

TRANSMITTAL

To: **THE COUNCIL**

Date: **09/01/23**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in black ink, appearing to read "Chris Thompson", with a long horizontal flourish extending to the right.

(Chris Thompson) for

KAREN BASS
Mayor

CITY OF LOS ANGELES

CALIFORNIA

CAROLYN M. HULL
GENERAL MANAGER



KAREN BASS
MAYOR

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017

May 31, 2023

Council File: 13-0934-S2 and
20-0870

Council District: 8

Contact Persons & Phone Numbers:
Daisi Hernandez (213) 744-9340

The Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall

Attention: Heleen Ramirez, Legislative Coordinator

**TRANSMITTAL: RECOMMENDATION TO ESTABLISH CRENSHAW BOULEVARD,
BETWEEN VERNON AVENUE AND SIXTIETH STREET, AS A JOBS AND
ECONOMIC DEVELOPMENT INCENTIVE (JEDI) ZONE, IN COUNCIL DISTRICT
EIGHT.**

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 in Council District 8 (CD8), 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 July 29, 2022, the Council directed the Economic and Workforce Development Department (EWDD) to evaluate three areas for potential JEDI Zone designation in Council District 8 (C.F. 22-0870). EWDD conducted an evaluation of the proposed JEDI Zones economic distress levels pursuant to the JEDI Establishment Policy. This report presents a recommendation for the establishment of a JEDI Zone

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 Crenshaw Boulevard, from Vernon Avenue to 60th Street. as a City of Los Angeles JEDI Zone (Crenshaw Blvd. JEDI Zone) for a period of five (5) 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 thirty (30) businesses within the Crenshaw Blvd JEDI Zone, with a total allocation of up to \$300,000 from previously appropriated JEDI Program funds.
3. AUTHORIZE the Controller to transfer \$1,500,000 from the American Rescue Plan Act (ARPA) Business Assistance Programs Fund No. 64N/22, JEDI Zone Program Business Assistance Account No. 22V833 to the following City departments for permit fee reductions:

Department	Fund No.	Fund Name	Amount
Building and Safety	48R/08	Building & Safety Permit Enterprise	1,050,000
Planning	52D/68	Planning Case Processing Spre	450,000
		Total	1,500,000

4. Authorize the General Manager of EWDD, or designee, to prepare Controller Instructions and/or make technical adjustments that may be required and are consistent with this action, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement these instructions.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Funding to implement the Business Incentive Plan has been previously authorized as part of ARPA funding (CF 21-0691).

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.

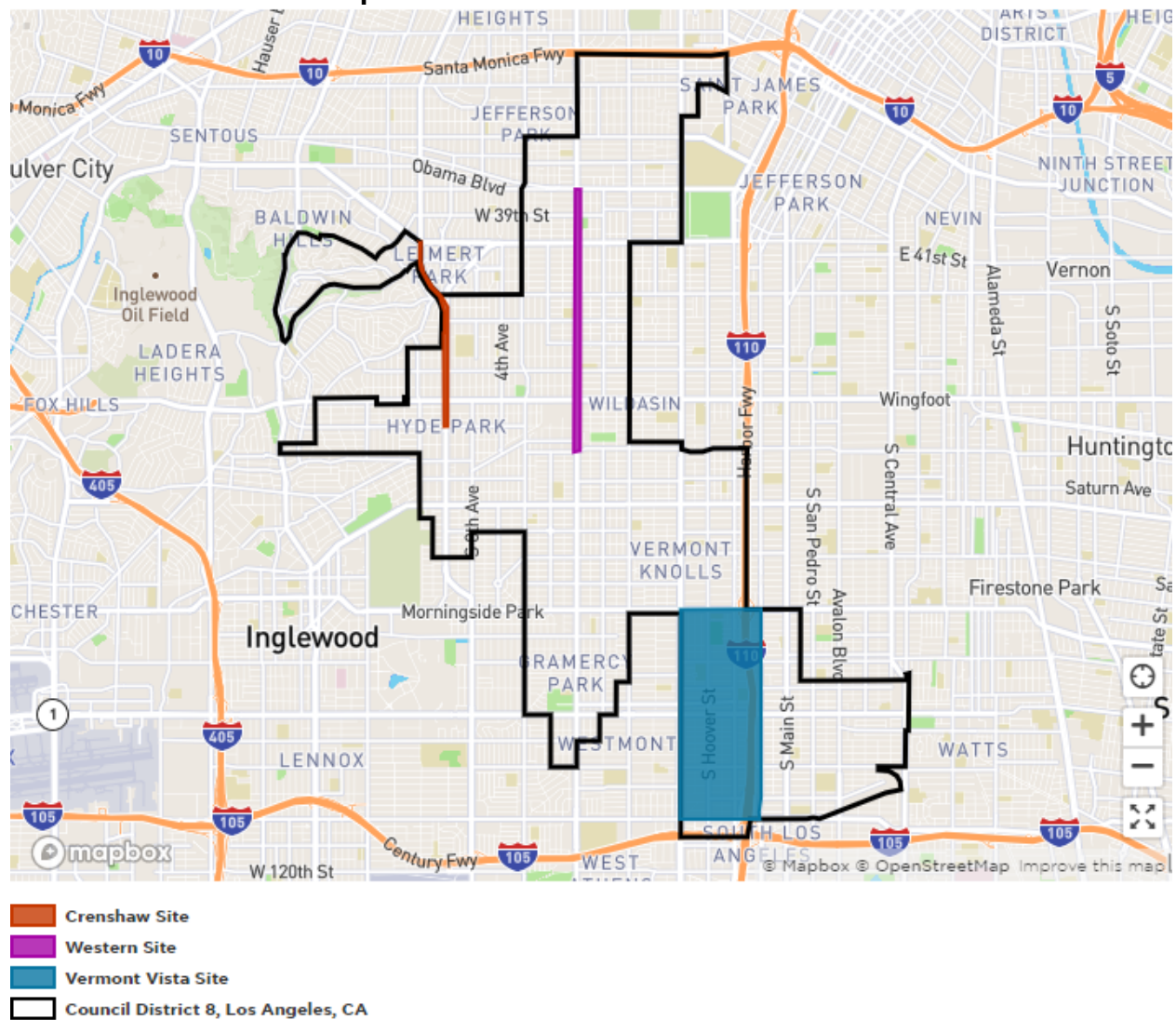
Proposed Locations

On July 29, 2022, Council District 8 (C.F. 20-0870) requested EWDD to conduct a baseline evaluation of three proposed JEDI Zones. For the purposes of the evaluation, EWDD named the three areas as follows, and collectively as "Sites":

- **Crenshaw Site**, on Crenshaw Blvd. from Martin Luther King, Jr. Blvd. to 60th St.;
- **Western Site**, on Western Blvd. from Exposition Blvd. to Gage Ave.; and
- **Vermont Vista Site**, on the area bounded by Manchester Avenue to the north, Imperial Highway to the south, Vermont Avenue to the west, and Broadway to the east.

Map 1 provides the locations of the 3 proposed JEDI Zones.

**MAP 1-
Proposed JEDI Zones Council District 8**



Economic/Income Status

According to the American Community Survey (ACS) 5-Year 2016-2020 economic data, CD8's median household income is \$51,701. The median household income in the City of Los Angeles is \$65,290. The percent of the population living below the poverty level within CD8 is 23.8%. While 16.6% of the population is below the poverty level within the

City of Los Angeles.

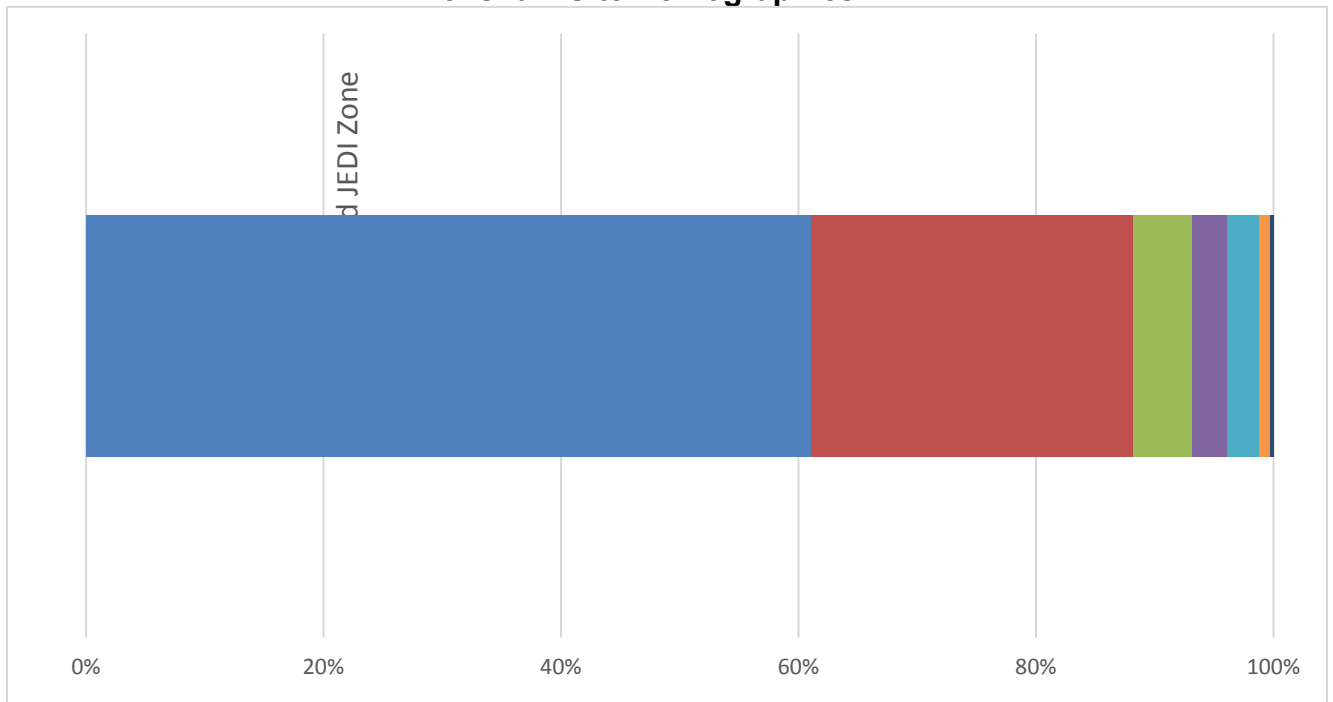
**TABLE 1 –
 Economic Status**

Location	Total Population	Percentage of Population Below Poverty Level	Median Household Income (2016-2020)
Los Angeles City	3,973,278	16.58%	\$65,290
Council District 8	264,291	23.76%	\$51,701
Crenshaw Bl. Site	20,146	17.40%	\$59,293
Western Av. Site	30,035	16.84%	\$57,092
Vermont Vista Site	41,573	32.38%	\$44,574

Demographics

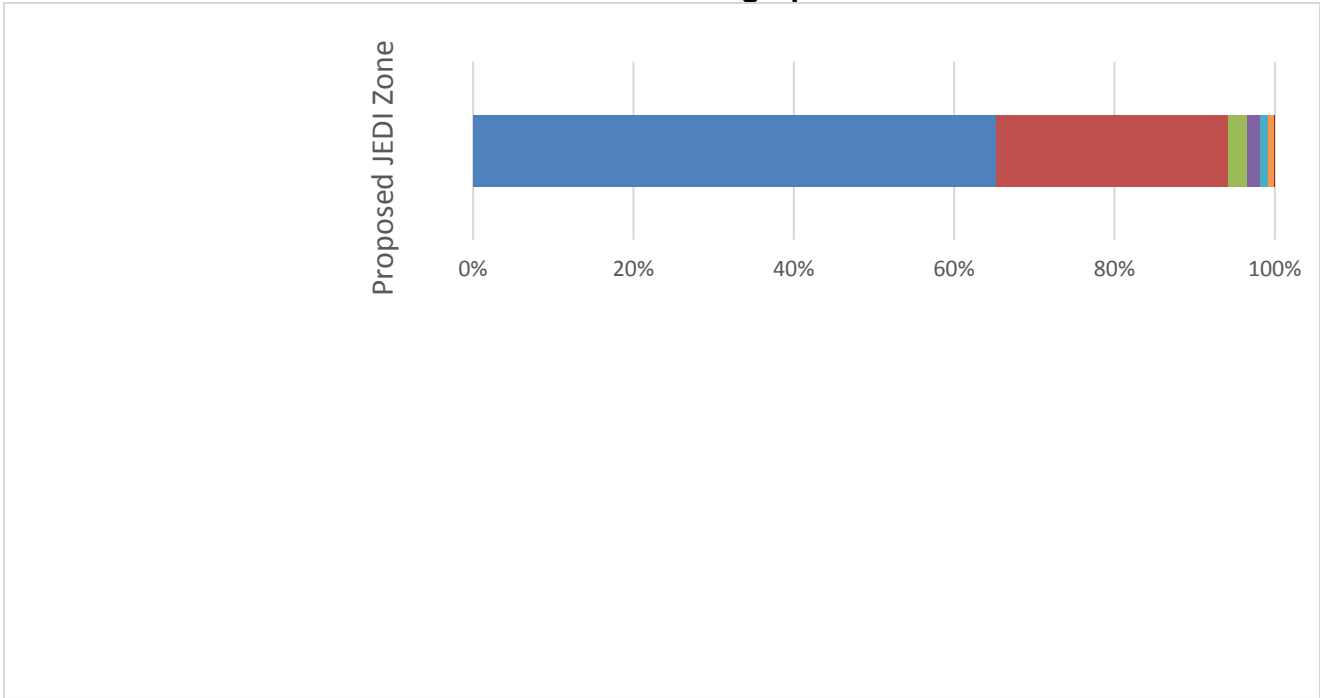
The total population of CD8 is 264,291. According to data found in ESRI, the demographic breakdown is 36% Hispanic or Latino, 2% White, and 24% Black or African American. Graphs 1, 2, and 3 display the demographic data of each Site.

**GRAPH 1 –
 Crenshaw Site Demographics**



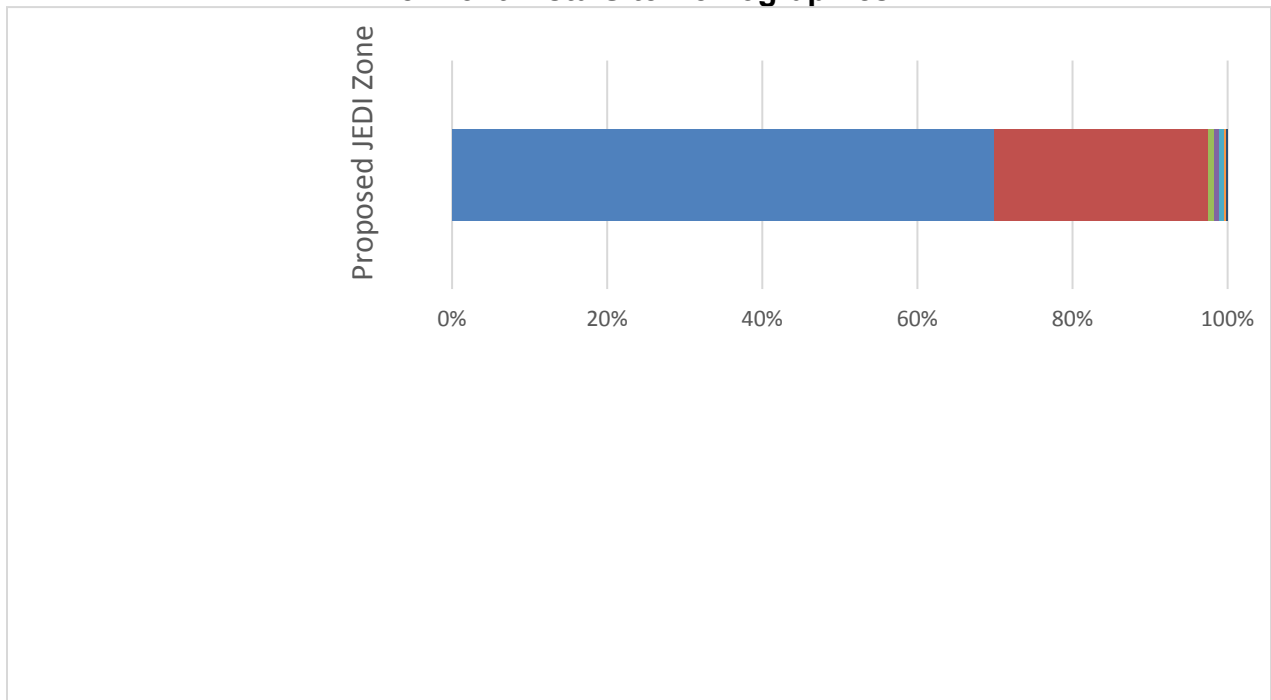
Source: ESRI ACS Race and Hispanic Origin Variables, ACS-5 year 2016-2020

**GRAPH 2 –
Western Site Demographics**



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

**GRAPH 3 –
Vermont Vista Site Demographics**



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

Business Environment

The count of active businesses that have a City of Los Angeles – Business Tax Registration Certificate in each of the proposed JEDI zones is detailed below in Table 2. These active businesses were registered with the Office of Finance as of September 15, 2022. Refer to Attachment 1 of this report for the complete list of businesses and industries actively registered within each of the three Sites.

**TABLE 2 –
Actively Registered Businesses**

Location	Active Businesses
Crenshaw Site	358
Western Site	365
Vermont Vista Site	1,344

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 JEDI Zone program can assist area businesses negatively impacted by the COVID-19 pandemic and prevent the permanent closures of small and minority-owned businesses.

JEDI Zone Eligibility Analysis

The JEDI Establishment Policy as adopted by Council and Mayor (C.F. 13-0934-S2) 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 Establishment Policy also 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.

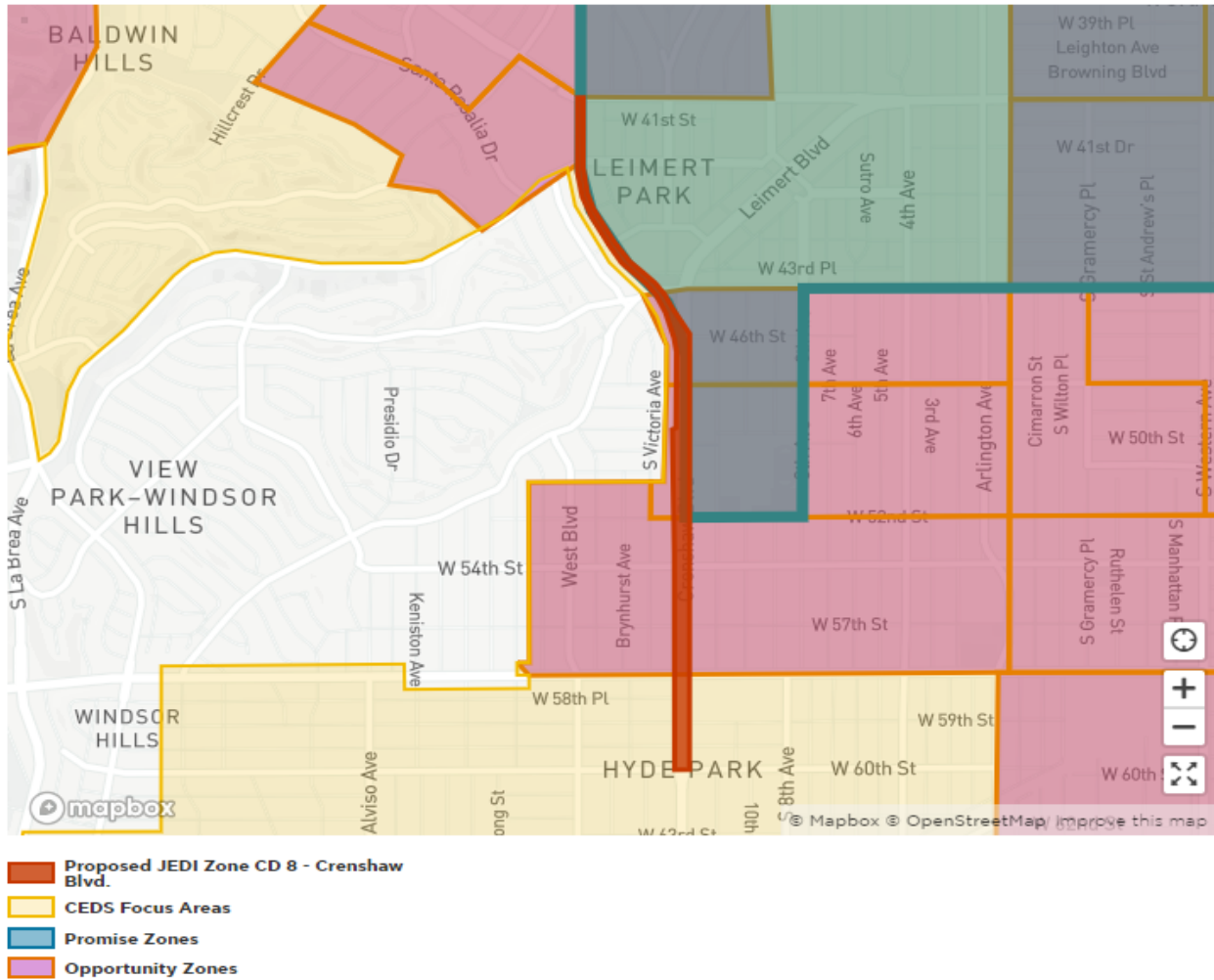
Primary Qualifying Criteria For The Crenshaw, Western, and Vermont Vista Sites

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 be designated as a JEDI Zone. The following economic incentives overlay maps display each of the proposed sites, on Crenshaw Bl., Western Av., and Vermont Vista, and whether each fulfills the primary qualifying criterion for the area's nomination as a JEDI Zone. Refer to Maps 2, 3, and 4 - Economic Incentives Overlay Maps, below.

Crenshaw Site Primary Qualifying Criteria

The proposed Crenshaw Boulevard 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 and partially within a Promise Zone Community.

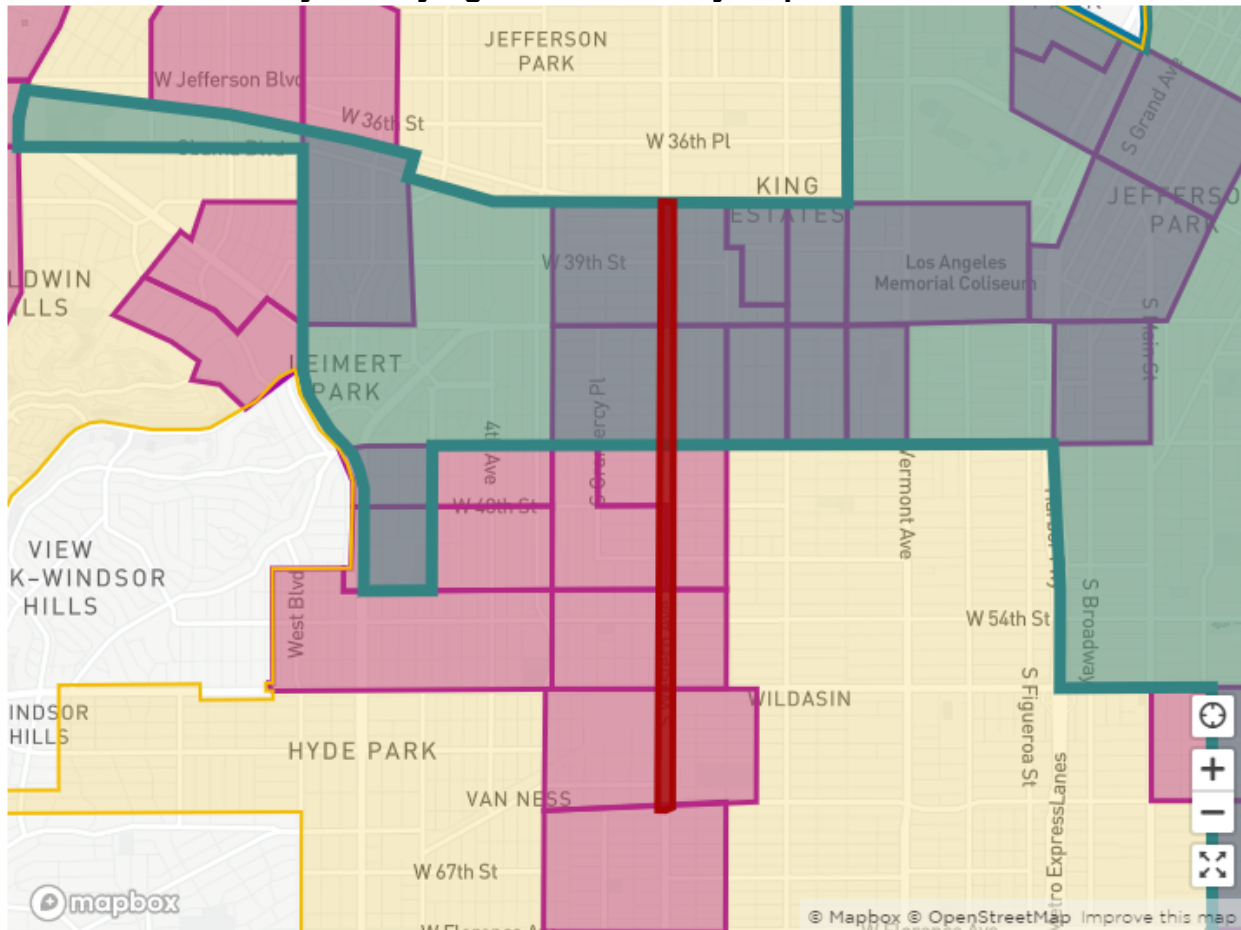
**MAP 2 –
Primary Qualifying Criteria Overlay Map of Crenshaw Site**



Western Site Primary Qualifying Criteria

The proposed Western Boulevard 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 located in a Federally designated Opportunity Zone and partially located within a Promise Zone Community.

**MAP 3 –
Primary Qualifying Criteria Overlay Map of Western Site**

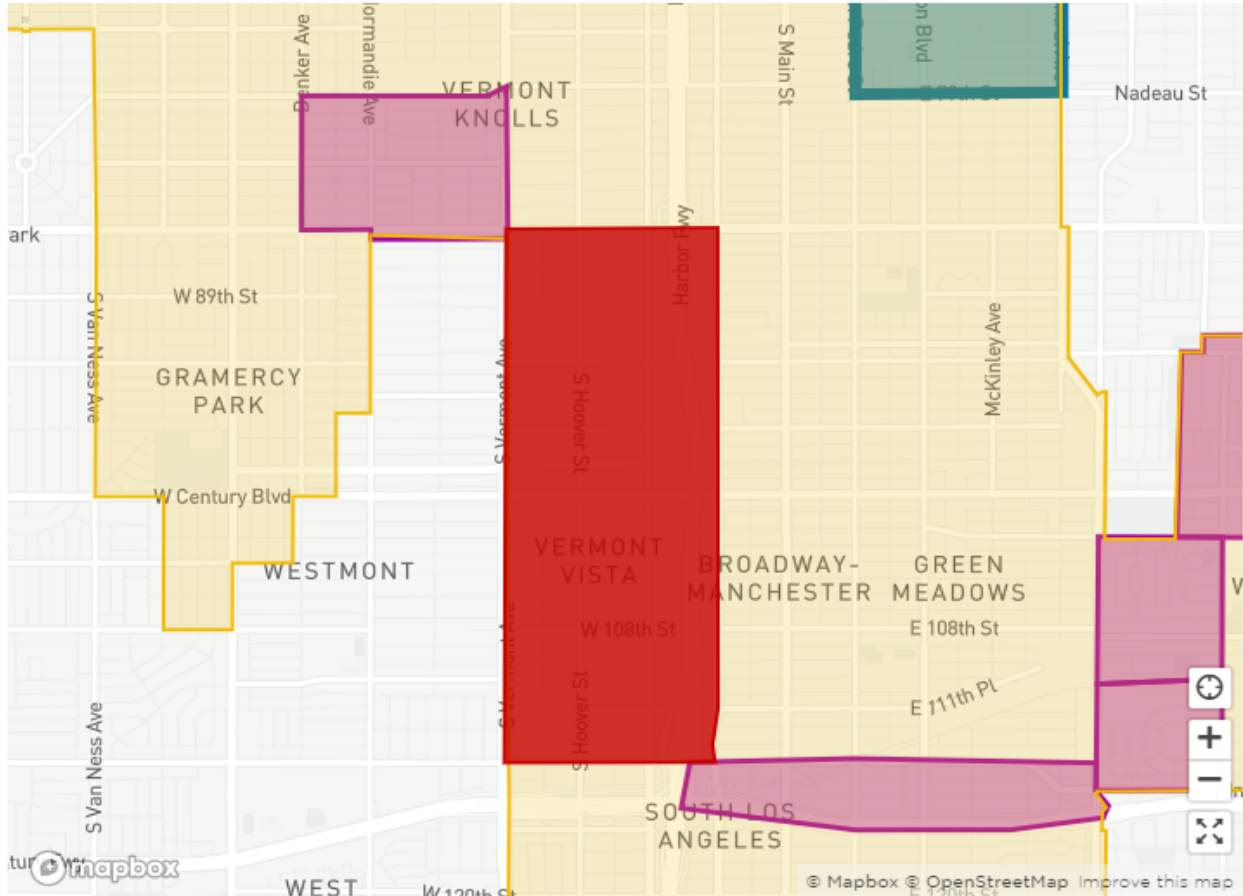


- Proposed JEDI Zone CD8 - Western Blvd.
- CEDES Focus Areas
- Promise Zones
- Opportunity Zones

Vermont Vista Site Primary Qualifying Criteria

The proposed Vermont Vista Site is located within a Citywide Economic Development Strategy (CEDES) Focus Area that fulfills the primary qualifying criterion for the area's nomination as a JEDI Zone.

**MAP 4 –
 Primary Qualifying Criteria Overlay Map of Vermont Vista Site**



- Proposed JEDI Zone CD8 - Vermont Vista Node
- CEDS Focus Areas
- Promise Zones
- Opportunity Zones

**TABLE 3
 Summary of Primary Qualifying Criteria**

Primary Qualifying Criteria	Qualification Status		
	Crenshaw	Western	Vermont Vista
City-established EIFD District	Not Applicable	Not Applicable	Not Applicable
City-established CRIA District	Not Applicable	Not Applicable	Not Applicable
Within a designated Opportunity Zone	Partially Meets	Meets Criteria	Does Not Meet Criteria

Focus Area designated by Citywide Economic Development Strategy	Meets Criteria	Meets Criteria	Meets Criteria
Promise Zone Community	Partially Meets	Partially Meets	Does Not Meet Criteria
Economic assessment establishing five criteria in the secondary needs assessment.	Not Applicable	Not Applicable	Not Applicable

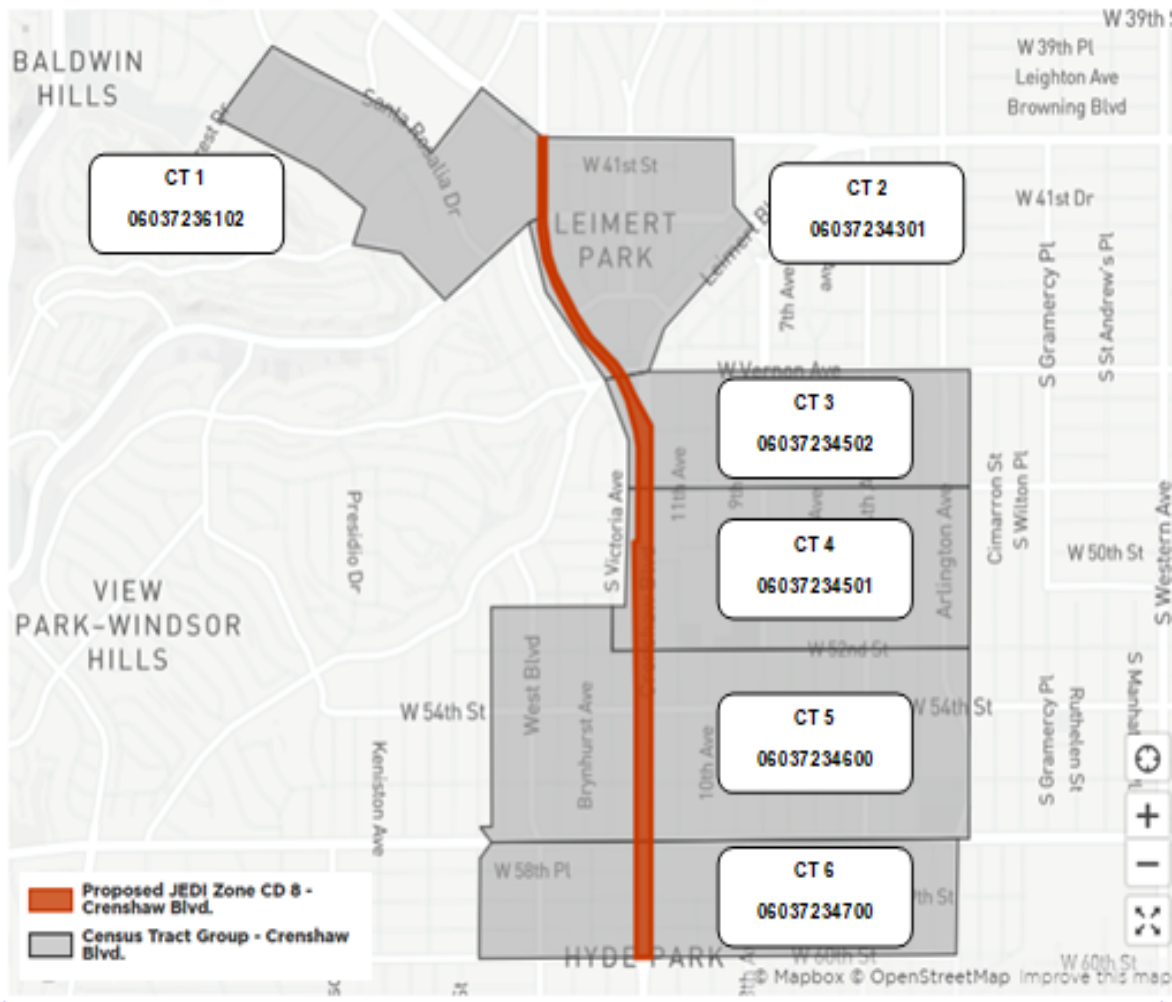
Secondary Needs Assessment of Crenshaw, Western, and Vermont Vista Sites

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 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

Maps 5, identifies the Census Tract Groups that comprise the Crenshaw Site.

**MAP 5
 Crenshaw Site Annotated with Census Tract Groups**

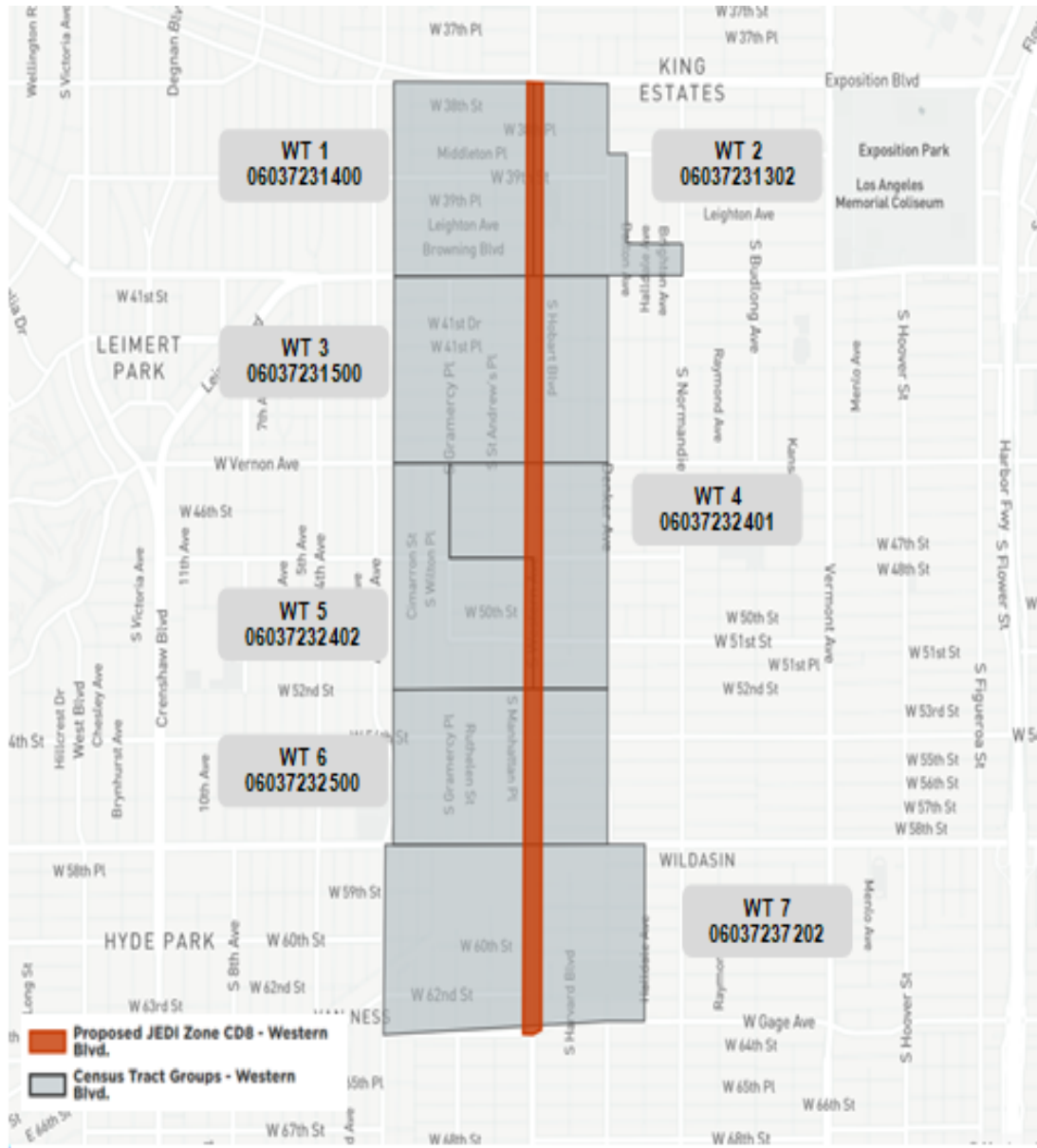


The Crenshaw Site is comprised of six adjoining census tract groups:

- Census Tract Group #06037236102 (CT 1),
- Census Tract Group #06037234301 (CT 2),
- Census Tract Group #06037234502 (CT 3),
- Census Tract Group #06037234501 (CT 4),
- Census Tract Group #06037234600 (CT 5), and
- Census Tract Group #06037234700 (CT 6).

Map 6 identifies the Census Tract Groups that comprise the Western Site.

MAP 6 – Western Site Annotated with Census Tracts

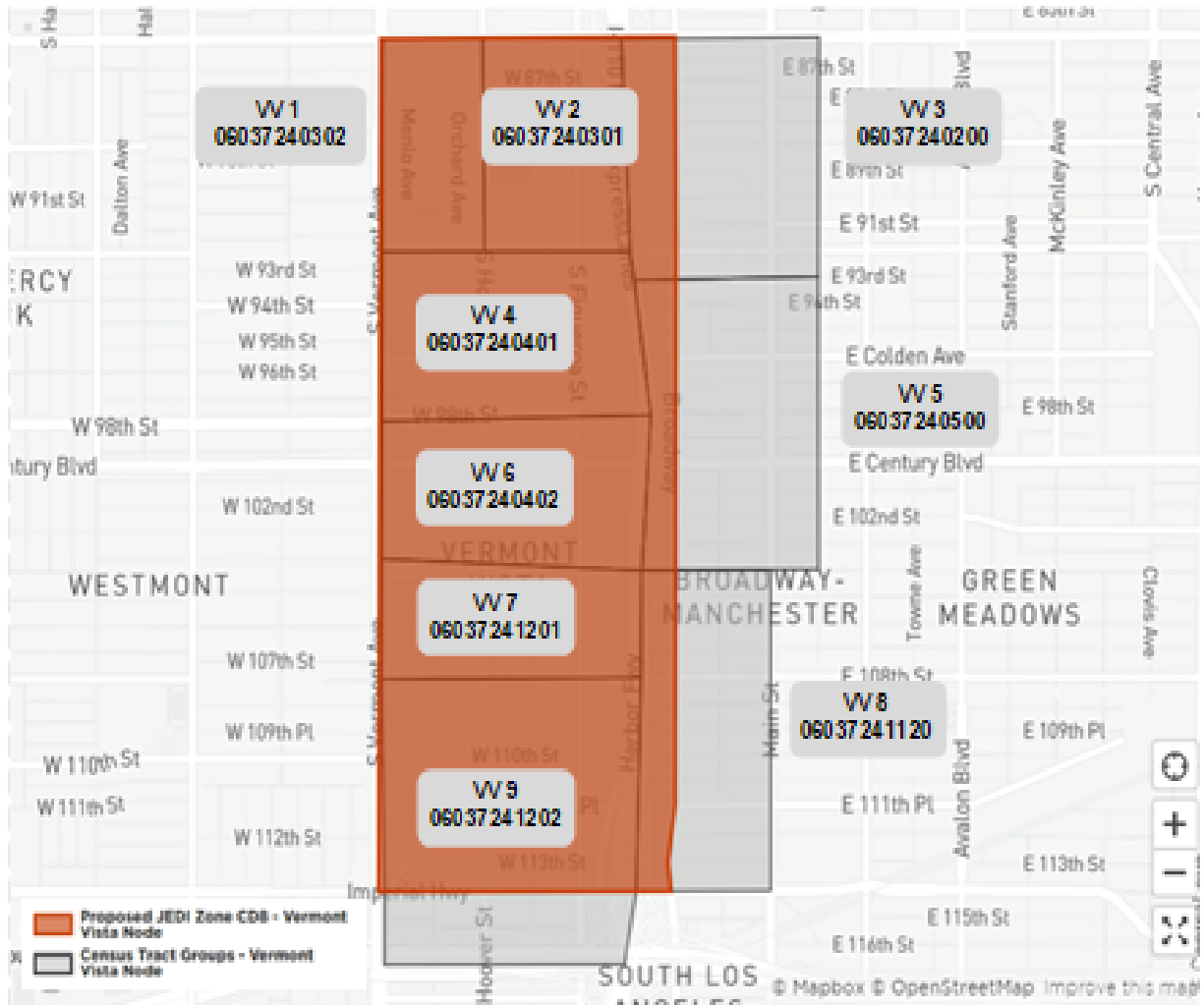


The Western Site is comprised of seven contiguous census tract groups:

- Census Tract #06037231400 (WT #1),
- Census Tract #06037231302 (WT #2),
- Census Tract #06037231500 (WT #3),
- Census Tract #06037232401 (WT #4),
- Census Tract #06037232402 (WT #5),
- Census Tract #06037232500 (WT #6), and
- Census Tract #06037237202 (WT #7).

Map 7 identifies the Census Tract Groups that comprise the Vermont Vista Site.

**MAP 7 –
Vermont Vista Site Annotated with Census Block Groups**



The Vermont Vista Site is comprised of nine adjoining census tract groups:

- Census Tract #06037240302 (VV #1),
- Census Tract #06037240301 (VV #2),
- Census Tract #06037240200 (VV #3),
- Census Tract #06037240401 (VV #4),
- Census Tract #06037240500 (VV #5),
- Census Tract #06037240402 (VV #6),
- Census Tract #06037241201 (VV #7),
- Census Tract #06037241120 (VV #8), and
- Census Tract #06037241202 (VV #9).

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 unemployment figures that can be averaged over period of time providing a methodology to measure unemployment over a historical time 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) 2021 annual average was applied.

The source of the unemployment rate for council district and smaller granularity is the U.S. Census American Community Survey 5-year report currently ending in 2021. This unemployment rate source can be apportioned to the City, Council District, and smaller granularity, providing for a comparison within the census tracts and census block groups comprising the eligible area. Table 4 displays the average unemployment rate in the City, Crenshaw Site, Western Site, and Vermont Vista Site.

**TABLE 4 –
 Average Unemployment Rates 2017-2021**

	Unemployment Rate
	4.5% Unemployment Rate City of Los Angeles, CA
	9.6% Unemployment Rate Council District 8
	8.4% Unemployment Rate Crenshaw Site
	12.2% Unemployment Rate Western Site
	11.1% Unemployment Rate Vermont Vista Site

Sources: EDD 2021 Average Unemployment Rate; US Census ACS 5-year, ending 2021

As Table 4 displays, the Crenshaw and Vermont Vista Sites **meet** the criteria of an average unemployment rate that is at least 3% higher than the City-wide average.

Unemployment in Los Angeles City was at 7.6% as of December 2022. There is no recent data available for the Council District or smaller granularity. EWDD will continue to work to secure more current unemployment rates that can be apportioned to census tracts and block groups.

**TABLE 5 –
 Unemployment Rate by Census Tract Group in Crenshaw Site**

Unemployment Rate	
Tract 06037236102	5.4%
Tract 06037234301	4.5%
Tract 06037234502	13.2%
Tract 06037234501	10.7%
Tract 06037234600	10.9%
Tract 06037234700	8.9%

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

Much of the Crenshaw Site area **meets** the criteria of an average unemployment rate at least 3% higher than the average Citywide median. Of the six (6) Census Tract Groups that comprise the proposed Crenshaw Boulevard Corridor JEDI Zone, four (4) Census Tract Groups qualify under the JEDI Zone needs assessment criteria.

**TABLE 6-
Unemployment Rate by Census Tract in Western Site**

Unemployment Rate	
Tract 06037231400	2.4%
Tract 06037231302	7.4%
Tract 06037231500	5%
Tract 06037232401	4.6%
Tract 06037232402	0.7%
Tract 06037232500	5.5%
Tract 06037237202	9%

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

The majority of the Western Site does **not** meet the criteria of an average unemployment rate at least 3% higher than the average Citywide median. Of the seven (7) Census Tracts that comprise the proposed Western Blvd. Corridor JEDI Zone, one (1) Census Tract qualifies under the JEDI Zone needs assessment criteria.

**TABLE 7 –
Unemployment Rate by Census Tract in Vermont Vista Site**

Unemployment Rate

Tract 06037240302	15.3%
Tract 06037240301	15.4%
Tract 06037240200	10%
Tract 06037240401	5.1%
Tract 06037240500	10.8%
Tract 06037240402	8.9%
Tract 06037241201	6.3%
Tract 06037241120	7.7%
Tract 06037241202	10.5%

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

Most of the Vermont Vista Site **meets** the criteria of an average unemployment rate at least 3% higher than the average Citywide median. Of the nine (9) Census Tracts that comprise the Vermont Vista Site, seven (7) Census Tracts qualify under the JEDI Zone needs assessment criteria.

Low- and Moderate-Income Area:

As specified in the JEDI Zone establishment policy, proposed areas where 51% or more of the residents 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 meet the secondary needs assessment benchmark. HUD defines Low- and Moderate-Income categories as:

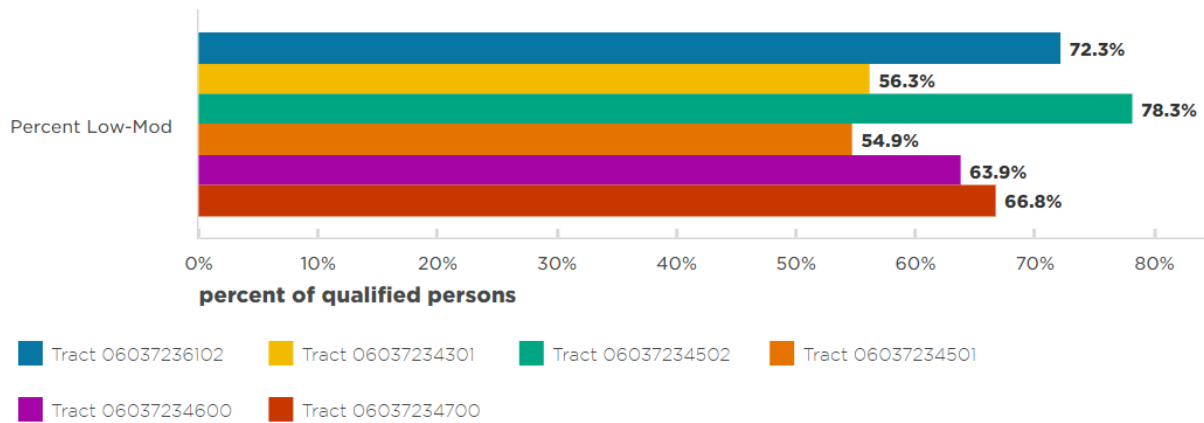
- Low Income: up to 50% of Area Median Income
- Moderate Income: Up to 80% of Area Median Income

HUD designates an area as low to moderate income when at least fifty-one (51%) of the area households are low to moderate income.

Crenshaw Site LMI Residents

Graph 5 displays the LMI rates within the six (6) Census Tract groups within the Crenshaw Site. All six Census Tract groups **meet** the distress benchmark of 51% or more of its households as LMI persons.

Crenshaw Site LMI Households by Census Tract Group



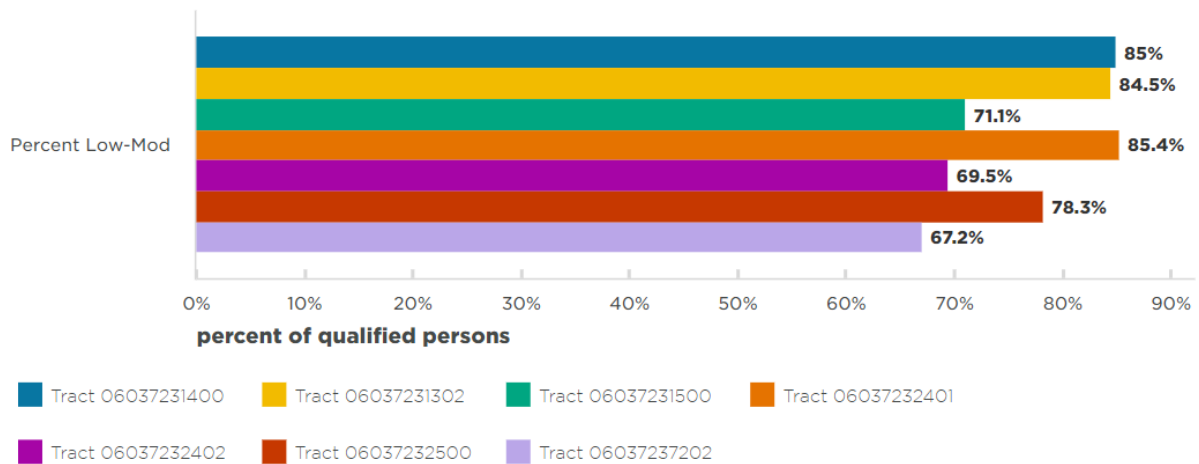
Source: HUD Low-Mod (LMISD) 2021

Western Site LMI Residents

Graph 6 displays LMI rates within the seven (7) Census Tract groups within the Western Site. All seven Census Tract groups **meet** the distress benchmark of 51% or more of its households as LMI persons.

GRAPH 6- Western Site LMI Households by Census Block Group

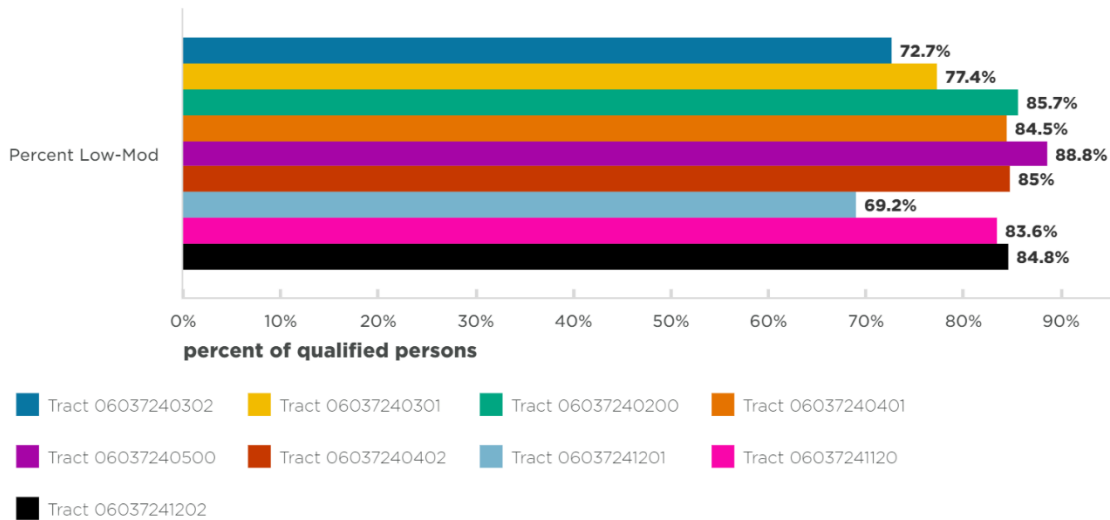
Source: HUD Low-Mod (LMISD) 2021



Vermont Vista Site LMI Residents

Graph 7 displays the LMI rates within the nine (9) Census Tract groups within the Vermont Vista Site. All nine Census Tract groups **meet** the distress benchmark of 51% or more of its households as LMI persons.

GRAPH 5- Vermont Vista Site LMI Households by Census Block Group



Source: HUD Low-Mod (LMISD) 2021

Blight

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.

Blight on Crenshaw Site

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 signs 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 abandoned properties can lead to an accumulation of debris and unwanted loitering. Furthermore, a portion of the Crenshaw Site is within a blight study completed by the City, which identifies that portion of the Crenshaw Site as blighted as defined by the US Department of Housing and Urban Development for the purposes of the Community Development Block Grant Program. EWDD’s assessment concluded that the proposed Crenshaw Site area **meets** the blight criteria.

Blight on Western Site

On October 5, 2022 and November 9, 2022, EWDD staff conducted a site visit and found the physical condition of the buildings to have deferred maintenance and showed moderate deterioration that would benefit from blight remediation. There are a number of abandoned churches, motels, schools, and government buildings in this area that contribute to blighting influence. EWDD’s assessment concluded that the proposed Western Blvd. Site JEDI Zone area **meets** the blight criteria.

Blight on Vermont Vista Site

On October 5, 2022, EWDD staff conducted a site visit and found the physical

condition of the buildings to have deferred maintenance and moderate deterioration. The site contains blighting factors such as dilapidated buildings and physical building depreciation. There are a large variety of industries along this commercial corridor that include both small business and larger retailers. EWDD’s assessment concluded that the proposed Vermont Vista Site area **meets** the blight criteria.

Refer to Attachment 2 – Site Visit Photos.

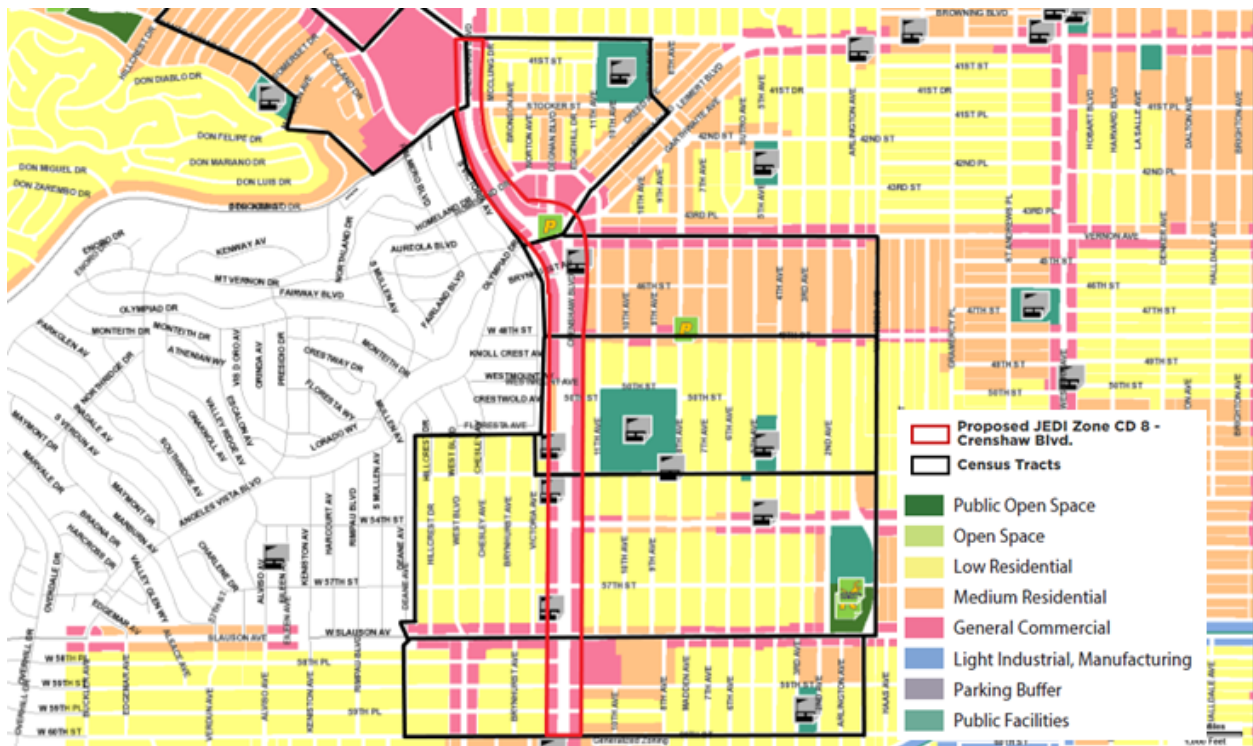
Commercial Industrial and Retail Usage:

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.

Crenshaw Site Commercial Usage

The tract groups comprising the proposed Crenshaw Site are predominately residential. See below, Map 8 – Zoning and Usage of Structures illustrates the commercial and public open space zoning and usage within the proposed JEDI Zone. One of the six census tract groups within the proposed JEDI Zone **meets** the criteria of 50% or more of the area containing commercial, retail, or industrial uses.

**MAP 8 –
Crenshaw Site Zoning and Usage of Structures**



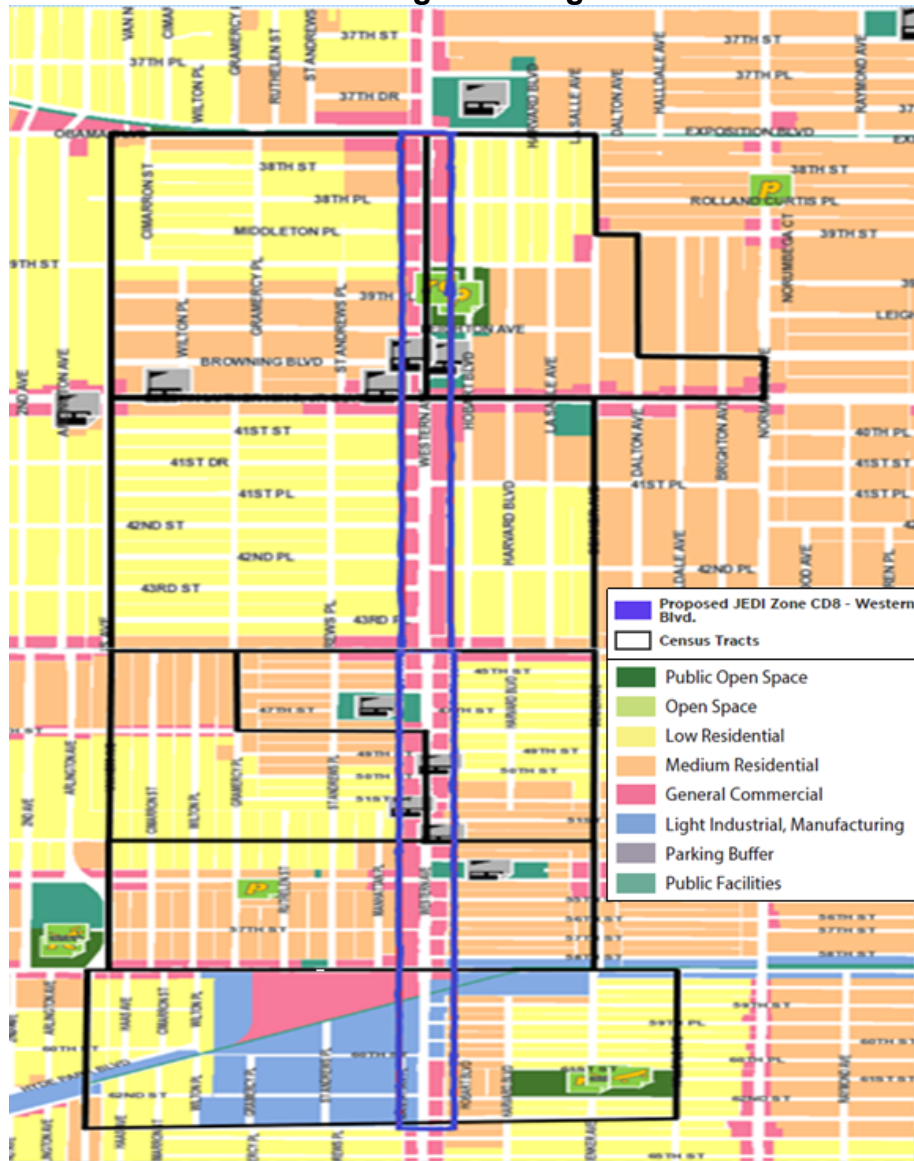
Source: Zone Information and Map Access System (ZIMAS)

Western Site Commercial Usage

Map 9 – Zoning and Usage of Structures illustrates the commercial and public open

space zoning and usage within the Western Site. A large amount of buildings that are classified as commercial usage are actually churches, schools and residences/apartment buildings rather than for-profit commercial enterprises. It was also identified that the surrounding Census Block groups are primarily residential. One of the seven census blocks groups within the Western Site **meets** the criteria of 50% or more of the area containing commercial, retail, or industrial uses.

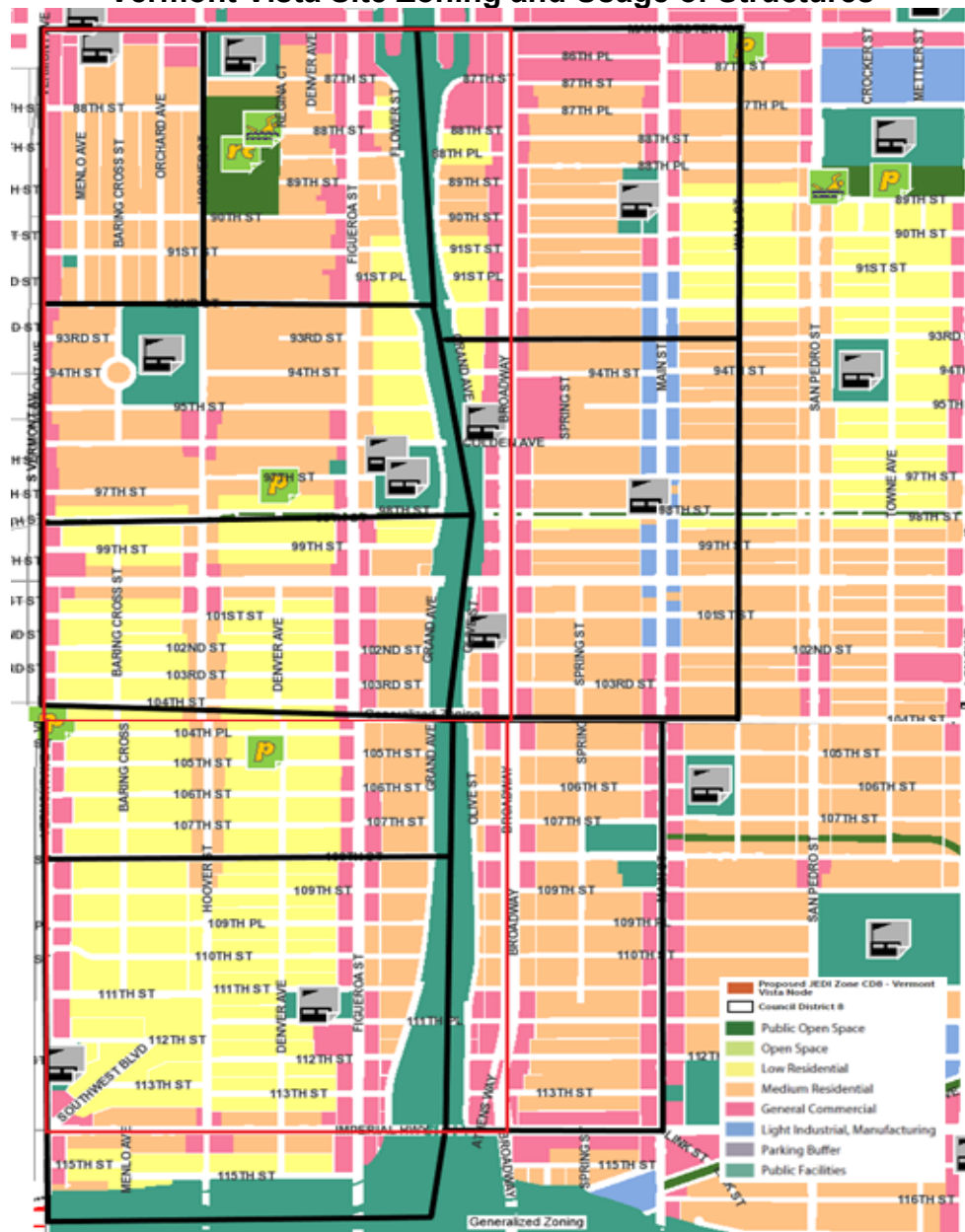
**MAP 9 –
Western Site Zoning and Usage of Structures**



Vermont Vista Site Commercial Usage

The Vermont Vista Site which is bounded by Vermont Boulevard to the east, Broadway to the West, Manchester Avenue to the north, and Imperial Highway to the south is primarily residential. See below, as shown in Map 10. . The Census Block groups surrounding the Vermont Vista Site are mostly residential. All of the nine census tract block groups within the proposed JEDI Zone **do not meet** the criteria of 50% or more of the area containing commercial, retail, or industrial uses.

MAP 10 – Vermont Vista Site Zoning and Usage of Structures



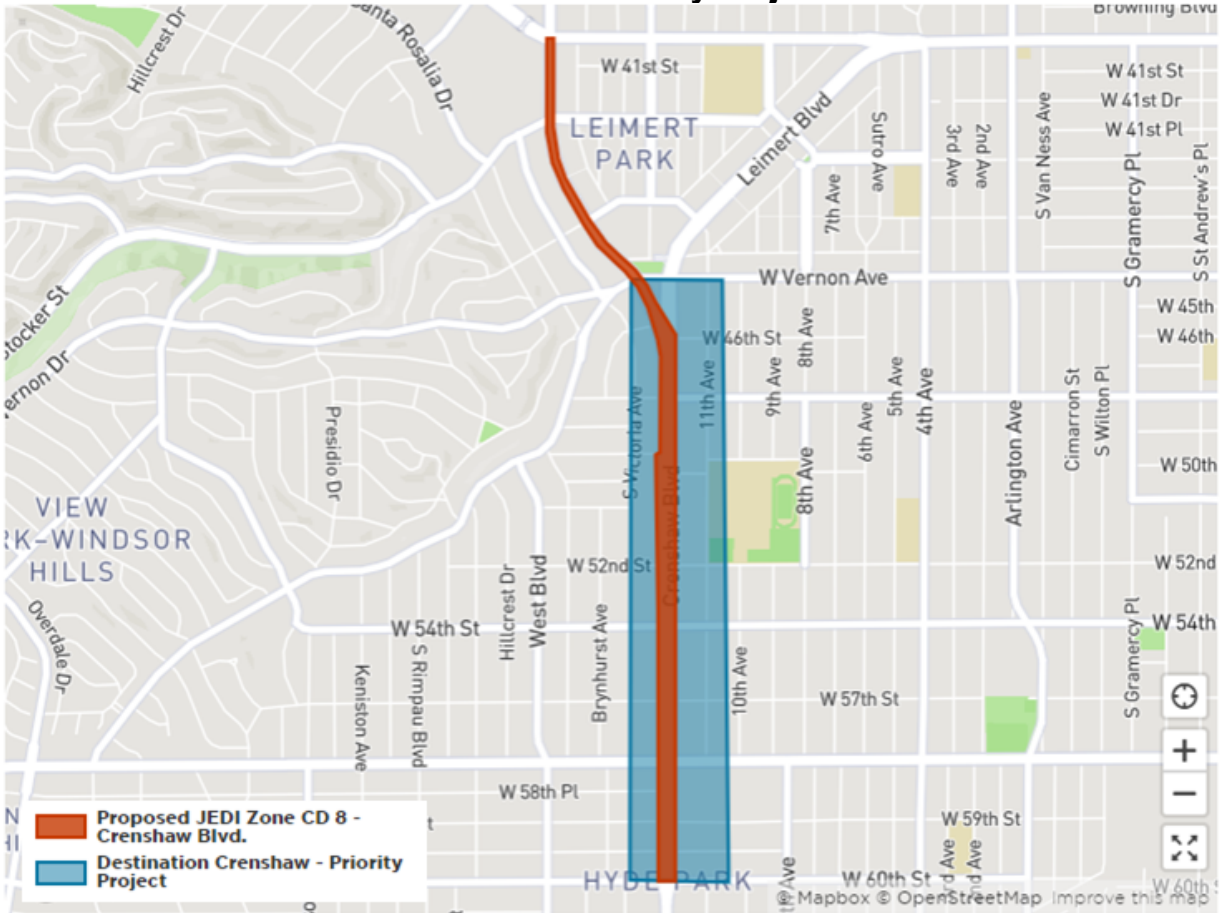
Identified City Priority Project

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.

Crenshaw Site Priority Project

The Crenshaw Site is within the boundaries of Destination Crenshaw, a CD8 priority project to transform the 1.3 mile stretch of Crenshaw Boulevard into a thriving commercial corridor. This infrastructure project aims to create local jobs, economic development, and environmental healing through Black American art and culture. Map 11 identifies the location of the priority project in reference to the proposed JEDI Zone that **meets** the criteria of containing an identified City priority project.

MAP 11- Crenshaw Site Priority Projects



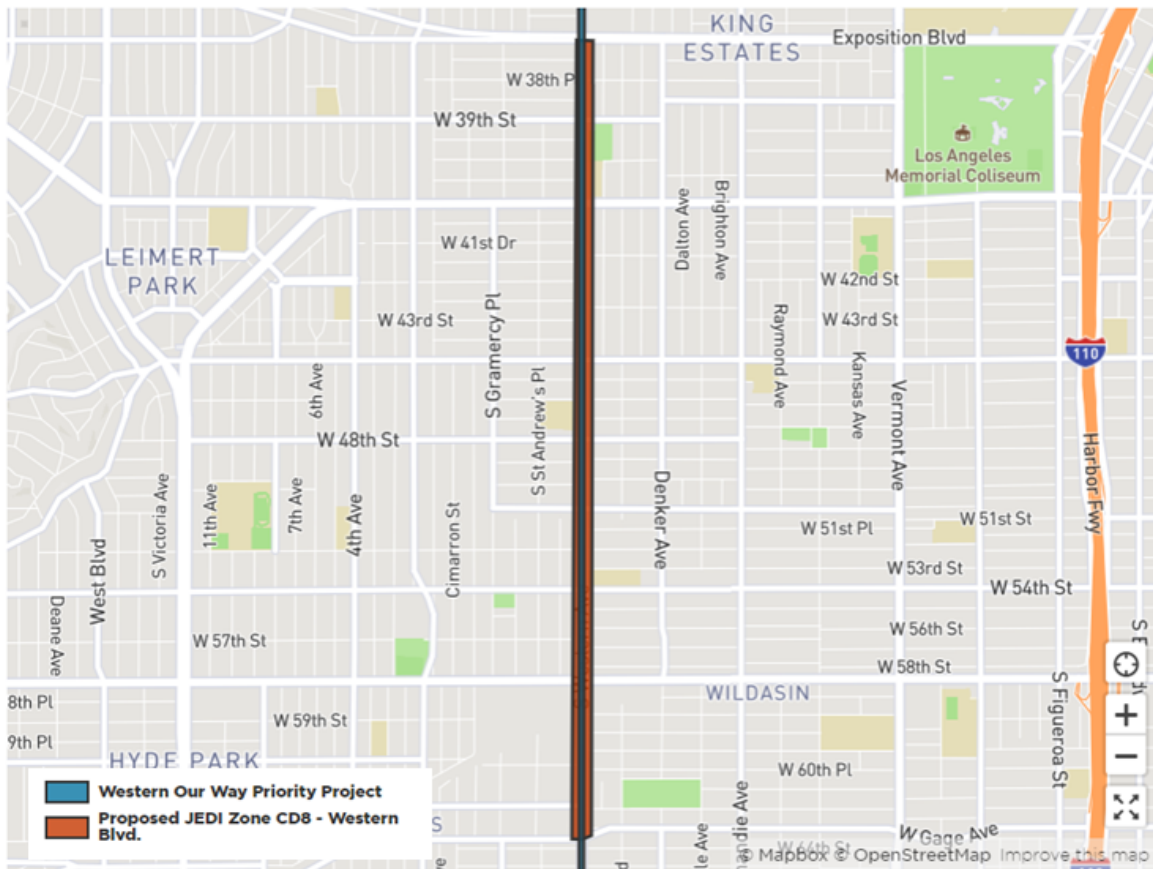
Western Site Priority Project

The Western Site is located within the Western Our Way: Walk and Wheel Improvements City priority project. Western Our Way is a transformative project for Western Ave from Washington Blvd to Century Blvd to improve traffic safety and connectivity for everyone who uses the street.

Map 12 identifies the location of the priority project in reference to the proposed JEDI Zone that **meets** the criteria of containing an identified City priority project.

MAP 12-

Western Site Priority Projects



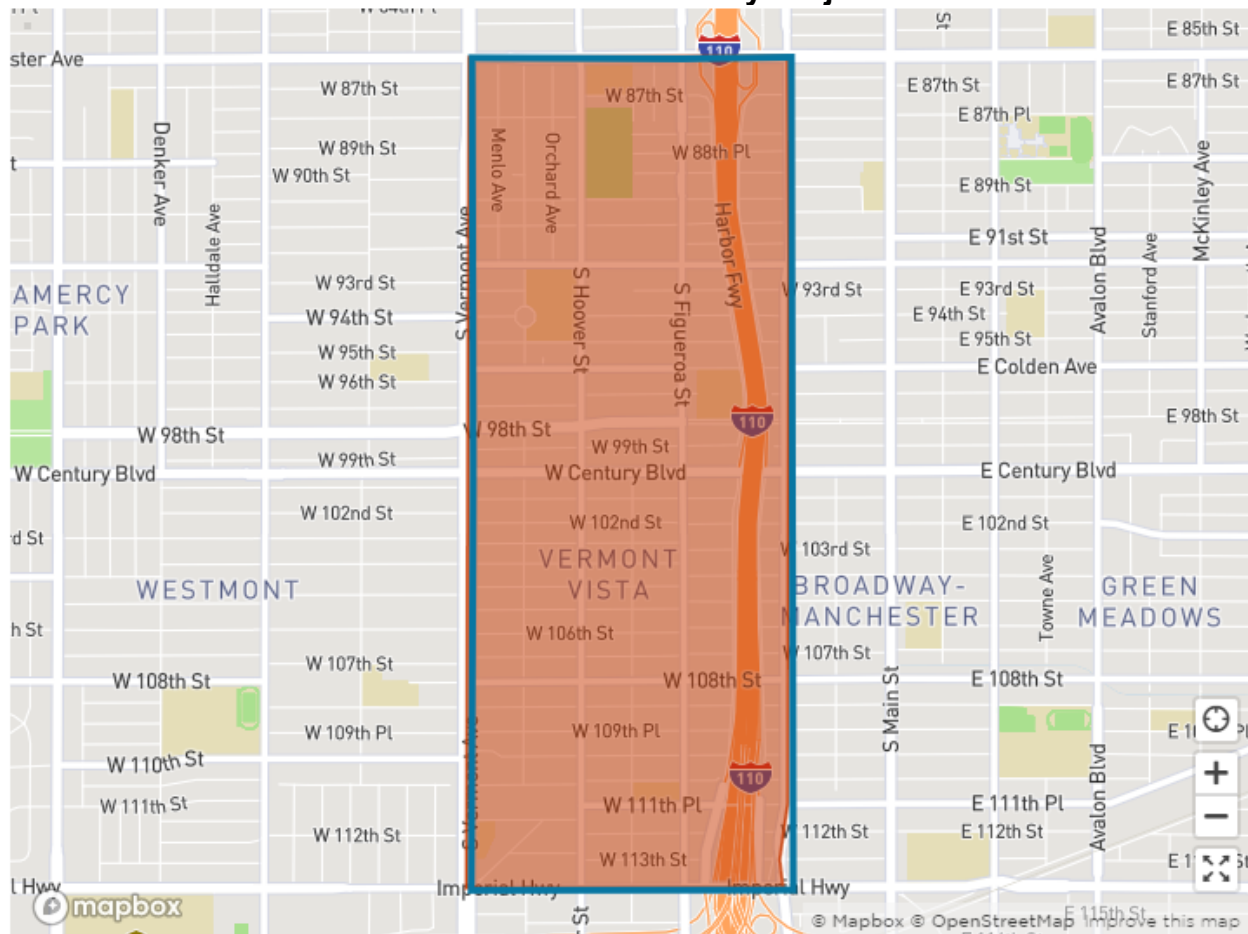
Vermont Vista Site Priority Project

The Vermont Vista Site is within the boundaries of Broadway South: A One Infrastructure Project.

The Broadway South: A One Infrastructure Project is an infrastructure project that is a community-driven equity project providing active transportation, urban greening, and stormwater capture improvements. It is located along 2.8 miles of streets along West Manchester Avenue and South Broadway. There are also several developments at these sites that provide community services and additional infrastructure improvements for a safer and more liveable neighborhood.

Map 13 identifies the location of the priority project in reference to the proposed JEDI Zone that **meets** the criteria of containing an identified City priority project.

Vermont Vista Site Priority Projects



- Broadway Sur Priority Project
- Proposed JEDI Zone CD8 - Vermont Vista Node

Former Community Redevelopment 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) to meet the criteria under the JEDI Establishment Policy.

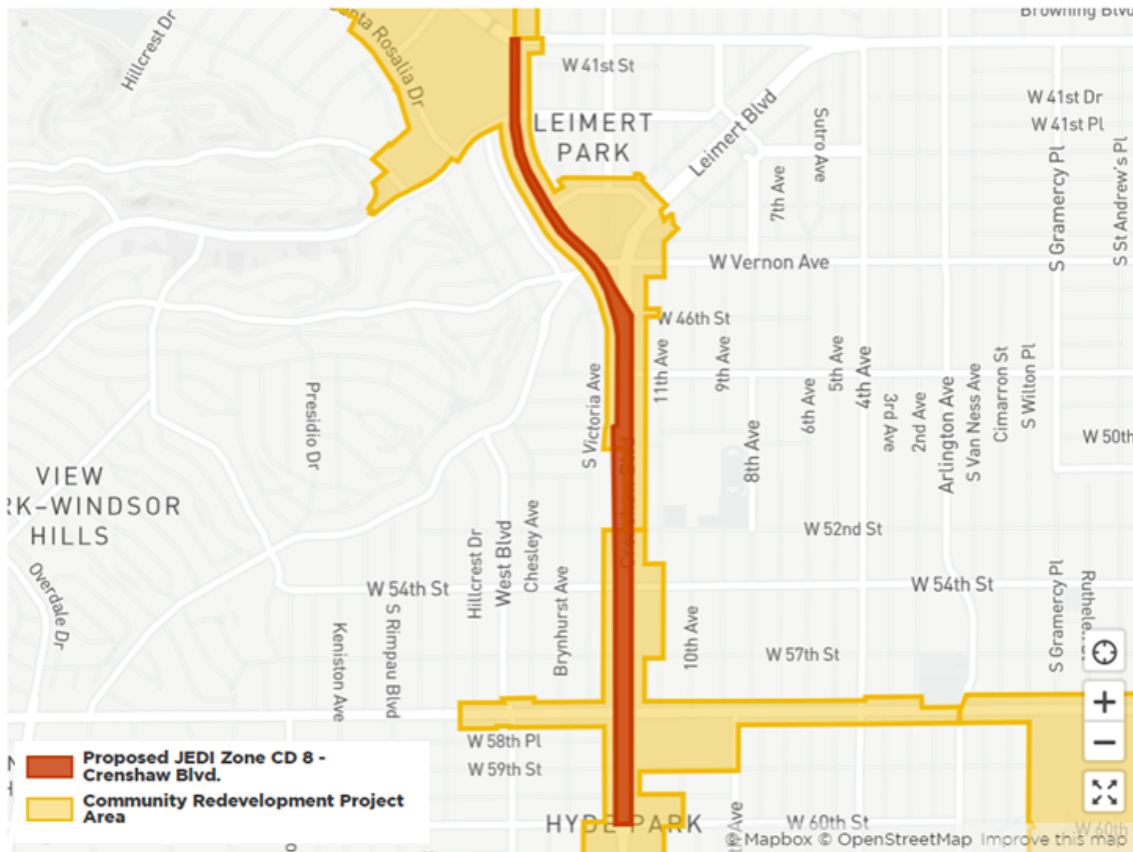
Crenshaw Site Former Community Redevelopment Area

The Crenshaw 1st Amendment Redevelopment Project Area was amended and adopted on December 6, 1994 and expires on December 6, 2025. The Crenshaw/Slauson Recovery Redevelopment Project Area was adopted on October 10, 1995 and expires on October 10, 2026. The proposed Crenshaw Site is within the boundaries of the Crenshaw 1st Amendment Redevelopment Project Area and the Crenshaw/Slauson Recovery Redevelopment Project Area that were active at the time of the dissolution of the CRA/LA on February 1, 2012.

Map 14, below, displays that the entire Crenshaw Site is located within the CRA/LA Crenshaw 1st Amendment Redevelopment Project Area and the Crenshaw/Slauson Recovery Redevelopment Project Area that **meets** the eligibility criteria of being an

active plan area before the dissolution of the CRA.

MAP 14 – Crenshaw Site Redevelopment Project Area



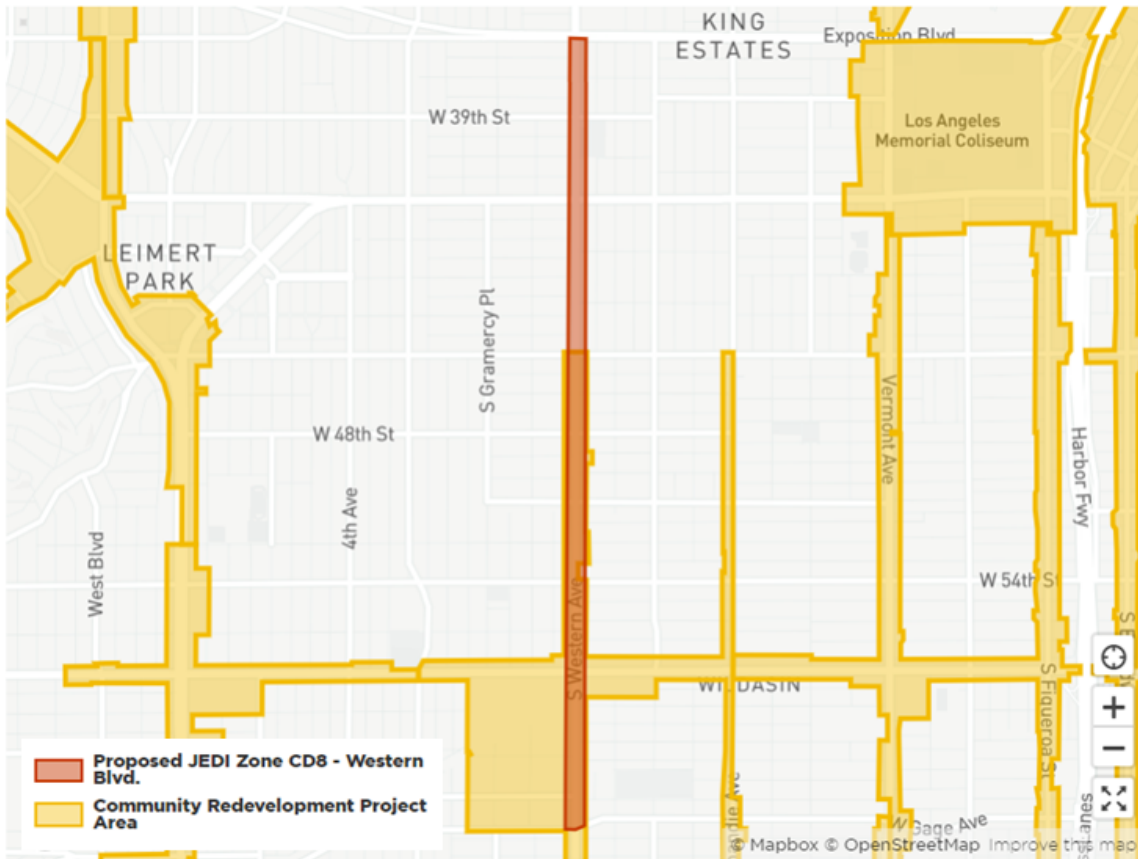
Western Site Former Community Redevelopment Area

On May 10, 1996, the Western /Slauson Redevelopment Project Area was adopted with an expiration date of May 10, 2026. This project area was active at the time of the dissolution of the CRA on February 1, 2012.

Map 15, below, displays that a portion of the Western Site is located within the Western/Slauson Recovery Redevelopment Project Area and **partially meets** the eligibility criteria.

MAP 15 –

Western Site Redevelopment Project Area



Vermont Vista Site Former Community Redevelopment Area

The Vermont Vista Site is within the boundaries of a portion of the Broadway/Manchester Recovery Redevelopment Project Area, the Vermont/Manchester Recovery Redevelopment Project Area, and the Watts Corridors Recovery Redevelopment Project Area.

On December 13, 1994, the Broadway/Manchester Recovery Redevelopment Project was adopted and amended with an expiration date of December 13, 2025. On May 10, 1996, the Vermont/Manchester Recovery Redevelopment Project was adopted and amended with an expiration date of May 10, 2027. On November 15, 1995, the Watts Corridor Recovery Redevelopment Project was adopted and amended with an expiration date of November 15, 2026. The Broadway/Manchester Recovery Redevelopment Project, Vermont/Manchester Recovery Redevelopment Project, and Watts Corridors Recovery Redevelopment Project areas were active at the time of the dissolution of the CRA on February 1, 2012.

Map 16, below, displays that the proposed Vermont Vista Site is partially located within a portion of the Broadway/Manchester Recovery Redevelopment Project, Vermont/Manchester Recovery Redevelopment Project, and Watts Corridors Recovery Redevelopment Project. A portion of the proposed area **partially meets** the eligibility criteria of being active at the time of the dissolution of the CRA on February 1, 2012.

Vermont Vista Site Redevelopment Project Area

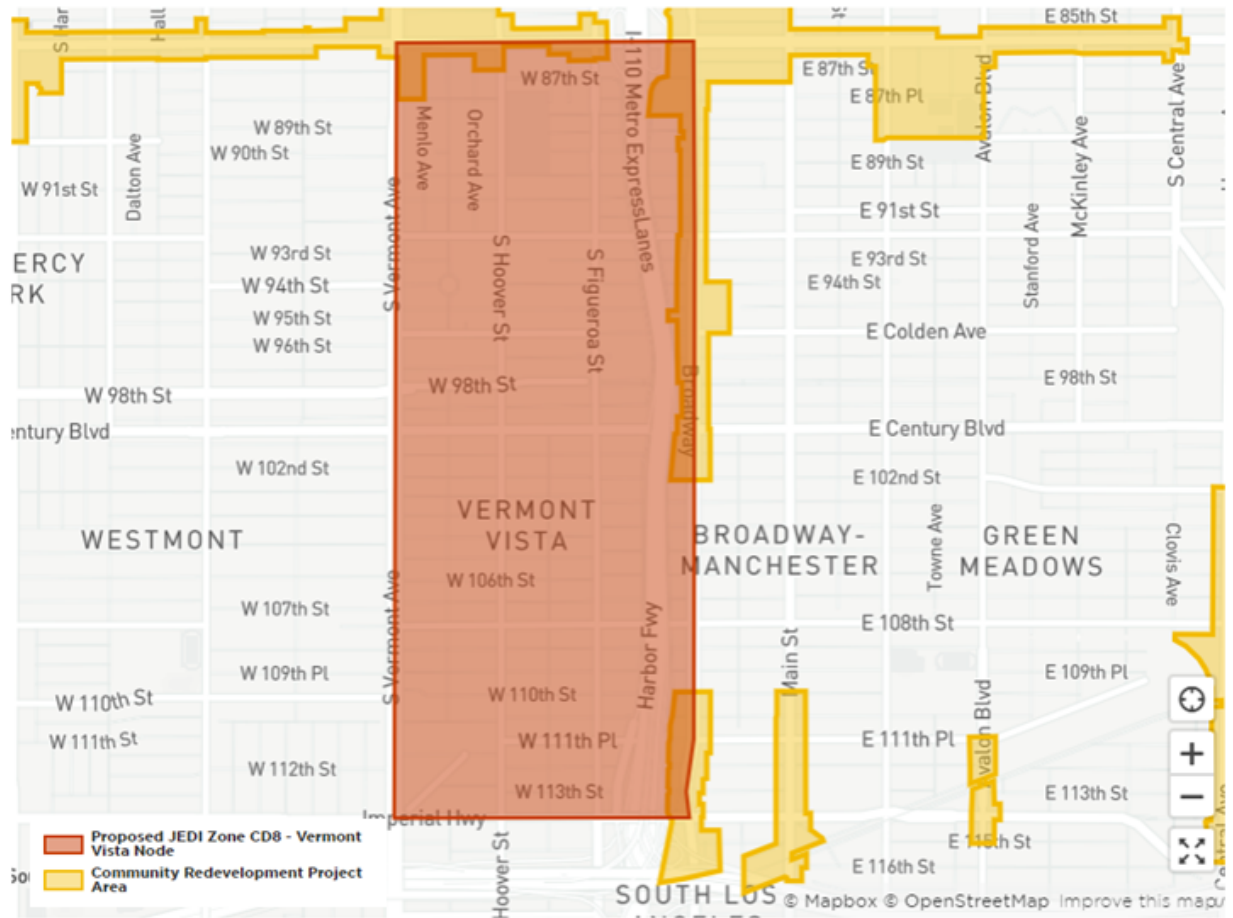


TABLE 8 –

Crenshaw Site Summary of Secondary Needs Assessment

Secondary Needs Criteria	CT1	CT2	CT3	CT4	CT5	CT6
Unemployment Non-seasonal unemployment rate that is at least 3% higher than the Citywide rate.	Does Not Meet Criteria		Meets 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					
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.	Meets Criteria					
Commercial Industrial and Retail Usage The area is more than 50% commercial, retail, or industrial uses.	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			
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					

TABLE 9 –

Western Site Summary of Secondary Needs Assessment

Secondary Needs Criteria	WT1	WT2	WT3	WT4	WT5	WT6	WT7
Unemployment Non-seasonal unemployment rate that is at least 3% higher than the Citywide rate.	Does Not Meet Criteria						Meets 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						
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.	Meets Criteria						
Commercial Industrial and Retail Usage The area is more than 50% commercial, retail, or industrial uses.	Does Not Meet Criteria						Meets 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.	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	Does Not Meet Criteria			Meets Criteria			

TABLE 10 –

Vermont Vista Site Summary of Secondary Needs Assessment

Secondary Needs Criteria	VV1	VV2	VV3	VV4	VV5	VV6	VV7	VV8	VV9
Unemployment Non-seasonal unemployment rate that is at least 3% higher than the Citywide rate.	Meets Criteria			Does Not Meet Criteria	Meets Criteria		Does Not Meet Criteria	Meets 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								
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.	Meets Criteria								
Commercial Industrial and Retail Usage The area is more than 50% commercial, retail, or industrial uses.	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.	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	Partially Meets Criteria			Does Not Meet Criteria	Partially Meets Criteria	Does Not Meet Criteria		Partially Meets Criteria	Does Not Meet Criteria

Recommended JEDI Zone Boundaries

EWDD's evaluation of the Crenshaw, Western, and Vermont Vista Sites determined that each met the criteria of an underserved community in one or more areas as identified in Tables 8, 9 and 10 above. The JEDI Zone policies' intent is to identify priority within a qualified area by greatest need. Currently, other approved JEDI Zones contain an average of 294 businesses. The three proposed JEDI Zones evaluated through this report are too large and contain too many businesses to be impactful and to effectively deliver services. Thus, the recommendation to establish a JEDI Zone is based on the prioritization of the greatest need among the three Sites.

The areas scoring the highest benchmarks indicating distress are in the Crenshaw Site, beginning at Vernon Avenue and continuing to 60th Street and the Western Site, beginning at Slauson Boulevard, and continuing to Gage Avenue. Additionally, the number of actively registered businesses in the highest-scoring area of the Crenshaw Site is 311. The Destination Crenshaw transformative priority project would benefit greatly from the additional JEDI Zone benefits and incentives. Therefore, EWDD recommends establishing a JEDI Zone on Crenshaw Boulevard, with a northern boundary of Vernon Avenue and a southern boundary of 60th Street.

Business Incentive Plan

Upon adoption of the Crenshaw Blvd. JEDI Zone, 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 Crenshaw Blvd. Site 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, subject to funding availability.
9. **Technology Assistance** – Provide technical assistance and other resources for network connectivity and business technology upgrades, including website development or optimization, point of sale devices, and internet access..

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

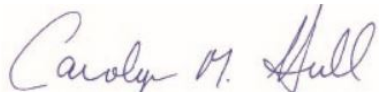
After the five-year designation, EWDD will conduct an assessment of the JEDI Zone detailing the impact on the area, including the following:

- 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 Crenshaw Blvd. 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.



CAROLYN M. HULL
General Manager

CH:FJ:DH:JDR:vw

Attachments