ATTACHMENT A







# SUBJECT: JUSTIFICATION FOR NEW BUSINESSSOURCE CENTER SERVICE AREAS REVISED

The Los Angeles BusinessSource Center (BSC) program is undergoing a program redesign which includes redefining the target services areas. The BSC program will provide various levels of assistance to eligible, for-profit businesses operating in the City of Los Angeles and residents of the City of Los Angeles aspiring to open their own business. After taking in consideration the City's poverty rate, existing small businesses, persons in low- and moderate-income households, Opportunity Zones, Promise Zones, and the target areas addressed in the Citywide Economic Development Strategy (CEDS), the ten proposed service areas, sorted with number 1 representing the area identified as having the greatest need, are:

BSC Service Area	Neighborhoods	Council Districts
1. Southeast Los Angeles	Florence, South Park, Historic South Central, Central-Alameda	9, 14
2. Watts	Watts, Green Meadows, Broadway-Manchester	9, 8, 15
3. East Los Angeles	Lincoln Heights, Boyle Heights, El Sereno	1, 14
4. Pico Union/Westlake	Pico Union, Westlake, Downtown, Chinatown, Echo Park, Rampart Village, Koreatown, Harvard Heights	1, 4, 13, 14
5. South Los Angeles	West Adams, Jefferson Park, Adams-Normandie, University Park, Baldwin Hills/Crenshaw, Leimert Park, Exposition Park, Vermont Square, Hyde Park, Chesterfield Square, Harvard Park, Vermont-Slauson, Manchester Square, Vermont Knolls, Gramercy Park, Vermont Vista	8, 9, 10
6. Harbor	Harbor Gateway, Harbor City, Wilmington, San Pedro	15
7. North Valley	Sylmar, Mission Hills, North Hills, Panorama City, Arleta, Pacoima, Lake View Terrace, Hansen Dam, Sun Valley, Shadow Hills, Sunland, Tujunga	6, 7
8. Hollywood	Hollywood, East Hollywood, Los Felix, Silver Lake, Fairfax, Hancock Park, Larchmont, Windsor Square, Mid-Wilshire, Koreatown, Harvard Heights, Arlington Heights, Mid-City	4, 5, 10, 13
8. South Valley <sup>1</sup>	Van Nuys, Valley Glen, North Hollywood, Sherman Oaks, Valley Village, Studio City, Toluca Lake	2, 4, 6
10. West Valley	Northridge, North Hills, Reseda, Lake Balboa, Tarzana, Encino, Sepulveda Basin, Canoga Park, Winnetka, Porter Ranch, Granada Hills	3, 5, 6, 12

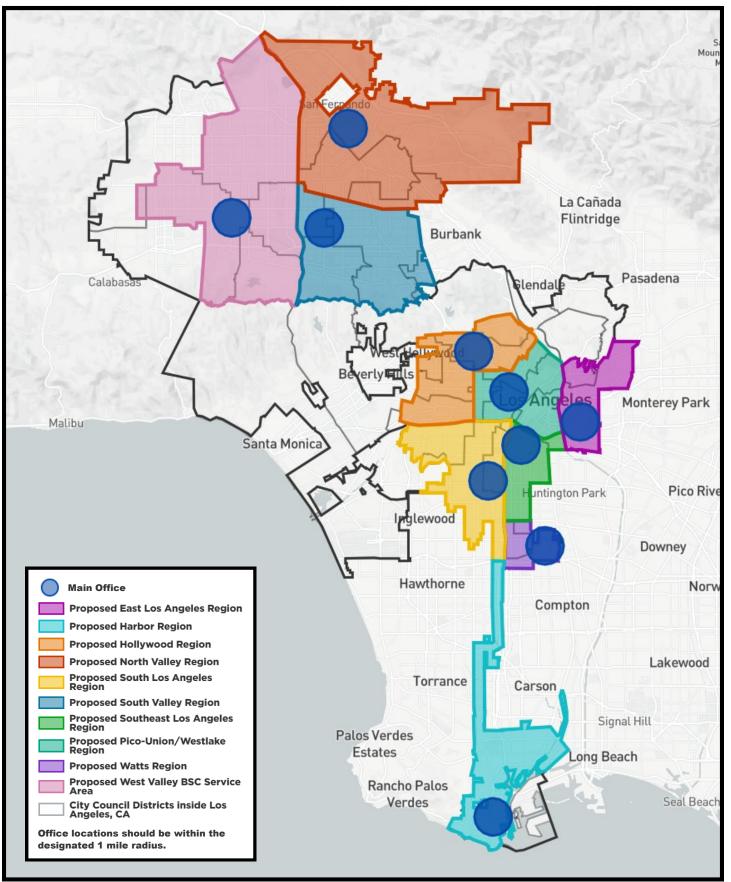
Please note, the previous Justification for New BusinessSource Center Service Areas used data from the American Community Survey 2014-2018. The American Community Survey 2015-2019 was released in December 2020 and all the data used in this report are based on the updated data sets.

<sup>1</sup> Hollywood and South Valley Region both scored the same number of points in the analysis (See page 24), therefore were given the same ranking number and then a gap is left in the ranking numbers.



## Proposed BusinessSource Center Service Areas and Office Locations





### **1. Southeast Los Angeles Region**

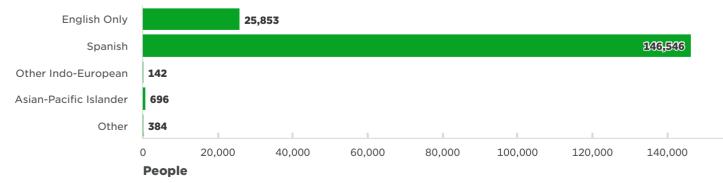
The Southeast Los Angeles service area will cover the neighborhoods of Florence, South Park, Historic South-Central, Central-Alameda, and Council Districts Nine and Fourteen. The main office will be located in the South-Central neighborhood. The service area is within the South Los Angeles targeted area as defined in the CEDS. The total population of the service area is 189,354 and 59,825, or 33%, are living in poverty. Approximately 164,737, or 87%, of the residents are in low- and moderateincome households. There are 12,958 active businesses within the service area. There are currently 12 Opportunity Zones established in the service area which is about 27.27% of the total census tracts. The South Los Angeles Promise Zone, otherwise known as the South Los Angeles Transit Empowerment Zone or Slate-Z, is partially located within this service area.



# Sites Number of Businesses

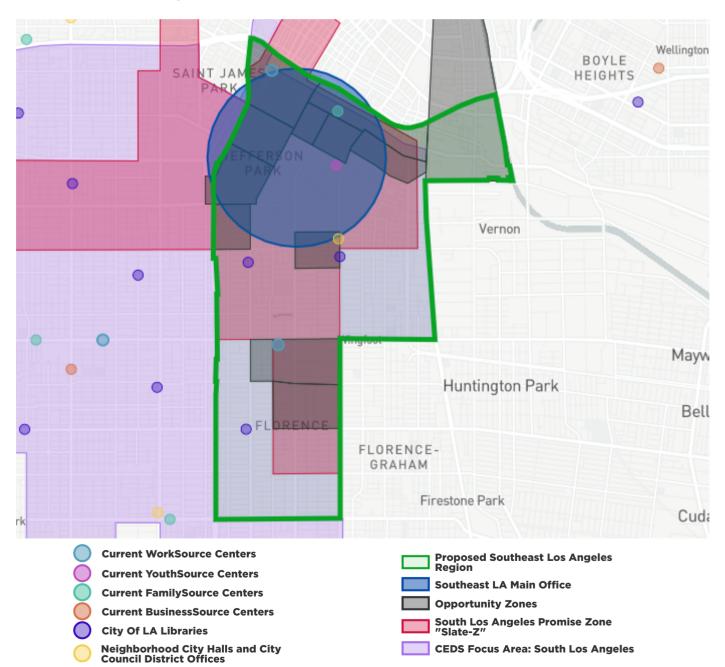
All active businesses registered with the Office of Finance. Date of capture: February 16, 2021.

### Language Spoken at Home



Black (Not Hispanic or Latino) Asian (Not Hispanic or Latino) Hawaiian (Not Hispanic or Latino) White (Not Hispanic or Latino) Hispanic or Latino American Indian (Not Hispanic or Latino) Single Race Other (Not Hispanic or Latino)

	19,954						
877							
63							
1,397							
						165,59	4
269							
295							
904	1						
People	25,000	50,000	75,000	100,000	125,000	150,000	175,000



### 2. Watts Region

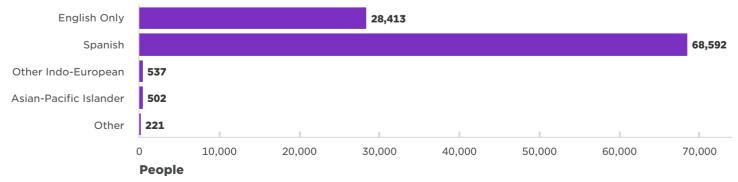
The Watts/Southeast Los Angeles service area will cover the neighborhoods of Watts, Green Meadows, and Broadway-Manchester, and Council Districts Eight, Nine, and Fifteen. The main office will be located in the Watts neighborhood. The service area is within the South Los Angeles targeted area as defined in the CEDS. The total population of the service area is 108,700 and 34,038, or 31.59%, are living in poverty. Approximately 92,395, or 85%, of the residents are in low- and moderate-income households. There are 3,696 active businesses within the service area. There are currently 8 Opportunity Zones established in the service area which is about 38.10% of the total census tracts. The Watts area, in particular, has been showing a lot of progress over the past few years with projects like the Transformative Climate Communities (TCC) Grant and is in much need of the services the BSC program can offer to their residents.



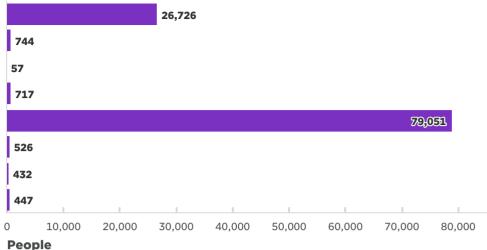
# Sites Number of Businesses

All active businesses registered with the Office of Finance. Date of capture: February 16, 2021.

### Language Spoken at Home



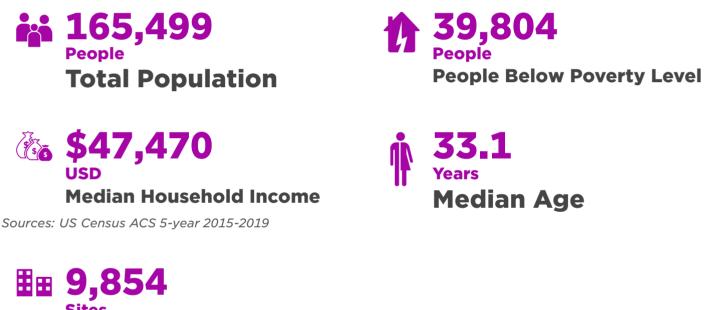
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### 3. East Los Angeles Region

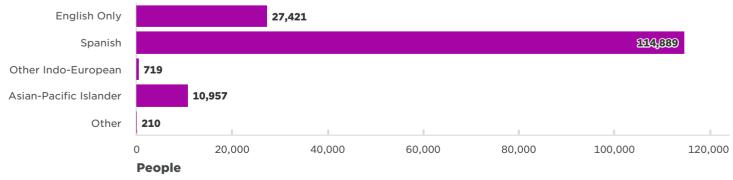
The East Los Angeles service area will cover the neighborhoods of Lincoln Heights, Boyle Heights, El Sereno, and Council Districts One and Fourteen. The main office will be located in the Boyle Heights neighborhood while the satellite will be located in El Sereno. The service area is within the Eastside of the City of Los Angeles targeted area as defined in the CEDS. The total population of the service area is 165,499 and 39,804, or 24.05%, are living in poverty. Approximately 135,709, or 82%, of the residents are in low- and moderate-income households. There are 9,854 active businesses within the service area. There are currently 14 Opportunity Zones established in the service area which is about 30.43% of the total census tracts. A Promise Zone is not currently established in the service area.



# Number of Businesses

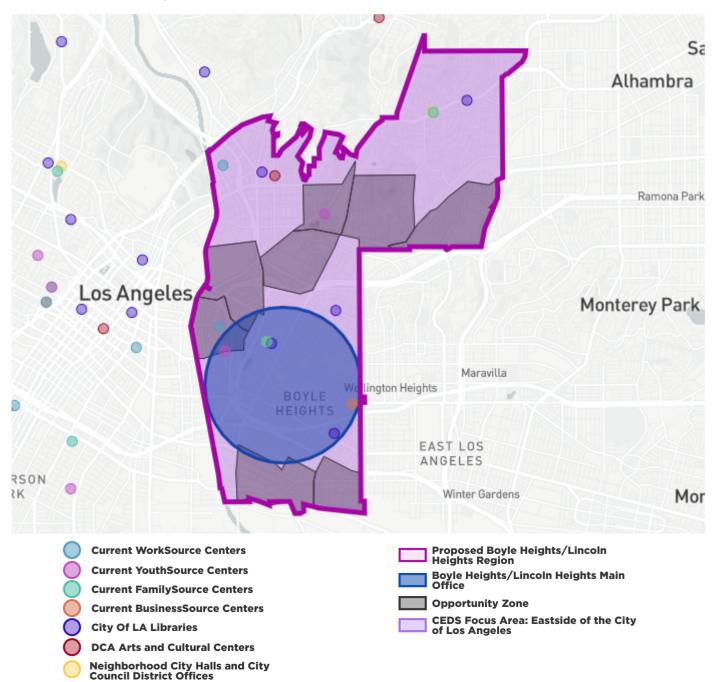
All active businesses registered with the Office of Finance. Date of capture: February 16, 2021.

### Language Spoken at Home



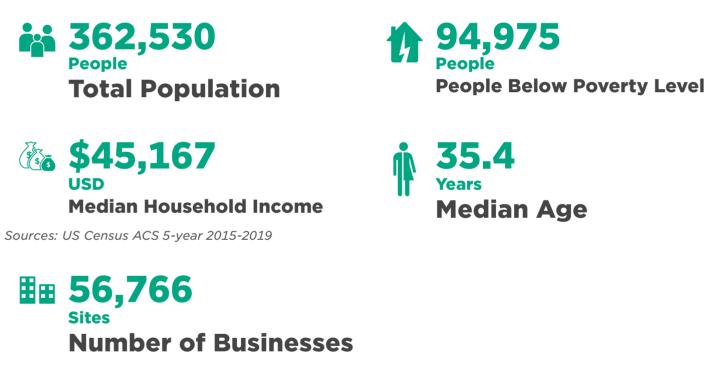
Black (Not Hispanic or Latino) Asian (Not Hispanic or Latino) Hawaiian (Not Hispanic or Latino) White (Not Hispanic or Latino) Hispanic or Latino American Indian (Not Hispanic or Latino) Single Race Other (Not Hispanic or Latino)

2,373						
	13,750					
38						
6,92	4					
					140,3	53
281						
197						
1,084	1		1	1	1	
0 <b>People</b>	25,000	50,000	75,000	100,000	125,000	150,000



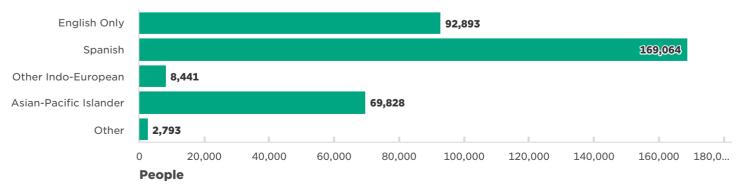
### 4. Pico Union/Westlake Region

The Pico Union/Westlake service area will cover the neighborhoods of Pico Union, Westlake, Downtown, Chinatown, Echo Park, Rampart Village, Koreatown, Harvard Heights and Council Districts One, Four, Thirteen, and Fourteen. The main office will be located in the Westlake neighborhood. The service area is within the Pico-Union/ Westlake targeted area as defined in the CEDS. The total population of the service area is 362,530 and 94,975, or 26.20%, are living in poverty. Approximately 279,148, or 77%, of the residents are in low- and moderate-income household. There are 56,766 active businesses within the service area. There are currently 29 Opportunity Zones established in the service area which is about 27.88% of the total census tracts. The Los Angeles Promise Zone is partially located within this service area.



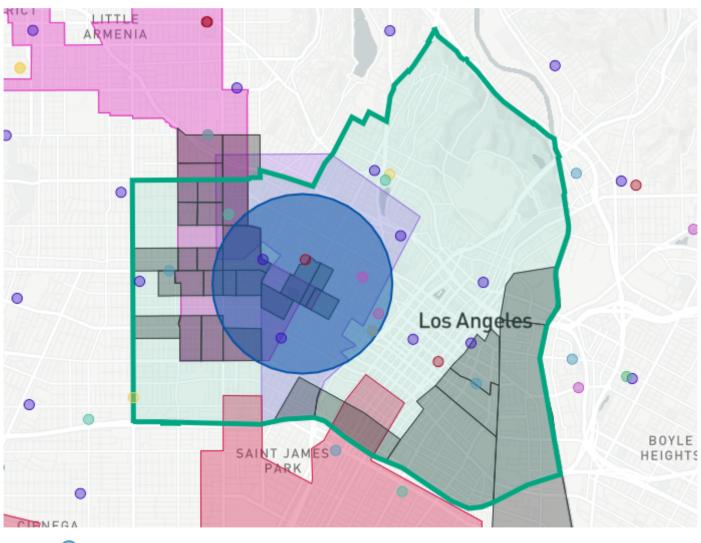
All active businesses registered with the Office of Finance. Date of capture: February 16, 2021.

### Language Spoken at Home



Black (Not Hispanic or Latino) Asian (Not Hispanic or Latino) Hawaiian (Not Hispanic or Latino) White (Not Hispanic or Latino) Hispanic or Latino American Indian (Not Hispanic or Latino) Single Race Other (Not Hispanic or Latino)

	25,84	47						
				84,664				
891								
		45,832						
							196,4	99
1,11	5							
847								
6,	834							
0 <b>Peop</b>	25,000 D <b>le</b>	50,000	75,000	100,000	125,000	150,000	175,000	200,000





### **5. South Los Angeles Region**

The South Los Angeles service area will cover the neighborhoods of West Adams, Jefferson Park, Adams-Normandie, University Park, Baldwin Hills/Crenshaw, Leimert Park, Exposition Park, Vermont Square, Hyde Park, Chesterfield Square, Harvard Park, Vermont-Slauson, Manchester Square, Vermont Knolls, Gramercy Park, Vermont Vista, and Council Districts Eight, Nine, and Ten. The main office will be located in the Vermont/Slauson and Vermont Square neighborhoods. The service area is within the South Los Angeles targeted area as defined in the CEDS. The total population of the service area is 379,586 and 93,352, or 27%, are living in poverty. Approximately 235,401, or 63%, of the residents are in low and moderate-income households. There are 23,001 active businesses within the service area which is about 25% of the total census tracts. The South Los Angeles Promise Zone, otherwise known as the South Los Angeles Transit Empowerment Zone or Slate-Z, is partially located within this service area.

**People Below Poverty Level** 

Median Age





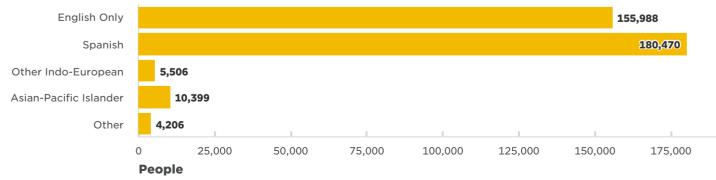
### Median Household Income

Sources: US Census ACS 5-year 2015-2019

### **E 23,001** Sites Number of Businesses

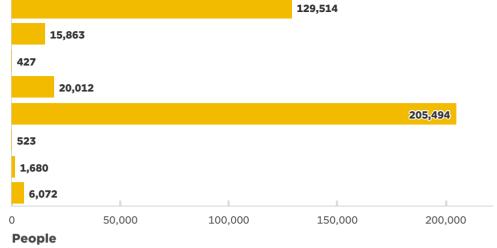
All active businesses registered with the Office of Finance. Date of capture: February 16, 2021.

### Language Spoken at Home

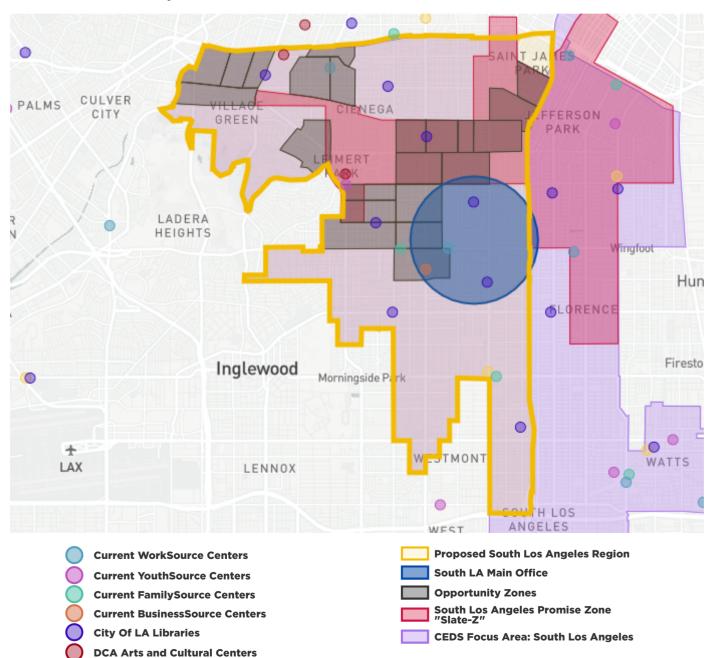


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Two Or More Races Other (Not Hispanic ...



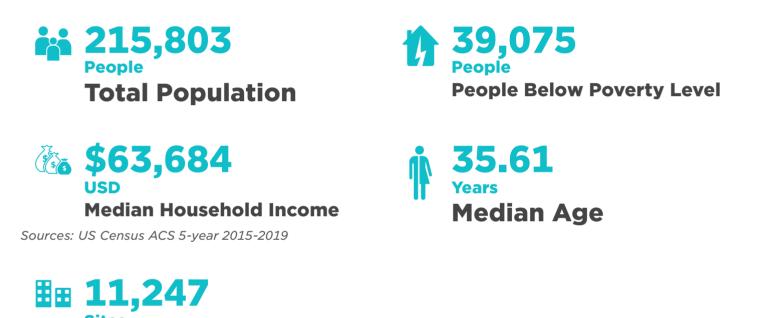
*Sources: US Census ACS 5-year 2015-2019* 



Neighborhood City Halls and City Council District Offices

### 6. Harbor Region

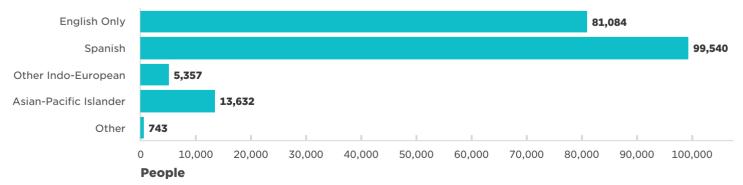
The Harbor service area will cover the neighborhoods of Harbor Gateway, Harbor City, Wilmington, San Pedro and Council District Fifteen. The main office will be located in the San Pedro neighborhood. The service area is within the Harbor targeted area as defined in the CEDS. The total population of the service area is 215,803 and 39,075, or 18.11%, are living in poverty. Approximately 90,637, or 42%, of the residents are in low-and moderate-income household. There are 11,247 active businesses within the service area. There are currently 12 Opportunity Zones established in the service area which is about 21.82% of the total census tracts. A Promise Zone is not currently established in the service area.



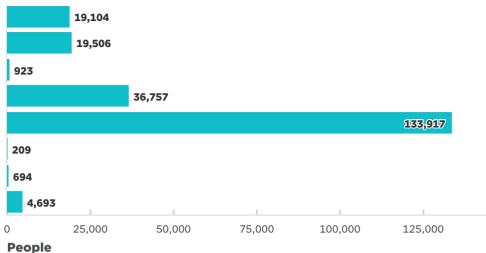
## **Number of Businesses**

All active businesses registered with the Office of Finance. Date of capture: February 16, 2021.

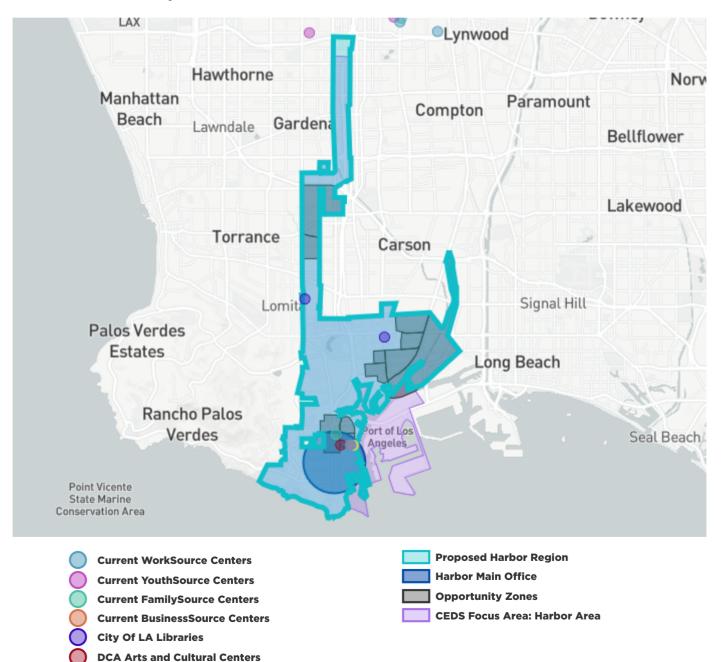
### Language Spoken at Home



Black (Not Hispanic or Latino) Asian (Not Hispanic or Latino) Hawaiian (Not Hispanic or Latino) White (Not Hispanic or Latino) Hispanic or Latino American Indian (Not Hispanic or Latino) Single Race Other (Not Hispanic or Latino)



Sources: US Census ACS 5-year 2015-2019



Neighborhood City Halls and City Council District Offices

### 7. North Valley Region

The North Valley service area will cover the neighborhoods of Sylmar, Mission Hills, North Hills, Panorama City, Arleta, Pacoima, Lake View Terrace, Hansen Dam, Sun Valley, Shadow Hills, Sunland, Tujunga, and Council Districts Six and Seven. The main office will be located in the Pacoima neighborhood. The service area is within the Eastern San Fernando Valley targeted area as defined in the CEDS. The total population of the service area is 468,654 and 77,041, or 16.44%, are living in poverty. Approximately 271,819, or 58%, of the residents are in low- and moderate-income household. There are 31,594 active businesses within the service area. There are currently 22 Opportunity Zones established in the service area which is about 20% of the total census tracts. A Promise Zone is not currently established in the service area.

7,041

Median Age

**People Below Poverty Level** 



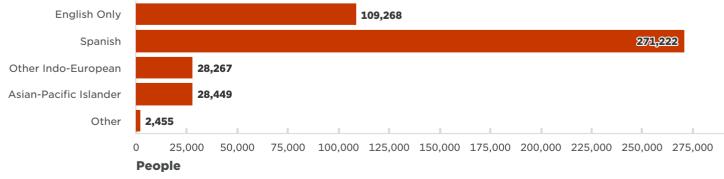


Sources: US Census ACS 5-year 2015-2019

### **31,594** Sites Number of Businesses

All active businesses registered with the Office of Finance. Date of capture: February 16, 2021.

#### Language Spoken at Home

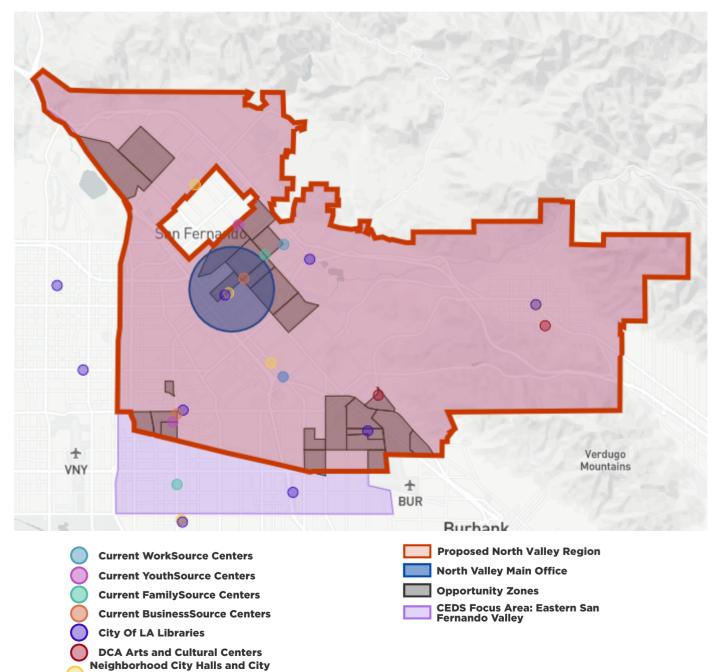


Black (Not Hispanic or Latino) Asian (Not Hispanic or Latino) Hawaiian (Not Hispanic or Latino) White (Not Hispanic or Latino) Hispanic or Latino American Indian (Not Hispanic or Latino) Single Race Other (Not Hispanic or Latino) Two Or More Races Other (Not Hispanic ...

13,3	589						
	38,100						
414							
		79,319					
						33 <b>1</b> ,00	7
501							
1,237							
4,687	1	1		1	1	1	
0 <b>People</b>	50,000	100,000	150,000	200,000	250,000	300,000	350,000

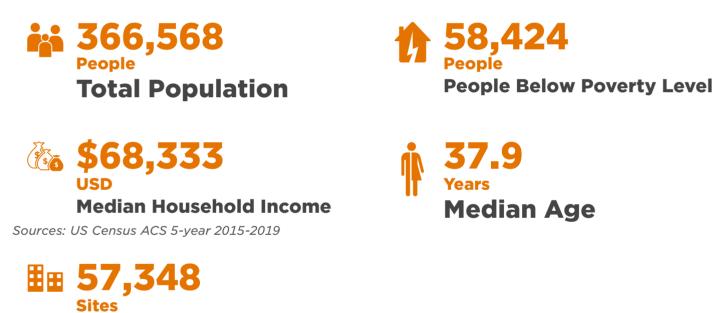


**Council District Offices** 



### 8. Hollywood Region<sup>1</sup>

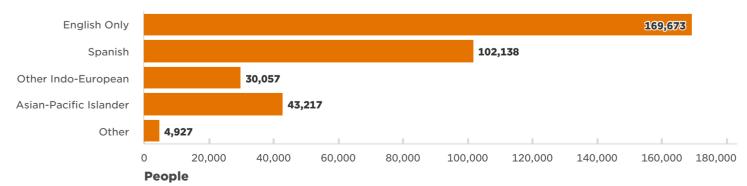
The Hollywood service area will cover the neighborhoods of Hollywood. East Hollywood, Los Feliz, Silver Lake, Fairfax, Hancock Park, Larchmont, Windsor Square, Mid-Wilshire, Koreatown, Harvard Heights, Arlington Heights, Mid-City, and Council Districts Four, Five, Ten, and Thirteen. The main office will be located in the East Hollywood neighborhood. The service area is not within any targeted area as defined in the CEDS. however. EDD staff believe this would area suffer from the loss of direct services. The total population of the service area is 366,568 and 58,424, or 15.94%, are living in poverty. Approximately 223,606, or 61%, of the residents are in low- and moderate-income households. There are 57,348 active businesses within the service area. There are currently 27 Opportunity Zones established in the service area which is about 25.71% of the total census tracts. The Los Angeles Promise Zone is partially located within this service area.



## **Number of Businesses**

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### Language Spoken at Home

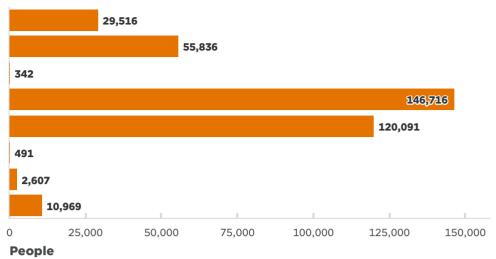


#### Sources: US Census ACS 5-year 2015-2019

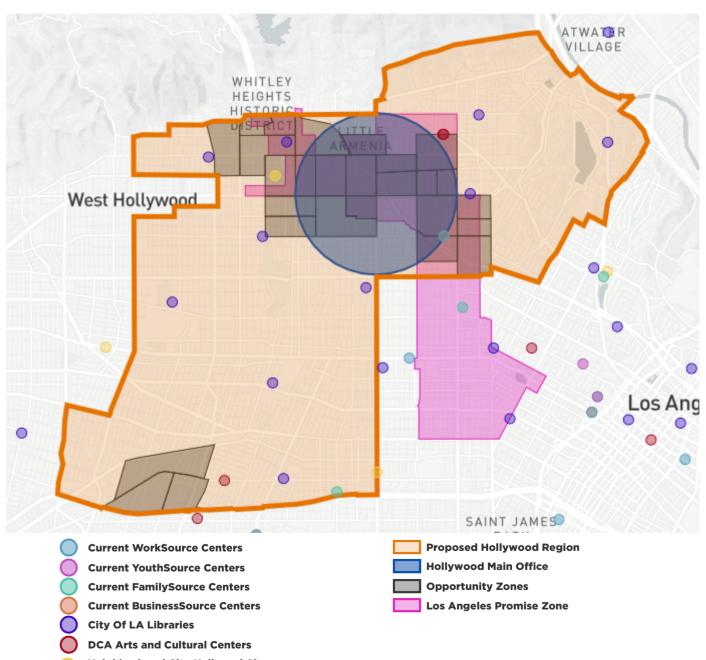
1 Hollywood and South Valley Region both scored the same number of points in the analysis (See page 24), therefore were given the same ranking number and then a gap is left in the ranking numbers.

Black (Not Hispanic or Latino) Asian (Not Hispanic or Latino) Hawaiian (Not Hispanic or Latino) White (Not Hispanic or Latino) Hispanic or Latino American Indian (Not Hispanic or Latino) Single Race Other (Not Hispanic or Latino)

Two Or More Races Other (Not Hispanic ...



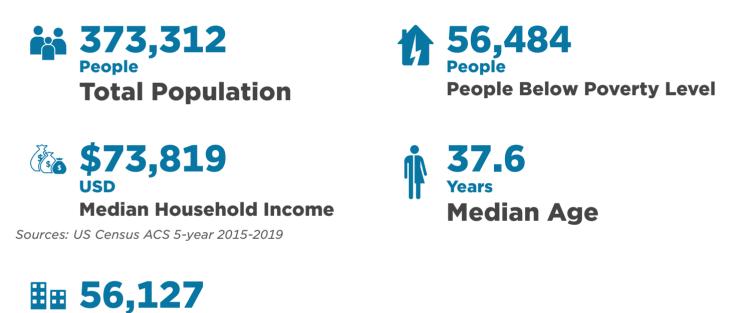
Sources: US Census ACS 5-year 2015-2019



Neighborhood City Halls and City Council District Offices

### 8. South Valley Region<sup>1</sup>

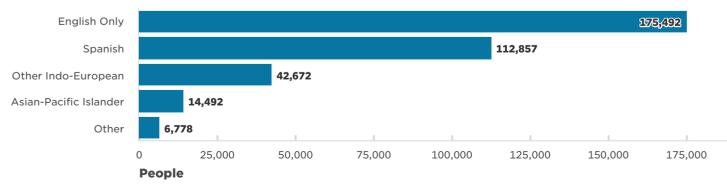
The South Valley service area will cover the neighborhoods of Van Nuys, Valley Glen, North Hollywood, Sherman Oaks, Valley Village, Studio City, Toluca Lake and Council Districts Two, Four, and Six. The main office will be located in the Van Nuys neighborhood. The service area is within the Eastern San Fernando Valley targeted area as defined in the CEDS. The total population of the service area is 373,386 and 58,581, or 16%, are living in poverty. Approximately 197,855, or 53%, of the residents are in low- and moderate-income household. There are 56,127 active businesses within the service area. There are currently 26 Opportunity Zones established in the service area which is about 27% of the total census tracts. A Promise Zone is not currently established in the service area.



# Number of Businesses

All active businesses registered with the Office of Finance. Date of capture: February 16, 2021.

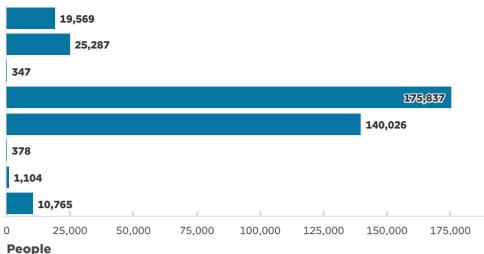
### Language Spoken at Home



Sources: US Census ACS 5-year 2015-2019

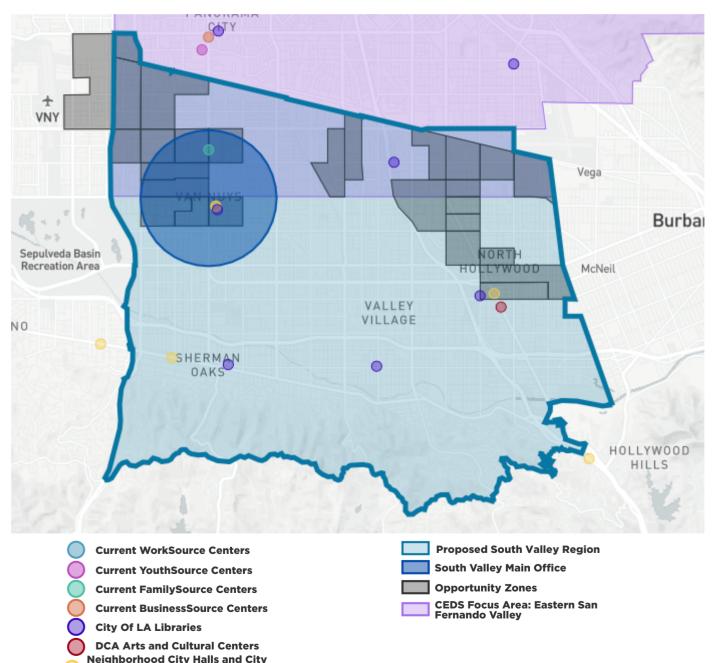
1 Hollywood and South Valley Region both scored the same number of points in the analysis (See page 24), therefore were given the same ranking number and then a gap is left in the ranking numbers.

Black (Not Hispanic or Latino) Asian (Not Hispanic or Latino) Hawaiian (Not Hispanic or Latino) White (Not Hispanic or Latino) Hispanic or Latino American Indian (Not Hispanic or Latino) Single Race Other (Not Hispanic or Latino) Two Or More Races Other (Not Hispanic ...



Sources: US Census ACS 5-year 2015-2019

**Council District Offices** 



### **10. West Valley Region**

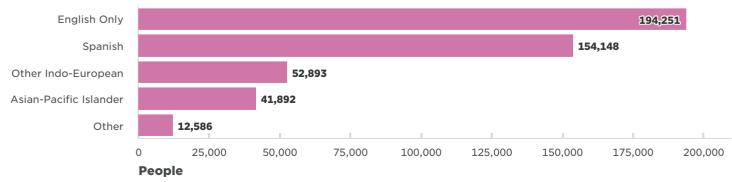
The West Valley service area will cover the neighborhoods of Northridge, North Hills, Reseda, Lake Balboa, Tarzana, Encino, Sepulveda Basin, Canoga Park, Winnetka, Porter Ranch, Granada Hills, and Council Districts Three, Five, Six, and Twelve. The main office will be located in the Reseda neighborhood. The service area is not within any targeted area as defined in the CEDS, however, EDD staff believe this area would suffer from the loss of direct services. The total population of the service area is 482,862 and 58,195, or 12.05%, are living in poverty. Approximately 207,631, or 43%, of the residents are in low- and moderate-income households. There are 53,356 active businesses within the service area. There are currently 11 Opportunity Zones established in the service area which is about 10% of the total census tracts. A Promise Zone is not currently established in the service area.



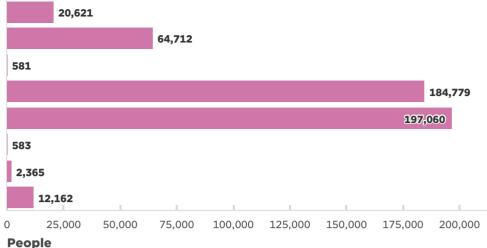
## **Number of Businesses**

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### Language Spoken at Home



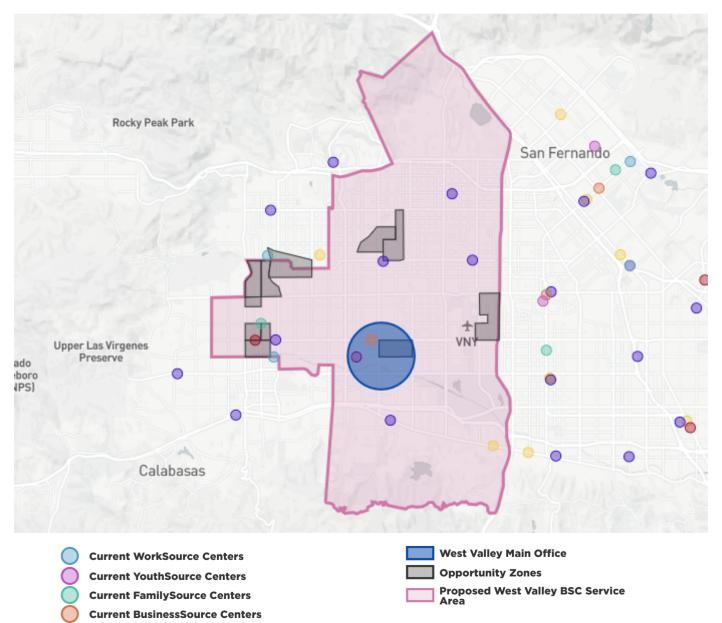
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#### Sources: US Census ACS 5-year 2015-2019

**City Of LA Libraries** 

DCA Arts and Cultural Centers Neighborhood City Halls and City Council District Offices



### Conclusion

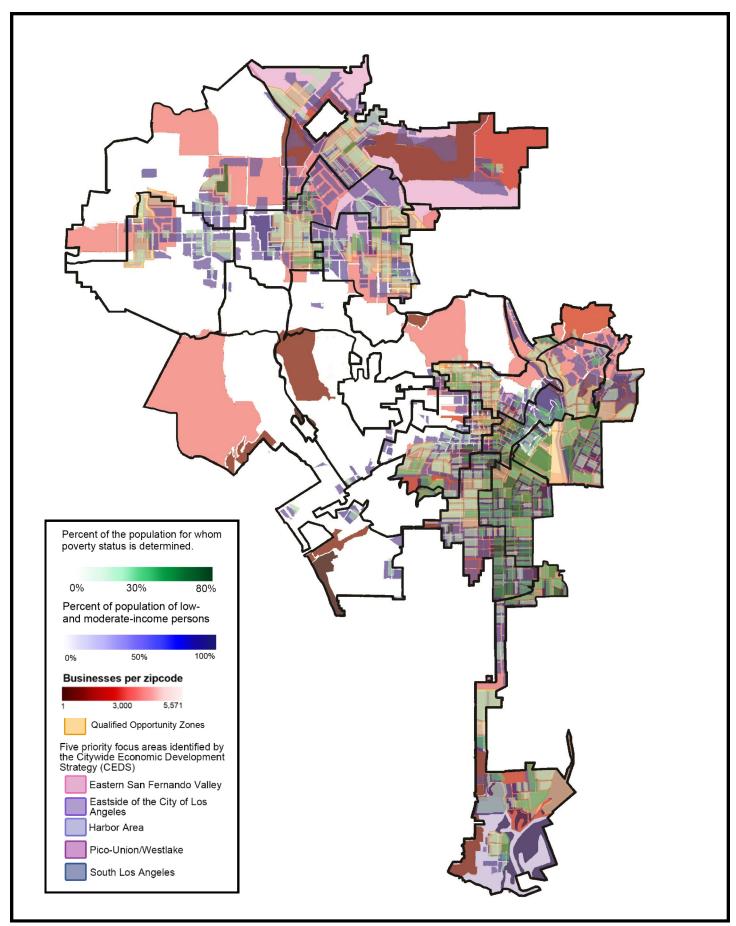
The main goal of the program redesign is to ensure the BSC program can better reach the underserved populations of the City of Los Angeles. The BSC program provides services citywide, however, the main outreach for each center will be focused on their designated service area. A one-mile radius for the main office is established for all service areas and the proposers should identify an office space within the radius. The service areas were determined after comparing the poverty rates using data from 2014-2018 American Community Survey Five Year Estimates, Businesses with active Duns numbers with under 500 employees and sales volumes under \$7.5 million using the Dun and Bradstreet Market Insight tool captured on July 15, 2019, persons in low- and moderate-income households using data from 2011-2015 American Community Survey Five Year Estimates per U.S. Department of Housing and Urban Development (HUD)'s Community Planning and Development (CPD) Notice 19-02, the number of established opportunity zones compared to the total number of census tracts, Promise Zones, and the target areas addressed in the CEDS (see Appendix 1). The previous service areas Central West and Mid-City were combined and more focused on the Pico-Union/Westlake region. The previous South Los Angeles and Harbor service areas were split into four service areas, South Los Angeles, Watts, Southeast Los Angeles, and Harbor, using the 110 freeway and West Manchester Avenue as natural barriers. The methodology to determine the greatest need was based on a point system method comparing all the regions and current economic development factors mentioned previously including business with active Business Tax Registration Numbers (BTRC) as of February 16, 2021. Points were distributed according to rank with ten the maximum and one the minimum. Five points were given to service areas in Promise Zones and target areas addressed in the CEDS and zero points to services areas that are not (see Appendix 2). Below are the results of the allotment of points:

	Points distributed based on greatest need with ten the maximum and one the minimum Economic Development Areas (five points if yes and zero points of no)							
Region	% Low/Mod Residents	% Living in Poverty	% of Opportunity Zones	# of Business in Area	Target Area in the CEDS?	In a Promise Zone?	Total (50 points max)	Ranking
Southeast Los Angeles	10	10	7	7	5	5	44	1
Watts	9	9	10	10	5	0	43	2
East Los Angeles	8	6	9	9	5	0	37	3
Pico Union/ Westlake	7	8	8	2	5	5	35	4
South Los Angeles	6	7	4	6	5	5	33	5
Harbor	1	5	3	8	5	0	22	6
North Valley	4	4	2	5	5	0	20	7
Hollywood	5	3	5	1	5	0	19	8 <sup>1</sup>
South Valley	3	2	6	3	0	5	19	8 <sup>1</sup>
West Valley	2	1	1	4	0	0	8	10

<sup>1</sup> Hollywood and South Valley Region both scored the same number of points in the analysis, therefore were given the same ranking number and then a gap is left in the ranking numbers.

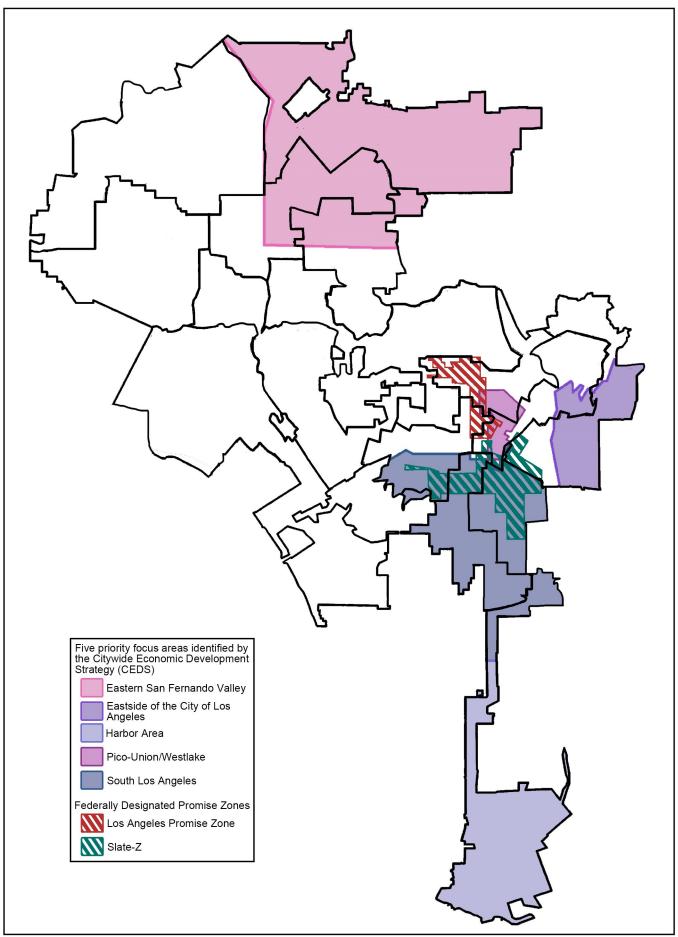
#### Appendix 1

# **Economic Development Heat Map**

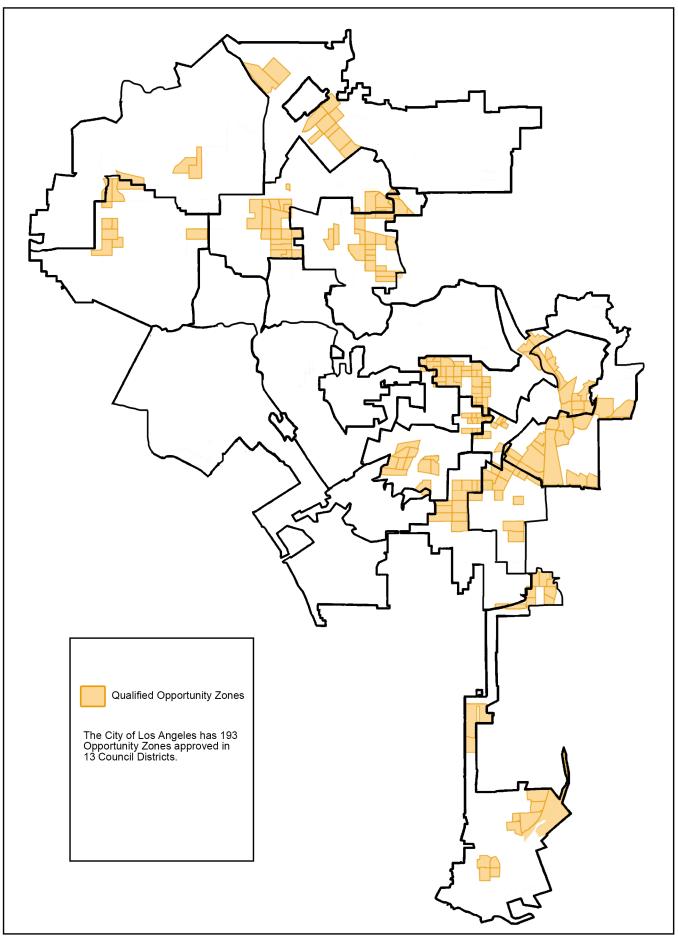


### Economic Development Areas in the City of Los Angeles



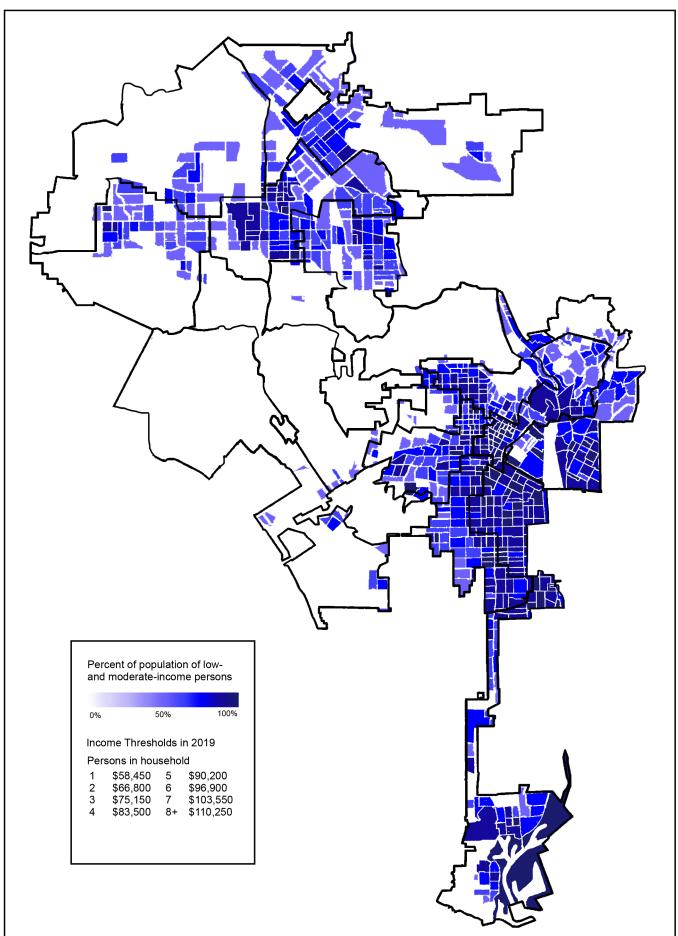






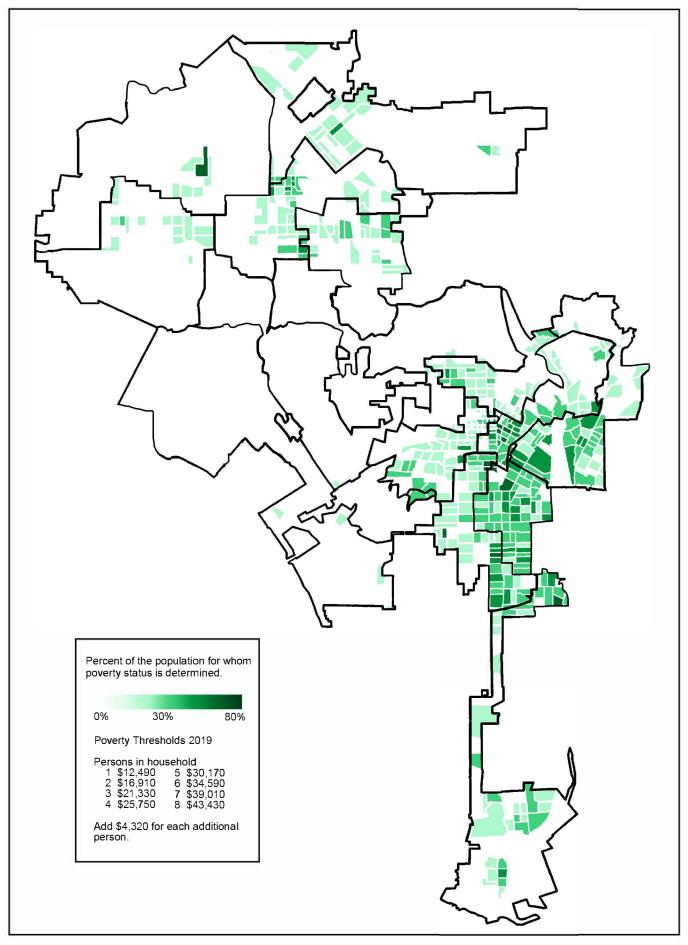






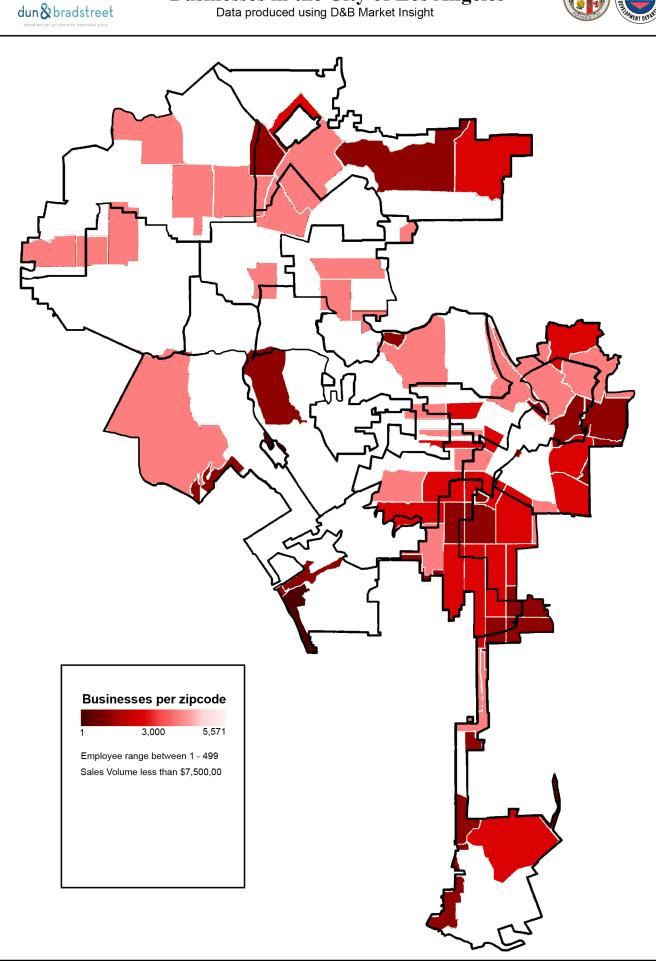
#### **Poverty in the City of Los Angeles** Data from 2014-2018 American Community Survey 5-Year Estimates





# Businesses in the City of Los Angeles Data produced using D&B Market Insight





	% Low/Mod Residents	% Living in Poverty	% Opportunity Zones	# of Business	Target Area in the CEDS?	In a Promise Zone?	Total
Southeast LA	10	10	7	7	5	5	44
Watts	9	9	10	10	5	0	43
East Los Angeles	8	6	9	9	5	0	37
Pico Union/ Westlake	7	8	8	2	5	5	35
South Los Angeles	6	7	4	6	5	5	33
Harbor	1	5	3	8	5	0	22
North Valley	4	4	2	5	5	0	20
Hollywood	5	3	5	1	0	5	19
South Valley	3	2	6	3	5	0	19
West Valley	2	1	1	4	0	0	8

	% Low/Mod Residents	Points
Southeast LA	87%	10
Watts	85%	9
East Los Angeles	82%	8
Pico Union/Westlake	77%	7
South Los Angeles	63%	6
Hollywood	61%	5
North Valley	58%	4
South Valley	53%	3
West Valley	43%	2
Harbor	42%	1

Per U.S. Department of Housing and Urban Development (HUD)'s Community Planning and Development (CPD) Notice 19-02, the statistical information used in the calculation of estimates identified in the data sets comes from two sources: 1) the 2011-2015 American Community Survey (ACS), and 2) the Income Limits for Metropolitan Areas and for Non Metropolitan Counties.

	# Living in	Population	% Living in	Points
	Poverty	Population	Poverty	Points
Southeast LA	59,825	189,354	31.59%	10
Watts	34,038	108,700	31.31%	9
Pico Union/Westlake	94,975	362,530	26.20%	8
South Los Angeles	93,352	379,586	24.59%	7
East Los Angeles	39,804	165,499	24.05%	6
Harbor	39,075	215,803	18.11%	5
North Valley	77,041	468,654	16.44%	4
Hollywood	58,424	366,568	15.94%	3
South Valley	56,484	373,312	15.13%	2
West Valley	58,195	482,862	12.05%	1

Data from 2015-2019 American Community Survey Five Year Estimates.

	# of Opportunity Zones	Total Census Tracts	% of Opportunity Zones	Points
Watts	8	21	38.10%	10
East Los Angeles	14	46	30.43%	9

Pico Union/Westlake	29	104	27.88%	8
Southeast LA	12	44	27.27%	7
South Valley	26	96	27.08%	6
Hollywood	27	105	25.71%	5
South Los Angeles	22	88	25.00%	4
Harbor	12	55	21.82%	3
North Valley	22	111	19.82%	2
West Valley	11	110	10.00%	1

The City of Los Angeles has 193 Opportunity Zones approved in 13 Council Districts.

	# of	Points
	Businesses	1 ontes
Watts	3,696	10
East Los Angeles	9,854	9
Harbor	11,247	8
Southeast LA	12,958	7
South Los Angeles	23,001	6
North Valley	31,594	5
West Valley	53,356	4
South Valley	56,127	3
Pico Union/Westlake	56,766	2
Hollywood	57,348	1

Businesses with an active Business Tax Registration Certificate (BTRC) with the Office of Finance using data from the City's Open Data portal updated on February 16, 2021.