain and update, as necessary, a comprehensive analysis of the City's economic environment, including physical, economic and social factors of economic development. This unit utilizes data to provide policy recommendations to focus EWDD's economic development programs by identifying emerging industry clusters and economic development opportunities at a macro and micro level. This unit also assists the City Council and City departments in developing policies and ordinances that further the City's economic agenda. This unit engages external partners to help market Los Angeles as a city of opportunity and is also the thought leader for EWDD to ensure program implementation is in line with best practices, and that the City has a proactive policy team available to help cultivate strong economic development policies. EWDD has funding and position authority for staff for this unit and expects to fill these positions this fiscal year, however additional funds are necessary for contractual services to provide data analysis support to ensure that staff recommendations are based on accurate and appropriate information.

Strategic Opportunities for FY2016:

- Lead City efforts in partnership with the CAO and CLA to form a Community Revitalization Authority and zones as outlined in the recently adopted AB 2 legislation.
- Partner with City departments in developing incentives and procedures for potential future Jobs and Economic Development Incentive (JEDI) zones.

- Form an Internal Economic Development Advisory Committee comprised of private sector thought leaders to advise the department on programs and policies.
- Provide strategic support to citywide policy efforts such as the LA River Revitalization, the Great Streets Initiative, and Transit Oriented Development (TOD) strategy by providing programming tailored to these City priorities.
- Develop a strategy to leverage anchor institutions like USC and the LA County-USC Medical Center for economic and workforce development opportunities.

On-Going Opportunities

- Create materials marketing Los Angeles and specific sites for development.
- Create a “road show” for industry trade shows and business and educational conferences which will provide marketing materials to expanding businesses and international investors on the economic opportunity that exists within Los Angeles.
- Develop analysis of various commercial and industrial sectors such as Cleantech, Biotech, and Healthcare and geographic-oriented development visions (Crenshaw Corridor, Central Avenue Corridor, San Pedro Arts District).
- Provide technical seminars focused on topics such as expanding local business export capacity, etc.
- Work with Business Improvement Districts (BID) throughout the City to encourage an economic growth agenda.

Market Investment and Innovation

This unit's role is primarily focused on program implementation and capital investments. The unit manages all economic development programming funded through CDBG, and manages the City's Section 108 loan program and all other capital sources dedicated to programs or projects. This unit also focuses on small business investments and catalytic project investments and underwrites, monitors, and implements strategic capital investments including, but not limited to, commercial developments, façade improvement programs, capital projects, and small business loans. EWDD has made great progress with staffing this division. Two underwriter positions were filled in April 2015, and a third underwriter and a supervisory position for the lending unit will be requested in the FY 2016-17 budget.

At this time, the only source of funds available for lending to small businesses and microenterprises is Section 108, which, because it carries all the same restrictive requirements as CDBG, is very difficult to use for this type of economic development.

With a less restrictive source of funds, EWDD could provide a more robust yet focused collection of lending products ranging from Micro-Loans (\$10,000 to \$50,000) to more traditional small business loans (\$50,000 to \$450,000), thereby enabling the use of Section 108 for larger catalytic projects.

Strategic Opportunities for FY2016:

- Establish a prioritized pipeline of catalytic projects and analyze for public funding.
- Implement façade improvement program for small business prioritizing businesses located on TOD corridors or Great Streets.
- Create a loan loss reserve program utilizing existing Section 108 loan program to support private bank financing for small businesses within underinvested communities.
- Develop programming for new sources of funding including AB 2 or EIFD funds.
- Expand small business lending in partnership with the BusinessSource program.

On-Going Opportunities:

- Coordinate New Market Tax Credit investments with the Los Angeles Development Fund (LADF).
- Support the Industrial Incentive Program and expansion of PACE Program. Provide technical support, loans and bonds to manufacturing and non-manufacturing industrial businesses for investment in building rehabilitation, remediation, capital equipment purchases and public improvements.
- Leverage the BusinessSource Center program =(train to package City Small Business Loan Applications, coordinate training for businesses in advance of minimum wage increases, etc.)
- Management of complicated capital projects funded by EWDD managed resources.

Workforce Development

EWDD, through its Workforce Development Division (WDD), manages the City's workforce development programs. Funding for these programs comes from federal, state, and local government sources and from private entities. The EWDD manages a network of service providers – 17 WorkSource Centers (WSC) and 16 YouthSource Centers (YSC). EWDD has re-designed WSCs and YSCs to align with the Workforce Innovation and Opportunity Act (WIOA), signed into law in July 2014. EWDD has re-

designed WSCs and YSCs to align with the Workforce Innovation and Opportunity Act (WIOA), signed into law in July 2014.

In Program Year 14-15, the City launched a redesigned the Adult workforce delivery system to emphasize the integration of strategic partners (such as the California Employment Development Department, the California Department of Rehabilitation, the Los Angeles Community College District, the Los Angeles Unified School District, and others) to provide coordinated services. The new system also emphasized training in high demand employment sectors. The system focused services on job seekers with significant barriers to employment, including individuals with disabilities, returning veterans, English-language learners, and individuals with a history of homelessness.

Three years ago, the City redesigned its YouthSource system to improve services to vulnerable youth. This redesign aligns well with the new legislation. Specifically, the system focuses on services to out-of-school youth (OSY), having a minimum service level of 70 percent while achieving an enrollment level of 80 percent. The system established a partnership with the Los Angeles Unified School District to provide a Pupil Services and Attendance (PSA) counselor at each of the YouthSource Centers. The PSA counselors help with recruitment of OSY, provide academic counseling services, and facilitate cross-training opportunities (such as crisis management and mental health services). Through its summer youth employment programs, the system integrates complementary opportunities for work experience and financial literacy.

Strategic Opportunities for FY2016

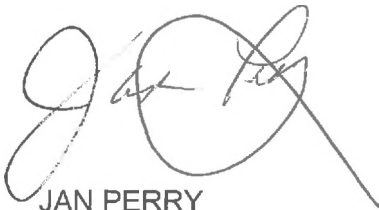
- Department of Labor P3 Initiative
- LA:RISE Initiative
- High Growth Sector Strategies
- Regional Workforce Planning Providing summer youth employment opportunities to disconnected youth

On-going Opportunities

- Explore strategies to better serve young adults up to the age of 24 in the Youth formula-funded programs, which may include:
 - additional training of the provider community, through greater linkages with agencies serving the young adult population
 - coordinating services in the adult system
- Examine contractor evaluation process to ensure it supports the desired outcomes of new programs

CONCLUSION

As outlined above, the current funding sources identified for EWDD are inadequate to effectively utilize the powers granted to the department and achieve the duties expected. When provided an opportunity to appropriately staff and fund programs, EWDD has performed exceptionally. This performance can be expected in all facets of the department if funding for economic development programs and staff is provided, as will be requested in FY2016-2017. This funding can be thought of similarly to initial seed funding for a startup business, and is necessary for this department to develop to successfully provide the services envisioned and authorized by the Ordinance and allow for EWDD to support city businesses to create jobs and further the City's economic vitality, thus increasing City revenue.



JAN PERRY
General Manager

JP:MC:SH:mb

ⁱ Ordinance 182500, Section 22.1001-22.1002, May 22, 2013