

TRANSMITTAL

To: **THE COUNCIL**

Date: **03/06/24**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Carolyn Webb de Macias for)

KAREN BASS

Mayor

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

CAROLYN M. HULL
GENERAL MANAGER

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

444 S. FLOWER STREET
LOS ANGELES, CA 90071

February 12, 2024

Council File: TBD
Council District Nos.: All
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The Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall

Attention: Heleen Ramirez, Legislative Coordinator

TRANSMITTAL: DEVELOPMENT OF A FIVE-YEAR COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY AND JOBS PLAN

The General Manager of the Economic and Workforce Development Department (EWDD) respectfully requests that your Office review and approve this transmittal and forward it to the City Council for further consideration.

SUMMARY

To be eligible for funding from the Economic Development Administration of the U.S. Department of Commerce (EDA), the City of Los Angeles must maintain an updated Comprehensive Economic Development Strategy (CEDS) that defines economic development goals for a five (5) year period. Furthermore, to complement an updated CEDS, the Mayor and City Council tasked EWDD with updating the Jobs Plan to better assist businesses and promote job creation in the City.

EWDD seeks authority to procure an experienced Contractor to develop a five-year CEDS and Jobs Plan that is acceptable to EWDD, using \$550,000 of General Funds appropriated in the 2023-2024 Budget for the program.

RECOMMENDATIONS

1. **AUTHORIZE** the General Manager of EWDD or designee to procure, negotiate, and execute a contract with a third-party service provider for up to \$550,000 to develop a five-year Comprehensive Economic Development Strategy as required by the United States Department of Commerce Economic Development Administration and Jobs Plan.

2. AUTHORIZE the Controller to encumber and expend up to \$550,000 within Fund 100/22, Account No. 003040, Contractual Services, upon presentation of proper documentation by EWDD.
3. AUTHORIZE the General Manager of EWDD, or designee, to prepare Controller instructions and/or make technical adjustments that may be required and are consistent with this action, subject to the approval of the CAO, and authorize the Controller to implement these instructions.

FISCAL IMPACT

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

On November 2, 2016, the City Council adopted C.F.23-0600 authorizing funds totaling \$550,000 to be transferred from the Unappropriated Balance (UB) to EWDD's contractual services account Fund 100/22 for the procurement of qualified contractor(s) to develop a Citywide Economic Development Strategy and Jobs Plan.

BACKGROUND

A Comprehensive Economic Development Strategy (CEDS) serves as a tool to promote local and regional economic development planning. It does this by establishing goals and identifying local strengths that can be leveraged and barriers that can be overcome to improve inclusive economic prosperity and overall quality of life for residents.

The CEDS is a collaborative process that involves the input of key stakeholders, organizations, educational institutions, and private industry to create an understanding of the City's current conditions and future goals. The intensive planning process culminates in strategies with outlined roles and responsibilities among stakeholders to propel the implementation and achieve results over the five-year lifespan of the CEDS.

Following approval from the Economic Development Administration (EDA) of the United States Department of Commerce, the CEDS also provides critical access to state and federal funding opportunities. The EDA requires that the City update the CEDS every five years to continue to qualify for EDA funding and assistance.

To complement the CEDS, the Mayor and the City Council tasked the EWDD with updating the Jobs Plan. The City's Jobs Plan presents a set of strategies, including short and long-term steps to better assist businesses and promote job creation in the City.

The City completed its previous CEDS in 2019, and the last Jobs Plan was completed in 2016. Since then, the City has experienced the far-reaching effects of the COVID-19 global pandemic that brought business and life to a halt. According to LAEDC, "when adjusting the number of business closures by total number of businesses, the Los Angeles metro area was the seventh hardest-hit metro area in the nation. Additionally, "the City recorded 28,020 new business starts in 2021, which represented a 14 percent decrease from the previous year. In 2020, the City also

experienced a decline of over 6 percent in newly registered businesses from the 34,831 new businesses that were registered in 2019.”

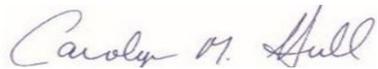
Simultaneously updating the CEDS and Jobs Plan will help the City further understand the impacts of COVID on the local economy as well as develop effective strategies to prepare the City’s businesses to transition for the prolonged recovery period. To accomplish these objectives, EWDD seeks an experienced Contractor to develop a five-year CEDS and Jobs Plan that is acceptable to the EDA and EWDD.

The CEDS and Jobs Plan will be guided by an analysis of demographic and economic data, a strengths, weaknesses, opportunities, and threats (SWOT) analysis, and additional industry data to understand the existing conditions in the City fully. Through this process, the City can deliver coordinated and effective community-based economic development policies, services, programs, and new initiatives.

CONCLUSION

The CEDS and Jobs Plan serve as tools to promote city-wide economic development planning by establishing goals and identifying ways in which local strengths can be leveraged and used to overcome barriers. These plans are designed to improve inclusive economic prosperity, ultimately leading to a better quality of life for all City of Los Angeles residents.

Sincerely,

A handwritten signature in blue ink that reads "Carolyn M. Hull". The signature is written in a cursive, flowing style.

CAROLYN M. HULL
General Manager