EXHIBIT F.2:
Analysis for the Fashion Industry in Downtown

Downtown Community Plan

CF 22-0617; CPC-2017-432-CPU; CPC-2014-1582-CA; ENV-2017-433-EIR

Recommended by the City Planning Commission on September 23, 2021

September 2022

HR&A Analyze. Advise. Act.

MEMORANDUM

To:	Craig Weber & Brittany Arceneaux, Los Angeles Department of City Planning
From:	HR&A Advisors, Inc.
Date:	August 12, 2022
Re:	Summary of Anti-Displacement Analysis for Fashion District Manufacturers and Workers

HR&A Advisors, Inc. (HR&A) prepared this memorandum on behalf of the Los Angeles Department of City Planning ("LADCP") to review and recommend displacement protections for garment-related manufacturing uses and workers in the Fashion District. The proposed Industrial-Mixed and Commercial-Mixed use districts, which permit residential uses in parts of the Fashion District as part of the Los Angeles Downtown Community Plan update ("DTLA 2040"), may facilitate redevelopment or reuse of non-residential buildings in the area, risking displacement of those buildings' tenants in the process. Following background information about the garment industry in the City of Los Angeles (the "City") economy and the Fashion District submarket in Downtown Los Angeles, this memorandum analyzes the financial feasibility of LADCP's current proposed policy to mitigate displacement risk, which would require certain new residential projects to reserve on-site space for garment-related uses. Based on additional research and conversations with industry stakeholders, this memorandum outlines further policy strategies that could augment efforts to insulate the local garment industry from broader development pressures.

Existing Conditions

Garment Industry Overview

The Los Angeles region is a pillar of the U.S. garment industry. While New York has been long considered the hub of luxury fashion design, Los Angeles is widely recognized as the nation's production capital. An estimated 83 percent of all domestic cut-and-sew manufacturing occurs in Los Angeles, and as of 2019, the Los Angeles metro area housed about 58 percent of all registered contractors in the nation.[1] The region has also emerged as a home for the sustainable fashion movement, with several boutique designers headquartered in the area and prioritizing the use of reprocessed materials, ethical labor practices, or a combination of the two. The strength of this movement was on full display during recent legislative deliberations for California Senate Bill 62 ("SB 62"), which called for the **a)** elimination of "piece rate" pay for garment workers and **b)** extension of wage theft liability to fashion brands in addition to local contractors. Several Los Angeles-based designers voiced public support for the bill, participating alongside advocacy organizations like the Garment Worker Center ("GWC").

Following decades of decline due to outsourcing of work to lower-cost overseas markets, domestic garment manufacturing has shown signs of revival. The collapse of global supply chains during the COVID-19

[1] Cut & Sew Apparel Contractor Industry Sectoral Analysis, UCLA Luskin School of Public Affairs, 2021

pandemic prompted renewed interest in domestic manufacturing, as fashion brands aimed to circumvent the escalating costs associated with overseas production. The cost of shipping a 40-foot container from East Asia to the U.S. West Coast increased over tenfold from early 2020 to September 2021, and factory closures overseas caused significant shipping delays.[2] According to a 2021 McKinsey report, roughly 70 percent of surveyed fashion brands planned for some level of "nearshoring," largely due to global supply chain disruptions.[3] That trend is already making waves locally, as Saitex – a Vietnam-based denim manufacturer for Calvin Klein, J. Crew, Everlane, and Target – opened a facility in Los Angeles. Industry stakeholders in the Fashion District have likewise noted an increase in business activity in recent years. Should nearshoring trends continue post-pandemic, Los Angeles will likely absorb substantial manufacturing demand given the strength of its fashion infrastructure.

Fashion District Profile

Occupying the southeast portion of Downtown Los Angeles, the Fashion District has long been the center of the regional garment industry. The fashion and flower industries form the lifeblood of the District's economy, accounting for 86 percent of all sales activity in 2009.[4] Virtually all branches of the fashion ecosystem are housed in the area, including wholesale showrooms and retail storefronts at ground-level and studios for designers, patternmakers, manufacturers, and other garment-related entities housed on upper floors.

Based on conversations with industry advocates and businessowners, two key factors underpin the Fashion District's importance to the regional industry. First, the agglomeration of garment-related activities in the Fashion District has cultivated a fashion "ecosystem" found nowhere else in the region. Designers note that the ability to access patternmakers, sample makers, fabric wholesalers, cut-and-sew manufacturers, and distributors within walking distance of their studios enhances efficiency and has become essential to day-to-day operations. Consequently, the displacement of one or more branches of this ecosystem would create a negative ripple effect disrupting operations for several garment-related entities. One stakeholder noted that one cut-and-sew studio can support 20 or more designers.

Second, the Fashion District's strong locational accessibility creates advantages for both employees and prospective clients. Based on survey data provided to HR&A by the Garment Worker Center (GWC), most garment manufacturers live in neighborhoods proximate to Downtown such as Westlake, Pico-Union, and South Los Angeles. These areas are well-served by transit lines to Downtown, providing workers an easy and efficient way to commute to work. Likewise, stakeholders noted that the Fashion District's general proximity to Hollywood – the hub of the entertainment industry – enables film and television fashion and wardrobe designers to visit the area and patronize local businesses.

Cut-and-Sew Manufacturing

The Fashion District hosts a high concentration of garment manufacturers (see Figure 1). Most contractors are clustered in the District's traditional core east of Stanford Avenue, and are concentrated at high levels in a few historic, multi-story buildings, including the F.W. Braun Building and 808 Wall Street, among others. These mixed-use buildings may also host other related non-residential tenants such as ground-floor retailers, fabric wholesalers, fashion designers, and creative office users. Manufacturing activity also radiates out to

[2] Nine Months of $10,000 Container Rates, Marketplace Pulse, April 14, 2022. Retrieved from: https://www.marketplacepulse.com/articles/nine-months-of-10000-container-rates#:~:text=The%20average%20price%20to%20ship,drop%2C%20but%20only%20to%20%2415%2C000.

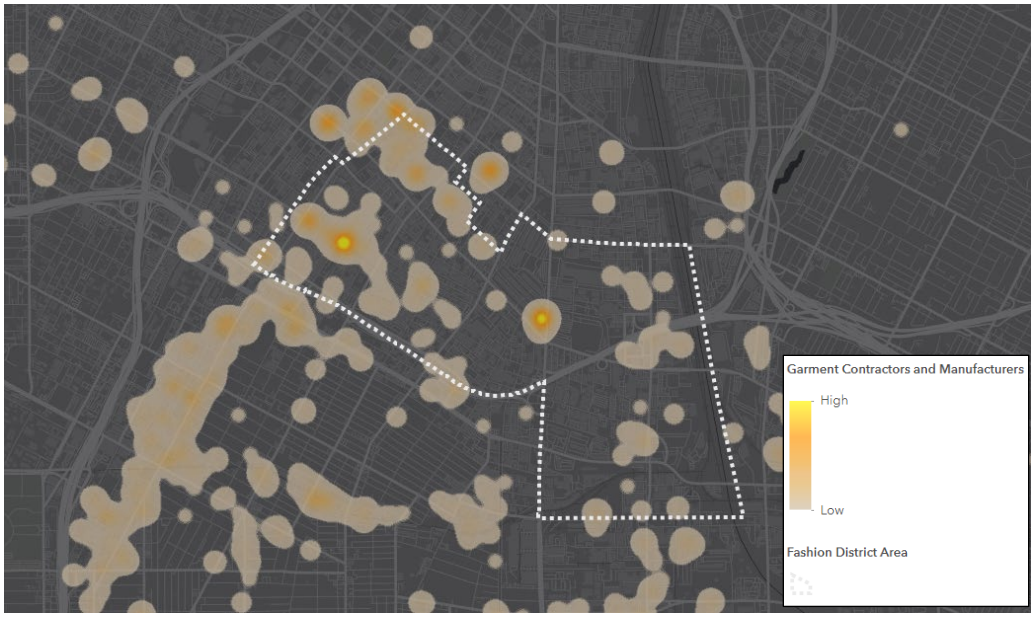
[3] The State of Fashion 2022, McKinsey & Company, Business of Fashion, 2022

[4] Market Analysis of the Los Angeles Fashion District, AECOM, 2011

nearby neighborhoods, cities, and beyond – including Boyle Heights, South Los Angeles, the City of Vernon, and the City of El Monte. In these areas, contractors may be more likely to settle in lower-density, single-use buildings.

Figure 1 displays the distribution and concentration of contractors in the Fashion District.

FIGURE 1: GARMENT CONTRACTORS IN THE FASHION DISTRICT



Source: California Department of Industrial Relations; HR&A Advisors

Manufacturing studios have specific spatial and building requirements. To ensure uninterrupted flow of materials and machinery, manufacturing studios must be in buildings with at least one freight elevator and an adequate loading zone at street level. In these buildings, manufacturing studios typically occupy open floor plan spaces that can be flexibly furnished with individual workstations and other machinery. These spaces can vary considerably in size based on production volume, often ranging from as small as 800 square feet ("SF") for low volume production studios to 10,000 SF or more for higher volume production. Stable access to utilities like boilers, water filtration systems, and high amperage electricity is also essential for day-to-day operations.

Planning and Policy Context

Existing zoning in the Fashion District supports a variety of employment-generating uses. Much of the Fashion District's traditional core – framed by 7th Street to the north, Main Street to the west, Interstate 10 to the south, and Stanford Avenue to the east – is zoned M2 Light Industrial, which permits uses such as light manufacturing, wholesale, warehousing, and other commercial- and office-based operations. Most parcels east of Stanford Avenue and south of East Olympic Boulevard are zoned M3 Heavy Industrial, which allows for heavy processing and production facilities in addition to most M2 uses. By contrast, residential uses are only allowed to a limited degree in the area. Most of Broadway and Main Street in the Fashion District allow residential uses by right. Per existing City regulations, residential conversions are also allowed on a discretionary basis in M2 and M3 zones, though projects in these areas are subject to a more stringent review process than those in C Commercial zones. For example, Ordinance No. 175588 (effective 12/01/2003)

mandates that residential conversions must not result in the direct displacement of viable industrial operations.[5]

To help the City expand its supply of housing, the draft DTLA 2040 and a comprehensive Zoning Code update propose to authorize residential uses in many parts of the Fashion District. Parcels between Main and Santee Streets would be rezoned as CX2 (Commercial-Mixed 2), which will allow new residential construction and other commercial uses. Most parcels between Santee Street and Stanford Avenue will be rezoned as IX3 (Industrial-Mixed 3), which will allow new residential construction on the condition that a Floor Area Ratio (FAR) of 1.0 – approximately one to two floors – is set aside for job-generating uses, such as garment manufacturing.[6] Most parcels between San Pedro and Griffith Avenues, as well as some areas east of Alameda Street, will be rezoned as IX2 (Industrial-Mixed 2), which permits Live/Work conversions of existing buildings but prohibits new residential construction.

Adaptive reuse projects will also be streamlined in parts of the Fashion District. Specifically, the IX2 use district will permit the conversion of existing buildings to residential; office conversions may be allowed if these uses occupy only a share of the building area. It is also assumed that adaptive reuse will be streamlined in the CX2 and IX3 use districts, since current conversion restrictions on M properties may no longer apply upon implementation of zoning changes.[7]

Figure 2 summarizes key features of each above use district, and Figure 3 shows future housing allowances in the Fashion District.

FIGURE 2: SUMMARY OF DTLA 2040 USE DISTRICTS

Use District	Permitted Uses	Prohibited Uses
Commercial-Mixed 2 (CX2)	• New residential construction • Residential conversions • Commercial uses • Small-scale fabrication	• Light industrial uses (including apparel manufacturing) • Manufacturing uses posing health and safety risks
Industrial-Mixed 2 (IX2)	• Live/Work conversions (by-right) • Light industrial uses • Research & Development uses • Commercial uses	• Heavy industrial and other noxious uses
Industrial-Mixed 3 (IX3)	• New residential construction (1.0 FAR set-aside for job-generating uses) • Residential conversions • Textile and apparel manufacturing	• Manufacturing uses posing health and safety risks

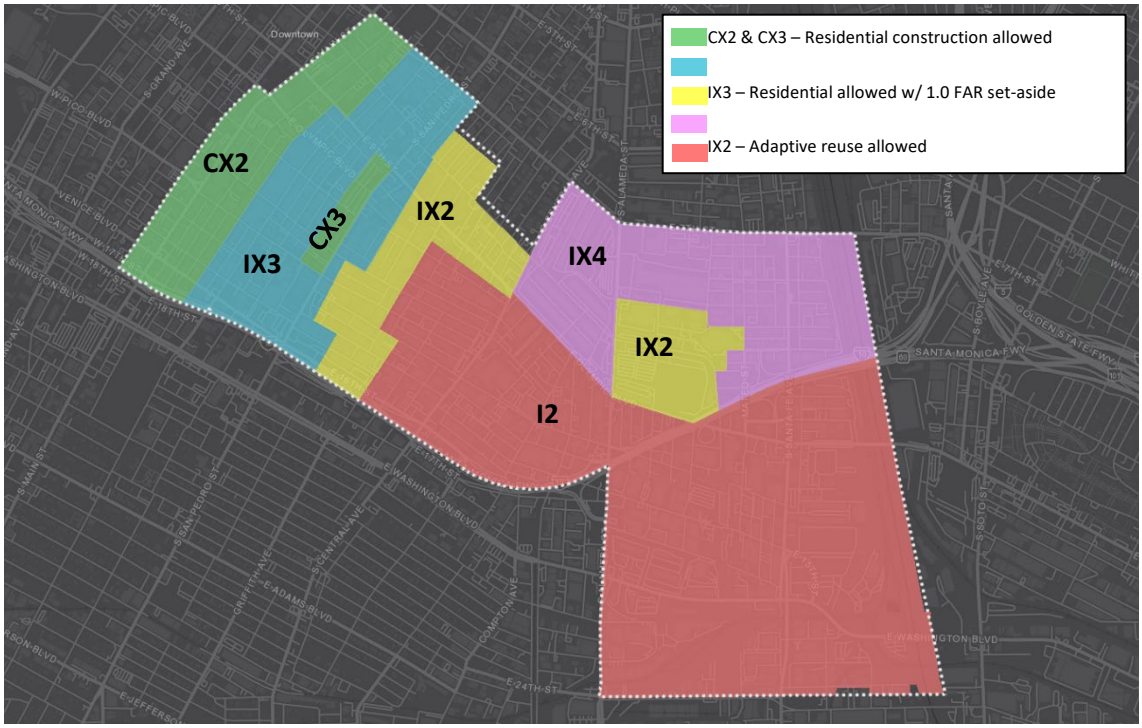
[5] City of Los Angeles Ordinance No. 175588, effective 12/01/2003

[6] Office-based uses may not qualify toward the 1.0 FAR set-aside requirement.

[7] For more information on adaptive reuse in the City of Los Angeles, see a separate HR&A memorandum on adaptive reuse and office projects dated August 12, 2022.

- Commercial uses

FIGURE 3: PROPOSED DISTRIBUTION OF RESIDENTIAL USES



Source: Los Angeles Department of City Planning; HR&A Advisors

This rezoning framework's understandable intent to expand housing supply in proximity to transit also risks displacement of non-residential uses, including those related to the garment industry. To balance policy objectives related to housing production with other economic priorities, DTLA 2040 focuses residential uses in the western half of the Fashion District and generally preserves the eastern half for industrial and other job-generating uses. This arrangement, coupled with the non-residential protections under consideration, is intended to both preserve the current industrial inventory while also expanding supply where possible. However, as Figures 1 and 3 demonstrate, residential uses will be allowed in the areas with the highest concentration of garment manufacturing activity.[8] This is particularly true in the IX3 use district and parts of the CX2 use district, where it is assumed that residential conversions will be streamlined. While many new housing or mixed-use developments will be achievable in locations that would not have a direct impact on an existing garment-related use, some housing development could involve either the conversion of an existing

[8] The feasibility of new residential construction in the Fashion District is tested both in this memorandum and a separate HR&A memorandum on mandatory inclusionary housing dated September 15, 2022 and finds that current market conditions may make new construction unlikely in the next several years.

building that is used for garment manufacturing purposes, or the demolition and redevelopment of a site that is currently occupied by such a use.[9]

The redevelopment or conversion of manufacturing buildings could disrupt local "ecosystem" dynamics in ways that also pose concerns related to social equity. While displaced garment contractors would likely seek to relocate to secondary manufacturing hubs (e.g., East Los Angeles and the Gateway cities), it is unknown whether sufficient vacancies exist at an affordable price point; growing demand for warehousing and logistics spaces has caused industrial rents to rise in Los Angeles.[10] Displacement to peripheral locations could also negatively impact garment workers. Based on a survey of nearly 800 garment workers conducted by the GWC, the Westlake neighborhood hosts an exceptionally high concentration of garment workers. From this neighborhood, many who work in the Fashion District can commute via bus, often with no connections needed and door-to-door trips lasting less than 30 minutes. However, transit service to secondary manufacturing markets appear more limited. To South Los Angeles, workers residing in Westlake may still be able to take direct service to their place of work, though trips may last more than 40 minutes. To Boyle Heights, these same workers would generally need to take at least two buses to reach their workplace. Complications arising from these longer and more complicated commutes may cause workers to leave the industry in search of more convenient work, undermining its regional strength while also potentially creating quality of life issues.

Analysis of Proposed Regulatory Changes

Feasibility Analysis for 1.0 FAR Set-Aside Requirement

Methodology

Recognizing the potential for displacement, LADCP proposes a new 1.0 FAR reserve for garment-related space in any new multifamily residential development in the IX3 use district. HR&A performed financial feasibility testing of this concept for a prototypical new multifamily building to determine whether the set-aside requirement can be an effective means of accommodating industrial space inventory for garment-related uses. To do so, HR&A utilized the financial feasibility model developed for the Incentive Zoning Program and updated real estate market assumptions, including rents, construction costs, and financing costs. HR&A then undertook a Residual Land Value (RLV) analysis[11] to test the feasibility of prototypical market-rate projects. The parameters of the Fashion District prototypes, which are generally distinguished by density and construction type, are defined in Figure 4.

[9] Multifamily residential is generally a more profitable use than manufacturing as is it generates more rental or sale revenue or on a per square foot basis and projects benefit from a lower vacancy rate. For this reason, developers/owners may be inclined to acquire and/or convert a manufacturing building to multifamily residential if permitted to do so, causing the displacement of jobs.

[10] As of August 2022, industrial rents in the City of Los Angeles reached a historic high of $20.27 per square foot (PSF) under a triple-net lease (NNN), which is more than 120% higher than in 2012. Estimates were sourced from CoStar.

[11] Residual land value analysis is used to estimate what a well-informed and experienced developer can afford to pay for land and earn a market-responsive return on investment. By comparing the outputs of an RLV analysis to prevailing prices for land or underutilized buildings, RLV analysis can determine the likeliness that a given project might proceed. HR&A's analysis also utilized a supplemental Return on Total Development Cost investment return metric to further determine project feasibility.

FIGURE 4: FASHION DISTRICT PROTOTYPES

	Base	Max FAR	Max Podium
Acreage	0.6	0.6	0.6
Max. Stories	5	23	8
FAR	3.00	8.00	4.00
Non-Residential FAR	1.00	1.00	1.00
Non-Residential Area (GSF)	13,000	13,000	13,000
GBA	80,000	210,000	105,000
Residential Units	55	195	85
Construction Type	Podium	Type II	Podium

HR&A's previous DTLA 2040 feasibility modeling for the proposed Incentive Zoning Program contemplated high-rise construction in the Fashion District; however, such projects are not financially feasible[12] under current market conditions (see "Summary of Feasibility Results for an Inclusionary Housing Ordinance in Downtown Los Angeles" memorandum for further discussion). Testing feasibility using a less expensive prototype with wood frame over ground floor concrete podium (Type IIIB) construction presents a more accurate snapshot of the type of development that is likely to occur in the Fashion District in the near term.

HR&A tested three development scenarios to evaluate the conditions under which residential projects in the Fashion District may be feasible. Those scenarios are defined as follows:

- **Scenario A**, which includes a base density 5-story/3.0 FAR ("Base FAR") project and an 8-story/4.0 FAR ("Max Podium") project, each of which contains the 1.0 FAR set-aside requirement;
- **Scenario B**, which includes a base density 5-story/3.0 FAR project and an 8-story/4.0 FAR project, each of which contains a reduced 0.5 FAR set-aside requirement;
- **Scenario C**, which includes a base density 5-story/3.0 FAR project and 8-story/4.0 FAR project, but omits the set-aside requirement.

Feasibility Analysis Results

As shown in Figures 5 and 6, residential construction – at both density levels – is infeasible under each scenario tested. Under Scenarios A and B, sharp changes in rents or construction costs are needed for projects to become feasible. Under Scenario A (1.0 FAR requirement), construction costs must decrease by 22 percent or rents must increase by 18 percent – or some combination of the two – for Max Podium projects to become feasible. Under Scenario B (0.5 FAR requirement), construction costs must decrease by 18 percent or rents must increase by 15 percent – or again some combination of the two, for Max Podium projects to become feasible. However, more modest changes are required for projects under Scenario C (no requirement) to become feasible. Construction costs must decrease by 8 percent or rents must increase by 7 percent, or again

[12] A project is considered financially feasible if it can earn a developer a market-responsive return on investment. Projects that are infeasible are therefore deemed unlikely to occur until and unless market conditions become more favorable.

some combination of the two, for Max Podium projects under Scenario C to become feasible (see Figure 7). Either outcome could plausibly occur as market conditions stabilize in a post-pandemic environment.

FIGURE 5: RESULTS OF FINANCIAL FEASIBILITY ANALYSIS FOR NEW RESIDENTIAL CONSTRUCTION AT BASE FAR

	RLV per SF	RLV Benchmark	Return on Cost	ROC Benchmark	Feasible by RLV?
Scenario A (1.0 FAR Set-Aside)	$21	$400	4.60%	2.57%	No
Scenario B (0.5 FAR Set-Aside)	$141		5.09%	3.29%	No
Scenario C (No Set-Aside)	$222		5.49%	4.00%	No

FIGURE 6: RESULTS OF FINANCIAL FEASIBILITY ANALYSIS FOR NEW RESIDENTIAL CONSTRUCTION AT MAX PODIUM

	RLV per SF	RLV Benchmark	Return on Cost	ROC Benchmark	Feasible by RLV?
Scenario A (1.0 FAR Set-Aside)	$132	$400	4.90%	2.95%	No
Scenario B (0.5 FAR Set-Aside)	$155		5.04%	3.46%	No
Scenario C (No Set-Aside)	$275		5.44%	4.00%	No

FIGURE 7: RESULTS OF FINANCIAL FEASIBILITY ANALYSIS FOR NEW RESIDENTIAL CONSTRUCTION AT MAX PODIUM

	Base FAR		*Max Podium*	
	Rent Increase Needed	Cost Reduction Needed	Rent Increase Needed	Cost Reduction Needed
Scenario A (1.0 FAR Set-Aside)	39%	47%	18%	22%
Scenario B (0.5 FAR Set-Aside)	21%	26%	15%	18%
Scenario C (No Set-Aside)	12%	15%	7%	8%

If the set-aside requirement were feasible, as with any construction of residential uses in proximity to commercial/industrial uses, careful design attention would be necessary to ensure compatibility of both uses in a single building. However, assuming these design challenges were met, lease structures for garment manufacturers may be incompatible with the types of retail or ground floor tenants to which mixed-use residential developers and their lenders are accustomed. General characteristics of manufacturing and retail leases are compared in Figure 8:

FIGURE 8: COMPARISON OF TYPICAL LEASE CHARACTERISTICS

	Manufacturing	Retail
Lease Rates	• **Smaller Operations:** $1.25 – $1.75 PSF monthly • **Larger Operations:** ~$1.10 PSF	• **Credit-worthy retail tenants:** $3-4 PSF monthly or greater
Lease Term	• Month-to-month or Annual	• Longer-term (5-7 years)
Utility Needs	• Higher-capacity electrical service with regular distribution throughout space	• Kitchen exhaust • Independent HVAC service
Space & Infrastructure Needs	• Min. 1,000 SF space • Loading zones • Freight Elevators	• Limited

Other Observations

Based on the above feasibility testing and lease characteristics required of smaller manufacturers, a proposed set-aside requirement may be unlikely – at least in the near term – to facilitate the development of new space to support the garment industry. New residential construction subject to the requirement is unlikely to occur on a large scale absent significant changes in market conditions.[13] This would likewise be the case if the set-aside requirement were substituted with another requirement (e.g., mandatory inclusionary housing), which casts doubt on the viability of any community benefit mandated on new residential projects in the Fashion District. Even under more favorable market conditions, developers may be hesitant to pursue such projects given lease structure needs and differing levels of comfort with resolving potential compatibility issues. The combination of these factors may make it challenging to achieve policy objectives related to housing production and industrial preservation.

Adaptive reuse also poses a near-term threat to the viability of garment-related uses. Although adaptive reuse projects have historically been more feasible than new construction projects, due in part to lower construction costs, the Fashion District buildings most suitable for adaptive reuse include high concentrations of garment manufacturers. These include buildings such as the F.W. Braun Building, Allied Crafts Building, and Bendix Building to a lesser extent, which are strong candidates for conversion given their historic character, high density, and strategic location.

Observations on Policy Alternatives

In light of these findings, LADCP could pursue regulatory interventions to mitigate displacement risk for garment-related uses.

[13] It is conceivable that some long-term landowners could still proceed with development, as they do not have to contend with contemporary land costs and could therefore withstand the added cost of development (see Figure 3 in the "Summary of Feasibility Results for an Inclusionary Housing Ordinance in Downtown Los Angeles" memorandum). However, these likely represent a fraction of cases across the Fashion District.

LADCP Strategies

- **Retain or Expand Existing Limitations on Adaptive Reuse:** Limiting opportunities for building conversions is the clearest way to mitigate displacement risk for garment-related uses. This could be done by retaining existing regulations surrounding the conversion of Manufacturing (M) properties, as articulated in the ARO. Under this regime, a Zoning Administrator must find that the proposed project a) complies with applicable development standards, b) is not surrounded by uses detrimental to resident safety, and c) does not displace viable industrial uses. LADCP could build on this framework by limiting conversions to other uses as well, such as hotel and office. Such a regulatory system would continue to ensure, as it does today, that buildings home to viable garment-related uses have a slim chance of being converted to residential.

- **Eliminate or Reduce Manufacturing Set-Aside Requirement for New Residential Construction:** Limitations on adaptive reuse could be paired with fewer barriers for new construction of housing. Ground-up residential projects do not pose the same threat to existing industrial uses as residential conversions, as developers are unlikely to demolish and redevelop viable multi-story properties (which house greater densities of businesses and workers) under current market conditions. Likewise, garment-related tenants could be protected under a regulatory climate that discourages residential conversions. Thus, if facilitating housing production in the Fashion District remains a strong objective for LADCP, eliminating the proposed set-aside requirement may be prudent. Alternatively, a reduced set-aside requirement correlating to ground-floor use only could eliminate the need for costly amenities – such as a freight elevator – which could ameliorate some of the financial and logistical challenges noted in this memorandum.

- **Remove Office as a Qualifying Use for the Set-Aside Requirement:** If LADCP chooses to retain the set-aside requirement in some capacity, modifications to the list of eligible uses could be considered. To satisfy the set-aside requirement, a developer would be more likely to build office space rather than garment-related space due to significant differences in attainable rents. Such an outcome would run counter to LADCP's objective to maintain an adequate supply of space for garment manufacturers and related entities. While removing office as a qualifying use may constrain development economics, such a move would better support LADCP's anti-displacement objective among projects that do move forward.

- **Relax Restrictions on Garment Manufacturing in CX2 Districts:** Given that new production of mixed-use industrial/residential buildings is unlikely, removing barriers on light industrial development could eventually facilitate the production of new space for garment manufacturers. For example, the proposed CX2 zone – which occupies most of the Main and Santee Street corridors – would prohibit most light industrial uses by right, running counter to LADCP's objectives related to the protection of manufacturing and other job generating uses. LADCP could instead choose to rezone this area to a less restrictive use district, which would allow manufacturing uses to operate in a limited capacity. Easing restrictions in this way could allow the market to better react and produce new industrial space (barring feasibility constraints) should nearshoring trends in the garment industry persist into the coming years.

Other City Strategies

Land use policies that mitigate displacement risk could also be paired with broader economic development strategies. Industry trends suggest that Los Angeles's apparel industry may be poised for growth, as both

nearshoring and consumer preferences for ethical garments may generate renewed demand for local manufacturing. The City of Los Angeles could support growth of this industry through programmatic and funding initiatives that serve as a companion to DTLA 2040, led by the Economic & Workforce Development Department (EWDD) or others. A similar effort was advanced in New York's Garment District, where the Fashion Manufacturing Initiative (FMI) – a partnership between the New York City Economic Development Corporation (NYCEDC) and Council Fashion Designers of America (CFDA) – has granted over $4 million to local businesses through various programs. Potential strategies that could replicated for the Fashion District may include the following:

- **Production Grants**: The City could provide funding to Fashion District-based manufacturers to aid with capital improvements, machinery acquisition, and training schemes, among other needs. Assistance in these areas could increase factories' competitive standing and help them absorb growing demand as nearshoring continues. As was the case in the New York FMI, LADCP could provide funding on a conditional basis. For example, the City could provide funding conditioned on the use of eco-friendly materials (e.g., upcycled fabrics), or on improved working conditions or compensation for laborers.

- **Relocation Assistance Fund**: Additional funding could be provided to support manufacturing tenants displaced from the Fashion District. While the land uses strategy articulated in the prior section would result in minimal displacement, small-scale tenants could still be subject to rent hikes and other market-based pressures. The City could help such tenants find new space in (or adjacent to) the Fashion District and help cover moving expenses. However, with low industrial vacancies countywide, it is unknown whether adequate inventory exists to support a high volume of relocating tenants.

- **Acquisition & Preservation Fund**: To further protect the existing garment industry, the City could assemble funds to acquire existing manufacturing buildings in the Fashion District alone or in partnership with a non-profit entity. Removing a building from the private market would enable its long-term preservation for fashion-related uses at an affordable price point.