

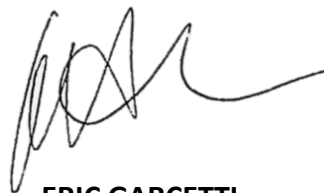
TRANSMITTAL

To: **THE COUNCIL**

Date: **09/08/22**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in black ink, appearing to be "Eric Garcetti", written in a cursive, flowing style.

(Andre Herndon) for

ERIC GARCETTI
Mayor

CITY OF LOS ANGELES

CALIFORNIA

CAROLYN M. HULL
GENERAL MANAGER



ERIC GARCETTI
MAYOR

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017

September 6, 2022

Council File: 13-0934-S2 and
20-0304
Council District: 7
Contact Persons & Phone Numbers:
Vanessa Willis (213) 744-9321

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

Attention: Heleen Ramirez, Legislative Coordinator

**TRANSMITTAL: RECOMMENDATION TO ESTABLISH THE VAN NUYS BOULEVARD
CORRIDOR BETWEEN BRADLEY AVENUE AND LAUREL CANYON BOULEVARD
AS A JOBS AND ECONOMIC DEVELOPMENT INCENTIVE (JEDI) ZONE IN COUNCIL
DISTRICT SEVEN.**

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

SUMMARY

The approval of this action will establish a City JEDI Zone for a portion of the Van Nuys Boulevard Corridor between Bradley Avenue to the northeast and Laurel Canyon Boulevard to the southwest in Council District 7 (CD7), consistent with the approved Jobs and Economic Development Incentive Zones (JEDI Zones) Establishment Policy and Incentive Plan, ("JEDI Establishment Policy"), as adopted on March 6, 2020, and revised on November 2, 2021 (C.F. 13-0934-S2).

JEDI Zones are defined areas where local economic incentives will be used to enhance existing businesses and attract new businesses and industries that will result in increased economic development and growth in the City of Los Angeles, particularly in communities that have been historically underinvested.

On March 6, 2020, the Council directed the Economic and Workforce Development Department (EWDD) to evaluate a potential JEDI Zone in a portion of Van Nuys Boulevard in Council District 7 (C.F. 20-0304). EWDD has conducted a baseline

evaluation of the proposed Van Nuys Boulevard Corridor JEDI Zone in order to provide a description and analysis of the proposed JEDI Zone, assessment of the area's economic distress level, and recommendations for the establishment of the JEDI Zone and provision of business incentives to enhance economic development in the corridor through a Business Incentive Plan.

RECOMMENDATIONS

The General Manager of the Economic and Workforce Development Department (EWDD) or designee, respectfully requests that the City Council, subject to the approval of the Mayor as required:

1. DESIGNATE the Van Nuys Boulevard Corridor, between Bradley Avenue and Laurel Canyon Boulevard as a City of Los Angeles JEDI Zone (Van Nuys Corridor JEDI Zone), for a period of five years.
2. AUTHORIZE EWDD to implement a Business Incentive Plan for the area, as set forth herein, consistent with the adopted JEDI Establishment Policy, including providing permit subsidies of up to \$10,000 for up to twenty (20) businesses within the Van Nuys Corridor JEDI Zone, with a total allocation of up to \$200,000 from previously appropriated JEDI Program funds.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. During the establishment of the JEDI Zone program, the City Council and Mayor authorized the use of \$1,000,000 of former Urban Development Action Grant (UDAG) funds to provide permit fee reductions for businesses located in designated JEDI Zones (C.F. 13-0934-S2).

DISCUSSION

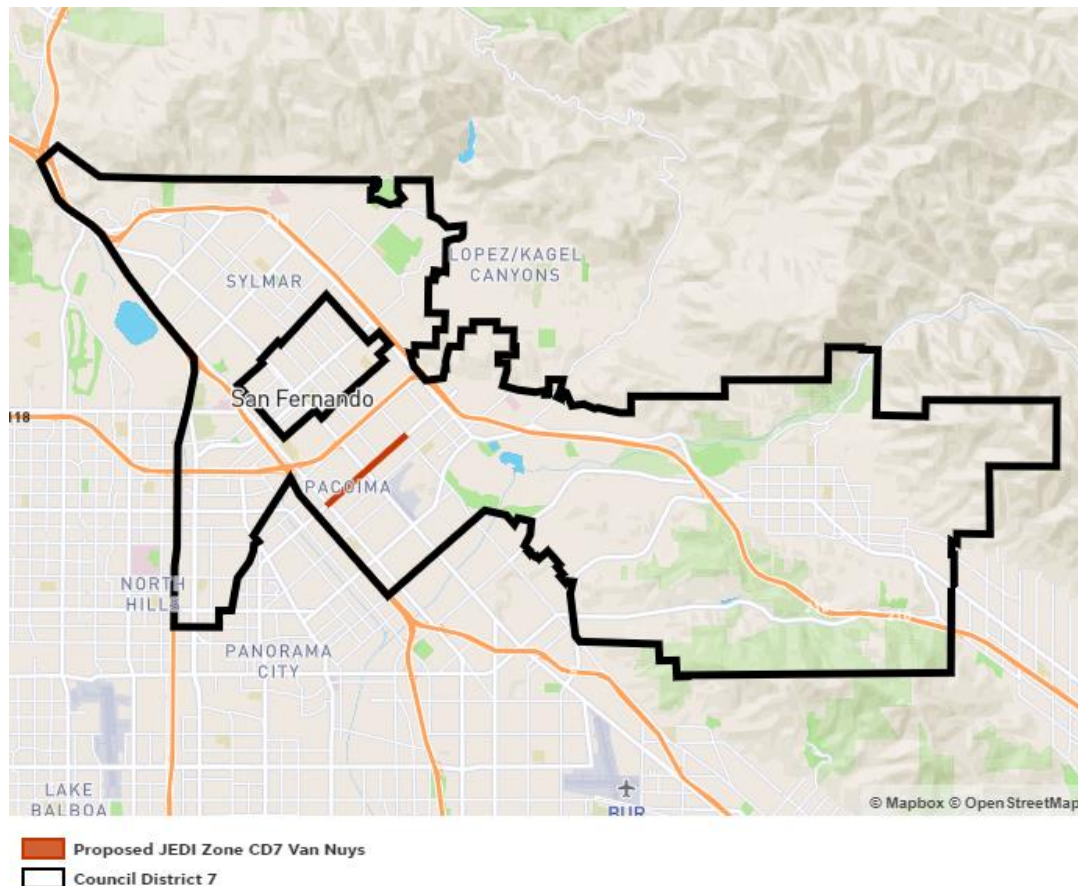
The JEDI Zone Program goal is to promote economic development activity, encourage and attract investments, and create jobs and expand business opportunities in economically distressed and underinvested areas through incentives, services, and resources to businesses located within designated JEDI Zones.

Proposed Location

On March 6, 2020, Council District 7 (C.F. 20-0304) requested EWDD to conduct a baseline evaluation to establish a JEDI Zone located in Council District 7 along Van Nuys Boulevard. The proposed Van Nuys Boulevard Corridor is bounded by Glenoaks Boulevard to the northeast and Laurel Canyon Boulevard to the southwest. According to Google maps, the distance of the corridor is approximately 4,048 feet long (0.77 miles) and is within twelve (12) contiguous Census block groups (#060371043213 Block Group, #060371047011 Block Group, #060371043211 Block Group, #060371047012 Block Group, #060371043212 Block Group, #060371047013 Block Group, #060371043222 Block Group, #060371046101 Block Group, #060371044041 Block Group, #060371046202 Block Group, #060371044042 Block Group, and #060371045001 Block Group).

Map 1 below, illustrates the JEDI Zone location within CD7.

**MAP 1-
CD7 JEDI Zone Proposed Location**



Economic/Income Status

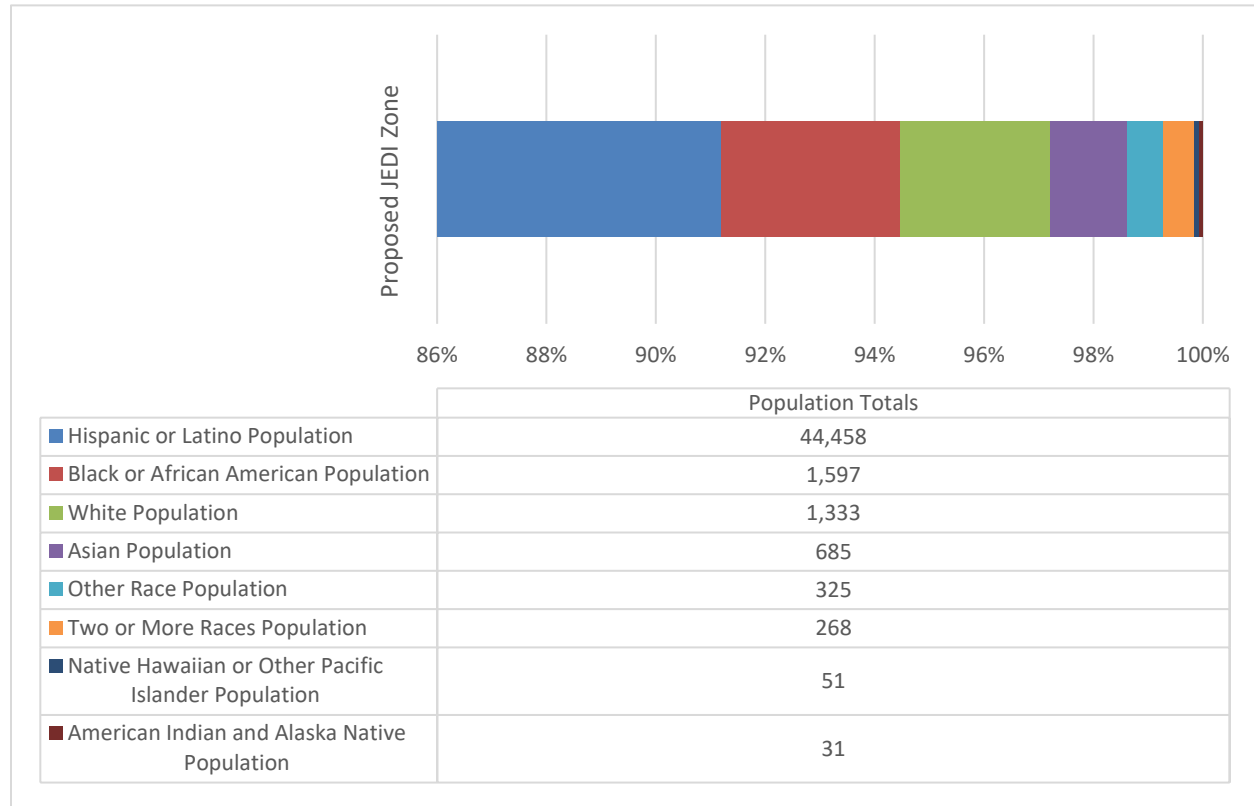
According to the American Community Survey (ACS) 5-Year 2016-2020 economic data, CD7's median household income is \$74,194. The median household income in the City of Los Angeles is \$65,290. The percent of the population living below the poverty level within CD7 is 14.5%. While 16.6% of the population is below the poverty level within the City of Los Angeles.

Demographics

The proposed Van Nuys Corridor JEDI Zone is located in neighborhood identified as Pacoima. The demographics of the proposed JEDI Zone are predominately Hispanic/Latino. There are approximately 47,071 total residents within the proposed JEDI Zone. According to the ACS 5-Year 2016-2020 data, the Hispanic/Latino population is 92.10% of the total population, followed by the Black/African American population at 2.88% in the proposed Van Nuys Corridor JEDI Zone.

Graph 1 below, contains the ethnic/population breakdown of the proposed Van Nuys Corridor JEDI Zone area.

**GRAPH 1 –
Demographics Population of Proposed JEDI Zone**



Source:ESRI ACS Race and Hispanic Origin Variables, ACS-5 year 2016-2020

BUSINESS ENVIRONMENT

As of June 15, 2022, according to the City of Los Angeles – Office of Finance, there are three hundred and seventy-seven (377) businesses that have a City of Los Angeles - Business Tax Registration Certificate (BTRC) in the proposed Van Nuys Corridor JEDI Zone. The area businesses span across a diverse range of industries, including restaurants, barber shops, personal services, and tax services. The industries with the highest count in the proposed JEDI Zone are detailed in the truncated table below.

**TABLE 1 –
Active Businesses NAICS Industry Codes within the Proposed JEDI Zones**

NAICS Industry Code	NAICS Primary Description	Count of Active Businesses
531100	Lessors of real estate (including mini warehouses & self-storage units)	28
812111	Barber shops	20
722110	Full-service restaurants	18
812990	All other personal services	12
541213	Tax preparation services	11
452000	General merchandise stores	9
454390	Other direct selling establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)	9
561720	Janitorial services	8
812112	Beauty salons	8
443112	Radio, television, & other electronics stores	7
532290	Other consumer goods rental	7
621111	Offices of physicians (except mental health specialists)	7
812113	Nail salons	7
	Grand Total	377

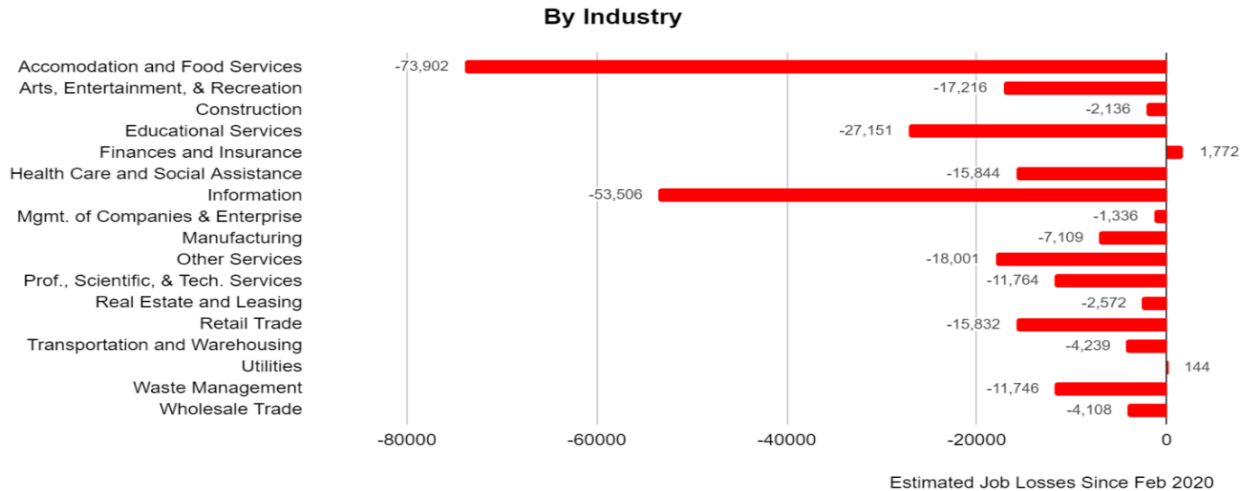
**List has been truncated due to length.*

COVID-19 PANDEMIC IMPACT

As a result of the Coronavirus 2019 (COVID-19) health pandemic, local businesses have been facing declining sales, operational challenges, and financial uncertainty. Certain industries such as the low-wage service industries and the people of color predominantly employed in them are in the throes of a deep recession that has left other industries, professions, and demographics relatively untouched. Businesses involving close human contact including restaurants, gyms, hair salons, and movie theaters have suffered excessively. According to the LAEDC Pathways for Economic Resiliency Report, it is a trying time for Los Angeles County businesses due to strict closure guidelines and the slow recovery which has limited revenue for an extended period. From March 1, 2020 to August 31, 2020, Yelp reported more temporary and permanent business closures in Los Angeles than any other metropolitan areas in the country with approximately 15,000 total business closures of which approximately 7,500 businesses are permanently closed.

Implementation of the Van Nuys Corridor JEDI Zone program, will assist area businesses negatively impacted by the COVID-19 pandemic and prevent the permanent closures of small and minority-owned businesses.

GRAPH 2 – Controller's Office Job Losses by Industry



Source: Controller's Office

JEDI Zone Eligibility Analysis

The JEDI Zone Establishment Policy as adopted by Council and Mayor (C.F. 13-0934-S2) (JEDI Policy) outlines that a proposed JEDI Zone must meet one of the following six (6) Primary Eligible Criteria:

1. City-established Enhanced Infrastructure Finance Districts (EIFD) District; or
2. City-established Community Revitalization & Incentive Authorities (CRIA) District; or
3. Within a designated Opportunity Zone; or
4. Focus Area designated by Citywide Economic Development Strategy; or
5. Promise Zone Community; or
6. Economic assessment using the secondary needs assessment criteria. An area must meet four secondary needs assessment criteria to qualify as eligible for a JEDI Zone.

The JEDI Policy states that priority will be given to those proposed JEDI Zone areas with the greatest need by evaluating for factors indicating distress in the following Secondary Needs Assessment categories:

1. Qualifies as low and moderate-income (LMI) area as defined by the U.S. Department of Housing and Urban Development (HUD). The area must have at least fifty-one percent (51%) of the residents be LMI persons.
2. An average unemployment rate that is at least three percent (3%) higher than the Citywide rate.
3. Deteriorated commercial structures, based on the physical deterioration of buildings/improvements; abandonment of properties; chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings; significant declines in property values or abnormally low property values relative to other areas in the community; or known or suspected environmental contamination.

4. More than fifty percent (50%) of the buildings in the area are zoned for commercial, retail, or industrial uses.
5. Contains at least one City priority project, defined at the time the JEDI Zone is created.
6. Within the project area boundary of the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) that was active at the time of the dissolution of the Community Redevelopment Agency.

Primary Qualifying Criteria for the Proposed Van Nuys Corridor JEDI Zone

The JEDI Zone Establishment Policy requires for proposed areas to satisfy one of six (6) primary eligibility criteria to qualify for a baseline evaluation to become designated as a JEDI Zone. The proposed Van Nuys Corridor JEDI Zone area is located within a Citywide Economic Development Strategy (CEDS) Focus Area that fulfills the primary qualifying criterion for the area's nomination as a JEDI Zone. Additionally the area is partially located in a Federally designated Opportunity Zone.

**MAP 2 –
Economic Incentives Overlay Map**

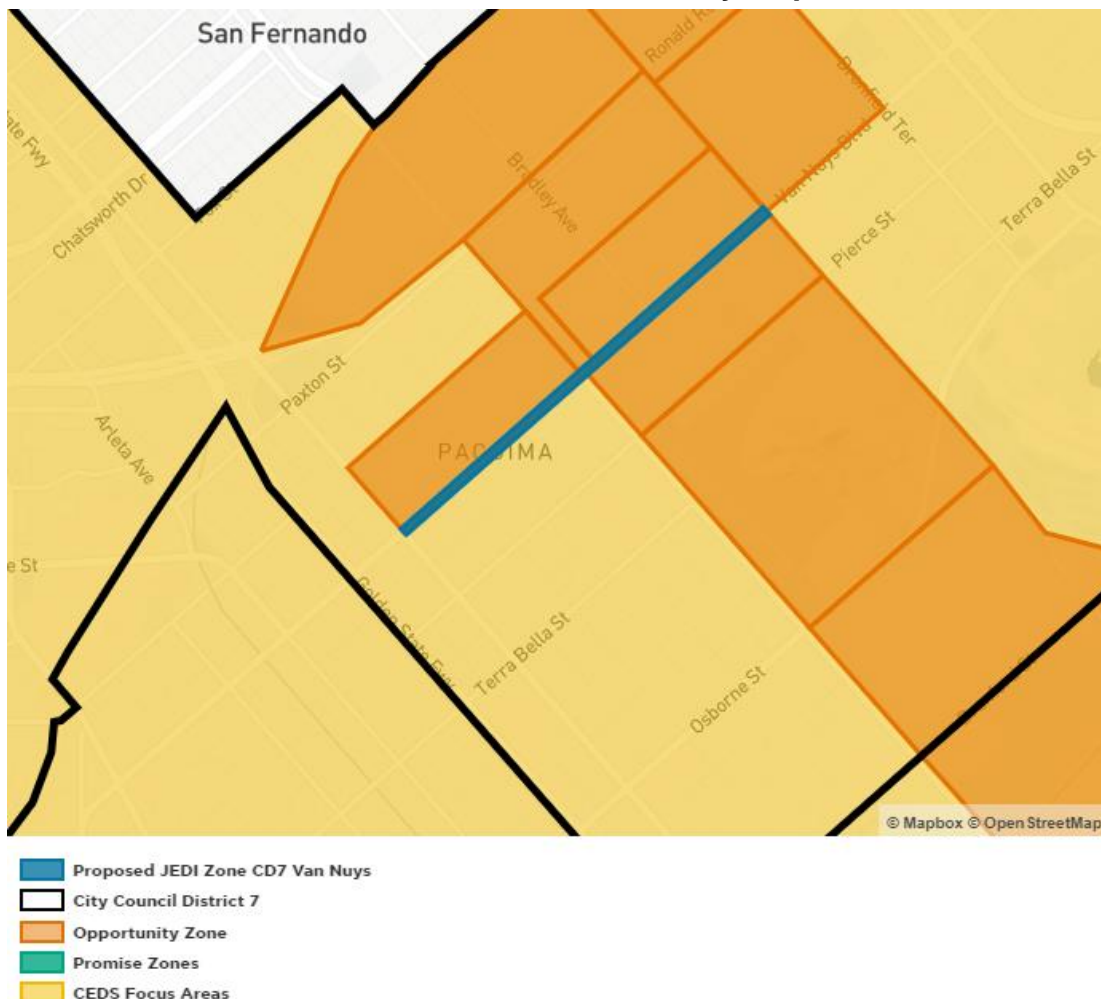


Table 2 below provides a summary of the primary qualifying criteria that have been met.

**TABLE 2 –
Summary of Primary Qualifying Criteria**

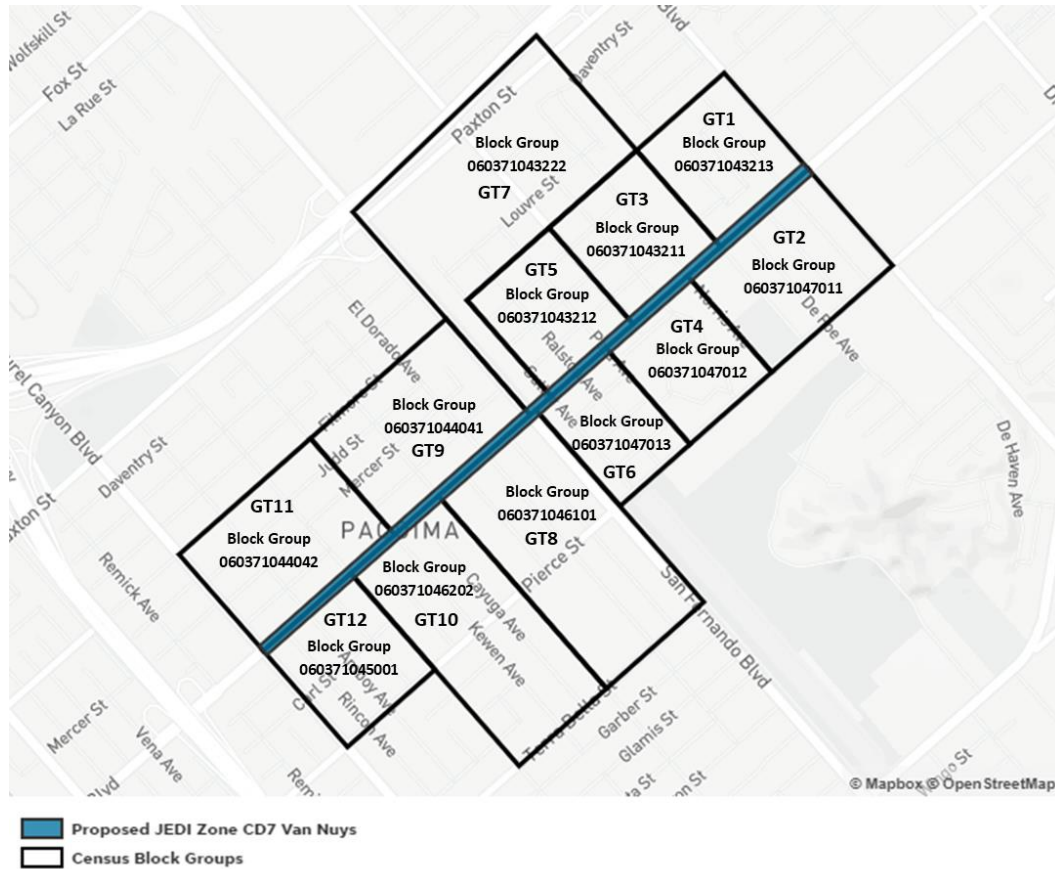
Primary Qualifying Criteria	Qualification Status
City-established EIFD District	N/A
City-established CRIA District	N/A
Within a designated Opportunity Zone	Partially Meets Criteria
Focus Area designated by Citywide Economic Development Strategy	Meets Criteria
Promise Zone Community	Does Not Meet Criteria
Economic assessment establishing four criteria in the Secondary Needs Assessment.	N/A

Secondary Needs Assessment

The Secondary Needs Assessment is an analysis of additional measures that indicate an economically distressed area and assigns priority to a proposed JEDI Zone. To deliver targeted, place-based services and small business support to proposed JEDI Zone areas demonstrating the greatest need, the following Secondary Needs Assessment criteria are evaluated to determine the highest priority within the determined eligible JEDI Zone.

1. Unemployment
2. Low and Moderate Income Area
3. Blight
4. Commercial Industrial and Retail Usage
5. Within an Identified City Priority Project
6. Within a Former Community Redevelopment Agency Project Area

MAP 3 – Proposed Van Nuys Corridor JEDI Zone Annotated with Census Block Groups



The Van Nuys Corridor JEDI Zone is comprised of twelve adjoining census block groups:

- Census Tract #060371043213 Block Group #1 (GT 1),
- Census Tract #060371047011 Block Group #2 (GT 2),
- Census Tract #060371043211 Block Group #3 (GT 3),
- Census Tract #060371047012 Block Group #4 (GT 4),
- Census Tract #060371043212 Block Group #5 (GT 5),
- Census Tract #060371047013 Block Group #6 (GT 6),
- Census Tract #060371043222 Block Group #7 (GT 7),
- Census Tract #060371046101 Block Group #8 (GT 8),
- Census Tract #060371044041 Block Group #9 (GT 9),
- Census Tract #060371046202 Block Group #10 (GT 10),
- Census Tract #060371044042 Block Group #11 (GT 11), and
- Census Tract #060371045001 Block Group #12 (GT 12).

Map 3 identifies the Census Tract Block Groups that comprise the proposed CD7 JEDI Zone.


Unemployment

A proposed JEDI Zone must demonstrate that the area has an average unemployment rate that is 3% higher than the average Citywide unemployment rate. EWDD obtained access to unemployment figures that can be averaged over a period of time providing a methodology to measure unemployment over a historical period. This methodology allows for a sustained and persistent basis for a designation of need.

For the Citywide average rate, California State Employment Development Department (EDD) May 2022 current preliminary data was applied.

The 2020 U.S. Census American Community Survey 5-year, is the data source for the unemployment rate in council districts. This data is updated annually each December. This unemployment rate source can be apportioned to the City, Council District, and smaller granularity, providing for comparison within the census tracts and census block groups comprising the eligible area.

**TABLE 3 –
Average Unemployment Rates 2016-2020**

	Unemployment Rate Area
	4.6% Unemployment Rate City of Los Angeles, CA
	5.9% Unemployment Rate Council District 7
	6.4% Unemployment Rate Van Nuys Corridor Proposed JEDI Zone

Sources: EDD May 2022 Unemployment Rate; US Census ACS 5-year 2016-2020

**TABLE 4 –
Unemployment Rate by Census Block Group**

Unemployment Rate	
Block Group 060371043213	5.2%
Block Group 060371047011	6.5%
Block Group 060371043211	10.2%
Block Group 060371047012	12.2%
Block Group 060371043212	1.7%
Block Group 060371047013	4.5%
Block Group 060371043222	0%
Block Group 060371046101	2.2%
Block Group 060371044041	7.3%
Block Group 060371046202	9.2%
Block Group 060371044042	8%
Block Group 060371045001	4.2%

Sources: US Census Bureau ACS 5-year 2016-2020

Much of the area does **not** meet the criteria of an average unemployment rate at least 3% higher than the average Citywide median. Of the twelve (12) Census Block Groups that comprise the proposed Van Nuys Corridor JEDI Zone, four (4) Census Block Groups qualify under the JEDI Zone needs assessment criteria. In December 2020, the unemployment rate in Los Angeles City was at 12.4%. Currently, the unemployment rates are unavailable for the Council District. EWDD will continue to work to secure more current unemployment rates that can be apportioned to census tracts and block groups.

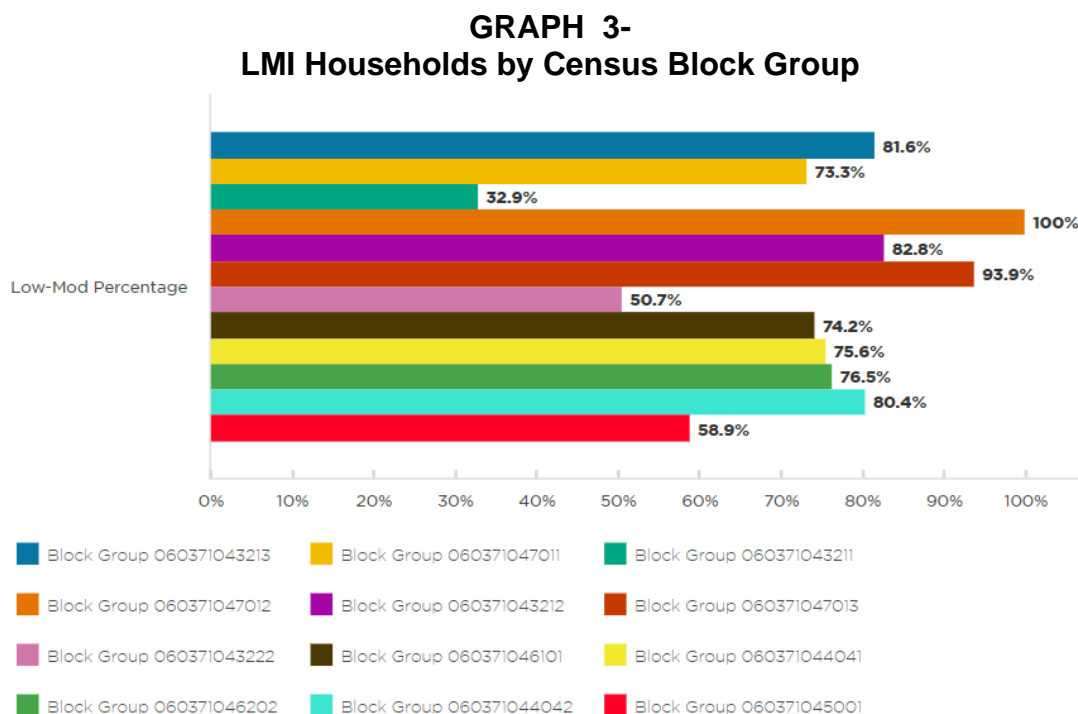
Low- and Moderate-Income Area

As specified in the JEDI Zone Establishment Policy, proposed JEDI Zone areas with 50% or more of its residents that are Low and Moderate Income (LMI) persons as defined by the U.S. Department of Housing and Urban Development (HUD), qualify as an economically distressed area and meets the secondary needs assessment benchmark criteria. HUD defines LMI income categories as:

- Low Income: up to 50% of Area Median Income
- Moderate Income: greater than 50% and up to 80% of Area Median Income

HUD designates an area as LMI when at least fifty-one percent (51%) of the area households are low to moderate-income. Approximately seventy-three percent (73.4%) of the area residents within the twelve (12) Census Blocks that comprise the proposed JEDI Zone are LMI.

EWDD averaged the LMI rates within the twelve (12) Census Block groups within the proposed JEDI Zone to determine priority. Ten of the twelve Census Block groups **meet** the distress benchmark of 51% or more of its households as LMI persons.



Source: HUD Low-Mod (LMISD) 2021

Economic blight is a secondary needs assessment criteria and is the visible and physical decline of a property or neighborhood as evidenced by the presence of deteriorated commercial structures and buildings/improvements; abandonment of properties; chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings; significant declines in property values or abnormally low property values relative to other areas in the community; or known or suspected environmental contamination.

On June, 17, 2022, EWDD staff conducted a site visit and found the physical condition of the buildings to have moderate deterioration in some areas of the zone. There are a number of outdated signages and a lack of uniformity with some businesses that could be addressed through the JEDI Zone's Façade Improvement Program. There are a few vacancies and a lack of foot traffic in certain areas that leave room for new growth and a variety of industries.

Certain areas within the proposed JEDI Zone are in good physical condition, particularly the areas on Van Nuys Boulevard from Glenoaks Boulevard to Bradley Avenue and from El Dorado Avenue to San Fernando Boulevard. Refer to Attachment 2 – Site Visit Photos. EWDD's assessment concluded that the proposed Van Nuys Corridor JEDI Zone area **partially meets** the blight criteria.

Commercial Industrial and Retail Usage

The JEDI Zone program is a place-based economic development program designed to assist businesses, boost job creation and encourage investment in distressed commercial, industrial and retail areas. For an area to be designated as a JEDI Zone, a secondary needs assessment to determine if the proposed Zone contains 50% or more commercial, industrial and retail uses must be supported.

The area of the JEDI Zone on Van Nuys Boulevard from Glenoaks to Norris Avenue is primarily residential. See below, Map 4 – Zoning and Usage of Structures illustrates the commercial and public open space zoning and usage within the proposed JEDI Zone. The Census Block groups surrounding the proposed JEDI Zone are mostly residential. Three of the twelve census tract block groups within the proposed JEDI Zone **meet** the criteria of 50% or more of the area containing commercial, retail, or industrial uses.

Zoning and Usage of Structures



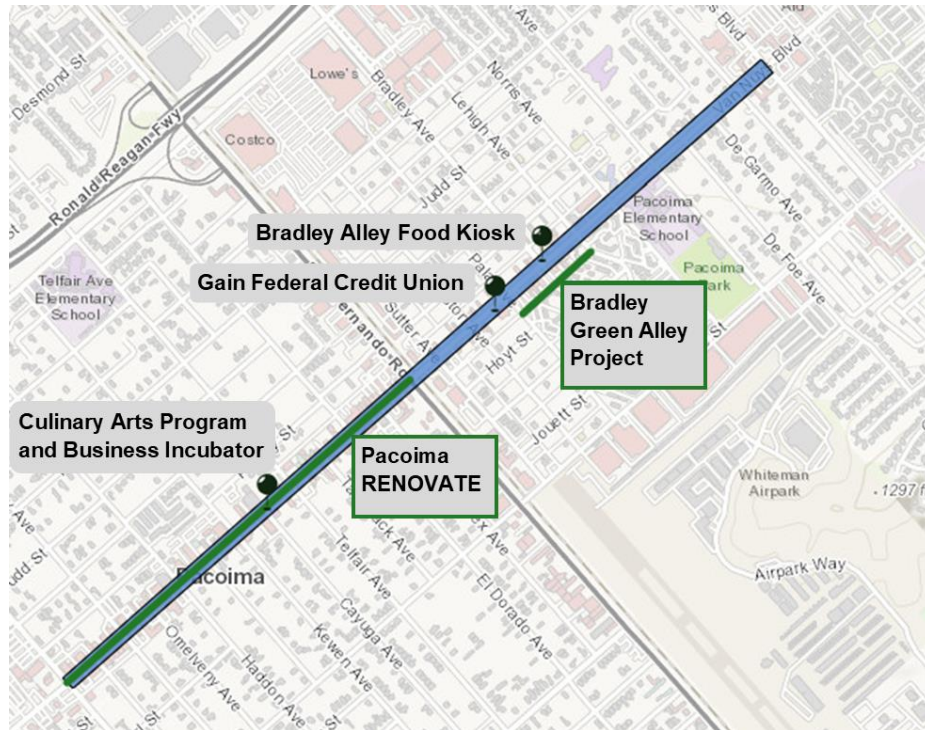
Source: Zone Information and Map Access System (ZIMAS)

Identified City Priority Project

A proposed JEDI Zone must contain at least one City priority project to meet the secondary needs assessment criteria identified in the JEDI Establishment Zone policy. The proposed Van Nuys Corridor JEDI Zone contains five city priority projects, the Culinary Arts Program and Business Incubator, the Bradley Alley Food Kiosk, the Bradley Green Alley Project, Pacoima RENOvATE, and the Gain Federal Credit Union.

Map 5 identifies the locations of the priority projects in reference to the proposed JEDI Zone.

CD 7 Priority Projects



The Culinary Arts Program and Business Incubator located at 13460 Van Nuys Boulevard, will provide local culinary entrepreneurs and residents access to a commercial kitchen space and business services to kitchen users at variable rates. The Bradley Alley Food Kiosk located within the Bradley Avenue Plaza, 10900 Bradley Ave, is an expansion of the Culinary Arts Program and Business Incubator and serves as the point-of-sale for the program.

The Bradley Green Alley Project was completed in August 2020 and retrofitted the alley parallel to Van Nuys Boulevard between Lehigh Avenue and Pala Avenue. The project infiltrates and manages stormwater while improving the water quality and providing site amenities to the community area.

In collaboration with the County of Los Angeles, Pacoima RENOVA TE provides grants to businesses located on Van Nuys Blvd. between Laurel Canyon Blvd. and San Fernando Road, to undergo storefront renovations to eliminate blight and strengthen local businesses.

The former Gain Federal Credit Union located at 13168 Van Nuys Boulevard is a City of Los Angeles-financed site that is also considered a priority project.

Former Community Redevelopment Project Area

A proposed JEDI Zone must also be within the boundaries of a former Community Redevelopment Project Area that was active at the time of the dissolution of the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) to meet the criteria in the JEDI Policy.

On November 29, 1994, the Pacoima/Panorama City Project Area was adopted with an

expiration date of December 31, 2016. This project area was active at the time of the dissolution of the CRA in February 1, 2012.

Map 6, below, displays that the entire proposed Van Nuys Corridor JEDI Zone located within the Pacoima/ Panorama City Project Area that **meets** the eligibility criteria of being an active plan area before the dissolution of the CRA.

**MAP 6 –
Pacoima Redevelopment Project Area**

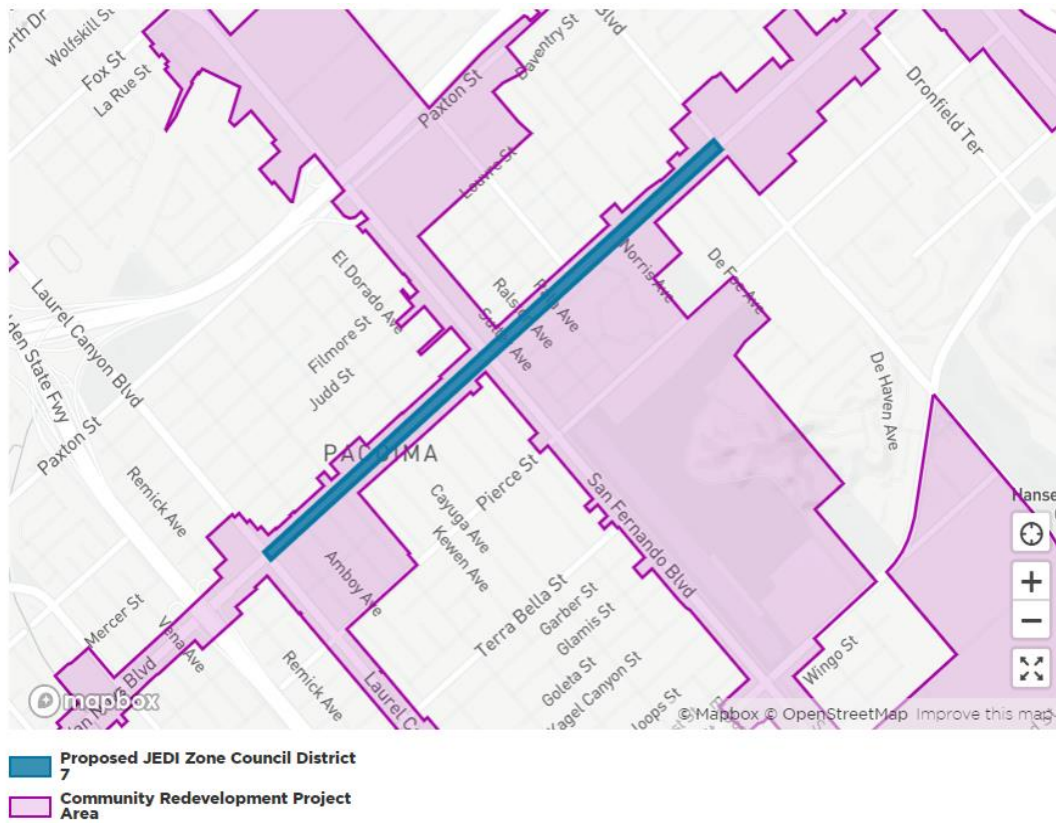


Table 5 below, provides a Summary of the Secondary Needs Assessment Qualifications for the proposed Van Nuys Corridor JEDI Zone, indicating which criteria is either met or not met in the proposed area.

**TABLE 5 –
Summary of Secondary Needs Assessment**

Secondary Needs Criteria	GT1	GT2	GT3	GT4	GT5	GT6	GT7	GT8	GT9	GT10	GT11	GT12
Unemployment Non-seasonal unemployment rate that is at least 3% higher than the Citywide rate.	Does Not Meet Criteria		Meets Criteria		Does Not Meet Criteria					Meets Criteria		Does Not meet Criteria
Low and Moderate Income Qualifies as a low and moderate-income (LMI) area as defined by the HUD. An area where at least 51% of the residents are LMI persons.	Meets Criteria		Does Not Meet Criteria	Meets Criteria			Does Not Meet Criteria	Meets Criteria				
Blight Deteriorated commercial or residential structures, based on the physical deterioration of buildings/improvements; abandonment of properties; chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings; significant declines in property values or abnormally low property values relative to other areas in the community; or known or suspected environmental contamination, as evaluated by EWDD.	Does Not Meet Criteria				Meets Criteria							
Commercial Industrial and Retail Usage The area is more than 50% commercial, retail, or industrial uses.	Does Not Meet Criteria				Meets Criteria			Does Not Meet Criteria				
Contains an Identified City Priority Project Contains at least one City priority project, defined at the time the JEDI Zone is created which can be identified as part of an adopted community plan.	Does Not Meet Criteria		Meets Criteria		Does Not Meet Criteria	Meets Criteria		Does Not Meet Criteria	Meets Criteria			
Former Community Redevelopment Area Within the boundary of a Community Development Plan Area that was active at the time of the dissolution of the Community Redevelopment Agency	Meets Criteria											

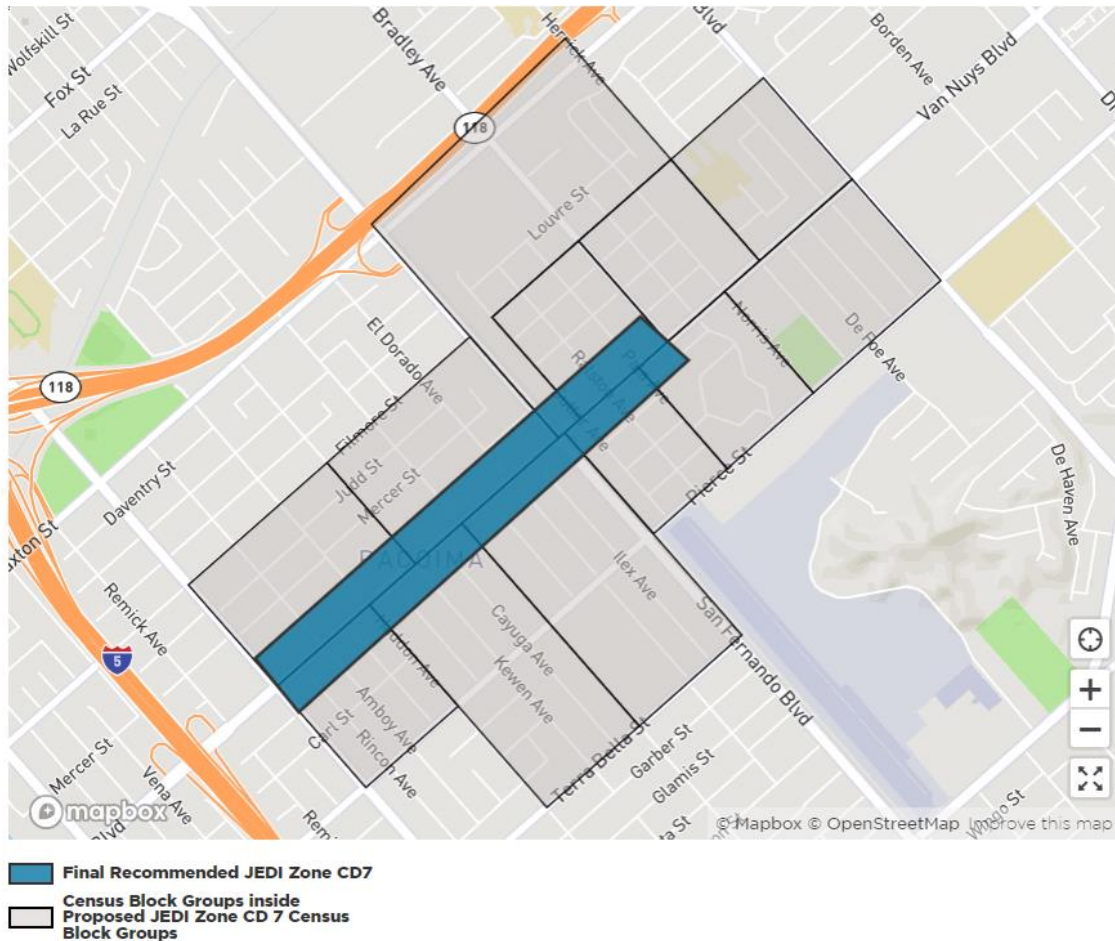
Recommended JEDI Zone Boundaries

EWDD's evaluation of the area's needs determined that all census block groups in the proposed JEDI Zone meets the criteria of an underserved community in one or more areas. The JEDI Zone policies' intent is to identify priority within a qualified area by greatest need. To expend City resources in a coordinated economic development delivery system, each JEDI Zone designated area is imagined containing 20 - 50 businesses. The proposed Van Nuys corridor is too large and contains too many businesses to be impactful.

The areas scoring the highest benchmarks indicating distress are Census Block Group GT 5 through GT 6, beginning on Bradley Ave and continuing to San Fernando Bl and GT 10 through GT 12, beginning on Telfair Ave and ending on Laurel Canyon Bl.

On June 27, 2022, City Council approved changes to the qualifying criteria allowing businesses on both sides of a street to qualify for the benefits of the JEDI Zone program, so long as one side of the street qualifies (C.F. 13-0934-S2). Therefore, the JEDI Zone recommendation will be inclusive of both sides of the Van Nuys commercial corridor and the area between the qualified block groups. EWDD recommends the Van Nuys Corridor JEDI Zone begin on Van Nuys Blvd. at Bradley Avenue, and end at Laurel Canyon Bl.

MAP 7 – Recommended Van Nuys Corridor JEDI Zone



Business Incentive Plan

The recommended area comprising the Van Nuys Corridor JEDI Zone area has met the baseline and secondary needs assessment criteria outlined in the JEDI Zone Establishment Policy. EWDD recommends approval of a portion of the requested Van Nuys Corridor JEDI Zone area and, if the JEDI Zone is adopted, EWDD will provide the JEDI Zone area businesses with an overview of the available benefits, conduct a business assessment, and organize the information and services to determine those most valuable to each stakeholder. EWDD will determine the most effective methods to implement the incentives and enhanced services, including publications and interactive communication technologies. Based on the area economic distress analysis, individual business assessments, and the demonstrated needs, the following, but not limited to, incentives and enhanced services will be offered within the recommended Van Nuys Corridor JEDI Zone JEDI Zone area:

1. **Priority Support Program** –one-on-one business consultation, promote and assist with access to City Programs for businesses, and provide a customized package of incentives and services to help businesses reach their goals.

2. **Business Development Support** – case management and coordination between businesses and City departments during all phases of development, including entitlement, permitting, and construction, if applicable.
3. **Fee Reductions for Development Permits** – provide up to \$10,000.00 in expediting and/or permitting fees incurred through the development permitting process for eligible projects. Subsidy can be used for either City Planning Department or Department of Building and Safety fees not to exceed \$10,000.00 per project.
4. **Façade Improvement Program** – provide funds to improve the exterior appearance of eligible businesses to make them more inviting to walk and shop and assist with business retention for eligible improvements under CDBG funding regulations.
5. **Employer's Connection** – Provide compensation to employer during staff training, if eligible.
6. **Compliance Assistance** – Facilitate resources to help businesses maintain compliance with land use and building and safety codes and regulations.
7. **Access to Capital** – Connect businesses with lenders that are actively seeking to invest and bring funding opportunities to the City and JEDI Zone area.
8. **Loan Program Fee and Interest Reduction** – Reduce interest rate and fees of Microloan program products, extend payment schedule, and offer loan restructuring to assist with business operations and retention, if permitted under CDBG regulations.

Next Steps

Upon approval of the JEDI Zone designation by the City Council and Mayor, a coordinated and branded campaign to promote the package of targeted incentives to stakeholders in the JEDI Zone will be launched by EWDD. The JEDI Zone branded campaign will include publications, visualizations, and presentations, where appropriate. EWDD will conduct outreach in the JEDI Zones to assess businesses needs and will also conduct biennial performance reports to review the activities and benefits resulting from the JEDI Zone Program.

Biennial Performance Reports

EWDD will report to City Council and Mayor on the JEDI Zone's progress and performance. The report will include a summary of activity in a designated area and a determination of whether adjustments to the JEDI Zone Program are needed.

Five Year Impact Report

After the five-year designation, EWDD will conduct an assessment of the JEDI Zone detailing the impact on the area, including the following:

- The number of new and relocating businesses in the JEDI Zone.
- The number of pre-existing businesses participating in JEDI Incentives.

- The overall percent of businesses helped within JEDI Zone.
- The number of new jobs created as a result of JEDI incentives.
- Number of businesses retained
- Number of businesses that received capital
- The amount of new investment and capital placed in the JEDI Zone

At the conclusion of the five-year designation of the Van Nuys Corridor JEDI Zone, EWDD in consultation with the Council Office will have the option to submit to the City Council and Mayor a recommendation for the renewal of the JEDI Zone designation for an additional 5 years. The maximum duration of a JEDI Zone designation will be 10 years.

CONCLUSION

The coronavirus health pandemic has shed light on the financial fragility of many small businesses and the significant economic impact they have experienced. As with any financial crisis, business viability and success is often dependent upon external factors beyond the control of the company. The City and EWDD should continue to identify and target small businesses in the City's most vulnerable communities for investment and assistance to retain and grow as well as recruit new businesses to create jobs and community development.

Council District 7 and the Pacoima neighborhood have faced historical and interrelated economic and social challenges. Amid a health pandemic that has disproportionately affected the area businesses and household population, there is a vital need to ensure this area's recovery advances racial equity and equal opportunity to business development. The Van Nuys corridor's appointment as a JEDI Zone can improve job growth, and positively affect business attraction, retention, and expansion.

Frederick L. Jackson

CAROLYN M. HULL
General Manager

CH:FJ:DH:JDR:vw

Attachments