

SOUTH LOS ANGELES

COMPREHENSIVE

ECONOMIC DEVELOPMENT STRATEGY

Prepared for

City of Los Angeles

Mayor's Office of Economic Development

Submitted by

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EXECUTIVE SUMMARY

This report is in response to the U.S. Department of Commerce, Economic Development Administration's (EDA) "Comprehensive Economic Development Strategy (CEDS) Guidelines" document, published January 2000. The Guidelines outline prerequisites that communities must meet in order to subsequently have economic development projects and programs considered for EDA funding. The effort for the City of Los Angeles to gain and retain EDA program eligibility is led by the Mayor's Office of Economic Development, and under the advisement of the various City Council Offices. Specifically for South Los Angeles, the 6th, 8th, 9th, 10th, and 15th Council Districts are represented.

The goal of the South Los Angeles Comprehensive Economic Development Strategy is to create a long-term, participatory, and sustainable planning and implementation process that creates employment, raises incomes, diversifies the economy, and improves quality of life, while protecting the environment.

The South Los Angeles Comprehensive Economic Development Strategy contains four main elements: Analysis, Vision, Action Plan, and Evaluation. The Analysis sections provide an examination of the demographic and economic characteristics of the area. These facts are placed into context through comparison to figures for the City of Los Angeles and Los Angeles County. The indicators provided are to be used as benchmarks to measure the extent to which economic development projects can and are improving South Los Angeles' economic and social dynamics.

The demographic and economic analysis indicates that South Los Angeles clearly qualifies as a distressed community under EDA definitions. In nearly all areas of economic performance, South Los Angeles lags behind the progress of the City and County (See **Indicators Comparison Table**).

The South Los Angeles portion of the City, which is 100 square miles, is currently home to nearly 1.7 million persons. These residents account for 32% of the City's population, but are living in only 21% of the City's land area. The density rate is approximately 16,700 persons per square mile, which is significantly higher than the rates for Los Angeles City and Los Angeles County. The South Los Angeles population is forecasted to grow by 24% during the 2000 to 2020 period.

South Los Angeles is a racially / ethnically diverse area. African-Americans account for 35% of the area's population, followed by Whites at 32% and Asian / Pacific Islanders at 7%. Latinos represent 39% of residents. South Los Angeles is less White and more African-American than Los Angeles City or County. Koreans, Japanese, and Filipinos are the area's largest Asian / Pacific Islander groups.

The income statistics for South Los Angeles are consistently lower than for Los Angeles City and Los Angeles County. The study area's per capita income, approximately \$13,000, is 20% less than that for the two greater areas. South Los Angeles' median family income of \$25,500 is 26% less than the City figure and 35% less than the County figure. Under the category of median household income South Los Angeles again trails significantly. The area's figure of \$22,000 is respectively 28% and 36% less than the figures for Los Angeles City and Los Angeles County.

The formal educational attainment of South Los Angeles' residents does not fare well in comparison to the rates for Los Angeles City and Los Angeles County. Nearly 40% of the area's adults have not acquired a high school diploma. Only 15% of South Los Angeles residents have obtained a college degree. In comparison, approximately 5% more of the Los Angeles City and Los Angeles County populations have obtained their college diploma.

In 1998 9.4% of South Los Angeles' adult population was considered unemployed. That unemployment rate is 25% greater than the 7.5% rate for Los Angeles City. South Los Angeles contains 32% of Los Angeles City's population, but has only 29% of the City's employed adults. South Los Angeles' increase in annual average employment, however, is greater than the City or County figures. From 1991 to 1999 South Los Angeles experienced a 7.4% increase in employment positions (excluding local government jobs), which is significantly higher than the Los Angeles City rate of 2.4% and the Los Angeles County rate of .5%. In 1999 32% of jobs contained within South Los Angeles were in the services sector, followed by 18% in manufacturing and 16% in retail trade.

The message is that South Los Angeles is in need of substantial public and private economic development assistance to stabilize, expand, and diversify the local economy. Critically, efforts must be made to ensure that economic growth benefits are equitably distributed. There are numerous strengths and opportunities present in the people and places of South Los Angeles for a comprehensive economic development program to successfully build-upon.

The Vision for an improved South Los Angeles was crafted through an extensive community outreach process. The strategy and vision development process sought a high level of inclusion from the many interests present in the fields of economic development and community planning. The process has been iterative, allowing multiple opportunities for input and commentary from all parties involved. Focus groups were the primary method of community participation. These sessions were held over the course of several months at locations across South Los Angeles. Over seventy economic development and community planning professionals and organizations were invited to attend and share their experiences and preferences.

The Action Plan presented is responsive to the contents of focus group discussions, the demographic and economic profile, as well as current economic development programs, incentives, and opportunities. The Action Plan details barriers to economic development within South Los Angeles, offers short- and long-term responses, and identifies sites for strategy implementation. The Plan focuses on six strategic areas of economic development opportunity:

- Sustainable Development
- Information Technology and Telecommunications
- International Trade in Goods and Services
- Entrepreneurial Development
- Tourism
- Cooperation and Collaboration

Sustainable development focuses on meeting current needs of a community without compromising the needs of future generations. An element of this strategy is clean manufacturing that offers higher paying jobs, generates increased employment, and stimulates economic activity.

Electronic-commerce, information technology industries, and telecommunications offer new opportunities and challenges for distressed areas. Technology-based development requires the development of new infrastructure, programs that support entrepreneurship, and training to develop a skilled workforce to maintain and support state-of-the-art systems.

International trade is a substantial portion of the Southern California economy. Techniques to enhance the region's competitiveness as a center for international trade, business, and investment are a significant component of the South Los Angeles economic development strategy.

Small and medium sized businesses are the backbone of the region's economy. Small and fledging companies, however, often lack the resources to successfully finance, manage, and operate their companies. An element of this strategy is to encourage start-ups by targeting them with technical assistance, knowledge, and financial support.

Tourism is an established leader in Southern California's modern service economy. Ethnic and cultural diversity is a unique asset for the region. Many communities should be encouraged to celebrate and market their historical and cultural heritage, and become a beneficiary of the economic growth produced by tourism.

Creative collaborative approaches provide the ways and means to leverage resources, build social capital, diversify funding, and sustain regional development efforts. Coordination and collaboration are essential to the success of the above-mentioned strategies.

The report concludes with a project rating instrument that will be used to evaluate and rank economic development projects for South Los Angeles. The instrument allows for early identification of quality projects that will address the policies and goals of the Economic Development Administration, as well as produce needed economic and social gains for South Los Angeles residents and workers.

Demographic and Economic Indicators Comparison	South Los Angeles	Los Angeles City	Los Angeles County
<u>Population</u>			
Size	1.1 Million	3.5 Million	9.2 Million
Growth Rate	24%	27%	25%
<u>Race / Ethnicity*</u>			
Black	35%	14%	11%
White	32%	53%	57%
Asian / Pacific Islander	7%	10%	11%
Hispanic	39%	39%	37%
Bilingual Households	32%	44%	41%
<u>Age</u>			
18 and younger	29.4%	26.2%	27.7%
65 and older	9.0%	9.9%	9.0%
<u>Educational Attainment</u>			
No High School Diploma	39.3%	34.3%	31.2%
College Degree	15.4%	20.2%	19.8%
<u>Economics</u>			
Per Capita Income	\$12,949	\$16,188	\$16,149
Median Family Income	\$25,565	\$34,364	\$39,035
Median Household Income	\$22,289	\$30,925	\$34,965
Owner-Occupied Housing	35%	39%	48%
Median Gross Rent	\$535	\$600	\$626

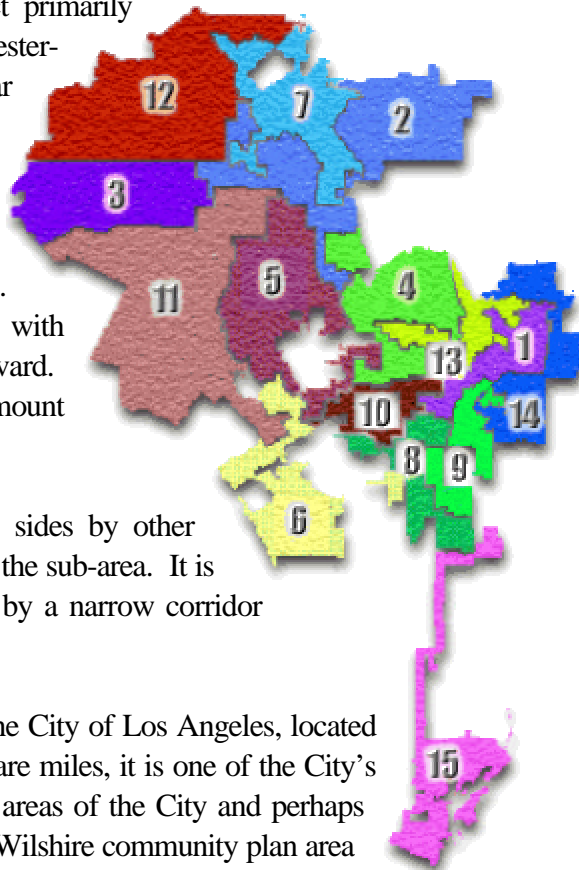
* The Census classifies Black, White, and Asian as Race, whereas Hispanic is classified as Ethnicity. Respondents can select a Race and an Ethnic category, therefore total percentages of these groups exceed 100%.

I. SOUTH LOS ANGELES PROFILE

The South Los Angeles CEDS sub-area is comprised of five of the City's 15 Council Districts (CD). At either end are two primary gateways to Southern California: Los Angeles International Airport (LAX) and the Port of Los Angeles. In between is a diverse geography, population base and business community.

Council District 6 forms the western boundary of the study area. It is approximately 29 square miles in area and shares borders with four other cities and a portion of unincorporated Los Angeles County, including Marina Del Rey. The City of Santa Monica is on the north, the City of El Segundo is on the south and both Culver City and the City of Inglewood are on the east. The South Crenshaw portion of the District stretches from 52nd Street to the Inglewood border, and from Van Ness / Arlington to La Cienega Blvd. The western border is the Pacific Ocean.

CD 6 is both a residential and employment center. It has a demographic and economic profile decidedly different than the rest of the sub-area, with fewer concentrations of African-Americans and Hispanics. Apart from LAX, the Council District primarily includes the community planning areas of Westchester-Playa Del Rey, Del Rey, Venice and Palms-Mar Vista. Venice is a unique mixture of single family homes, apartments and is a regional draw because of its world-famous boardwalk. The Palms-Mar Vista-Del Rey area contains both residences and many neighborhood-serving commercial uses. Westchester is the northern gateway to the airport with many related businesses along Sepulveda Boulevard. Westchester is also the home of Loyola Marymount University, a key community stakeholder.



Since the Council District is surrounded on three sides by other jurisdictions, it is somewhat isolated from the rest of the sub-area. It is connected to the remainder of South Los Angeles by a narrow corridor along the I-10 (Santa Monica) Freeway.

Council District 10 is the geographic heart of the City of Los Angeles, located immediately to the west of downtown. At 12.8 square miles, it is one of the City's smaller districts. It is also one of the most vibrant areas of the City and perhaps one of its most diverse. CD 10 is dominated by the Wilshire community plan area and is home to both Koreatown and the Crenshaw and Jefferson Park Districts, the heart of LA's African-American community. There is also a large population of Latino residents and businesses within the Wilshire Center District. The CD also includes the West Adams District, a collection of historic homes and religious institutions. CD 10 is increasingly the focus of economic

development efforts, spurred on by the entrepreneurial spirit of its small businesses, its proximity to downtown and now its accessibility. The Metro Red Line makes stops in the northeast portion of the Council District, directly linking residents and businesses to the Civic Center.

Council District 8 is comprised of the West Adams-Baldwin Hills-Leimert community planning area as well as the South Central LA area and a portion of Southeast LA. The area has been the focus of some large-scale commercial developments. These include the Baldwin Hills Crenshaw Mall on Crenshaw Boulevard. Its proximity to both residential communities, some of which are historic in nature, and the airport offers CD 8 comparative advantages in attracting commercial development.

CD 8 is also home to the University of Southern California, the largest private sector employer in the City. The Exposition Corridor, connecting USC with the Crenshaw District, has valuable transit right-of-way and is the focus of studies investigating both light rail and rapid bus opportunities. Furthermore, the presence of historical sites of importance to the African American community, including the African-American museum, is an occasion to further develop community-based facilities, enhance the image of South Central LA (which the residents consulted for this study deem to be a major impediment to development) and increase much needed links to other parts of the City and the region.

Council Districts 8 and 9 are adjacent to each other and to the immediate south of downtown Los Angeles. Each is roughly 16 square miles in area. They evidence some of the greatest need in the study area but also provide tremendous opportunities for economic growth.

Council District 9, immediately adjacent to CD 8 on the east, is a varied mix of government, finance, manufacturing and residential neighborhoods. CD 9 contains the LA Civic Center, Toytown, a burgeoning trade center at the edge of the Civic Center and the adjacent Fashion District. These areas, however, are part of an entirely separate CEDS sub-area. The remainder of the Council District - and that portion discussed in this study - includes Toytown, a burgeoning trade center at the edge of the Civic Center, and the adjacent Fashion District.

The Southeast Los Angeles planning area, the actual bulk of the District, also forms part of the old cultural heart of the Los Angeles African American community and is the target of cultural tourism development efforts. These include the historic Dunbar Hotel and other jazz-related sites along Central Avenue. Other tourist destinations include the Adams Blvd. and Jefferson Park Cultural Arts District, and the soon to be constructed Washington Blvd. Performing Arts Center. The latter is an \$8 million project.

Council District 15, covering more than 31 square miles in area, is the southernmost point of both the South LA study area and the City of Los Angeles. Containing the Harbor Gateway, Wilmington-Harbor City, and San Pedro communities, it is somewhat isolated from other portions of the sub-area. CD 15 is connected to the rest of the City by a narrow corridor running along the I-110 (Harbor) Freeway. The area plays a critical role, however, in the economic life of the entire Southern California region. CD 15 is the location of the 7500-acre Port of Los Angeles, which employs 20,000 people.

It is also home to the Wilmington industrial center and the community of Watts. Watts is at the heart of efforts to create a South Los Angeles Cultural Crescent, taking advantage of the locale's historical jazz and blues clubs and national landmarks including Watts Towers. CD 15 and the Port are also gateways to the Alameda Corridor, a grade-separated transit way which will allow the rapid movement of goods from the port to markets throughout Southern California and the rest of the nation. The presence of the Alameda Corridor means development opportunities for South Los Angeles in the form of shipping-related facilities.

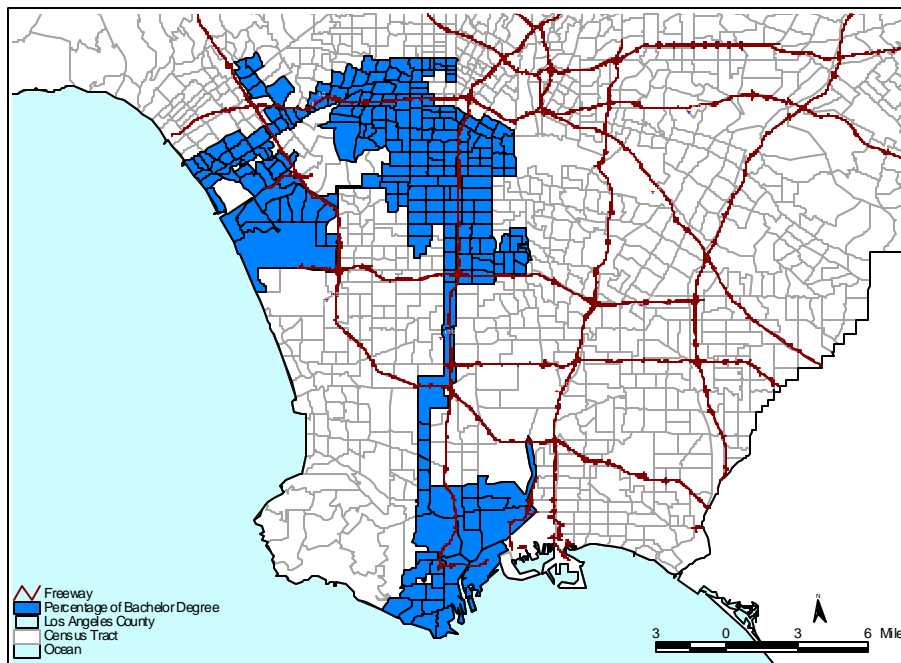
The profiles of these five Council Districts are all different; but as a unified study area, the communities of South Los Angeles share needs and opportunities. For example, cultural tourism is a strategy likely to directly benefit Districts 8, 9, 10, and 15. The possible airport expansion, of interest to CD 6, will have spillover effects on the demand for commercial space in CD 10. As a result, this CEDS document seeks to present a vision not only for individual communities but also for the sub-area as a whole.

II. DEMOGRAPHIC ANALYSIS

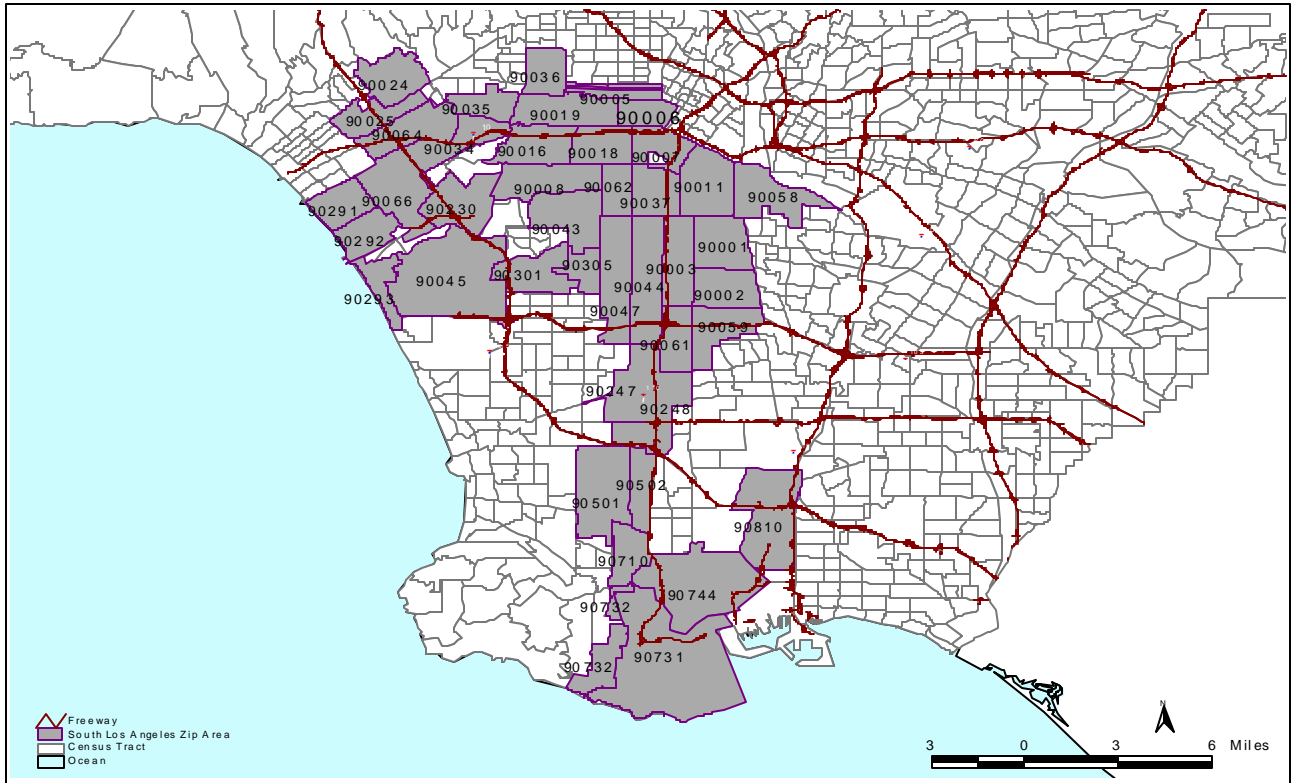
Demographic characteristics provide a useful context in which to discuss the potential for economic development in South Los Angeles. In isolation, they are glimpses into the life of the area's residents. In combination and in comparison with Los Angeles City and Los Angeles County figures, they provide a report card on local progress toward more widespread goals.

Los Angeles County has recently been the subject of numerous demographic and economic studies. As an entry point for many of the nation's immigrants, Los Angeles City is seen as a predictor of national racial and ethnic patterns and as a benchmark for economic health. In determining economic development strategies for the South Los Angeles CEDS area, it is important to know the demographic profile, as well as how the area shapes and is shaped by the demographics of the City and County.

The South Los Angeles CEDS Area is demarcated, for demographic and economic analysis, by 235 U.S. Census Bureau census tracts and by 43 U.S. Postal Service zip codes.



Map 1 - Census Tracts Covering South Los Angeles

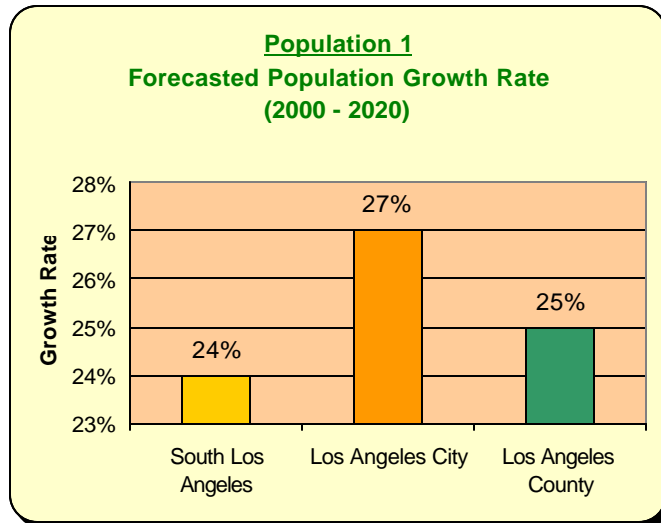


Map 2 - Zip Codes Covering South Los Angeles

A. POPULATION

The South Los Angeles area has a total population of 1,112,725 persons (1990 US Census). This represents almost 32% of the City's total population of 3,485,398. Since the start of the 1990's both the City and this particular sub-area have experienced similar levels of growth, on the order of 8% between 1990 and 1998. The area is generally younger than the City as a whole. Percentages for the five different commonly used age groups under the age of 21 (less than 5 years of age, 5-11, 12-14, 15-18 and 19-21) are all greater in South Los Angeles than for the entire municipality.

According to a Southern California Association of Governments forecast, the population of South Los Angeles will grow by 24% during the years 2000 to 2020 (See **GIS Map 1, in Appendix**). The forecast for Los Angeles County is similar at 25%, and the City is slightly higher at 27% (See **Population 1**). It is estimated that South Los Angeles (by zip code boundaries) was home to 1,671,862 persons in 1998.¹ This information indicates that approximately 400,000 persons will be added to the South Los Angeles population over the next 20 years. This extensive growth will have a substantial impact on existing resources and generate demand for additional public and private resources.

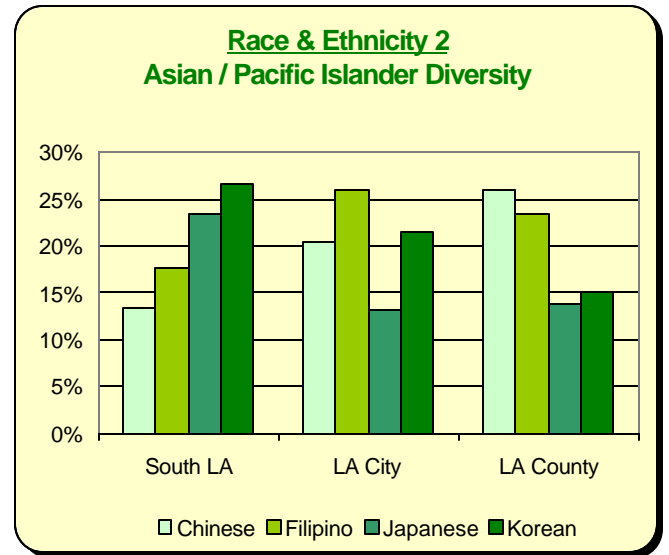
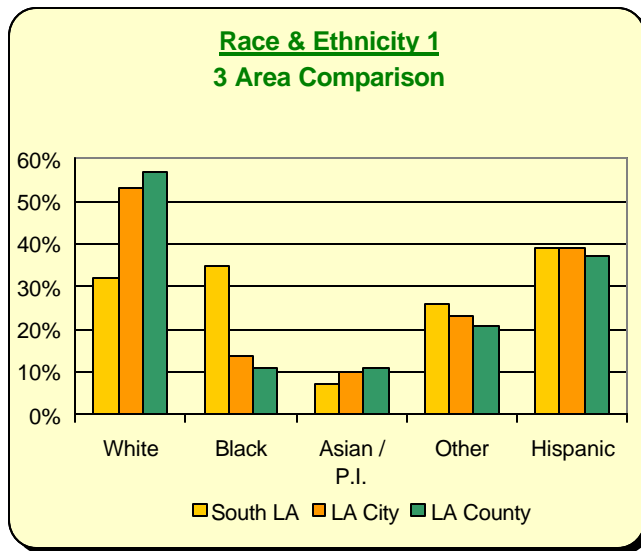


Population growth for South Los Angeles is of significant concern. The area is already a dense environment. In 1990 there were over 11,000 persons per square mile. In 1998 the rate increased to 16,700 per square mile, which is significantly higher than the rates for the City and County. The northeastern portion of South Los Angeles has the highest level of density. Very high density is also found in the western and harbor portions of the area (See **GIS Map 2**).

¹ Source: California State Department of Finance.

B. ETHNICITY

South Los Angeles has a highly diverse resident population. In the 1990 U.S. Census residents were categorized by race² as 35% Black³ 32% White, 26% Other, 7% Asian / Pacific Islander, and less than 1% Native American. Residents classified into the ethnicity category of Hispanic⁴ were 39% of the total population. South LA has more racial and ethnic diversity than does the greater surrounding areas (See **Race & Ethnicity 1**).



Los Angeles City and Los Angeles County have a similar race and ethnicity break-down, with both being significantly more White and less Black than South LA. LA City is 53% White and 14% Black, and LA County is 57% White and 11% Black. The similarity between the City and County extends to Asian / Pacific Islander (10% and 11%), Other (23% and 21%), Native American (0.4% and 0.5%), and Hispanic (39% and 37%) (See **GIS Maps 3 through 6**).

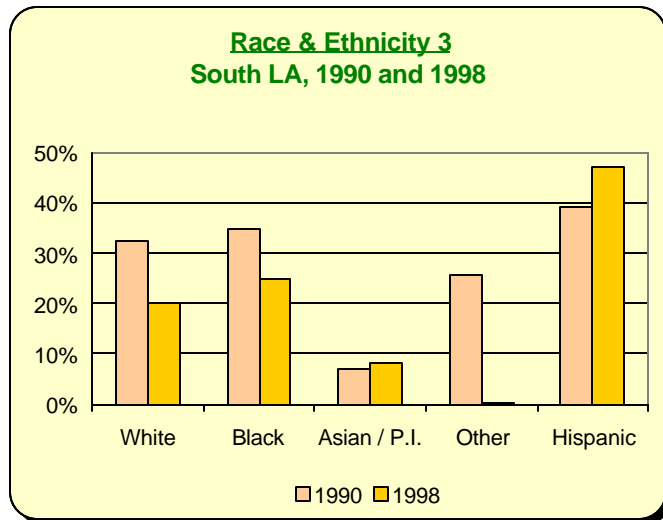
In Southern California there is substantial diversity found within the Asian / Pacific Islander race category (See **Race & Ethnicity 2**). The largest groups in South LA are Koreans (27% of Asians / Pacific Islanders), Japanese (23%), and Filipinos (18%). The three most common groups in LA City are Filipinos (26%), Koreans (21%), and Chinese (20%). Chinese (26%), Filipinos (23%), and Koreans (15%) have the highest representation in LA County.

² The U.S. Census Bureau uses the concepts of race and ethnicity. Many scholars and laypersons argue that there is no biological evidence that supports the notion of race, and instead prefer to use only ethnicity categorization.

³ The preferred reference is “African-American”, the term “Black” is used in demographic analysis sections to conform to U.S. Census race categories. Similarly, the U.S. Census uses the term “Hispanic”, and in Southern California the most common preference is for “Latino/a”.

⁴ Hispanics can be of any race. In the 1990 U.S. Census respondents were allowed to select one race category and Hispanic if applicable.

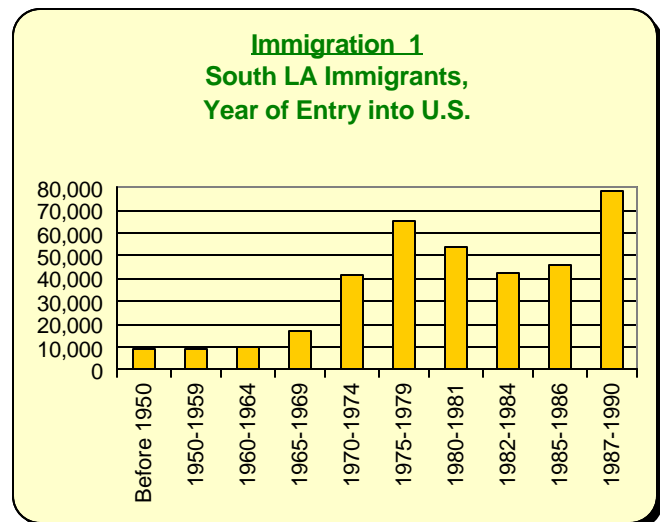
South LA has experienced a significant shift in racial and ethnic representation between 1990 and 1998 (See **Race & Ethnicity 3**). There has been at least a 10% decrease in residents who are White or Black. The percentage of Native American and Asian / Pacific Islanders has been fairly stable. Hispanics increased their share of the South LA population by 8%. The amount of people designated as Other dramatically dropped from 26% in 1990 to 0.4% in 1998. This extensive change is likely due to different questions and answers used for the 1998 estimates that were not used on the 1990 U.S. Census forms. Further definitional changes in the 2000 U.S. Census (most notable is the ability of a respondent to select more than one race / ethnicity category) will cause shifts that are more likely to occur ‘on paper’ than in the reality of in- and out-migration for South LA.



South LA, based on the area’s percentage of the City’s total population (32%), has a disproportionately large Black population. Approximately 80% of LA City’s Black residents live in the South LA area. The number of South LA’s Black residents is 250% greater than the expected amount. Conversely, South LA has disproportionately small White, Native American, and Asian / Pacific Islander populations. Only 17% of the City’s White population reside in South LA. This figure is 28% for Native Americans and 22% for Asian / Pacific Islanders. The proportion of Hispanics living in South LA, 32%, is in balance with the area’s proportion of the City’s population.

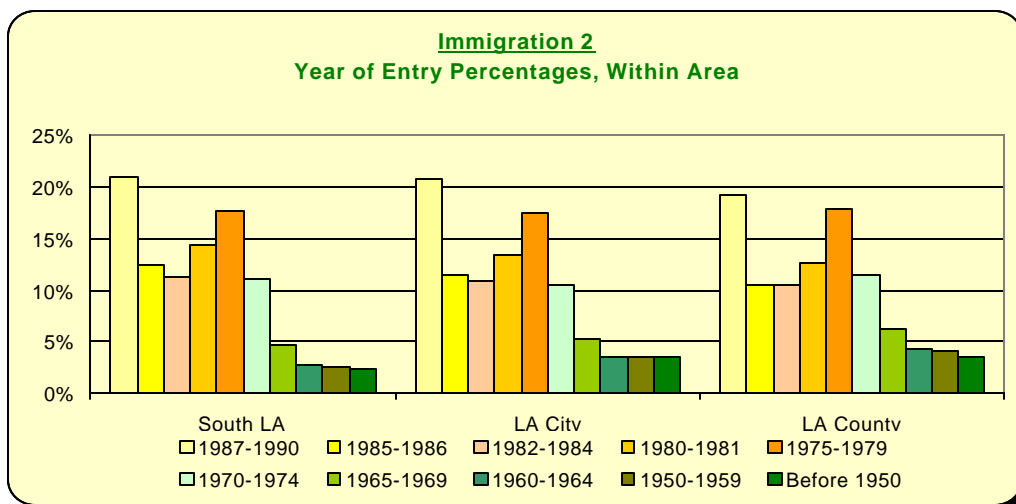
C. IMMIGRATION

The South Los Angeles area has long been an attractive location for immigrants. Many immigrants select this area, for a variety of reasons, as a starting point for life in the United States. A common pattern for immigrants residing in Southern California is to first live in the center portions of Los Angeles City, then after social and economic networks are established move outward into other communities and neighboring cities. There are many immigrants, however, who remain in the central portions of the City after being in the country for a long period of time.



In 1990, 33% of South LA residents were immigrants. This is over 374,000 persons. This percentage is nearly equal to that for LA County, but below LA City's rate of 38%. Nearly 60% of immigrants in South LA entered the U.S. between 1980 and 1990 (See **Immigration 1**). That is 3% and 6% higher than the respective rates for LA City and LA County. The recentness of arrival plays a strong role in immigrants' ability to learn and is strongly correlated with economic mobility.

There is a consistent pattern of year of entry percentages for each of the three areas under consideration (See **Immigration 2**) with 1987-1990 and 1975-1979 being peak years. Clearly, South LA is as impacted by immigration as LA City and LA County. Predictions for immigration rates and immigration movements are typically done at the larger geographic scales of LA City and LA County. South LA can be expected to have highly similar rates in the future based on 40-year patterns.



Immigration rates into California, LA County, and the South LA area are in a decline from recent decades and will continue this trend for the near future. According to a recent projection report, "Demographic Futures For California"⁵, between 1990 and 2020 Los Angeles County's foreign-born population will increase by 60%, from 2.9 million to 4.7 million persons. This rapid growth is, however, less than that for the 1980 to 1990 period. Over the full 30-year projection period, the foreign-born share of the County's population is projected to rise by nearly 8%, which is less than half the rate for 1980 to 1990.

As the successive cohorts of immigrants cumulates, the number of immigrants who arrived in the U.S. more than twenty years ago is projected to dramatically increase by 371% over the 1990 to 2020 projection period. Their share of the County's entire foreign-born population will almost triple from 18% to 53%. The projected racial / ethnic composition of the foreign-born population residing in the County will remain relatively stable. Latinos were 61% of the total foreign-born in 1990, and will remain a substantial majority through 2020.

⁵ Dowell Myers and John Pitkin. 2001. *Demographic Futures for California*. Population Dynamics Group, School of Policy, Planning, and Development. University of Southern California. Los Angeles, California. Website: <http://www.usc.edu/schools/sppd/futures>

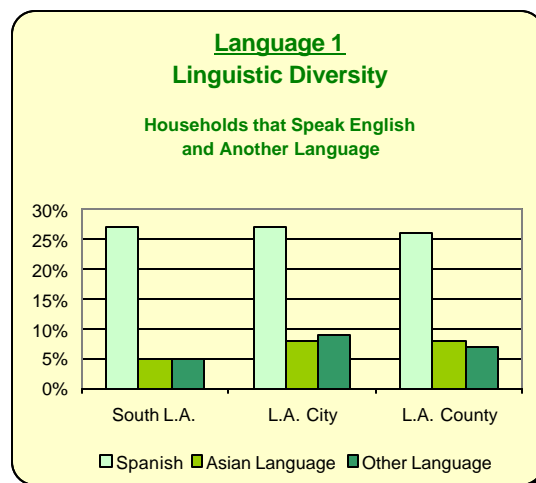
Unlike the high concentration of the City’s African-American population residing in South LA (80%), only 28% of the total number of foreign-born residents in the City call South LA home. The residential concentration of immigrants in various parts of South LA – the percentage of foreign-born residents within each of the 235 census tracts – ranges from 4% all the way up to 79%. 28 of the area’s census tracts (12% of the total) have a composition of over 50% foreign-born residents (See GIS Map 7).

D. LANGUAGE

Accompanying the ethnic diversity found in South Los Angeles is linguistic diversity. The broad background of the population and the relatively high presence of immigrants creates an environment in which numerous languages and dialects are spoken in home, at school, and at work settings. A profile of languages spoken within South LA is relevant to economic development strategies in that economic mobility challenges and opportunities are influenced by languages spoken and not spoken.

Challenges to economic mobility occur where persons are not fluent in English and resources are provided through communication in English. This can occur for formal education, job training programs, employment interviews and requirements, and a host of other settings related to the quality of life for people and their households. It is highly important to understand that linguistic diversity is also an opportunity for economic mobility, and is being capitalized on by numerous residents and businesses of South LA. Many people can only, or prefer to, conduct business in their primary, non-English language. Additionally, culture and language often are woven into one expression of identity. There are numerous companies and government agencies that offer additional compensation to employees who possess diverse language skills. Businesses that offer goods and services in multiple languages are able to tap into niche markets. The highly lucrative foreign trade markets, of course, require cultural and linguistic diversity.

Of the approximately 378,000 households in South LA, 234,000 (62%) speak English only. This is a higher rate than for Los Angeles City and County, (respectively 56% and 59%). Spanish speaking households are equally found in the three comparison areas at 27% (See Language 1). Of the South LA households, 5% speak Asian and Pacific Island languages. This rate is less than the 8% found in the City and County. Households that speak other languages also have lower rates in South LA. These households account for 5% in South LA, 9% in LA City, and 7% in LA County. South Los Angeles possesses the benefit of nearly 90,000 households that speak English and are fully fluent in another language.



Linguistic isolation, a term that indicates a household which only knows a non-English language, is commonly considered a significant barrier for social and economic integration. The linguistic isolation

rate for South LA falls between a tight range for LA City and LA County. Approximately 14% of households in South LA do not categorize themselves as English-speaking (See **Language 2**). LA City has a slightly higher amount of these households, at 16% of the total. LA County has the lowest representation at 13%. Although the 14% linguistic isolation rate for South LA seems a small number, which is over 54,000 households that are lacking English comprehension skills. These households are substantially limited in economic mobility opportunities that require even basic knowledge of English.

Linguistic Diversity & Linguistic Isolation, by Households			
Language 2	South LA	LA City	LA County
English Only	62%	56%	59%
Spanish	27%	27%	26%
Spanish Only	11%	11%	9%
*Asian Language	5%	8%	8%
*Asian Language Only	2%	3%	3%
Other Language	5%	9%	7%
Other Language Only	1%	2%	1%

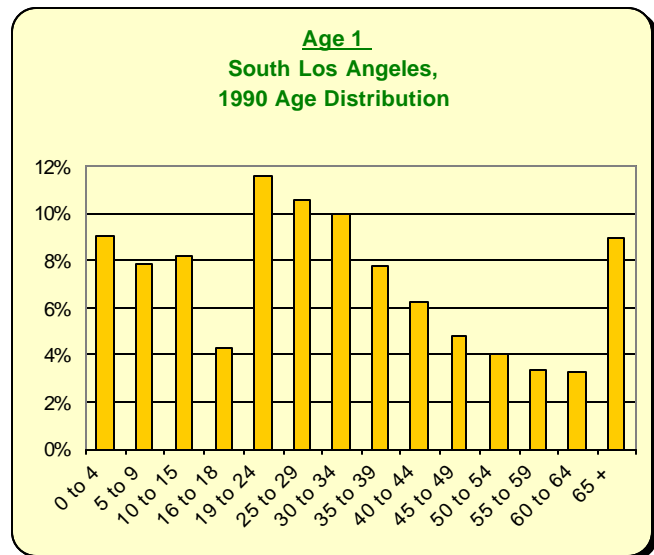
Source: 1990 U.S. Census

*Includes Pacific Islander Languages

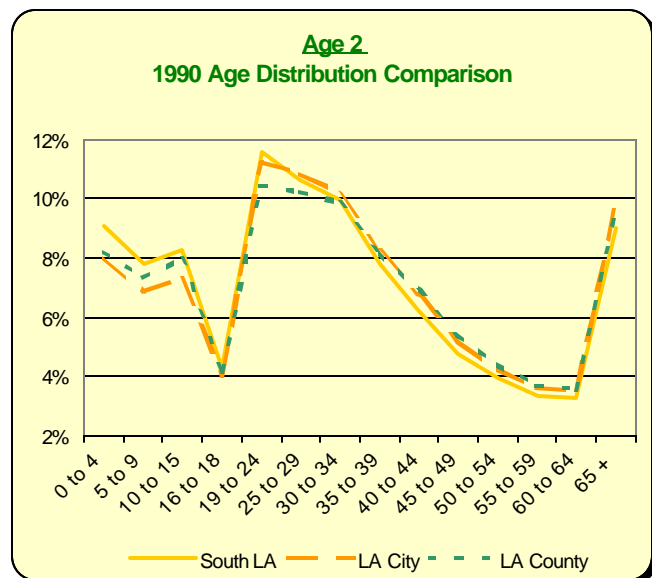
E. AGE DISTRIBUTION⁶

The age distribution pattern of South Los Angeles' population is an important consideration when determining appropriate economic development programs for residents. Employment strategies, such as computer training, college courses, manufacturing retraining, are often age-relevant (entry-level, mid-career, etc.). An understanding of the dynamics of the population's age distribution pattern can enhance effective use of resources, today and in the near future.

South Los Angeles, in 1990, had 32% of its population in the age range of 19 to 34 (See Age 1). A secondary population concentration occurs in the age range of infants to 15-year-old persons, who comprised 25% of the South LA residents. The age group of 65 and older is a notable share of the population at 9%. In contrast to the above concentrations in the younger age ranges, only 15% of South LA's residents are in the peak wage-earning ages of 40 to 54 years old.



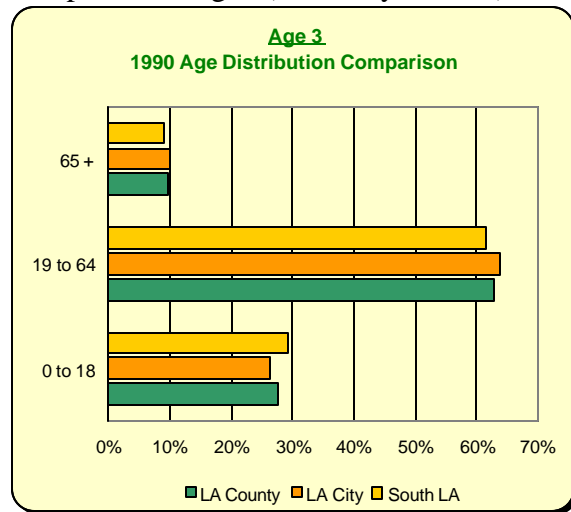
Contrary to popular perceptions, the age structure for South LA is very similar to those for both Los Angeles City and County. There is a distinctive pattern for all three areas (See Age 2). Each area has a significant amount of persons under 16 years of age; roughly 7% to 9% of each area's total population. The percentages of 16 to 18 year olds are nearly identical; 4.3% for South LA, 4.0% for LA City, and 4.2% for LA County. Each area experiences a peak population in the young adult years. In five-year age brackets, beginning with 25 to 29 year olds and ending with 60 to 64 year olds, the percentage of area population steadily and consistently declines.



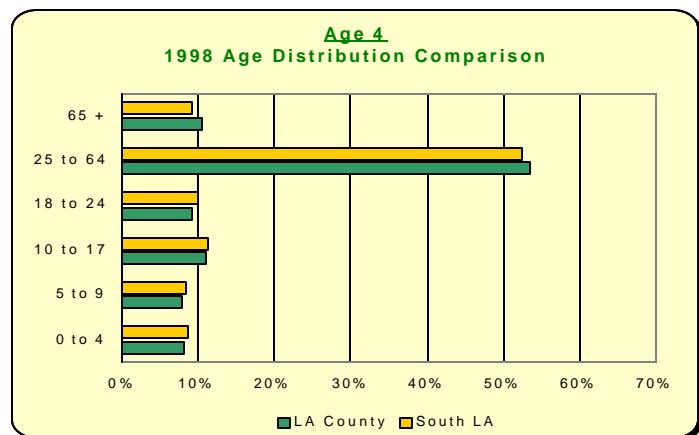
A sharp increase is seen for the percentage of each area's population over the age of 65. The consistency in age distribution patterns among the residents of South LA, LA City, and LA County indicates similar needs for schooling, job training, housing, employment, senior services, etc. Differences in needs and consumption of economic development-related services were due to factors other than age patterns alone.

⁶ Data Sources: 1990 – U.S. Census; 1998- United Way of Greater Los Angeles, Zip Code Book.

Grouping the population into three broad age categories of pre-work, workers, and post-work yields further distribution consistency among the South LA, LA City, and LA County populations (See Age 3). Each area has slightly less than 30% of the population in pre-work⁷ ages (0 to 17 years old). Over 60% of each area's population is in the working age years (18 to 64). Less than 10% is in their post-work years (65 and older) (See GIS Map 8). These figures indicate that 60% of the population is providing some form of support, direct or indirect, for the remaining 40% of the population. A favorable fact is that the post-work group is much smaller than the pre-work group. The incomes of the post-work group are stagnated or declining; however, as time passes the pre-work group will enter their working years and realize increased economic self-sufficiency.



1998 estimates⁸ for the age distribution of South Los Angeles and Los Angeles County are similar.⁹ According to the figures, South LA has a slightly larger population in the age range of infant to 24 years old than LA County, respectively 38% and 36% (See Age 4). In South LA, 53% of the residents are 25 to 64 years old. The same age range accounts for 53% of LA County's population. This rather large age range masks any significant differences that might be present within standard 5-year groupings.



South LA has distinctive geographic distribution patterns for age. The 17 and under population is heavily concentrated in the northeastern portion of the area. A second concentration for this group is located in the southern portion of the community. The elderly population, persons 65 and older, has concentrations in the Westchester, Leimert Park, and San Pedro communities (See GIS Maps 9 and 10).

⁷ Many 16-17 year olds work. They are excluded from this discussion, however, because they are often short-term employees, and most important, are not economically self-reliant. Similarly, there are increasing numbers of persons over the age of 65 who continue to work; however, the traditional age of retirement is used here.

⁸ United Way uses the 1990 Census data as the base for population projections. The methodology used is unknown at this time. We caution that the methodology may be conservative and not incorporate factors such as in- and out-migration, and immigration. The true shift in age distribution over time will not be known until the release of 2000 Census data products.

⁹ The 1990 data is for the census-tract level and the 1998 data is for zip code boundaries; therefore, due to this data limitation exact comparisons cannot be made.

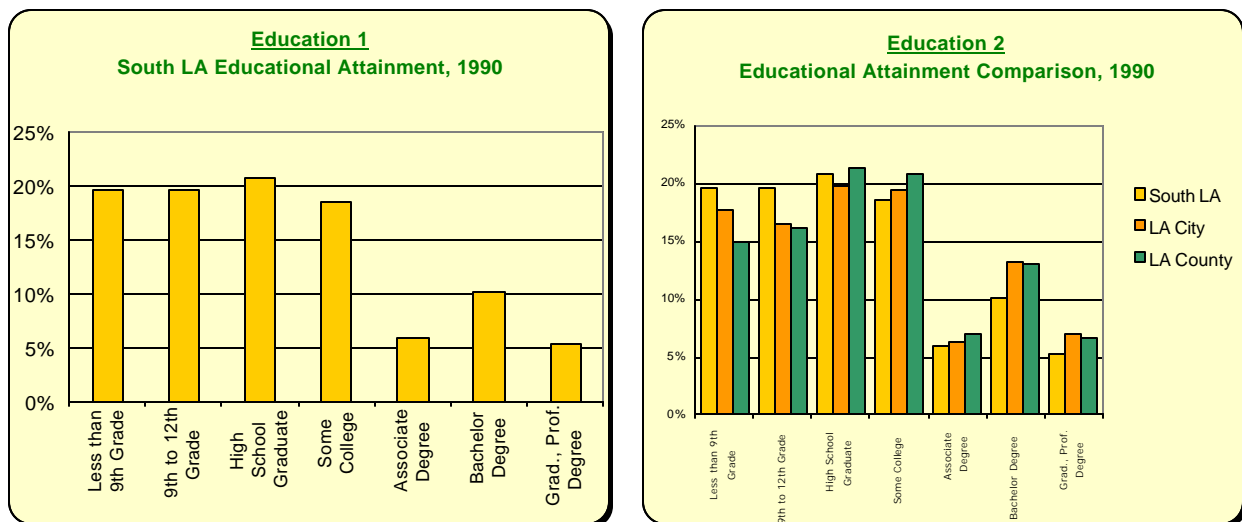
F. EDUCATIONAL ATTAINMENT¹⁰

Formal educational attainment is an important indicator of employment-related skills and lifetime earning potential. A population’s attainment profile is a significant factor in employment rates, per capita and household incomes, and the type of employers that recruit from or locate near that population base.

BY GENERAL POPULATION, PERSONS 18 AND OLDER

South LA residents have generally have lower levels of educational attainment. Nearly 40% of adults have less than a high school diploma (See Education 1). This group is divided evenly between those who reached 9th to 12th grades and those whose formal education stopped at 8th grade or earlier. This 40% translates into 319,000 persons without a high school diploma, which is an essential prerequisite for quality employment.

Over 45% of South LA adults have completed at least high school, some college, or an Associate degree. This is a promising number, for this group has more employment options available, as well as possibilities for continued education. Bachelor, Graduate, and Professional degrees have been earned by 15% of the South LA population.



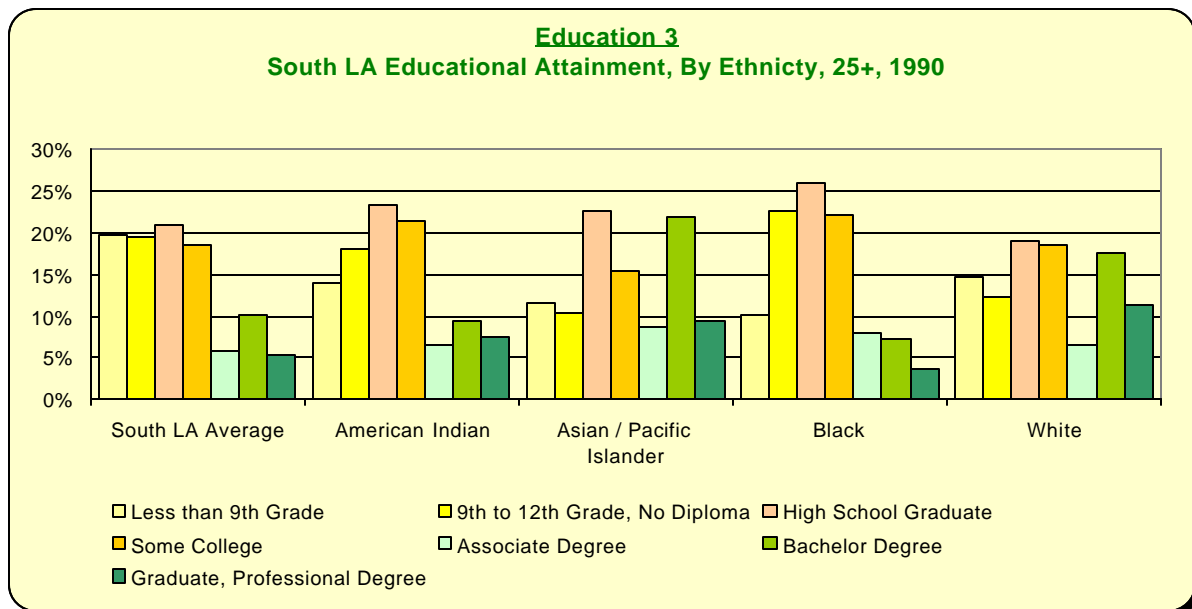
The South LA area significantly trails behind LA City and LA County in educational attainment rates (See Education 2). The three areas are comparable in that they have similar proportions of adult populations (18 years and older). Of the total population in South LA, 72% are adults, and for the City and County the rates are respectively 75% and 74%. As stated earlier, the rate of adults residing in South LA possessing a Bachelor degree or higher was 15%. This is significantly below LA City’s and County’s 20% attainment levels. On the other end of the educational attainment spectrum, South LA again does not fare well in comparison. Of the area’s adults, 39% have achieved less than a high school diploma. This rate moves in a positive direction for the City as a whole to 34%, and improves further to 31% for the County (See GIS Maps 11 and 12)¹¹.

¹⁰ Source: 1990 U.S. Census

¹¹ Note the occurrence in the Northeastern area of a high percentage of both ‘Less Than High School Degree’ and ‘Bachelor Degree and Higher’. This is indicative of a two-tier educational and economic population structure.

BY RACE / ETHNICITY, PERSONS 25 AND OLDER

The formal educational attainment of race / ethnicity groupings is an important consideration. It contributes to understanding whether an area's attainment rates are more attributable to the immediate employment and housing markets or to disparities among race / ethnicity classifications. In other words, an area's employment opportunities and housing market may attract or detract certain educational attainment groupings, while attainment rates are fairly consistent across race / ethnicity in the larger geographic area. On the other hand, educational attainment may vary significantly across race / ethnicity even though such groups are residentially concentrated based on social reasons.

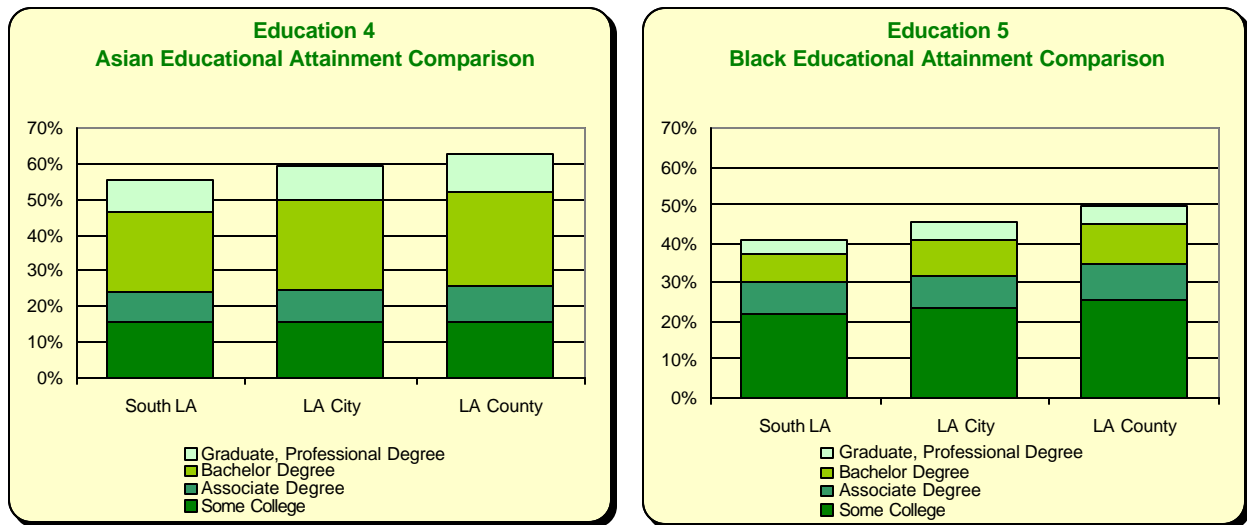


Within South LA, the educational attainment profiles for American Indians, Asians, Blacks, and Whites are varied (*Please note that the category of Hispanic/Latino was not included in the original U.S. Census data set – preventing discussion and comparison for this group's educational attainment rates in 1990*)¹² (See Education 3). In 1990, the percentage of persons 25 years and older in South Los Angeles with less than a High School diploma was 39%. For the Other category¹³ it is an astounding 76%. Asians have the best (lowest) rate in this category at 22%. Blacks are the lowest percentage in the Less Than 9th Grade category, and have the highest rate for High School graduates at 67%. As for the completion of a Bachelor's degree or higher, the Other category had a rate of 3%, Blacks and American Indians were at 11% and 17%, respectively. The rates for Whites, 29%, and Asians, 31%, are significantly higher.

¹² The Other category has been omitted from 'Education 3' for scale purposes. The Other category has a Less Than 9th Grade rate of 54%, far above any other group and the South LA Average. The Other category is also negatively skewed on the other end of the spectrum, with only 6% at an Associate degree or higher. The significant difference between the Other category and the stated race / ethnicity categories has distorted the average.

¹³ The Other category is comprised of 128,611 persons, or 19% of the 25 and older population in South LA.

As discussed at the outset of this section, the educational attainment profile of an area, in this case South LA, can either be mostly attributable to circumstances surrounding locational aspects or personal characteristics such as race / ethnicity. In the two figures below (See Education 4 and 5), which compare the educational attainment rates for a given group (for Some College and above) across South LA, LA City, and LA County, it becomes apparent that there is a locational influence present. For Asians / Pacific Islanders and Blacks, attainment rates for higher levels of education increase as the geographic scale increases.

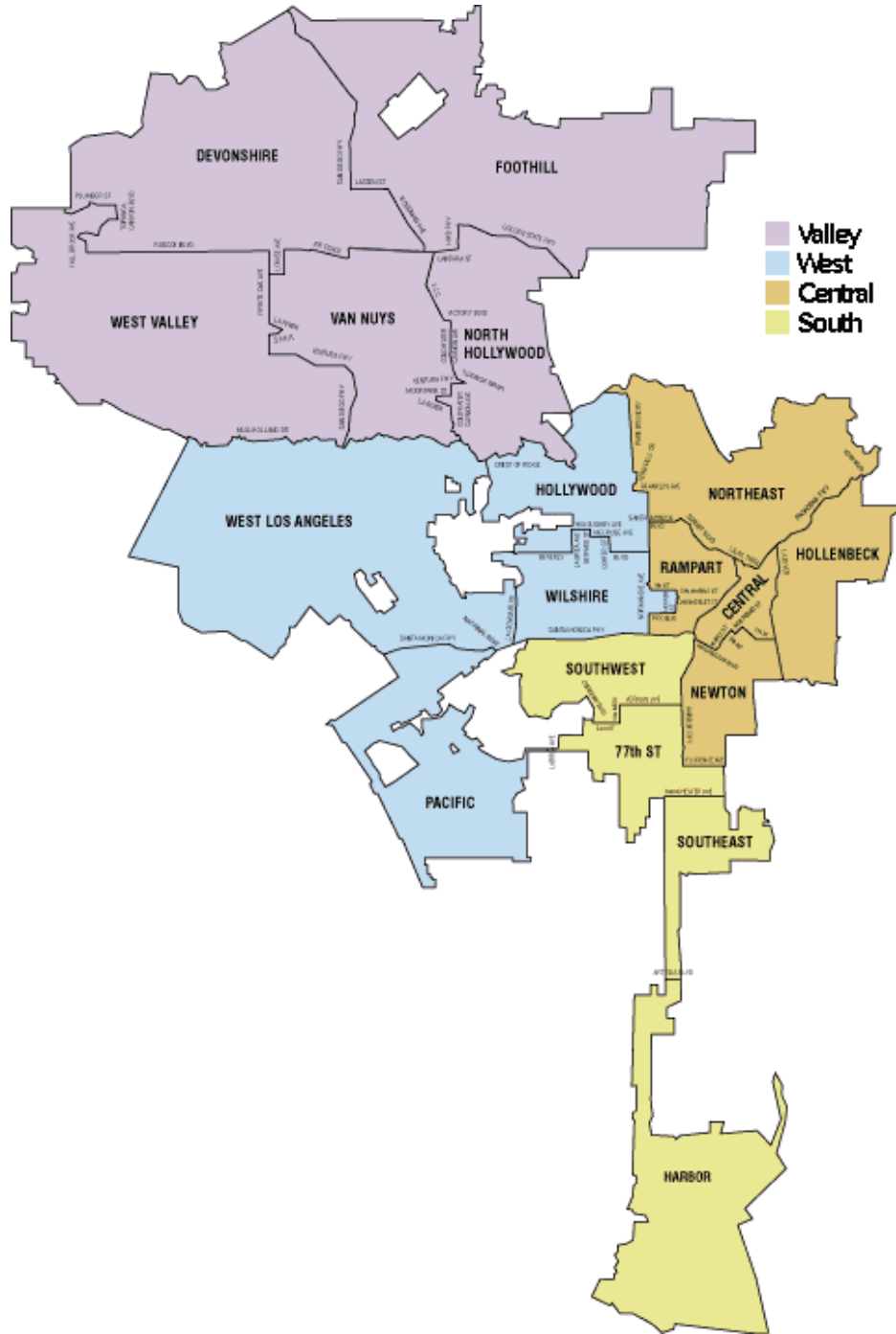


G. POLICING AND CRIME

The City’s policing and criminal activity environment is an important factor in the quality of life for residents, workers, and business-operators. Directly related to economic revitalization, crime levels do bear an influence on private sector investment and locational decisions. The Los Angeles Police Department consists of four geographically based operational units, designated as Valley, West, Central, and South Bureaus (See Crime 1). Each Bureau is further organized into four or five Divisions. The South and West Bureaus service the South Los Angeles area (See Crime 2). The entire South Bureau is located within South Los Angeles and consists of the Southwest, 77th St., Southeast, and Harbor Divisions, and serves Council Districts 6, 8, 9, 10 and 15. The West Bureau’s Pacific and Wilshire Divisions cover the northwestern portion of South LA and serves Council Districts 6 and 10. The boundaries of Divisions and Bureaus are not fully congruent with the study area boundary, statistics only include those divisions entirely within the sub-CEDS area.

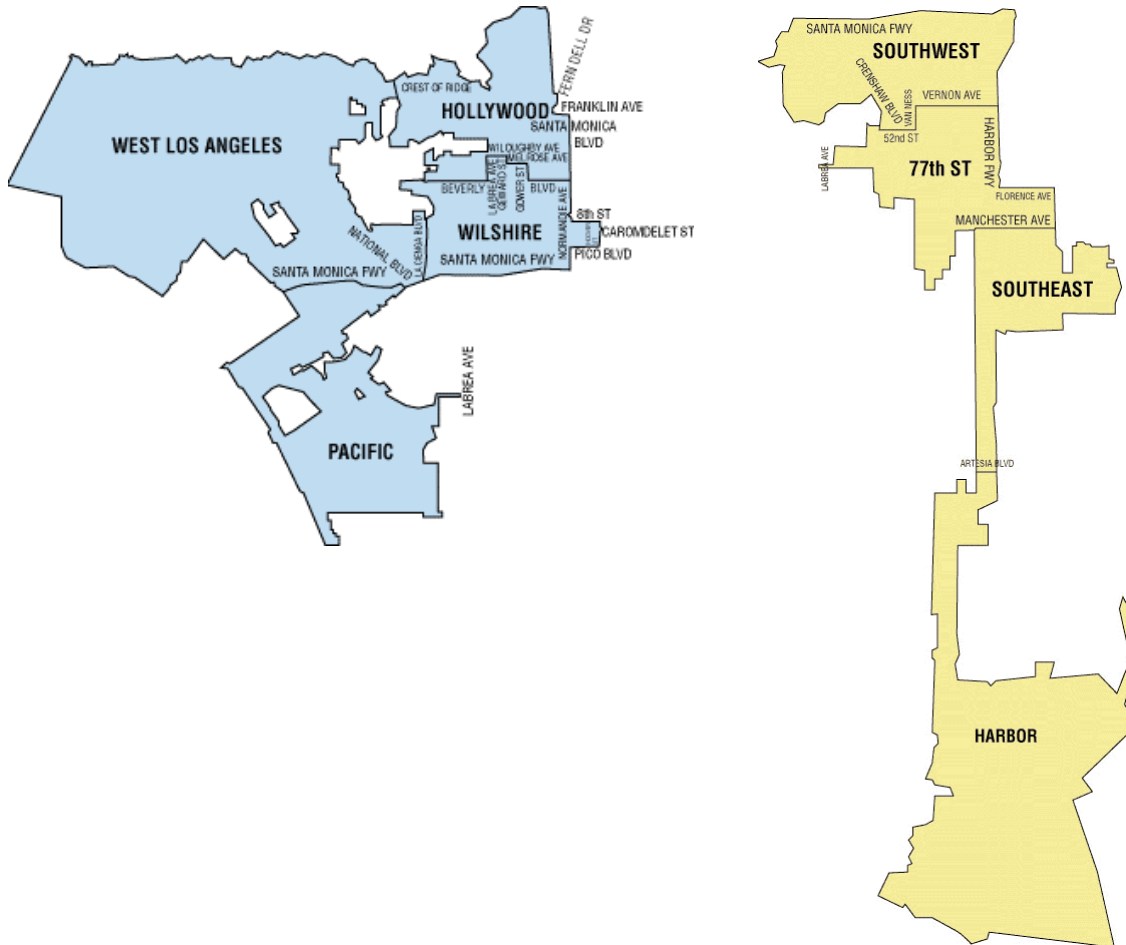
Crime 1

Los Angeles Police Department Bureaus



Crime 2

LAPD South and West Bureaus



The occurrence and perceptions of crime significantly affect the social and economic vitality of communities. Personal and property crimes undermine economic development progress for many portions of Los Angeles City, in particular South LA. Compounding the problem is the perception that places crime rates higher than the true rates. This imbalance has become greater as crime rates have dramatically fallen in recent years throughout the City. Many neighborhoods within South LA endure long-standing negative images of high crime rates, and must begin economic development programs and activities with an effort to correct misperceptions.

The amount of crime in South LA is less than its proportionate share when evaluating by population size. South Los Angeles residents account for 32% of the City’s total population. In 1997, only 28% of Part I Offenses and 25% of Part II Offenses¹⁴ in LA City occurred within the South LA area (See **Crime Table 1**). Crime rates in South LA, therefore, are disproportionately low, which is in sharp contrast to many perceptions.

¹⁴ Part I crimes are “serious offenses” including homicide, rape, robbery, aggravated assaults, burglary, etc. Part II crimes are acts such as weapons violations, simple assault, prostitution, narcotics, DUI, fraud, etc.

Crime Table 1

1997 Part I and Part II Offenses South Los Angeles LAPD Divisions					
Bureau	Division	Part I Offenses	Part II Offenses	% of City-Wide Part I Offenses	% of City-Wide Part II Offenses
West	Pacific	14,531	9,571	7.0%	6.6%
South	Southwest	12,874	8,346	6.2%	5.8%
	77th Street	11,564	7,057	5.6%	4.9%
	Southeast	10,245	6,366	5.0%	4.4%
	Harbor	9,442	5,147	4.6%	3.6%
South LA Total		58,656	36,487	28.4%	25.3%
LA City Total		206,257	144,319		

Source: <http://www.lapdonline.org/>

H. HEALTH CARE

Health is a factor contributing to both workforce readiness and readiness for economic development. Inadequate health care contributes to lost days at work and lost wages. The United Way has analyzed health care indicators in Los Angeles County. Its study areas do not directly mirror the CEDS study areas but it is possible to make comparisons. 75% of the zip codes in the CEDS South LA area are also in one of two United Way study areas: South LA and the South Bay. The health indicators are revealing. Throughout the County and within the sub-areas, heart disease and cancer are the leading causes of death; but not everyone in need of health care has adequate care. 25% of all residents in Los Angeles County do not carry health insurance. The comparable figure in South LA is 33%; and fully half of the adults aged 18-64 in the United Way's South LA study area are uninsured, compared to 37% of all County residents in the same age group. While a greater percentage of South Bay residents have health insurance, 22%, this United Way study area includes some of the wealthier communities of Los Angeles' Palos Verdes Peninsula. It is therefore not unreasonable to expect that the portion of the CEDS study area in the South Bay approaches the South LA figures.

Both United Way study areas report that 11% of children did not get needed health care within the previous three months, compared to 9% in the County as a whole. 18% of children in California are uninsured, within LA County the highest percentage (32%) of uninsured children are located in South Central. In South LA, 27% of the population had problems with transportation to and from health care, more than the 17% reporting difficulties countywide. Clearly, economic development strategies that improve access to transportation will have a positive benefit in other areas as well.

There are positive trends to report with regard to health care. Teenage birth rates, while higher than the State average, have decreased steadily since the beginning of the 1990's; and infant mortality rates in LA County are on a par with statewide figures, in the vicinity of 5.8 deaths per 1,000 births. In general, the data on South Los Angeles suggest that, while strides have been made, there are still tremendous impediments to economic growth.

III. ECONOMIC ANALYSIS

The Economic Development Administration's (EDA) Comprehensive Economic Development Strategy Guidelines (CEDS) emphasizes the creation of an economic development strategy through the process of deriving improvement goals and implementation methods from an understanding of the local economy. Specifically the guidelines state, "A successful CEDS process should lead to the formulation and implementation of a program that creates jobs, raises income levels, diversifies the economy, and improves the quality of life, while protecting the environment".¹⁵ The CEDS background information requirements include data collection on and discussion of the major sectors of the area economy and the relationship of the area economy to that of the larger region¹⁶.

In response to the CEDS guidelines, the characteristics of the South Los Angeles economy from 1990 through 1999 are described below from qualitative and quantitative perspectives. First, key characteristics of the area's economy are provided. This is built-upon with an examination of the local economy in comparison to the economy of Los Angeles County. Location Quotient and Shift-Share Analysis formulas are employed to generate detailed quantitative information about South Los Angeles' economic specialization and growth patterns.

Immediate benefits gained from this economic analysis are the sharing of economic data among CEDS stakeholders, defining the South Los Angeles economy in and of itself and as a component of the Los Angeles County economy, as well as the creation of baseline data and indicators. The establishment of a continuous monitoring process of the area's economic traits will enhance the ability of South Los Angeles economic development actors to influence the quality of the local economy over the long-term.

The purpose for understanding the details of the South Los Angeles economy is to facilitate successful economic development planning and implementation. Formulating an economic development strategy within the context of the local and regional economies improves the effectiveness of programs for workforce preparation, infrastructure modernization, private capital investment, and the creation, retention, and attraction of business firms. Increasing the effectiveness of such economic development activities improves the extent to which South Los Angeles experiences economic competitiveness and sustainability. Most important, a wide understanding of the dynamics of the local economy improves the chances that employment and ownership benefits are equitably distributed to local residents.

¹⁵ Economic Development Administration, U.S. Department of Commerce. "Comprehensive Economic Development Strategy Guidelines". January 2000. Page 3.

¹⁶ *Ibid.*, Pages 8-9.

A. EMPLOYMENT PROFILE

Employment in South Los Angeles has increased at a faster pace than in both the City of Los Angeles and Los Angeles County. According to the most recent data available from the California Employment Development Department (EDD), employment in South Los Angeles grew by 22.4% between 1991 and 1999; from 518,787 to 635,014. During the same period, employment growth rate for Los Angeles County was a meager 1.5% relative to a modest 9.0% job growth rate for the City of Los Angeles. The overall share of South Los Angeles jobs has also increased in the City and County between 1991 and 1999. In 1999, South Los Angeles accounted for 32.7% of all jobs in the City and 15.7% of all jobs in the County respectively (See **Employment Table 1**).

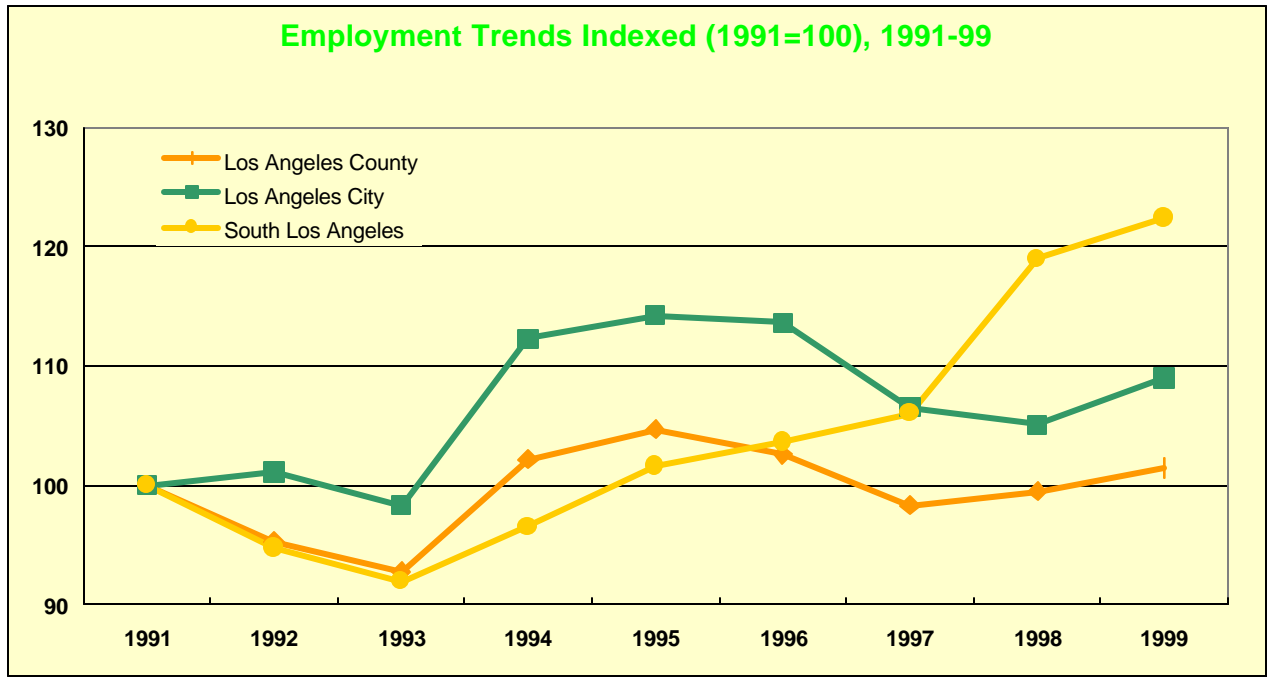
Employment Table 1: Annual Average Employment

Region	1991	1999	Percent Change
Los Angeles County	3,991,724	4,049,860	1.5% 1.5%
City of Los Angeles	1,781,459	1,941,962	9.0%
South Los Angeles	518,787	635,014	22.4%
South Los Angeles as a Percentage Share of			
Los Angeles County	13.0%	15.7%	20.6%
South Los Angeles as a Percentage Share of			
City of Los Angeles	29.1%	32.7%	12.3%
Total Employment Less			
Local Government Jobs:			
Los Angeles County	3,606,386	3,624,293	0.5%
City of Los Angeles	1,706,378	1,748,067	2.4%
South Los Angeles	513,667	551,600	7.4%
South Los Angeles as a Percentage Share of			
Los Angeles County	14.2%	15.2%	6.9%
South Los Angeles as a Percentage Share of			
City of Los Angeles	30.1%	31.6%	4.8%

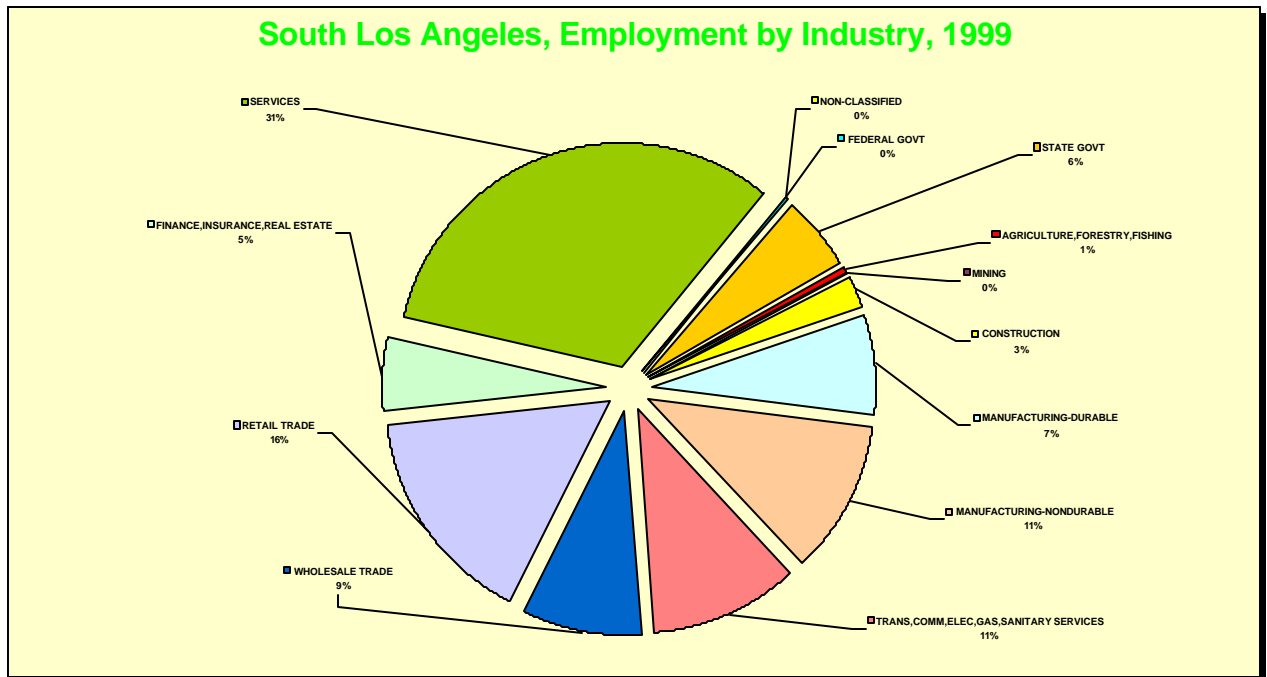
Source: California Employment Development Department, 2000.

However, if we examine the employment trends closely, we find that jobs in South Los Angeles were growing at a slower pace than the City from 1991 to 1997 (See **Employment 1**). Only during 1998 and 1999 did the employment level drastically shoot upwards in South Los Angeles. Much of the rapid increase in employment is attributable to the disproportionately increased share of local government jobs in the South Los Angeles economy. In 1991, the share of local government jobs of all jobs in South Los Angeles was 1.0%; in contrast, in 1999, that share had increased to 13.1%, representing an

Employment 1



Employment 2



increase of 78,294 local government jobs. This anomaly in EDD data or “accounting error”¹⁷ skews the overall employment trend and paints a rather rosy employment picture for South Los Angeles. A rather simple approach to correcting this problem is to remove local government jobs from total employment. Based on this, we find that employment in South Los Angeles grew by 7.4% between 1991 and 1999, at a faster rate than both the City and County, but far below the 22.4% growth rate calculated earlier. Similarly, the share of South Los Angeles jobs in City and County increased, however, at a slower pace (See **Employment Table 1**).

In 1999, the three leading sectors for employment in South Los Angeles (*less local government*) included services (32.4%), manufacturing (18.3%; durable: 7.0%, non-durable: 11.3%), and retail trade (15.7%). We observe three major industry trends in South Los Angeles (See **Employment 2 and 3**):

- The gradual growth of employment in the service sector - share of service sector jobs increased from 30.2% in 1991 to 32.4% in 1999
- A gradual decline in manufacturing jobs (both durable and non-durable) – share of manufacturing jobs decreased from 20.2% in 1991 to 18.3% in 1999, and
- The steady increase in transportation, communications, and public utilities jobs – share of transportation, communications, and public utilities jobs increased from 6.6% in 1991 to 10.7% in 1999.

LOCATION QUOTIENT ANALYSIS

The location quotient is a technique to assess a region's specialization in an industry. A Location quotient less than 1 implies that the area has a less than proportionate share of employment in a particular industry, whereas a location quotient greater than 1 implies a greater than proportionate concentration of employment. We have calculated location quotients for South Los Angeles with respect to City and County.

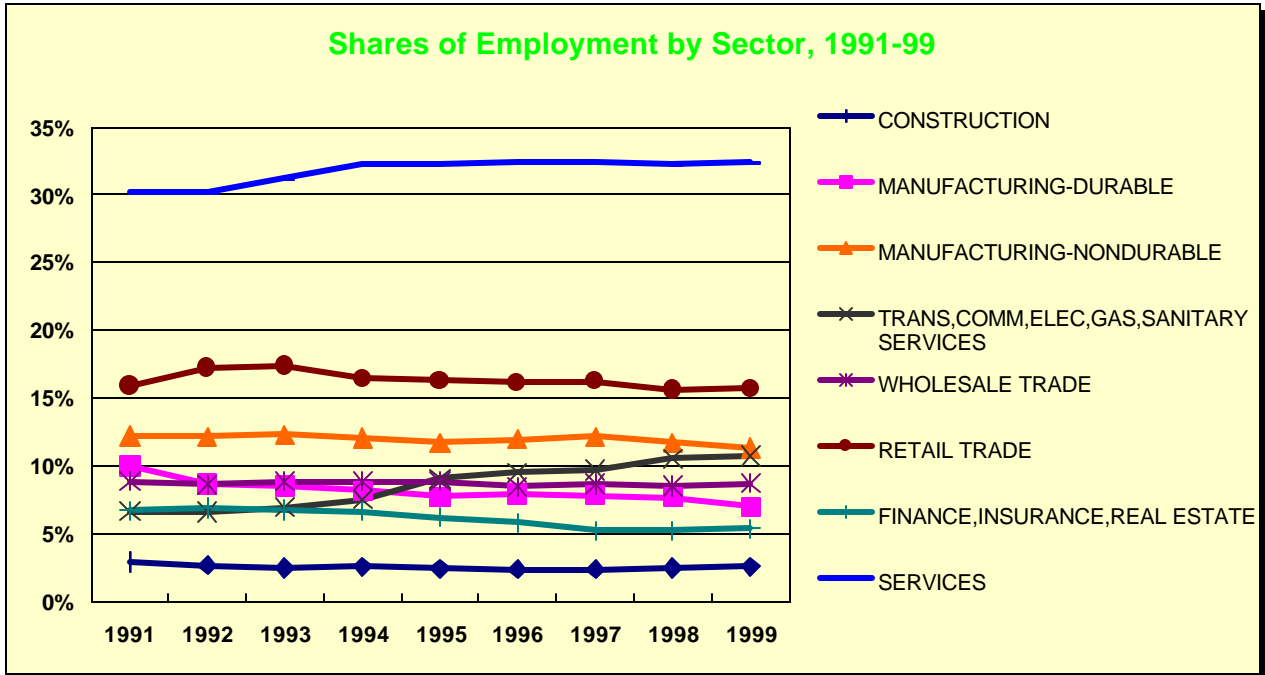
EMPLOYMENT¹⁸

South Los Angeles has a greater than proportionate share of employment relative to City and County in transportation, communications, and public utilities, non-durable manufacturing, and wholesale trade (See **Employment 4 and 5**). This regional specialization is corroborated by the fact that South Los Angeles is a traditional manufacturing center, forerunner in advanced transportation and telecommunication technologies, and gateway for international trade and business. Construction, durable manufacturing, retail trade, finance, insurance, and real estate (FIRE), and services sectors exhibit a location quotient less than 1; a less than proportionate share of employment relative to the County and City. The FIRE sector is the weakest of the sectors within South Los Angeles, and from 1991 to 1999 has witnessed gradual erosion of its base vis-à-vis the City and the County.

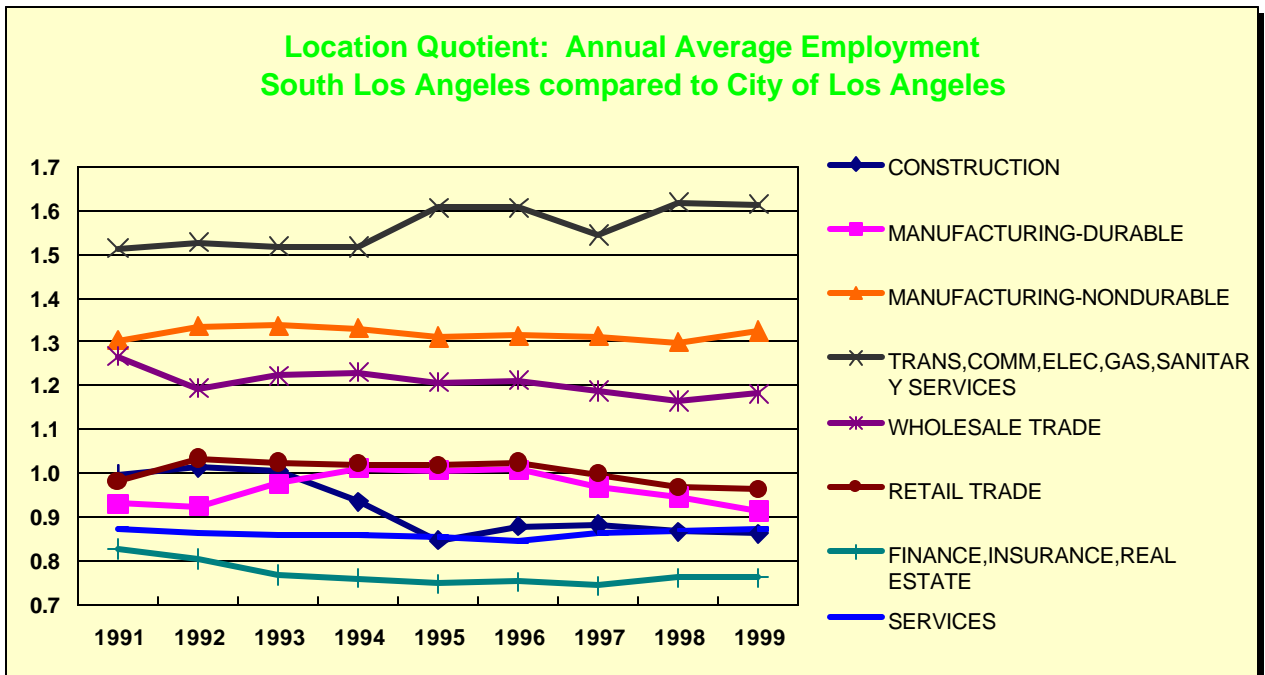
¹⁷ Per John Vaughn, Consultant, Labor Market Information Division, California Employment Development Department; Aggregation and counting of jobs during different time frames leads to accounting errors.

¹⁸ Location quotients have been calculated from data pertaining to the following sectors: Construction, Manufacturing-Durable, Manufacturing-Non durable, Trans., Comm., Elec., Gas, Sanitary Services, Wholesale Trade, Retail Trade, Finance, Insurance, Real Estate, and Services. Government (Federal, State, Local), Non-Classified, Agriculture, Forestry, Fishing, and Mining have been excluded from this analysis.

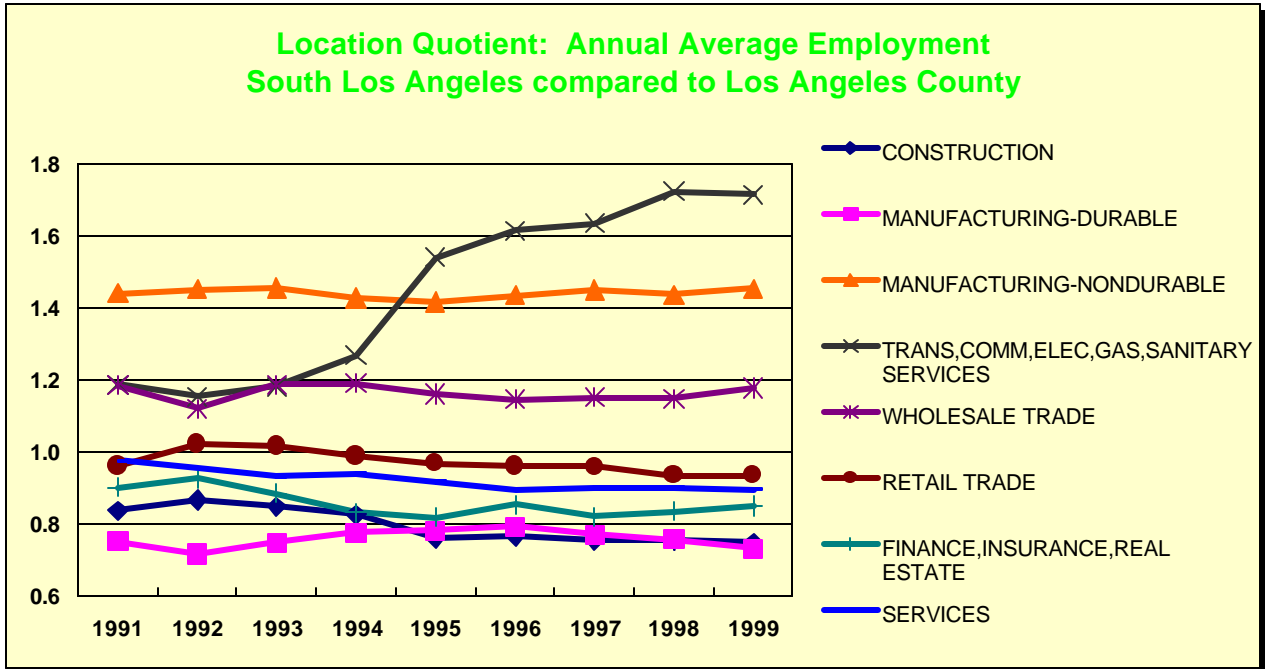
Employment 3



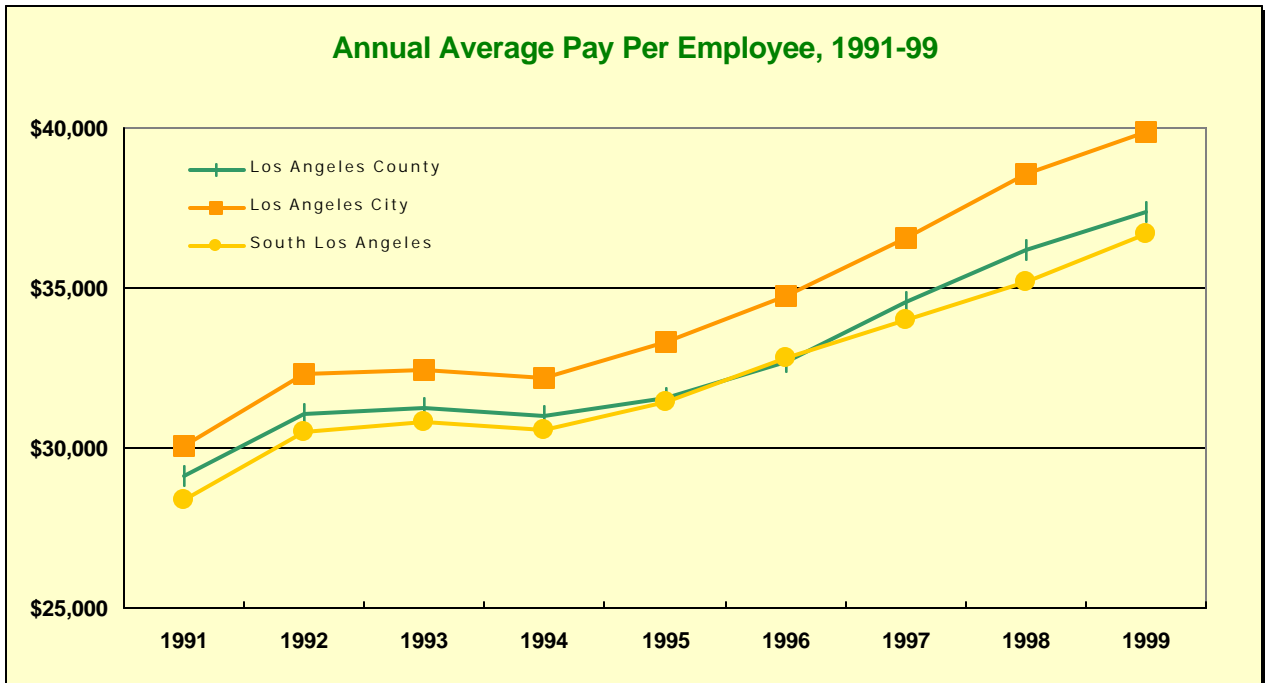
Employment 4



Employment 5



Employment 6



PAY PER EMPLOYEE

In general, the annual average pay per employee in South Los Angeles has lagged both the City and County. In 1999, pay per employee in South Los Angeles was 8.0% below City average (See **Employment 6**). Location quotient for pay per employee is high for construction, retail trade, and wholesale trade (See **Employment 7 and 8**). The remaining industry sectors do not exhibit any particular advantage or specialization in terms of annual average pay per employee.

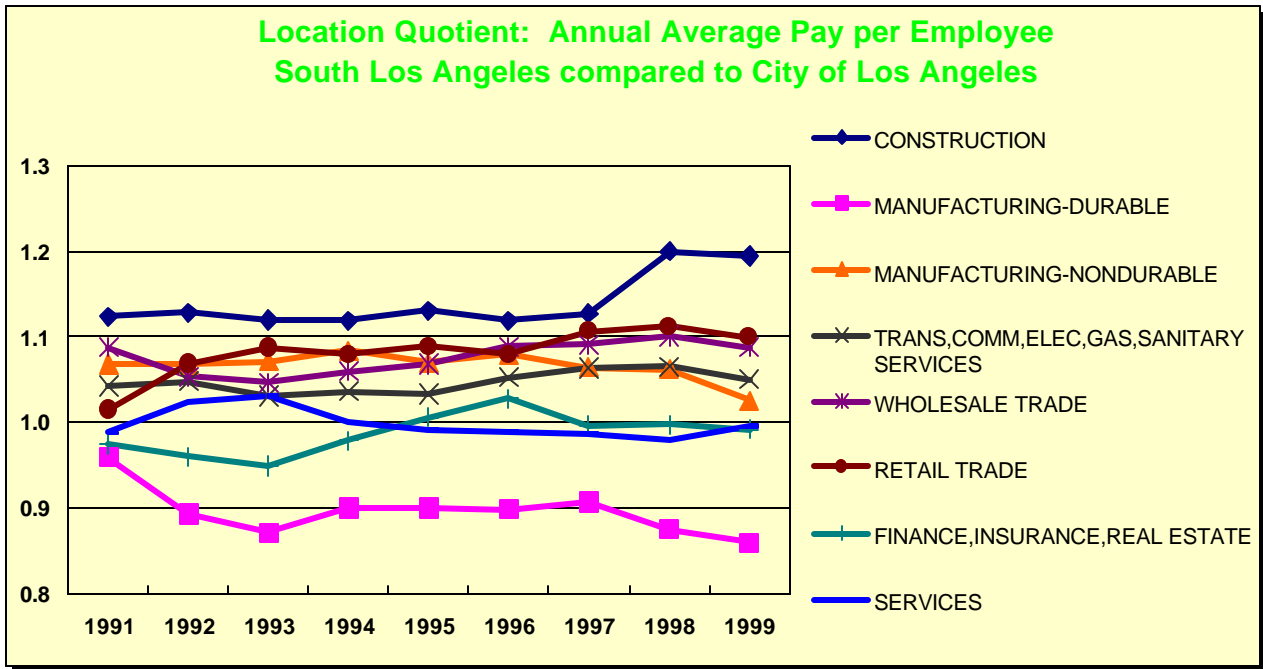
SHIFT-SHARE ANALYSIS

Shift-Share analysis provides a technique to divide an area's growth into three components: the share effect, industry mix effect, and competitive effect (See **Employment Table 2**).

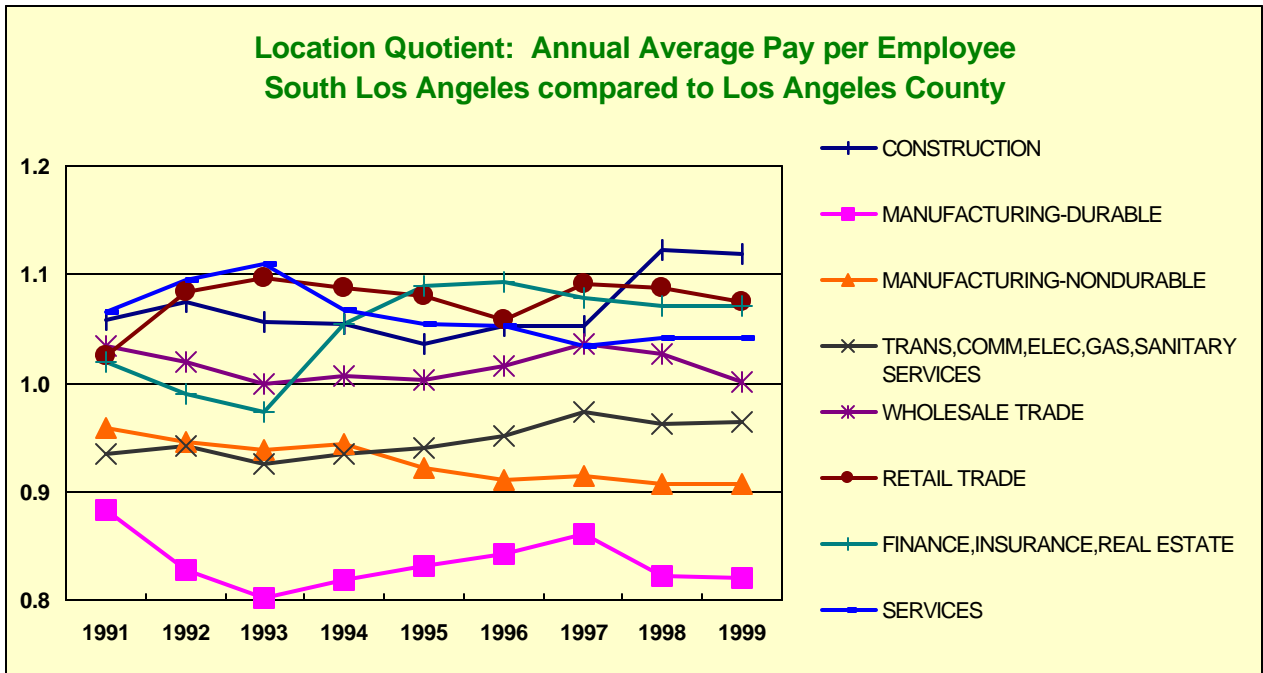
- The share effect indicates growth that would occur if the local industry grew at the same rate as all industries at the County level. We observe from the share effect that in South Los Angeles, the growth in construction, manufacturing (durable and non-durable), wholesale trade, and finance, insurance, and real estate lags behind County growth.
- The industry mix effect indicates extra or reduced growth because a particular industry grew more or less rapidly than the overall County growth rate. In South Los Angeles, transportation, communications, public utilities, retail trade, and services contributed to a positive industry mix effect.

The competitive effect indicates whether the local industry grew more or less rapidly than the County for that particular industry. South Los Angeles exhibits positive competitive components for major industry sectors such as non-durable manufacturing, wholesale trade, transportation, communications, public utilities, retail trade, and durable manufacturing due to the numerous favorable metropolitan location factors present.

Employment 7



Employment 8



**Employment Table 2: Shift-Share Analysis
South Los Angeles with respect to Los Angeles County**

	South LA Employment Growth	South LA Employment Growth Rate	LA County Employment Growth	LA County Employment Growth Rate	Share	Industry Mix	Industry Competitive
INDUSTRY TITLE	1991-1999	1991-1999	1991-1999	1991-1999	Effect	Effect	Effect
CONSTRUCTION	-763	-5.2%	-302	-0.2%	180	(215)	(728)
MANUFACTURING-DURABLE	-12,754	-24.9%	-135,702	-27.7%	624	(14,802)	1,425
MANUFACTURING- NONDURABLE	-177	-0.3%	-22,545	-7.2%	761	(5,293)	4,355
TRANS, COMM, ELEC, GAS, SANITARY SERVICES	25,111	73.6%	26,025	12.6%	415	3,891	20,805
WHOLESALE TRADE	2,378	5.2%	-1,722	-0.6%	553	(838)	2,663
RETAIL TRADE	4,900	6.0%	14,414	2.4%	993	936	2,970
FINANCE, INSURANCE, REAL ESTATE	-4,716	-13.8%	-38,309	-14.1%	416	(5,230)	98
SERVICES	23,387	15.1%	199,930	17.5%	1,888	25,277	(3,778)
TOTAL	37,366	7.8%	41,790	1.2%	5,831	3,726	27,809

Source: California Employment Development Department, 2000.

B. ECONOMIC CHARACTERISTICS

WORKING AGE POPULATION

In 1990 the amount of working age adults (18-64) in South Los Angeles totaled over 711,000¹⁹. Those persons accounted for 63% of the total area population. Similar figures were reported for Los Angeles City (65%) and Los Angeles County (64%). In 1998 the percentage of working age persons remained at 63% for South Los Angeles. For Los Angeles County the percentage decreased slightly to 62% (See GIS Map 8).

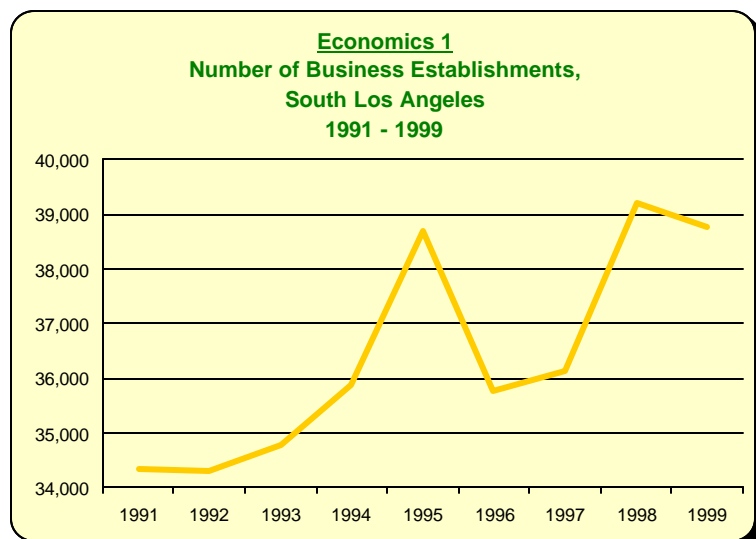
Although the percentage of South Los Angeles working age adults has been stable over the 1990s, the number of persons in this category has significantly increased as the age structure has shifted. During these eight years 340,000 persons were added to the workforce pool. The growth rate for both the total population and the adult working age population is 48%.

The consistency of the above data provides a base number and indicator. Estimates of South Los Angeles' future workforce size can be derived from estimates of future population size. For example, the area population is estimated to reach 1,731,444 in 2003. Maintaining the 63% working age adult rate, over 40,000 persons will be added to the workforce pool by 2003²⁰.

NUMBER OF BUSINESS ESTABLISHMENTS

Examining the number and types of firms located within South Los Angeles provides information regarding employment and career opportunities, prevailing wages, and the economic attractiveness of the area. The types of dominant industries also provide insight into land-use and environmental issues. Data from 1991 through 1999 are used in this section²¹.

The total number of business establishments located within the South Los Angeles area has grown from 34,329 in 1991²² to 38,783 in 1999. This growth trend (See Economics 1) has not been a steady increase. Instead, the pattern has noticeably fluctuated: expanding to 38,687 establishments in 1995, contracting to 35,773 in 1996 and reaching a 10-year high of 39,223 in 1998. The last year of data indicates another decline in the number of establishments operating within the South Los Angeles area.



¹⁹ Source: 1990 U.S. Census

²⁰ Source: United Way of Greater Los Angeles, Zip Code Databook, 1999.

²¹ Source: California State Economic Development Department, Labor Market Division.

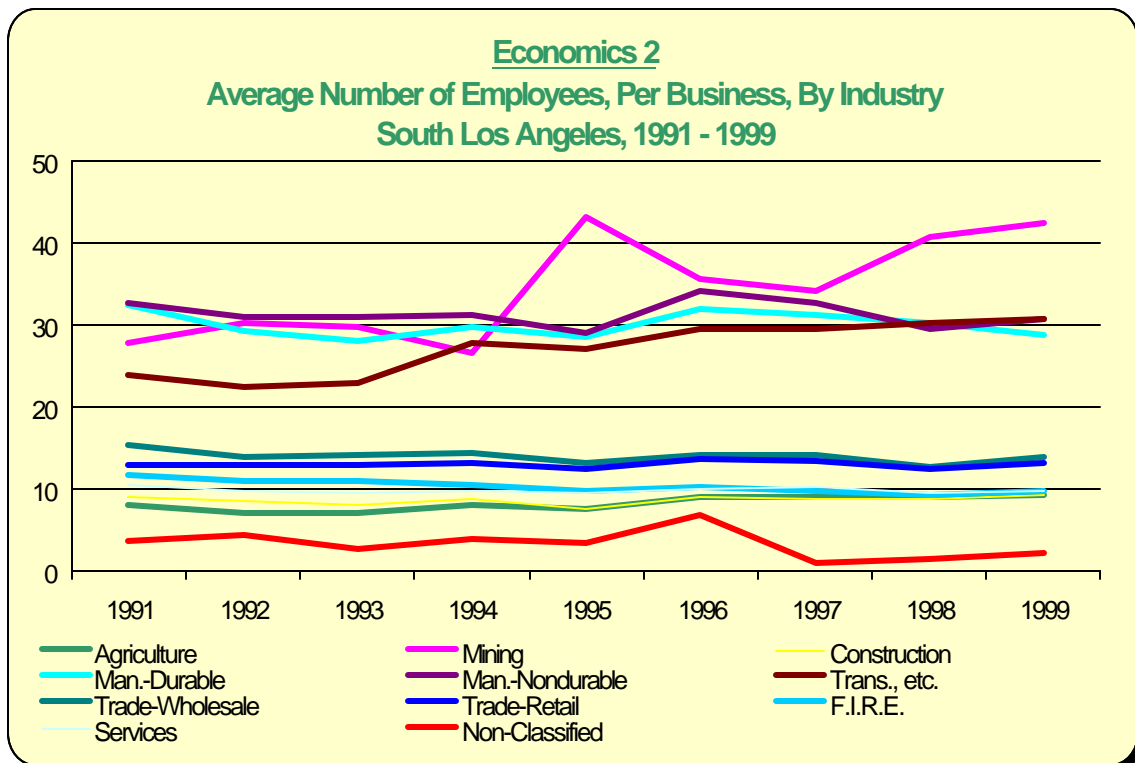
²² Establishment data are fourth quarter numbers.

EMPLOYEES PER ESTABLISHMENT, BY INDUSTRY

When considering the type and amount of businesses present in the South Los Angeles area, it is important to examine the average number of persons employed per establishment, by industry. Some industries are labor-intensive while others hire relatively few persons. Efforts to improve the employment capacity of the area through business assistance, retention, and attraction programs should concentrate resources on the industries with high average employee rates (balanced with other objectives such as working conditions, quality wages, and minimal environmental impacts).

Local, State, and Federal government agencies located within South Los Angeles have very high average employee per establishment rates. Currently, the 22 local government agencies employ an average of 687 persons, for the five state agencies the average is 6,245 persons, and for the two federal agencies it is 205 persons. These figures, however, are an anomaly when compared to the other industries.

The Mining, Manufacturing – Durable Goods, and Transportation, etc. industries stand out in their average number of employees per establishment when compared to other non-government industries (See **Economics 2**). In 1999, the 13 businesses in the Mining industry employed an average of 42 persons. The 1,314 Manufacturing – Durable Goods companies and the 1,912 Transportation, etc. companies had an average of 31 employees. The businesses in these three industries account for 8% of the companies and 17% of the employment in South Los Angeles. This positive disproportion indicates that these industries are relatively labor-intensive.



The F.I.R.E., Services, Construction, and Agriculture industries all employ 10 or fewer persons per establishment. These industries total 23,235 establishments in the South Los Angeles area, which is 60% of the total businesses. These industries, however, employ only 40% of the persons who work in South Los Angeles. This negative disproportion indicates that the businesses in these industries are relatively not labor-intensive.

As illustrated in the above chart, the average number of employees does fluctuate over time. From 1991 to 1999 the Mining and Transportation, etc. industries experienced the most growth in average employment rates per business, respectively 52% and 29%. A decline is seen for the F.I.R.E. industry, -17%, and for the Manufacturing – Nondurable industry, -11%. The greatest fluctuations occur in the Mining industry.

AVERAGE ANNUAL WAGES BY INDUSTRY

As is expected, there is a wide range in the wages paid by different industries. What is important to economic development in South Los Angeles, however, is whether there is a concentration of employment in higher or lower wage jobs and also the changes in wages over time.

The industries that employ the greatest number of persons in South Los Angeles, Services and Trade-Retail, pay very different wages. In 1999 the average annual wage for Trade-Retail workers (88,000 persons) was approximately \$24,000 (See Economics 3). The Service industry workers wages (183,000 persons) was significantly higher at \$49,000. In 1991 the wage gap between these industries was \$24,000, and in 1999 it increased slightly to \$25,000. This gap was maintained by similar increases in wages for both industries.

The next largest industry by employment numbers is Manufacturing – Non-Durable. The 63,000 workers in this industry received the least increase

Economics 3 Average Annual Wages, By Industry, 1991 - 1999					
Industry	1999 Employees	1991 Average Wage	1999 Average Wage	Dollar Change	Average Annual Change
Agriculture	2,954	\$20,152	\$29,200	\$9,048	5%
Mining	552	\$56,136	\$96,623	\$40,486	8%
Construction	14,065	\$36,175	\$43,582	\$7,407	2%
Man.-Durable	38,078	\$31,457	\$40,761	\$9,305	3%
Man.-Nondurable	62,752	\$29,125	\$33,594	\$4,469	2%
Trans., etc.	59,072	\$32,314	\$44,659	\$12,345	4%
Trade-Wholesale	48,761	\$38,114	\$46,274	\$8,159	3%
Trade-Retail	88,300	\$16,787	\$23,964	\$7,177	5%
F.I.R.E.	29,825	\$37,115	\$63,693	\$26,578	7%
Services	182,712	\$40,620	\$49,328	\$8,709	3%
Non-Classified	57	\$32,384	\$42,735	\$10,351	10%

Blue = 2 highest in category. Red = 2 lowest in category.
Source: CA Economic Development Dept., Labor Market Information Division

in wages from 1991 to 1999 (\$4,469). Along with the Construction industry, the wages increased at a pace (2%) less than the rate of annual inflation (3%). In other words, a person working in either the Manufacturing – Non-Durable or Construction industry technically made less money in 1999 than in 1991 due to the erosive effect of inflation.

The Mining industry stands-out in wage performance. Workers in this industry were the highest paid in 1991 as well as in 1999, respectively \$56,000 and \$97,000. At an average annual increase of 8%, these workers received more than \$40,000 in increased wages during this time period. The quality wages of these jobs, however, are limited to 552 persons, which is only .10% of all non-government workers in South Los Angeles.

C. PERSONAL ECONOMICS

The personal economics of South Los Angeles is the micro-economic experience of residents and households, measured by categories such as household income, workers per household, cost of rent, and rates of homeownership. The relative value of the various personal economics indicators discussed in this section is provided through comparisons to Los Angeles City and Los Angeles County²³.

Examination of the personal economic profile allows for an understanding of how the monetary benefits generated in the economies of the South LA area and the Southern California region are distributed to South LA households. The indicators serve as a benchmark for measuring how projects developed and implemented under the CEDS process need to, and eventually have, improved the economic experience of persons residing in South LA. The figures for South LA are presented here in aggregate form; they are, however, available by the 235 individual census tracts. Future monitoring of the economic progress of South LA must be done at the census tract level in order to determine the broadness of economic gain. In other words, we must understand whether economic progress is disproportionately concentrated in well-off households, or whether there is a greater scope of distribution.

The personal economic profile of South LA is less favorable than those for LA City and LA County in six of the seven indicators discussed within this section. Only in the category of median gross rent as a percentage of household income is South LA comparable to the larger areas.

PER CAPITA INCOME

Per capita income is the measurement of aggregate household income divided by all persons living in the given area. It conceptually captures how the value of workers' incomes must be spread across themselves, minors, retired persons, and other financially dependent adults. The per capita income for South LA is \$12,949 (See Map 3). This amount is approximately 20% less than the LA City figure of \$16,188 and the LA County amount of \$16,149.

MEDIAN FAMILY INCOME

The South LA median family income is \$25,565. The median family income is the level at which half of families are above and half below (as opposed to an average). South LA significantly lags behind the figures for the City and County. LA City has a 34% higher median at \$34,364. The median family income for LA County is substantially greater than that for South LA. At \$39,035, the County figure is 53% greater than the South LA figure (See GIS Map 13).

MEDIAN HOUSEHOLD INCOME

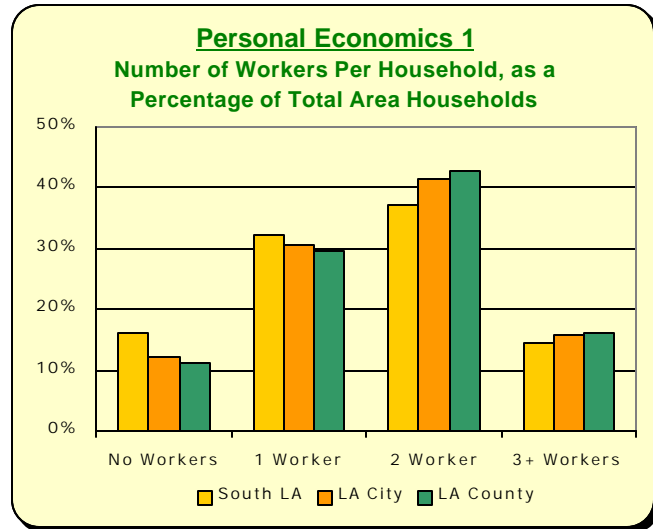
Households are composed of persons who are family, who are not related, or a combination thereof. The median household income indicator addresses broader and more representative living arrangements. Consistent with above figures, South LA's median household income, \$22,289, is significantly lower than figures for the larger areas (See GIS Map 14). The median household income for LA City, at \$30,925, is 39% greater. At \$34,965, LA County's figure is 57% larger.

²³ Source: 1990 U.S. Census (1989 figures)

NUMBER OF WORKERS PER HOUSEHOLD

Closely connected to the amount of income families and households have is the number of workers per household. The question inferred here is how many workers does it take for a household to earn a given amount of income. Other issues are also involved; clearly for a \$40,000 four-person household (2 parents and 2 children) a two-worker arrangement has a different quality of life than a similar one-worker household.

South LA has a greater internal percentage of no-worker and one-worker households than found for LA City and LA County (See **Personal Economics 1**). Contrary to popular perceptions, the South LA area has relatively fewer 2-worker and 3-or more worker household than does the City and County. Inferences such as the contributing factor of higher unemployment rates in South LA can only be cautiously made until closer analysis is conducted. Additionally the relatively high percentage of no-worker households in South LA is a curiosity (See **GIS Map 15**). Further analysis is recommended to determine at what rate these households either need workers or, like some retirees are financially stable.



RENTERS AND OWNERS OF HOUSING

The percentage of households that rent or own their quarters serves as an indicator of circumstances such as the accessibility of homeownership and housing type characteristics (concentration of apartments or single-family detached homes, for example). Of the occupied housing units in South LA²⁴, 35% are owner-occupied. The rate of ownership increases to 39% for LA City, and further to 48% for LA County. From the another perspective, more than 6 out of every 10 occupied housing units in South LA are arranged as rental property (See **GIS Map 16**).

MEDIAN GROSS RENT

The median gross rent is the level at which half of rents are above and half below for the given area. The cost of rental housing has great variation across LA County. For South LA, the median gross rent is \$535. In relation to the lower incomes of the area, it is favorably lower than the rates for the City and the County. The figures for these areas are \$600 and \$626, respectively. While the lower rents of South LA assist households with lower incomes, it can also indicate lower quality and market value of housing stock.

²⁴ The vacancy rates for South LA, LA City, and LA County are respectively 7.2%, 6.8%, and 5.8%.

MEDIAN GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME

The cost of rent is a relative value tied to a household's income. The amount of disposable income available to a household, and thus to local businesses, is essentially the amount of funds remaining after rent is paid. The impact of rent on a household is best described as the percentage of income it consumes.

For the first time in this discussion of personal income South LA experiences similar rates to those for LA City and LA County. The median gross rent as a percentage of household income for South LA is 31.0%. The rates in LA City and LA County are slightly better at 30.4% and 29.5%, respectively. The near uniformity of these rates indicates that the cost of rental housing is relatively the same across incomes and geographic locations.

South LA contains a wide range of household income, from the very poor to those in the higher income brackets. Despite this internal variety, the median gross rent as a percentage of household income is fairly consistent across the 235 census tracts. The large majority of tracts are in the mid-30s, with 35.1% being the highest. Many other tracts are in the high-20s.

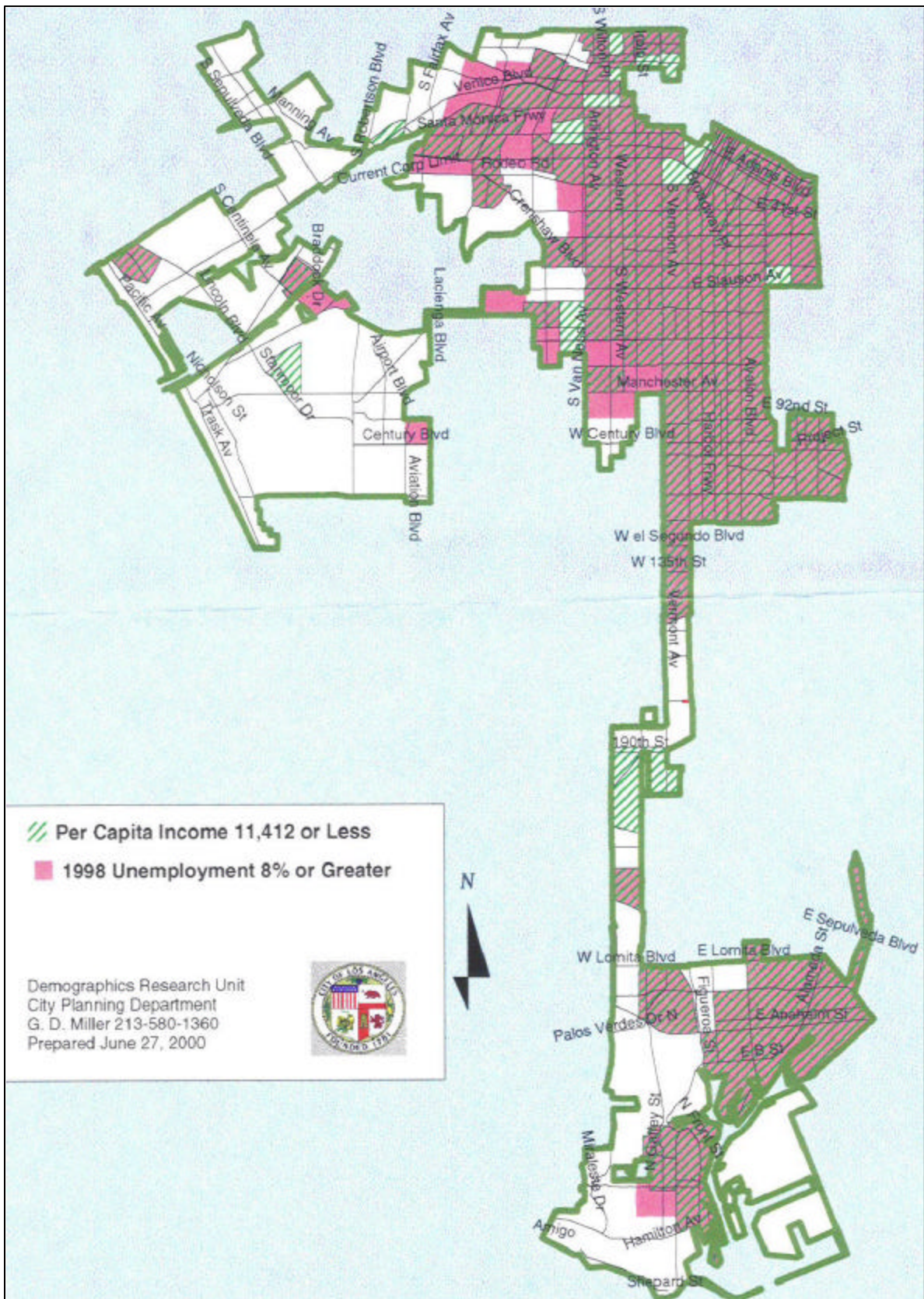
The cursory examination of this indicator informs that households tend to spend about one-third of their income on rent. Therefore, the residential locational options available to a household are strongly influenced by the location of rental units that match their 30% criterion.

D. UNEMPLOYMENT

The unemployment rate in South Los Angeles is 9.3% (1998 figures) (See Map 3). This figure represents a decrease from 10.5% in 1990. Unemployment has declined throughout the City at the same rate over the same period. As a result, unemployment in South Los Angeles remains 125% of unemployment in all of Los Angeles and almost 140% of that in the balance of the City, i.e. Los Angeles excluding the South LA study area.

While the sub-area contains 32% of the City's overall population, it contains 28.6% of its employed population. There is a larger than proportional share of public sector employees (almost 37% of the City's workforce in this category), operators and laborers (34% of the city's total) and persons working in farming and forestry (nearly 36% of LA's total employment in this category). Employed persons in South LA are less likely to work at home however. While 3% of the City's workforce claims the residence as place of employment, only 2.2 % of South LA residents say the same.

15.6% of the households in South Los Angeles receive public assistance. That's higher than the City-wide figure of 10.7%; and the area contains over 44% of the households receiving public assistance in all of Los Angeles. Recent figures from the CalWorks program indicate that this did not change over the course of the last decade. In 1999, nearly half (49.7%) of the city's 92,000 CalWorks cases were located in the 235 census tracts comprising South Los Angeles.



Map 3 - South Los Angeles, High Unemployment and Low Per Capita Income Overlay

The South LA sub-area has 240,747 persons below the poverty level, a rate of almost 26%. That's higher than any other single sub CEDS area apart from Downtown and greater than the City's overall poverty rate of 18.9%. More striking is that South LA contains over 46% of the City's population in poverty under the age of 17. This suggests a tremendous need for programs targeting the development needs of youth.

E. LAND USE AND TRANSPORTATION

South Los Angeles, somewhat contrary to popular perception, is a collection of residential neighborhoods. Many are single-family neighborhoods. The area commonly referred to as South Central Los Angeles (primarily bordered by Pico Boulevard on the north, Century Boulevard on the south, Arlington Avenue on the west and Figueroa Street on the east) has fully 42.7% of its land area devoted to single-family residences. Multi-family residences are 27.8% of the land area. 70.5% of the land use is therefore dedicated to residential uses.

East of Figueroa Street, the housing stock is more mixed. Almost 50% of the total acreage in Southeast LA is used for multi-family housing. 12.5% is dedicated to single family housing.

Commercial uses comprise much less of the South Central land area, only 14.5%. Industrial area covers only 374 total acres, 3.7% of the South Central land uses, while open space covers 1,124 acres, or 11.3% of the total land area in South Central Los Angeles. Commercial corridors are located, not surprisingly, along major and secondary highways. Pico Boulevard, Hoover Street, Western Avenue, Vermont Avenue, Florence Avenue, and Figueroa Street are primary commercial corridors. The industrial corridors, while small in acreage, remain important to the City's economy because of the diminishing number of industrial parcels still in use in Los Angeles.

The industrial areas in South Los Angeles are particularly important because they are accessible to freight railroad right-of-way that traverse them. Parcels zoned for industrial and commercial manufacturing uses are located primarily along the south side of Pico Boulevard between Hoover and Normandie, Vermont Avenue south of Pico, and along the length of Washington Boulevard between Arlington Avenue and Figueroa Street. The largest consolidated industrial properties are located adjacent to the ATSF Railroad along Slauson and Western Avenues. Apart from this 107-acre area however, the industrial parcels in South Central are primarily located along corridors with depths of only 200 feet. This limits the potential for large- scale industrial development.

Industrial properties just to the east of Figueroa Street are larger than those in South Central Los Angeles but remain underutilized. Here, industrial properties comprise almost 20% of the land use, largely along the major Slauson, Central and Alameda Avenue corridors. The proximity of the ATSF and Southern Pacific Railroads favors the present and future industrial use of these properties. Successful industrial development should not neglect the need to create adequate buffers between industrial developments and nearby residential neighborhoods.

Useable public space is even more problematic. The single largest portion of the 1,124 acres of open space in South Central Los Angeles is located in Exposition Park, adjacent to the University of Southern California. This 110-acre area is home to some of the museums for Los Angeles' State and County museums, the Los Angeles Sports Arena, and the historical LA Memorial Coliseum. Exposition Park is an important community focal point but as open space it is more of a regional destination than a community serving facility. The remaining open space is principally located adjacent to Caltrans right-of-way along the Santa Monica (I-10), Harbor (I-110) and the I-105 freeways. This is not readily accessible open space; neither is the space contained in school facilities. South Central Los Angeles is in great need of truly community and neighborhood serving parks and recreation facilities. The proposed State and locally funded two-square mile Baldwin Hills Regional Park, however, will go a long way in fulfilling the need. More open spaces, however, are needed to serve the growing community.

The primary land use issues surrounding the western portion of the study area pertain to the impact of the airport and its proposed expansion. The airport employs 59,000 people; and about 158,000 jobs in the City and 328,000 jobs in the County are linked directly to Los Angeles International Airport (LAX). While the economic benefits are tremendous (\$60 billion in annual economic activity), there are impacts on neighboring land uses.

As the third largest airport in the world in air cargo movement, LAX is considering its options for expansion. They include adding a new runway to either the north or south airfield or lengthening a runway to accommodate larger aircraft. Any of these options requires the construction of a new west entrance and terminal with additional aircraft gates, rental car facilities, and parking. The Master Plan also considers an expressway connecting the I-405 Freeway with an airport ring road, extension of the Green Line light rail into the terminal and the construction of new cargo facilities. The airport is also considering opportunities for the deployment of information technology as part of future development of the facility.

These improvements will affect the availability and cost of land in the vicinity of the airport for other land uses. Commercial and manufacturing operations are most likely to feel the impact. One of the opportunities of a Comprehensive Economic Development Strategy is the ability to consider the relationship between planning in neighboring communities. This CEDS document will consider how the under-utilization of commercial and industrial parcels in other parts of South LA can complement the planning efforts underway in and around the airport.

Similar issues surround the development of the Port of Los Angeles. The Port, the second busiest in the US by container volume, employs 20,000 people directly. Indirectly, the Port supports 259,000 jobs regionally. For each dollar spent by port-related industries, an additional \$.97 is generated in indirect sales in the region.

Expanding the Port to allow it to increase its throughput capacity has an impact on the surrounding communities. Plans include a \$40 million addition of terminal space and the relocation of a mile of railroad track and Harry Bridges Boulevard, a four-lane road heavily used by trucks. The changes will

permit the development of an additional 25 acres for shipping containers. The Alameda Corridor, discussed below, is another means of accommodating growth while minimizing impacts on the local community.

Communities throughout the study area must also address the role of home-based businesses, their contribution to the local economy, and their impact on surrounding land-uses. Certain communities, such as Venice, are already experiencing an increase in the number of home-based businesses, and can provide valuable lessons to other neighborhoods in how to balance the need for economic growth with residential integrity.

Effective land use planning takes advantage of effective transportation planning. South Los Angeles is an under-served area with regard to all facets of transportation. It forms a part of the core of the original Los Angeles, laid out in a grid pattern with local streets intersecting major boulevards. Through-traffic running parallel to limited access freeways imposes considerable noise and pollution on the adjacent neighborhoods. The original South Los Angeles subdivisions also resulted in alleys that, over time, have become more of a nuisance to residents than a benefit. In some cases, the alleys are unpaved or in great need of paving and repaving. Overall, the infrastructure itself is substandard in many locations; and the lack of off-street parking encourages use of the thoroughfares for accessory parking.

There are also concerns with regard to railroad rights-of-way. Residents and businesses adjacent to at-grade train corridors suffer from increased noise levels and interruptions to local circulation. This is the case even with critical public transportation services like the Los Angeles County Metropolitan Transportation Authority (MTA) Blue Line. This light rail line runs from downtown Los Angeles to downtown Long Beach serving key portions of the Harbor Gateway. Commercial freight traffic also operates at grade, although the proposed Alameda Corridor is expected to relieve some of the rail traffic congestion and move it to a grade-separated track.

With regard to public transportation, the residents of South Los Angeles are more reliant on buses and the subway more than the average Angelino. While 10.3 % of all employed persons in the City take public transportation to their place of employment, the comparable figure for South Los Angeles is 12.1%. Not surprisingly, residents of the sub-area also car pool or van pool at a slightly higher rate and drive alone to work at a slightly lower rate.

The City of Los Angeles, as part of the Transportation Element of the General Plan, compares and contrasts different communities with regard to transit need. The Plan creates a relative ranking based upon a combination of indicators including average car per household, the number of households without access to an automobile, the percentage of workers who use transit, and poverty and unemployment rates. In its analysis, Downtown LA is the area with the greatest need; not surprising however the next five most transit dependent communities surround the Civic Center. These include Southeast LA (#2), South Central Los Angeles (#3) and West Adams/Baldwin Hills (#4). All are part of the South LA CEDS sub-area. More than 31% of households in Southeast LA have no car as an example. The comparable rate for the City of Los Angeles as a whole is 15%.

Freeways are an essential component of mobility in Southern California. As an example, the Santa Monica Freeway carries between 230,000 and 325,000 trips per day with peak hour volumes increasing up to 30% since the early 1990's. Transit services are also critical to the mobility of South LA residents and an integral part of economic development efforts. MTA buses carry approximately 120,000 daily passengers on its routes along Wilshire Boulevard, an important gateway to the communities of CD 6. The agency also carries almost 76,000 passengers per day along the Exposition/MLK corridor. Between Southeast LA and downtown, MTA carries more than 2,700 passengers per hour during the peak hours.

The numbers of both freeway users and transit riders will continue to increase. Already travel demand across most of the MTA's corridors surpasses capacity by 10-15% and future travel demand is likely to exceed capacity by up to 21% by the year 2020. As a result, both the City and MTA are considering a number of options to meet demand.

Wilshire Boulevard already benefits by a rapid bus which uses a limited number of stops and signal preemption to deliver passengers to their destinations in a more timely fashion. The MTA is considering expanding this service and developing an exclusive lane busway along Wilshire Boulevard from Vermont Avenue in the study area to Santa Monica. MTA is considering a similar project along the Exposition Corridor with service from downtown to Santa Monica. The agency is also looking at options for light rail along the same corridor. The rapid bus system along Exposition could carry 23,000 riders per day. The light rail option could carry 38,000 daily riders.

The City of Los Angeles is also responding to mobility needs. The Los Angeles Department of Transportation (LADOT) serves 3 million passengers on an annual basis. The linchpin of its service is DASH, originally the Downtown Area Short Hop, but now expanded to serve localized trips in other communities including Watts, Wilmington, Leimert/Slauson, and Mid-City. DASH has become a brand name for the City of Los Angeles, signifying quality local service.

The Department of Transportation also runs express buses between different locations in the City, including San Pedro, and downtown. The MTA has designed similar express routes. The Harbor Transitway takes bus riders and car-poolers between Wilmington and the civic center in approximately 40 minutes. The route goes along the freeway median.

LADOT is also developing paratransit options including smart shuttles. The Southside Smart Shuttle, operated by the Watts Labor Community Action Committee (WLCAC), uses 12 vehicles on two routes. These routes have some fixed time points with fixed schedules. The Shuttle also operates four vehicles on "circulators" for pick-up and drop-offs not served by the fixed routes.

Los Angeles has also recognized the important links between transportation and land-use through support of the Los Angeles Neighborhood Initiative (LANI). LANI is a non-profit organization designed to jump-start neighborhood revitalization and improve transit access in transit-dependent urban neighborhoods. LANI achieves this by providing designated communities with seed funding, hands-on training in project planning, and technical assistance.

Finally, there is the issue of freight movement. When freight displaces person-trips, there is a negative impact on regional mobility. The transport of goods has long been an issue for the residents and businesses of South LA. The Alameda Corridor seeks to improve the situation for both. The Corridor is a 20-mile stretch of rail right-of-way between downtown LA and the Port of Los Angeles. In eliminating 200 at-grade crossings, the Corridor is meant to facilitate expanded port capacity without having a negative impact on local mobility.

F. COMPUTER TECHNOLOGY

Another significant trend to monitor is the penetration and adoption rates for computers and Internet-based services. African-American and Hispanic groups still lag in technology access surveys but both have made considerable gains in recent years. African-American households throughout the U.S. are now twice as likely to have Internet access in the home than they were 20 months ago. 41.5% of all households in the nation access the web from home; the comparable figure for African-Americans is 23.5% and for Hispanics, 23.6%. With regard to computer ownership, African-American and Hispanic households also show a significant if narrowing gap. 51% of households at the national level own computers; only 32.6% of African-American households and 33.7% of Hispanic households own computers. Not surprisingly, African-Americans are one of the groups most likely to use libraries to access the Internet.

In California 46.7% of the population has Internet access; for the City of Los Angeles as a whole the Internet penetration rate is 48.7%. While less than national leader Washington, D.C. (59.9%) and San Francisco (56.1%), LA compares favorably to other large cities including New York which has an Internet penetration rate of 43.7%.

A 2000 U.S. Department of Commerce study (“Falling Through the Net”) suggests that only half of this discrepancy is attributable to differences in income and education. This makes national programs like the U.S. Department of Education’s America Connects Consortium critical. This effort will provide \$2 million over the course of the next year to further the work of community technology centers in under-served areas. In South LA the work should build-upon the efforts already established by the non-profits, faith-based organizations, and the City. Key providers include the Urban League, Breakaway Technologies, and FAME.

The CEDS document must work in conjunction with other programs like this to make sure that the infrastructure is in place to foster economic development. It also has to reflect local needs. The same Dept. of Commerce report indicates that, while e-mail has become the “killer application” for the Internet at the national level, low-income users are most likely to report using the web for job searches. Programs should therefore not just merely provide access but ensure that the access guarantees services needed for economic development, including job information and job skills. Both the private and public sectors will benefit. As an increasing percentage of government services are provided by contractors in the private sector, those working in the public sector must have the technological skills to professionally manage a contract and grantee workforce with limited staff.

IV. PROGRAMS, INCENTIVES, AND OPPORTUNITIES

The City seeks to encourage job growth in economically distressed areas. The Los Angeles County Economic Development Corporation estimates that the creation of one new job in LA County generates \$3,692 of revenue for local governments and schools. One new job paying \$33,000 has a multiplier effect, providing \$66,000 in positive direct and indirect effects on sales tax revenue, real estate and other taxes, and in reductions in welfare expenditures. Localized impacts of economic development are critical. In comparison with the City as a whole, the residents of South Los Angeles are more likely to be renters than homeowners. Job growth will help change this. It will also help contribute to transportation revenue and general revenue funds that deliver services to all residents.

The City has instituted a number of programs meant to concentrate economic development activities in areas with the greatest need. These incentive programs include Business Improvement Districts, Redevelopment Project areas, Targeted Neighborhood Initiatives, Enterprise Zones, Empowerment Zones, and Foreign Trade Zones.

A. BUSINESS IMPROVEMENT DISTRICTS

Business Improvement Districts (BID) are based on State and local laws, which permit merchants, property owners, or a combination of both to ‘assess’ themselves. These funds are collected by the City and or County and returned, minus administration costs, to the BID and are used for purchasing supplemental services (e.g., street maintenance, sanitation, security, promotions, and special events) and capital improvements (e.g., street furniture, street trees, signage, special lighting), beyond those already provided by the City.

The process of establishing Business Improvement Districts originates from the local business community and property owners, and is regulated by City and State law. BIDs are assessments levied by the City or County on a targeted area once a majority of the businesses or property owners of that area agree to the self-imposed assessment. The monies raised are spent directly within the district on programs agreed upon by the members of the BID.

The City has established an Interdepartmental Task Force to facilitate the development of BIDs; and once sufficient support has been identified, the City may also provide seed money to assist the district in meeting its goals. The BID is required to provide matching funds. In disadvantaged areas like South Los Angeles, BIDs are eligible to receive Assessment Credits on a sliding scale for the first four years.

In addition to the existing BIDS in the study area, there are ten proposed BIDS in Council Districts 8, 9, 10 and 15. These include Leimert Park (CD 8), the Goodyear Industrial site (CD 9), Little Tokyo (a proposed merchant-based assessment district in CD 9), a portion of the Vermont Corridor (CD 9), a portion of the Crenshaw Corridor (CD 10), Fairfax/Pico (CD 5 and 10), Pico Corridor (CD 10), South Robertson (CD 5 and 10), Washington Boulevard (CD 10), and Wilmington (proposed merchant-based assessment district in CD 15).

B. TARGETED NEIGHBORHOOD INITIATIVE

Business Improvement Districts are successful because of the localized nature of the services rendered, and also the considerable local control involved. Similarly, Targeted Neighborhood Initiatives (TNI) have proven popular with economic development agencies involved in South Los Angeles. Administrated by the Community Redevelopment Agency (CRA), Los Angeles City began the TNI program in 1997 with 12 communities. The money comes from federal block grant funds and are used for “quality-of-life” improvements including street lighting, streetscape enhancement, public works projects and home ownership programs. The CRA has also used TNI as a mechanism to implement business incentive grant and business marketing programs.

Washington Boulevard has greatly benefited from the use of TNI funds as loans for facade improvements, and is currently undergoing the development and implementation of a business retention and recruitment program. Wilmington will receive \$3 million through 2004 for improvements proposed by local residents; and new TNIs have been designated in Leimert Park, West Adams, Pico, Mid-Cities/Adams, and Watts.

Given the level of distress in certain parts of South Los Angeles, it is not surprising that a number of redevelopment project areas have been established. These areas are able to use mechanisms like tax increment financing to spur economic growth. The redevelopment projects in the five council districts are outlined in the table below. While the Community Redevelopment Agency has taken on the development of some key large parcels, including the Crenshaw/Baldwin Hills Plaza, the primary means of approaching redevelopment are smaller in nature.

High profile projects help to contribute to a community’s identity, but the CRA and the residents of South Los Angeles have identified other more basic needs that are the foundation of these larger efforts. As a result, commercial façade and signage loan programs, as well as business assistance programs are popular with the CRA. This is evidenced by the frequent positive comments made in the focus groups.

C. GENESIS LA INITIATIVE²⁵

“Genesis LA is about the bottom line – sound, strategic investment. Our inner-city is filled with hundreds of acres of potential new manufacturing plants, business parks, and shopping centers. By investing in these Genesis LA sites, companies will not only build market share and profit, but will create hope and opportunity where little existed before.” - Mayor Richard Riordan

On March 17, 1999, Mayor Riordan unveiled Genesis LA. The initiative’s vision is to bring jobs and opportunity to Los Angeles’ inner-city communities by providing innovative public and private cooperative solutions to investment obstacles. This groundbreaking economic initiative provides innovative solutions to some of the inner-city’s most troubling job creation and investment obstacles. The mission of Genesis LA is to make urban land in distressed neighborhoods attractive for private sector investment by using any and all available public, nonprofit, and private-sector resources to bridge the financing gaps created by the exorbitant cost of land development. The goal of this effort is to generate 5,000 new jobs and \$250 million in private sector investments.

The 21 designated Genesis LA industrial / retail sites are underutilized and blighted properties located throughout Los Angeles City (see map below). The selection of these sites was based on their potential to be significant job-creating catalysts. Given the scale of the developments, most spanning over 30 acres, it is intended that these catalytic projects will spark a beneficial ripple effect of further private sector investment throughout the surrounding neighborhoods.

The Genesis LA initiative is comprised of three unique innovations. These are the Genesis LA organization, the Genesis LA Sponsorships program, and the Genesis LA Investment Funds. The Genesis LA Economic Growth Corporation, a 501 (c)(3) non-profit, was created to serve as an innovative vehicle for bridging financing gaps on the Genesis LA sites. A majority of the sites are located in Federal Empowerment Zones, State Enterprise Zones, and City Tax Free Zones. In addition, most are eligible for federal EDA, EDI, Brownfield, and CDBG funding, among others. The strategy to maximize the utilization of public sector funding programs in the implementation of Genesis LA projects has already generated more than \$100 million. These funds have already been applied for, allocated, and approved by the City Council for the Genesis LA sites. The City’s One-Stop Job Training Centers have work plans in place so that local residents will be trained for the jobs being created at these sites.

The Genesis LA Sponsorship program is a method for securing corporate commitments towards the sites. Sponsoring companies make their donations to the Genesis LA Economic Growth Corporation, which then utilizes these funds to fill any ‘last resort’ financing gaps at the individual sites. These funding sources are available to the Genesis LA sites once all other funding sources have been drawn down. In addition to making the donations, sponsoring companies are expected to make very significant direct investments in the sites. Such investments could include opening outlets or branches at the sites, or providing discount services to the tenants of these sites.

²⁵ Sources: Genesis LA Economic Growth Corporation informational brochures and website; www.GenesisLA.org.



The Genesis LA Investment Funds are private sector financing vehicles that allow investors to “do good while they do well”. Investing only in low- to moderate-income areas in Los Angeles City, these Funds generate positive returns for investors while having the added benefit of creating needed employment in distressed communities. The first of these funds, the Real Estate Investment Fund, was developed jointly by the Mayor’s Office of Economic Development and the Genesis LA Economic Growth Corporation. Capitalized at over \$70 million, it is anticipated that the fund will ultimately be capitalized at \$100 to \$125 million. A second fund, the Growth Capital Fund, is under development. This fund will invest in industrial, textile, furniture, and technology companies in Los Angeles’ low- to moderate-income communities, providing much needed mezzanine capital to fuel to growth of these firms. By making investments in the City, these funds will have the capacity to make a measurable impact in the economic revitalization of communities throughout the City.

The Genesis LA initiative receives broad community support. The organization is partnered with and endorsed by many business and community groups including:

- Black Business Association
- Concerned Citizens of South Central
- Economic Alliance of the San Fernando Valley
- FAME Renaissance
- Korean-American Coalition
- LA Chamber of Commerce
- LA Economic Development Corporation
- Latin Business Association
- National Association of Women Business Owners
- South Los Angeles Economic Alliance
- Valley Economic Development Center

Of the 21 Genesis LA sites, 11 are located within the South Los Angeles CEDES boundaries. Together they total nearly 340 acres of urban infill and smart growth opportunities. The average site size is 31 acres; the Watts Retail Center is the smallest at 4 acres (excluding the Automobile Club building) and the Goodyear Industrial Tract the largest at 200 acres. The acreage, intended next use, and location of these sites are provided below.

Santa Barbara Plaza (#5 on above map)

23 acres located at the Southwest corner of Martin Luther King Jr. Blvd. and Marlton Avenue.



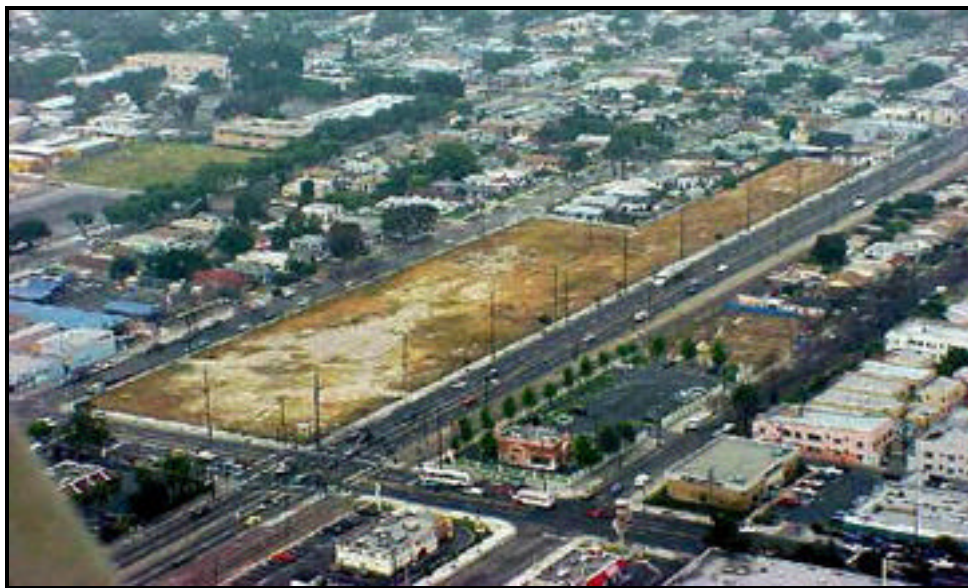
Automobile Club (#6 on above map)

135,000 square foot office building located at the Northwest corner of S. Figueroa St. and W. Adams Blvd.



Vermont Slauson Retail Center (#7 on above map)

4.5 acres located at the Southwest corner of S. Vermont Ave. and W. Slauson Ave.



Adams and La Brea (#11 on above map)

26 acres located at the Northwest corner W. Adams Blvd. and S. La Brea Ave.



Samitaur (#15 on above map)

22 acres of retail and 10 acres of office located at the Northwest corner of S. La Cienega Blvd. and Rodeo Rd.



Chesterfield Square (#20 on above map)

23 acre retail site located at the Southwestern corner of S. Western Ave. and W. Slauson Ave.



Goodyear Industrial Tract (#1 on above map)

200 acres of industrial and manufacturing facilities and a 6.4 acre neighborhood retail center located south of Slauson Ave., north of Florence, east of Avalon Blvd. and west of Central Avenue.

Lancer Industrial Park (#1 on above map)

14 acres site for proposed light industrial and manufacturing located at the southwest corner of Martin Luther King Blvd. and Alameda Ave.

Watts Retail Center (# on above map)

4 acres of proposed retail located at the southeast corner of 103rd Street and Central Avenue.

Pico / San Vicente Power Center (# on above map)

12 acres, 280,000 square foot retail center at Pico and San Vicente.

Lanzit Industrial (# on above map)

10 acres for proposed 164,000 square feet light manufacturing and industrial business park , located at 108th St., Lanzit St., and Compton Creek (east).

The structure of the Genesis LA Initiative offers many opportunities for additional aspects of economic growth within South Los Angeles. For example, the location of job training and job placement programs on the project site creates long-term community assistance while also qualifying the project for funds from the Department of Labor, the Department of Housing and Urban Development, and the Department of Health and Human Services. These funds can be utilized as a source of gap financing.

The participation of small-sized minority- and women-owned businesses is an opportunity for the Genesis LA Initiative process and the projects it produces to have a stronger economic effect. The scope of the projects located on or desired for Genesis sites favor large real estate development corporations. Unfortunately, this limits the extent of participation by minority- and women-owned businesses. The partnership and community aspects of the Initiative present the opportunity for the City to assist in connecting these businesses with the larger developers to create greater distribution of the economic revenue and growth generated from Genesis LA projects.

D. ECONOMIC DEVELOPMENT INCENTIVES

There are a number of incentives available to businesses through specific geographic areas of the City designated for economic revitalization and investment. The City of Los Angeles, Community Development Department, Industrial and Commercial Development Division administers these specific geographical areas, or "Zones". Following is a list of major programs and opportunities for the business community:

STATE PROGRAMS

ENTERPRISE ZONES

Enterprise Zones are specific geographic areas within the City of Los Angeles designated by the state as zones that have been targeted for economic revitalization and investment. The five Los Angeles area Enterprise Zones are:

- **Central City**
- **Mid-Alameda Corridor (including Watts and South Central LA)**
- Northeast San Fernando Valley
- **Harbor, comprising Harbor Gateway/Wilmington/San Pedro**
- **Eastside, comprising Lincoln Heights, Boyle Heights and El Sereno**

Bold face indicates zones within the South Los Angeles area. More information regarding Enterprise Zones boundaries is available through the City website (<http://www.cityofla.org/cdd/icd/zone.htm>). Information about Enterprise Zone tax credits is available through the State of California Franchise Tax Board (<http://www.ftb.ca.gov/forms>) web site. Download Franchise Tax Board Booklet 3805Z (1996/1997 Enterprise Zone/Program Area Deduction and Credit Summary) from the year of your choice, and FTB Form 1047 (Guidelines for Enterprise Zone Tax Incentives) located under "Miscellaneous CA Tax Forms, Instructions and Publications".

The following describes in brief business-related tax incentives offered by the Enterprise Zone:

ENTERPRISE ZONE HIRING TAX CREDIT

Over a five-year period, up to \$26,895 can be claimed by an Enterprise Zone business as a State tax credit per individual hired. An Enterprise Zone business may claim up to 50% (declines by 10% each year) of wages paid to each qualified employee up to 150% of the minimum wage (\$5.75) or \$8.62 an hour, as of 3/1/98. Under this program, tax credits can be earned by hiring individuals: (1) who are residents of a Targeted Employment Area (TEA); or (2) who meet the eligibility requirements for federal job training programs, such as JTPA and GAIN, or are one of eight targeted groups for the Work Opportunity Tax Credit (WOTC). A TEA is an area comprised of HUD eligible census tracts, as designated by City Council. Individuals who meet the eligibility requirements for JTPA and GAIN are dislocated workers; individuals with disabilities; basic skill deficient; homeless; offenders; or on cash public assistance. For a business to receive the hiring credit, all eligible hires must be issued a voucher. The California Trade and Commerce Agency's Guidelines for Vouchering Enterprise Zones discusses in detail the various eligibility criteria and documentation for hiring tax credits.

To receive the hiring tax credit, a completed voucher application consisting of the State of California Enterprise Zone and LAMBRA Hiring Voucher (Form TCA EZ1), Enterprise Zone Vouchering Checklist, and necessary documentation must be submitted by the business or its agent to the State Enterprise Zone Vouchering Coordinator for evaluation and approval. The Checklist is completed by the new hire while the EZ Hiring Voucher basic employee-employer information portion is completed by the business. Information provided by the employee through the EZ Vouchering Checklist determines the eligibility criteria the employee qualifies for in hiring tax credits. In certain cases, retroactive vouchers may be issued.

For more information and to obtain the Guidelines and other related material, contact the State Enterprise Zone Vouchering Coordinator at (213) 485-6782.

ENTERPRISE ZONE SALES AND USE TAX CREDITS

One hundred percent of the 8.25 % sales tax, or use tax, paid on the purchase of qualifying machinery, equipment and parts can be claimed as a tax credit. This now includes computers, computer-automated drafting systems, telephones, fax machines and copy equipment, as well as motion picture manufacturing equipment central to production and post-production, such as cameras, audio recorders, and digital image and sound processing equipment. Businesses may reduce taxes by the amount of sales or use tax paid on certain qualified machinery, equipment and parts used in production, purchased for exclusive use in an enterprise zone. The machinery and machinery parts must be used to: manufacture, process, combine, or otherwise fabricate a product; produce renewable energy resources; or control air or water pollution.

Limits: Individuals: Tax paid or incurred on first \$1 million
 Corporations: Tax paid or incurred on first \$20 million

ENTERPRISE ZONE BUSINESS EXPENSE DEDUCTION

Tangible personal property may be deducted as a business expense in the first year it is placed in service. This does not include office supplies, inventory, and other property not eligible for depreciation.

Limits: \$20,000

ENTERPRISE ZONE NET INTEREST DEDUCTION FOR LENDERS

Deduction from income is allowed on the amount of "net interest" earned on loans made to a trade or business solely in an enterprise zone area.

ENTERPRISE ZONE NET OPERATING LOSS CARRYOVER

One hundred percent of net operating losses (NOL) of individuals or corporations doing business in an enterprise zone may be carried over to future years to reduce the amount of taxable income for those years (This amount is greater than the normal carryover rates for non-EZ businesses). The NOL carryover is determined by computing the business loss, which results strictly from business activity in the Enterprise Zone. The State of California has no carry backs for NOL.

ENTERPRISE ZONE CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER

5-Year Electrical Discount

The Department of Water & Power offers a five year electrical discount, starting with a 35% first year rate reduction, for businesses located in one of the five City of Los Angeles Enterprise Zones. A business is eligible: 1) as a new business, one whose electrical services were established within 12 months of applying for the discount, but no earlier than January 1,1991. Businesses are not considered to be "new" if they merely moved from one eligible location within a zone to another, or between eligible zones, or if the business has assumed the assets of an existing business 2) as an existing business with an increased electrical usage of 50% or greater in the six month period prior to the date of the application. A copy of the business' current Business Tax Registration Certificate (BTRC) must be enclosed with the application. For more information call (213) 485-4767.

ENTERPRISE ZONE MANUFACTURERS' INVESTMENT TAX CREDIT (MIC)

The MIC is a state tax credit of 6% for machinery purchased by a business whose SIC code is between 2000 and 3999. Firms can double dip and receive both the 6% tax credit from the MIC and the 8.25% Enterprise Zone Sales and Use Tax Credit for the same equipment – a tax credit of 14.25%.

FEDERAL PROGRAMS

EMPOWERMENT ZONE

The Empowerment Zone (EZ) is a federal program, which seeks to create reinvestment and job creation within the nation's poorest urban and rural communities. The Los Angeles EZ is a 19 square mile area covering portions of Pacoima, downtown, Boyle Heights, South Central Los Angeles, Watts, and the two unincorporated Los Angeles communities of Firestone and Willowbrook. Most of the Los Angeles Empowerment Zone area is within South Los Angeles. For more information see EZ Maps at www.hud.gov.ezec/locator/ or call the EZ program staff at (213) 485-6782 to determine whether you are in an Empowerment Zone. Beginning on January 1, 2000, the following federal business tax incentives will be available.

EMPOWERMENT ZONE EMPLOYER WAGE CREDITS

An EZ employer can claim a wage credit on wages paid to an EZ resident working for this employer in the Empowerment Zone. An employer can claim a maximum credit of \$3,000 based on a 20% wage credit for the first \$15,000 of wages paid to an EZ resident who works in the EZ.

EMPOWERMENT ZONE SECTION 179 EXPENSING

A business may be able to claim an increased Section 179 deduction by expensing qualified property placed in service by an EZ business. The increase can be as much as \$20,000. A business can elect to deduct all or part of certain qualifying property in the year it is placed in service. The total cost of property that a business elects to deduct cannot be more than the maximum Section 179 dollar limit. These limits are increased for certain qualified zone property placed in service by an Enterprise Zone business. The maximum dollar limit, however, is the smaller of: 1) \$20,000; or 2) The cost of qualified Section 179 property placed in service during the year.

Maximum Dollar Limits

<u>Tax Year</u>	<u>Maximum 179 Dollar Limit</u>	<u>Maximum Dollar Limit with Qualified Zone Property</u>
2000	\$20,000	\$40,000
2001-2002	\$24,000	\$44,000
Years after 2002	\$25,000	\$45,000

EZ/EC BONDS

This is a new category of special tax-exempt bonds for certain Empowerment Zone facilities. These low interest bonds are also available to certain businesses within the Los Angeles Enterprise Community. These bonds may finance up to \$3 million. For more information, please call the Los Angeles Industrial Development Authority at (213) 485-5720 or refer IRS Publication 954, "Tax Incentives for Empowerment Zones and Other Distressed Communities" (<http://www.cityofla.org/cdd/icd/p954.pdf>).

BROWNFIELDS

A new "Brownfields" deduction for environmental remediation costs within the EZ, paid or incurred prior to January 1, 2001, is available as of January 1, 1998. Under the new Brownfields Tax Incentive, environmental clean up costs for properties in targeted areas are fully deductible in the year in which they are incurred, rather than having to be capitalized. For more information, refer IRS Publication 954 (<http://www.cityofla.org/cdd/icd/p954.pdf>).

CITY BUSINESS TAX REDUCTION

Effective February 17, 1998, new businesses locating within the City's Empowerment Zone may receive a five-year exemption from paying City business taxes on gross receipts based on annual sales. Additionally, businesses relocating from other parts of the City or businesses currently located within the Zone will have their City business taxes frozen at their current level. Firms must satisfy one of four conditions when seeking this tax relief.

THE WORK OPPORTUNITY TAX CREDIT

Any business within the City of Los Angeles may claim Federal tax credits by hiring qualified individuals from eight targeted groups. The Work Opportunity Tax Credit (WOTC) is a Federal Income Tax Credit that encourages employers to hire from eight targeted groups of job seekers who begin work any time after October 1, 1998 and before July 1, 2002. As re-authored and amended by the August 5 "Taxpayer Relief Act of 1997," the WOTC can reduce employer Federal tax liability by as much as \$2,400 per new hire, except for 16-17 year-old Empowerment Zone or Enterprise Community residents hired as "Summer Youth" employees. The maximum credit for "Summer Youth" employees is \$1,200, or 40% of up to \$3,000 in wages.

For more information, call the Enterprise Zone Staff at (213) 485-4767.

THE WELFARE-TO-WORK TAX CREDIT

The Welfare-To-Work Tax Credit is for long-term family assistance recipients hired between January 1, 1998 and October 1, 2000. The credit applies to workers from families receiving public assistance for at least 18 months prior to the date of hire. The potential credit is substantial, amounting to \$3,500 (35% of the first \$10,000 of compensation) in the first year of employment and \$5,000 (50% of the first \$10,000) in the second year. Child care, education and health care count as compensation in calculating the amount of the credit.

Source:

Economic Development Incentives: Opportunities for the Business Community prepared by City of Los Angeles, Community Development Department, and [<http://www.cityofla.org/cdd/icd/tax.htm>].

E. SOUTH LOS ANGELES REDEVELOPMENT PROJECTS

The following table lists all Community Redevelopment Agency redevelopment projects occurring within the South Los Angeles area.

The list is generated from a review of all redevelopment plans and from discussions conducted at the CRA Project Manager focus group.

CD	PROJECT TITLE	PROJECT TYPE	PLAN TIME PERIOD	PRIMARY INCENTIVES EMPLOYED	KEY PARCELS, OPPORTUNITIES, AND EXPRESSED NEEDS
6	Crenshaw/Slauson (between 52 nd and 80 th)	Redevelopment Project Area	FY 2001-05	Façade Improvement	<ol style="list-style-type: none"> 1. Auto dealership at Crenshaw and 52nd 2. Housing Development at 60th and Crenshaw 3. Crenshaw and 54th St. (opportunity for a Smart building on the corner) 4. Urban League building at Crenshaw / 54th 5. Guidance Community Development (for entertainment industry training facility) at Crenshaw and 73rd Project is currently pursuing EDA funding. 6. Community transportation hub and training center by Health, Education, Real Estate, and Development CDC
8	Normandie Ave (Adams, Normandie, Jefferson and Western)	Redevelopment Project Area	FY 2000-04	Commercial Façade and signage programs (mainly along Adams)	<ol style="list-style-type: none"> 1. Region-wide home loan program 2. West Adams Store front rehab
	Broadway/Manchester (Manchester between 110 Freeway and Central; Broadway between 84 th Place and 102 nd St.)	Recovery redevelopment Project Area	FY 2000-04		<ol style="list-style-type: none"> 1. South Central Child Care Center at 94th St. 2. Heavenly Vision Sr. Housing at 94th St. 3. Crocker St. industrial Core 4. MTA Public Transit Center on Broadway 5. Manchester Shopping Center
8	Crenshaw Redevelopment (Amended): Crenshaw between Coliseum and 52 nd , MLK between Coliseum and McClung, Leimert Park Village	Recovery Redevelopment Project	FY 2000-04	Public Improvements, incl. Façade programs for Leimert Park and Crenshaw Blvd. Between MLK and Vernon Leimert Park Village streetscape	<ol style="list-style-type: none"> 1. Santa Barbara Plaza 2. Vision Theatre (43rd St.) 3. Crenshaw-Prairie Transportation Corridor (Crenshaw/MLK and Crenshaw/Vernon) 4. Leimert Park Transit improvements

CD	PROJECT TITLE	PROJECT TYPE	PLAN TIME PERIOD	PRIMARY INCENTIVES EMPLOYED	KEY PARCELS, OPPORTUNITIES, AND EXPRESSED NEEDS
				program Design Guides Clean and Safe Commercial Rehab Loans ID of development impediments	
8	Adams (Adams, MLK, 110 and Vermont)	Redevelopment Project Area	FY 2000-04	Vermont Commercial façade Program	<ol style="list-style-type: none"> 1. USC Plaza Commercial Office Center (Figueroa and Jefferson) 2. Signage along Vermont, Figueroa and MLK 3. Parking improvements along Figueroa and Vermont 4. Shrine Auditorium 5. Parcel ID for building code enforcement 6. Exposition Park 7. Historic building survey and Art Project
9	South of Santa Monica Freeway Corridors (between I-10, 84 th St., Alameda and Normandie)	Recovery Project Area	FY 2000-04	Streetscape and tree planting, Clean and Safe program. Infill Housing	<ol style="list-style-type: none"> 1. Lancer Site (41st and Long Beach Avenue) 2. Goodyear Tire Tract (Brownfield site at 777 E. Gage) 3. Community Service Center at 43rd/Central 4. Ralph Bunche Home 5. Slauson/Central Retail Plaza 6. ID of trucking terminal location 7. Central Avenue commercial storefronts (TNI focus) 8. Central Avenue Village Design and Historic signage

CD	PROJECT TITLE	PROJECT TYPE	PLAN TIME PERIOD	PRIMARY INCENTIVES EMPLOYED	KEY PARCELS, OPPORTUNITIES, AND EXPRESSED NEEDS
10	Wilshire Center/Koreatown (bordered by Wilshire Blvd., Olympic Blvd., Vermont and Western)	Recovery Redevelopment Project	1999 (update)	Commercial Loans License Fee Rebates Childcare Programs Master Planning Retail Marketing Streetscape Progs. Community ID progs. Historic neon sign restoration North-South Corridor Transportation Improvements (ATSAC, etc.) AQMD compliance assistance Apt. manager and owner training Anti-crime Demonst. Graffiti Abatement	<ol style="list-style-type: none"> 1. Lafayette Park and Felipe de Neve Library (Hoover and Wilshire) 2. Community Shuttle 3. Wilshire and Western transit-related development (tie in to TEA 21) 4. Irolo Housing (Irolo and 8th Street) 5. Twin Palms Housing (Leeward / Vermont)
10	Mid-city (5 non-contiguous areas along Jefferson, Adams, Washington, Crenshaw, Pico and Venice)	Recovery Redevelopment Project		Commercial/Industrial rehab and improvement loans Commercial/Industrial acquisition (vacancy concerns) Façade improvement loans Public/Transportation Improvements Identification and	<ol style="list-style-type: none"> 1. Washington Blvd Performing Arts District including 22 historic buildings along Washington corridor (parking improvements needed along Blvd.) 2. Adams/La Brea commercial improvements 3. Washington Blvd. Performing Arts Center and Lofts (public improvements needed) 4. Site acquisition to consolidate commercial lots (23% in project area have less than 40' minimum width required by Planning and Zoning Code)

CD	PROJECT TITLE	PROJECT TYPE	PLAN TIME PERIOD	PRIMARY INCENTIVES EMPLOYED	KEY PARCELS, OPPORTUNITIES, AND EXPRESSED NEEDS
				<p>alleviation of development impediments (soils testing, zoning, etc.)</p> <p>Design Guides</p> <p>Marketing plans for Commercial uses</p> <p>Clean and Safe Programs</p> <p>TNI: Business incentive grants, business marketing for area centered on Washington Blvd. west of La Brea</p>	<p>5. Relocation of MTA Bus Terminal at Pico/Rimpau Commercial Center</p> <p>6. Jefferson Park (LANI project between Western and Crenshaw)</p>
15	Watts Corridors (Broadway between 110 th and 116 th Streets; Main between 110 th St. and 116 th Pl.; Avalon between 111 th Place and 115 th St.)	Recovery Redevelopment Project		Public Improvements (Streetscape, signage and landscaping, e.g.)	<p>1. Watts Cultural Crescent</p> <p>2. Markham Middle School Cinema Center</p> <p>3. Various intersection improvements</p> <p>4. Electrical upgrading as part of building rehab</p>
15	Watts Redevelopment Project (Between 100 th St. and 104 th St. , bordered by Wilmington Ave. on the east and Success Ave. on the west)	Redevelopment Project Area		Planning Studies	<p>1. Lanzit Site (154,000 sq. ft.)</p> <p>2. Community Marketplace (103rd and Graham, adjacent to Blue Line station)</p> <p>3. Watts Public Library/Civic Center Office Development (103rd St. and Compton Ave.)</p> <p>4. Cultural Crescent, including Watts Towers and Watts Train Station.</p> <p>5. MLK Jr. Shopping Center (Century Blvd. and Compton Ave.)</p>

CD	PROJECT TITLE	PROJECT TYPE	PLAN TIME PERIOD	PRIMARY INCENTIVES EMPLOYED	KEY PARCELS, OPPORTUNITIES, AND EXPRESSED NEEDS
					6. Bradley-Milken Youth Center (Holmes and Century)
15	Harbor Industrial Center/Wilmington Industrial Park (Anaheim St., B St. and Broad Ave.)	Redevelopment Project Area		Public Improvements to facilitate drainage, loading and transport	<ol style="list-style-type: none"> 1. Oil Well Removal 2. Port Liaison 3. Site Acquisition 4. Environmental Clearance 5. Environmental Signage Programs 6. Creation of Federal Empowerment Zone or Enterprise Zone Status

V. FOCUS GROUP ANALYSIS

In order to solicit CEDS input from community stakeholders, focus groups were held in each of the Council Districts and with Community Redevelopment Agency (CRA) project managers. An area-wide focus group was also held in order to identify common obstacles and opportunities. A list of priority items from each of the focus groups is included. The synthesis of these findings contributes to the vision statement for the entire South Los Angeles study area. Where problems are shared, solutions may also be shared.

The format for each of the focus groups was the same. Participants were asked to identify both barriers to economic development and the opportunities and effective resources for change. While some key differences exist (issues tied to specific parcels, proximity to the port or airport for example), a general consensus emerged, the details of which are discussed below. It is important to note that the information conveyed from the community focus groups was reemphasized and reinforced by commentary at the CRA focus group.

A. BARRIERS TO ECONOMIC DEVELOPMENT

1. There is limited land for redevelopment projects and the depth of sites is particularly problematic for industrial projects.

The participants are concerned that the limited availability of large parcels precludes the development of major projects. Existing manufacturing facilities have become obsolete because they no longer have the room to expand. As a result, sites are left abandoned and operators move to available, affordable land in the suburbs. There, the cost of outfitting sites with new infrastructure is cheaper than retrofitting existing sites and cleaning up environmental contamination. Where large-scale development does occur, it tends to do so in isolation because there are no similarly sized parcels in proximity.

2. Large-scale efforts do not succeed unless attention is paid to quality of life issues.

The success of TNIs, BIDs and the Los Angeles Neighborhood Initiative (LANI) has convinced the focus group participants that communities must pay attention to tree roots, broken curbs, streetscapes, graffiti abatement and litter removal if development is to occur. Much of South Los Angeles suffers from an image problem; and there is a recognition that localized efforts in enhancing the appearance of major corridors will facilitate larger economic development efforts.

3. There is a lack of sustained funding for project continuation.

While some projects have successful starts, they are too reliant upon continued funding that may not be forthcoming. This is a problem in attracting private sector investment and may be helped by addressing quality of life issues. It is also a problem in depending upon highly competitive public sector funding. It

is also a problem where redevelopment project areas will not generate tax increment financing over a sustained period of time.

4. The local workforce is unprepared to take part in a digital economy.

The development of commercial and industrial projects is important to the community; but it realizes limited benefits if the skills of the workforce do not match the needs of new employers. Training programs need to recognize the language diversity of South LA. There is also a sense that some agencies that should be involved in addressing this problem are not. This includes local universities, particularly those in the community.

5. Local economic development efforts are unsuccessful at competing with other parts of the City of Los Angeles and other cities for funding.

South LA has some comparative advantages, including the presence of the port and airport. The entire region, however, has not been able to benefit from development occurring at those locations or in the immediate vicinity. The focus group participants suggest that small efforts in portions of the area are forced to compete with organized efforts in entire regions (the San Fernando Valley, the San Gabriel Valley) or with neighboring cities where development costs are lower. There is also a concern that smaller economic development agencies and non-profits are unprepared to write effective grants to secure competitive funding.

6. Zoning regulations can act as a disincentive for economic development.

The City has effectively used the planning process to identify areas where relaxed zoning standards can spur economic development. In particular, parking requirements can impede growth when they increase the cost of development, when they require on-site parking in old commercial districts where parcels are small, and when the Code precludes the provision of commercial parking in zones where it is most necessary. Along the corridors of South Los Angeles, where commercial uses abut residential uses, the focus group participants feel that there is a need for more flexibility in providing off-street parking or more creative parking solutions (for example diagonal parking) where they are most needed. Furthermore, smaller businesses can benefit from shared facilities without being required to provide spaces on site.

There is also an awareness that the zoning code could ultimately conflict with positive developments in the community. These include the presence of small-scale commercial kitchens and restaurants in and abutting residential areas.

7. Efforts to develop cultural tourism will flounder without the development of an effective tourist infrastructure, including safe and reliable transportation.

Attempts to develop a Cultural Crescent in South LA are applauded; however plans will be hindered because of limited localized (para)transit and the state of existing bus shelters. South LA can become a

cultural draw. The sites already exist; but increased links to LAX are necessary to draw outsiders, and local residents need DASH-like services that connect the different communities and make all facilities accessible. Clean and well-lit bus shelters are also critical.

Marketing links are another component of the tourist infrastructure. Successful efforts at promoting the sites of South Los Angeles depend upon partnerships, currently non-existent, with regional tourist promoters. Opportunities include the Los Angeles and Hollywood visitor bureaus, website links, and promotional magazines commonly found in major hotels.

B. OPPORTUNITIES AND UNTAPPED RESOURCES

Despite the obstacles, South Los Angeles has tremendous potential for economic growth. The focus group participants identified opportunities and untapped resources within the various communities.

1. The City should continue and expand effective programs.

Targeted Neighborhood Initiatives respond to localized needs. They are effective responses to the quality-of-life issues raised above. In some cases, the participants recommend looking for opportunities to fund TNIs in close proximity to Business Improvement Districts (BIDs) so that both the residential and commercial life of a neighborhood are enhanced.

The Los Angeles Department of Transportation *DASH service* is an example of the clean, locally responsive transportation desired by residents. The cultural tourism strategies called for in the CEDS will benefit if DASH services are expanded to connect neighboring communities that currently rely upon regional transit providers. Re-establishment of the historic San Pedro Red Car line, with connections to the MTA Blue Line, is an opportunity to join the provision of public transportation with cultural tourism.

The City's *brownfield programs* already provide a mechanism to turn over abandoned or underutilized sites.

Genesis LA sites are a priority for the Mayor's Office. While it is unfortunate that a disproportionate number are in South Los Angeles, Genesis LA becomes a means to show the potential for redevelopment of high-profile sites in the area. The Lancer site is an example.

2. The City has already invested considerable effort in redeveloping key parcels in South Los Angeles. The continued support of these projects can act as a catalyst for the development of adjacent parcels.

The participants are concerned that large economic development projects can have an unintended consequence: the displacement of existing businesses. Economic development should instead be synergistic. There are projects that have already been the target of efforts by the City, the Community Redevelopment Agency, and the private sector. The focus group participants believe that these parties should focus on enhancing the development environment in the project vicinity to everyone's benefit.

Examples of projects with this potential include Santa Barbara Plaza, Chesterfield Square and the Lancer and Lanzit sites.

3. The establishment of Neighborhood Councils and the Department of Neighborhood Empowerment offers a unique opportunity for coordinated planning and marketing efforts on the part of sometimes-isolated groups.

There are already effective economic development efforts taking place in South Los Angeles. Sometimes however they are too localized to have widespread effect. The development of Neighborhood Councils means that actors in both the public and private sector (Chambers of Commerce, homeowner associations, and business groups) will have a new voice in the planning process. The LA City Charter's somewhat open-ended approach to the formation of the neighborhood groups is in fact an opportunity. Councils are not required to recognize existing neighborhood boundaries but can establish themselves in ways that respond to perceived need. Groups and individuals with proven success at organization and mobilization should take part to ensure that South LA has effective representation at the citywide level.

4. There is a tremendous entrepreneurial spirit in South Los Angeles that should be the target of economic development programs.

Businesses can and do thrive in the vicinity of downtown. The Toytown and Fashion districts are prime examples. The participants believe that there is a need to help organize other small businesses so that they become a force for change in the community. In particular there is a sense that some of the small restaurants and other commercial food vendors, while already successful, can use assistance to expand their operations, increase their work force and develop markets. This is an opportunity to develop cost-effective programs (kitchen incubators as an example) that take advantage of what is already in the community. Once such opportunity is the expansion of markets to include LAX-based flights carrying food from local businesses.

5. Economic development partners exist within the community but have yet to be effectively engaged in the design and implementation of programs.

The University of Southern California, Loyola Marymount University, LAX and the Port of Los Angeles were identified as potential markets for goods produced in South Los Angeles. These institutions are also potential partners in training. While all have made some effort at community outreach, the participants express a need for more active engagement with community-based service providers.

6. South Los Angeles has a cultural heritage that should become a means of changing the area's image within the local community and elsewhere.

The efforts to develop a Cultural Crescent should be encouraged. Furthermore, the LA Convention and Visitors Bureau is expert at selling the City to the rest of the world. This expertise should be tapped to develop promotional strategies for, among others, Central Avenue.

VI. VISION STATEMENT & ECONOMIC DEVELOPMENT STRATEGIES

The focus group findings suggest a particular vision for the future of South Los Angeles. Clearly there is a desire for increased coordination among local actors to make individual efforts more effective. The end result of these efforts should be an improved quality of life for residents and an improved business climate.

The attached vision statements, organized by short- and long-term, reflect the priorities of focus groups in the individual council districts. Combined, they offer a more powerful statement about the potential of South Los Angeles. Regardless of localized needs, the visions share the following components.

Council District 6

Short-term

- ✍ Infrastructure/"little deals"
 - ✍ Sidewalk, curbs, recreational amenities, parks, and lighting of streets
- ✍ Political machinery should be more responsive
 - ✍ Open, honest, on-going, responsive dialogue
 - ✍ Town hall meetings
- ✍ Community policing
 - ✍ Bike patrols
- ✍ Code enforcement of commercial and industrial buildings

Long-term

- ✍ Alliances between South Los Angeles and LAX
 - ✍ Enhance shuttle service mirroring service provided in Washington, DC linking hotels and other destinations
- ✍ Community development/"large deals"
 - ✍ Commercial development projects
 - ✍ Mixed use/multi-use projects
 - ✍ Adaptive reuse of existing buildings
- ✍ Building skills of the labor force
- ✍ The idea of an "even city" - Bring South Los Angeles to equate physically, economically, and socially at least with other areas of the City of Los Angeles
- ✍ Use "One Community Communication Channel" instead of multiple channels by using Cable/TV for community access

Redevelopment of core, Brownfield issues and Transit Oriented Developments

Council District 8

Short-term

- ✍ Bring visible improvements to streetscape/beautify the environment (façade improvements)
- ✍ Invest dollars in public relations and marketing and target small businesses
- ✍ Create a coordinating vehicle/organization to assist non-profits with ancillary activities
- ✍ Organize businesses to create alliances
- ✍ Upgrade bus shelters to create potential for increased economic activity
- ✍ Business Improvement Districts as revenue generating organizations

Long-term

- ✍ Long-term solutions need to come from short-term action
- ✍ Pipeline of funding creates sustainability
- ✍ Maintenance of infrastructure
- ✍ Delivery - Government slowness kills
- ✍ Get resources - Implement/expedite!
- ✍ Find resources - clarity on criteria regarding funding

Council District 9

Short- and Long-term

- ✍ Provide quality office and industrial real estate
- ✍ Sustained level of funding required to create jobs and wealth in the community
- ✍ Build capacity of organizations with an emphasis on enhancing technological capacity
- ✍ Make Los Angeles Convention and Visitors Bureau realize the historical significance of South Los Angeles
- ✍ Utilize USC resources effectively

Council District 10

Short-term

- ✍ Senior citizen center for community services
 - ✍ Zoning change to facilitate use
- ✍ Comprehensive design plan (architectural standards)
- ✍ Accountability of elected officials

- ✍ Citizen participation
- ✍ Community outreach/empowerment
- ✍ Government dialogue
- ✍ Review vacant lot issue
 - ✍ Land assembly
 - ✍ Absentee ownership
 - ✍ Business enticement

Long-term

- ✍ Reuse/development of vacant parcels
- ✍ Contrast:
 - ✍ Short-term: social service delivery by providing training; Long-term: profit generation through economic development
- ✍ Identify new funding streams
 - ✍ Private corporations/foundations

Council District 15

Short-term

- ✍ Develop an identity for the district
 - ✍ Develop institutions that create civic pride
- ✍ Promote the district as a destination center
- ✍ Promote mixed-use developments
- ✍ Create manufacturing base
- ✍ Coordination of community resources

Long-term

- ✍ Critical mass needed to create vibrancy in the district
- ✍ Develop nightlife/entertainment venues
- ✍ Improve quality of life and create a counter-commuter mentality
 - ✍ Give people a reason to stay and spend in the district (e.g., Redondo Beach)
 - ✍ Improve amenity mix
- ✍ One Chamber of Commerce for the area - Harbor Area Chamber of Commerce

Emerging from the various focus groups discussions and vision statements are six common economic development strategies that promise job creation and alleviation of economic distress in Southern California.

Sustainable Development: Sustainable development focuses on meeting current needs of a community without compromising the needs of future generations, and improving the quality of life for all present and future populations. An element of this strategy is “clean” manufacturing that offers higher paying jobs, generates increased employment, and stimulates economic activity. The reindustrialization of Southern California utilizing state-of-the-art production and environmental technologies is key to long-term job and wealth creation. The proportion of manufacturing has declined over the years due in part to regulatory and environmental constraints. A strategy concentrated on diversified manufacturing is necessary for recovery in distressed areas of Southern California. An example is an eco-industrial park that demonstrates innovative material recycling, pollution control, resource sharing or treatment processes that enhance economic prosperity and improve the environment. Another element of this strategy is the recycling and reuse of dysfunctional land, brownfields, or other under-utilized industrial site for productive use.

Use of Information Technology and Telecommunications: Electronic-commerce, information technology industries, and telecommunications offer new opportunities and challenges for distressed areas. Technology-based development requires the development of new infrastructure, programs that support entrepreneurship, and training to develop a skilled workforce to maintain and support state-of-the-art systems. Southern California is a leader in high technology (computer, electronic components, and instrument sectors). According to a study published by Wharton Economic Forecasting Association, the future economic success of regions will be heavily dependent on their ability to attract, nurture, and expand high-technology based industry clusters. Therefore, it is imperative that Southern California continue this pattern of leadership and innovation in other significant markets such as multi-media, advanced transportation, environmental technologies, and biotechnologies.

International Trade: International trade is the engine that drives Southern California’s economy, particularly given the region’s links to the Pacific Rim. It creates jobs in three ways: through the manufacturing of goods for the region and export, through goods delivery, and through trade in services. Techniques to enhance the region’s competitiveness as a center for international trade, business, and investment are a significant component of the economic strategy. Strategies include infrastructure development, capacity building of non-profits, enhancing commercial and industrial areas, encouraging use of new technologies, promoting telecommunications to connect businesses with global markets, assisting with management and workforce training, and promoting value-added manufacturing.

Entrepreneurial Development: Small and medium sized businesses are the backbone of Southern California economy. Small and fledgling companies, however, often lack the resources to successfully finance, manage, and operate their companies. An element of this strategy is to encourage start-ups by targeting them with technical assistance, knowledge, and financial support. Resources should also be leveraged by partnering with universities, and local, state, and federal government agencies. Another element is the use of incubators to spin off successful businesses by providing flexibility in space requirements and leases, exposure to business and technical consultants, and contacts at financial institutions.

Tourism: Tourism is an established leader in Southern California's modern service economy. This growth sector creates employment in other sectors such as amusement parks, restaurants, retail stores, car rental agencies, and air travel. Ethnic and cultural diversity makes Southern California unique; communities should make an effort to celebrate and market their historical and cultural heritage. An enabling mechanism is the development of adequate infrastructure facilities, wider information dissemination, and area marketing strategies that lead to increasing tourism and related jobs in distressed areas.

Cooperation and Collaboration: The need for more cooperation and collaboration among local jurisdictions, community development corporations, and counties is paramount to advancing the economic development objectives in Southern California. Creative collaborative approaches provide the ways and means to leverage resources, build social capital, diversify funding, and sustain regional development efforts. Successful existing localized efforts, such as the Eighth Council District's Empowerment Congress, should be built upon. Coordination and collaboration are essential to the success of the above-mentioned strategies.

VII. ACTION PLAN

The CEDS Action Plan results from the preceding sections. It is organized around the six elements contained in the Vision Statement. These elements become implementing strategies when they respond to specific obstacles and guide both long and short-term solutions. In some cases, they see their end result in the development of specific parcels.

The following matrix therefore outlines the following for each of the six visions/strategies:

Barriers to Economic Development

A strategy must respond to a specific need. The focus group participants, elected officials, redevelopment agency personnel, and Mayor's Business team have identified those barriers it is essential to attack first. One problem in particular is the accessibility of small-business out-reach efforts, many times operators are unable to take advantage of off-site services due to responsibilities on-site.

Short-term Response (1-year)

Short-term responses are those that require minimal financial investment and often stimulate changes in processes (community planning, etc.) that make longer-term responses possible. In some cases, a short-term response will call for the application of an existing program in a new setting.

Long-term Response (3-5 years)

Long-term responses are those that require multi-level and multi-agency coordination and the identification of funding sources.

Potential Sites for Implementation

In some cases, individual parcels within the community are identified as appropriate targets for implementation of the strategy.

**SOUTH LOS ANGELES CEDS ACTION PLAN:
Sustainable Development**

BARRIERS TO ECONOMIC DEVELOPMENT	SHORT-TERM RESPONSE (1-YEAR)	LONG-TERM RESPONSE (3-5 YEARS)	POSSIBLE SITES FOR IMPLEMENTATION OF STRATEGY
Limited land for development projects (particularly depth of industrial parcels)	Inventory abandoned, underutilized sites including gas stations. Identify owners.	Development and implementation of site assembly plan	Jefferson and Central
Reduced rates of home ownership in target area	Provide information on lending programs	Support policy change whereby lenders receive assistance in reducing transaction fees (and not loan guarantees) to stimulate lending in low-income areas	
Lack of attention to quality of life issues: tree roots, broken curbs, etc.	Support existing TNI programs; LANI, Development of Targeted Bus Shelter Improvement Program.	ID areas for future TNI funds; Support development of BIDs. ID funds for City public works.	Central Ave bus shelters along Central / San Pedro; Pedestrian improvements along Pico, Washington and Olympic; Streetscape improvements at Pico Plaza on Pico between La Brea and Crenshaw.
Lack of sustained funding for project continuation		Support creation of by bond pooling	
Poor community image; crime and graffiti, abandoned buildings	Code and safety enforcement; Fast-track development of pending off-site sign moratorium	Development of design and streetscape standards (limitations on wrought iron bars, etc.). Creative measures.	Wilshire/Koreatown Recovery Commercial Facade and signage (Western from Olympic to 3rd)
Neighborhood retail isolation	Identify catalyst projects that will encourage growth of small, local businesses		Genesis LA sites

**SOUTH LOS ANGELES CEDS ACTION PLAN:
IT and Telecommunications**

BARRIERS TO ECONOMIC DEVELOPMENT	SHORT-TERM RESPONSE (1-YEAR)	LONG-TERM RESPONSE (3-5 YEARS)	POSSIBLE SITES FOR IMPLEMENTATION OF STRATEGY
Digital divide; lack of skilled workforce	Identify existing training programs within community, including opportunities tied to development of LAX Information Technology Master Plan	Leverage housing dollars and private sector housing efforts by funding wiring, computer centers and infrastructure	Breakaway Technologies sites. Concerned Citizens of South Central Los Angeles. Urban League of Los Angeles facilities and programs.
Lack of infrastructure	Leverage health dollars by funding expansion of existing telemedicine tests at Drew Medical Center, Mary Henry Telemedicine Center at Vermont Ave. and 109 th Street.	Implementation of Watts Wide Area Network	Korean Senior Center and gateway at Normandie and Olympic

**SOUTH LOS ANGELES CEDS ACTION PLAN:
International Trade in Goods and Services**

BARRIERS TO ECONOMIC DEVELOPMENT	SHORT-TERM RESPONSE (1-YEAR)	LONG-TERM RESPONSE (3-5 YEARS)	POSSIBLE SITES FOR IMPLEMENTATION OF STRATEGY
Lack of competitiveness in value-added manufacturing within sub-area	ID businesses ready for relocation because of airport expansion and excess demand in Toytown and Fashion District	Relocation strategy in combination with site assembly strategy; establishment of vocational programs at LAX	Genesis LA sites
Lack of Infrastructure	ID site for truck storage facility in Wilmington to contribute to Port/Alameda Corridor efforts	Port expansion	

**SOUTH LOS ANGELES CEDS ACTION PLAN:
Entrepreneurial Development**

BARRIERS TO ECONOMIC DEVELOPMENT	SHORT-TERM RESPONSE (1-YEAR)	LONG-TERM RESPONSE (3-5 YEARS)	POSSIBLE SITES FOR IMPLEMENTATION OF STRATEGY
Untapped relationships with universities, and local agencies	Undertake small business survey to identify partners for existing programs		EC2 USC incubator
Lack of coordinated assistance for commercial food operations in South LA	Survey of existing businesses re: development needs	Development of Kitchen Incubator Program in conjunction with local universities and technical schools	LAX
Lack of class A/B office buildings in area	Upgrading of existing buildings	Construction of new buildings	Numerous locations throughout South LA including Union Bank site at Crenshaw / Jefferson

**SOUTH LOS ANGELES CEDS ACTION PLAN:
Cooperation and Collaboration**

BARRIERS TO ECONOMIC DEVELOPMENT	SHORT-TERM RESPONSE (1-YEAR)	LONG-TERM RESPONSE (3-5 YEARS)	POSSIBLE SITES FOR IMPLEMENTATION OF STRATEGY
Capacity of non-profits, including faith-based organizations	ID joint grant writing opportunities; tied into outreach for developing neighborhood councils	Establish sub-regional public/private business organization to both compete and work with other regional organizations; could be umbrella organization of existing service providers.	

**SOUTH LOS ANGELES CEDS ACTION PLAN:
Tourism**

BARRIERS TO ECONOMIC DEVELOPMENT	SHORT-TERM RESPONSE (1-YEAR)	LONG-TERM RESPONSE (3-5 YEARS)	POSSIBLE SITES FOR IMPLEMENTATION OF STRATEGY
Negative Image		Implement community ID program as part of community planning process (community signage, etc.)	
Tourism Infrastructure (parking, bus stops, links to airport, etc.)		Fund Cultural Crescent DASH. Re-establishment of the San Pedro Red Car, with links to South LA via MTA Blue Line and Expo Stub.	Parking lot and street widening for Washington Blvd. Performing Arts (between La Brea and Western); Parking for Ethiopian Village on Fairfax between San Vicente and Pico. Relocation of MTA bus terminal from Pico / Rimpau to Venice Blvd.
Lack of area wide marketing strategies		Development of Planning Strategy and Marketing Plan in with LA Convention and Visitors Bureau	Central Avenue
Lack of off-street parking	ID of sites for public parking. Implementation of Cultural Crescent DASH service.	Modifications to zoning regulations in targeted areas to allow for off-street parking and for the provision of reduced parking along older commercial corridors	
Lack of local interest in Port as tourist destination		Development of Harbor Promenade	San Pedro, Port of Los Angeles

VIII. PROJECT RATING INSTRUMENT

South Los Angeles Comprehensive Economic Development Strategy Project Rating Instrument²⁶

CRITERIA	MEASUREMENT	RATING
JOB CREATION		
1. Number of short-term jobs (<1 yr.) created	0-25	2
	26-50	4
	51-75	6
	>76	8
2. Number of long-term jobs (>1 yr.) created	0-10	2
	11-25	4
	26-50	6
	51-99	8
3. Total cost per job ratio	>\$12,501	2
	\$7,500 - \$12,500	6
	<\$7,500	10
COMMUNITY IMPACT		
4. Unemployment rate in Project Area	<5%	2
	5% - 10%	6
	>10%	10
5. Median household income in Project Area (as a percentage of County household income)	0% - 50%	10
	51% - 80%	8
	81% - 120%	6
	>121%	2
6. Community benefit(s)	❖ Creation of new jobs	1-9
	• Welfare-to-Work	
	• Family-wage and higher pay	
	• Local hiring	
	❖ Creation of new business opportunities in the Project Area	
❖ Improve quality of life		
❖ Increase in tax base		
7. Employment Plan	❖ Existence of employment plan	2
	Does it have a plan for local hiring, in coordination with local/regional employment/training organizations?	4

²⁶ Adapted from South Los Angeles County CEDS Rating Instrument (F.Y. ending September 30, 2000)

CRITERIA	MEASUREMENT	RATING
<u>PROJECT READINESS & INVESTMENT</u>		
8. Current status of proposed Project	❖ Conceptual ❖ Planning and design ❖ Ready to construct	3 6 9
	(Consider: site control, relocation, environmental issues, time frame relative to grant year, and if financing has been secured)	
9. Other funding sources	0% - 25% 26% - 50% 51% - 75% >75%	2 4 6 10
10. EDA funding request to total Project cost ratio	0% - 5% 6% - 10% 11% - 15% >15%	10 8 6 2
11. Capacity of applicant	❖ Experience ❖ Financial strength	1-5 1-5
12. Bonus	❖ Overall quality of the Project ❖ Innovation and creativity ❖ Coordination with other projects in the region ❖ Secondary impacts ❖ Other	1-5
<u>TOTAL POSSIBLE POINTS</u>		<u>107</u>
TOTAL POINTS FOR THIS PROJECT		

IX. APPENDIX

A. FOCUS GROUP SUMMARIES

The following focus group information is provided in the format in which the sessions were conducted. The participants were first asked to list out the problems they face in the activities of community planning and economic development. Next they identified opportunities present for South LA. Resources were then discussed to highlight possible solution linkages between resources and problems.

Council District 6

Problems (top 5 problems numbered)

- ✍ (1) Council district is "not" responsive to the needs of its constituents
 - ✍ Lack of political will; political consciousness/attitude towards people is unfavorable
 - ✍ Resources may not trickle; for example, Council District 10 has ignored and turned down entertainment related development projects
- ✍ (2) Public safety
 - ✍ Crime and graffiti
- ✍ (3) Infrastructure
 - ✍ Large tree roots have broken sidewalks
 - ✍ Broken curbs
 - ✍ Cracks and weeds in sidewalks
 - ✍ Lack of public transit infrastructure
 - ✍ No bus stops
 - ✍ Need for aesthetically well-designed bus stops and bus benches
- ✍ (4) Lack of:
 - ✍ Lighting
 - ✍ Recreational facilities
 - ✍ Child care
 - ✍ Amenities such as parks and exercise tracks
 - ✍ Bike lanes
- ✍ (5) Capacity of community-based organizations
 - ✍ Leakage of dollars from the community
 - ✍ Abandoned buildings (such as bowling alleys)
 - ✍ Los Angeles Airport
 - ✍ Bathrooms are a "disaster"; trashy
 - ✍ Parking needs
 - ✍ Shuttle service needed to link with hotels and other destinations
 - ✍ Need friendly customer service for tourists/tour guides
 - ✍ Loyola Marymount University (LMU) not involved with the community

Opportunities

- ✍ Alliances are catalysts to align businesses
- ✍ LMU can play a role through mentorship and by building capacity of organizations
- ✍ Joint ventures
- ✍ Land assembly
- ✍ Signage
- ✍ Manufacturing (metals and light industry)
- ✍ Traffic improvements
- ✍ Zoning and building/code enforcement
- ✍ Safety enforcement
- ✍ Power of eminent domain; take action against absentee landlords

Resources

- ✍ Watts Health System
- ✍ Rites of Passage - Mentoring Program
- ✍ Los Angeles Economic Development Corporation (in the area of):
 - ✍ Regional marketing
 - ✍ Welfare to work
 - ✍ Business development
- ✍ Urban League
- ✍ Crenshaw Chamber of Commerce
- ✍ California State Dominguez Hills
- ✍ Compton College
- ✍ Loyola Marymount University
- ✍ Southwest College
- ✍ Los Angeles Trade Tech
- ✍ Harbor College
- ✍ University of Southern California
- ✍ LAX
 - ✍ Training component (mechanics, other personnel)
 - ✍ Trade and commerce

Council District 8

Problems (top 5 problems numbered)

- ✍ (1) Perception and image - Leimert Park/neighborhoods "not" South Los Angeles
 - ✍ Redefine neighborhoods
- ✍ (2) Funding
 - ✍ Sustained levels of funding needed after project inception for continuation
 - ✍ Marketing the district and public relations
- ✍ (3) Small Business
 - ✍ Training business skills for the “next level”
 - ✍ Coordination - “organization to guide growth”
- ✍ (4) Land assembly
 - ✍ Density
 - ✍ Eminent Domain
- ✍ (5) Capacity building of community-based and faith-based organizations
 - ✍ “How to” roadmaps
 - ✍ Networking
- ✍ Gentrification (e.g. W. Baldwin)
- ✍ Absentee ownership
- ✍ City maintenance services
- ✍ Political will
- ✍ CD-8 only Council District with no residential component
- ✍ Zoning
- ✍ Depth of parcels

Opportunities

- ✍ Career training
 - ✍ Information technology
 - ✍ Jobs: CTC
- ✍ Getting businesses to locate in area through “direct advertising to industry”
- ✍ Outreach programs
- ✍ Access to consultants with reference to technology and funding
- ✍ Political will - “now” / “getting results”
- ✍ Naming neighborhoods
- ✍ Focus on small business districts
- ✍ Public relations campaign to change perception
- ✍ Develop catalytic projects
 - ✍ Small victories/improvement make a difference
 - ✍ Leverage other resources
- ✍ Promote mixed use development

- ✍ Commercial corridor (underutilized)
- ✍ Housing

Resources

- ✍ Organizations (CBOs, EDCs, and faith-based organizations)
- ✍ Private/public partnerships
- ✍ Banks
 - ✍ Bring deal flow
- ✍ Corporate participation to bring “in kind”/pro bono services
- ✍ Continuity in city programs and funding (for example, LANI)
- ✍ “Self generating revenue” within organization
- ✍ Market rate housing

Council District 9

Problems

- ✍ Sustained level of investment
 - ✍ Investment level is not enough to support or maintain businesses
 - ✍ Critical mass of investment is missing
- ✍ High traffic levels and lack of parking
 - ✍ Metered parking
- ✍ Shortage of land
 - ✍ Difficulty in land assembly due to absentee ownership
 - ✍ Problems of lot size, inadequate parcel depth
- ✍ Lack of design standards
 - ✍ Wrought iron bars affect aesthetics, sense of place, and contribute to stigma
- ✍ City planning tools not available
- ✍ Few land owners have large blocks of land
- ✍ Zoning
- ✍ Obsolete manufacturing facilities
- ✍ Vacant buildings
- ✍ Lack of wiring for internet
- ✍ High development costs
- ✍ Limited handicap access
- ✍ Abandoned gas stations resulting from recent changes in federal law
 - ✍ Associated environmental and clean-up costs have resulted in gas station closures
- ✍ Commercial real estate
 - ✍ Lack of access to capital
 - ✍ “No” class A/B office buildings in the area
- ✍ Negative perceptions of the area make it difficult to attract businesses

- ✍ Isolation of neighborhood retail compounded with poor facilities
 - ✍ Retail locations in the area are predominantly cash-only operations
 - ✍ Lack infrastructure to operate in the current digital economy
 - ✍ Chances of success diminish as information highway is just whizzing by
- ✍ USC is “not” a competitive advantage to the area
 - ✍ USC, an “800 pound gorilla” has contributed to gentrification of residential neighborhoods by creating pockets of student housing
- ✍ Housing affordability
- ✍ Minimal to negative role of Los Angeles Convention & Visitors Bureau in marketing the area

Opportunities

- ✍ Coordination of resources at the city level
 - ✍ Targeted Neighborhood Initiative funding is a good example of such coordination; need for continuity in funding
- ✍ Stop seepage/leakage of dollars outside this community; recapture those dollars and reinvest
- ✍ Empowerment Zones and Enterprise Communities critical in attracting businesses
 - ✍ Meandering zones
- ✍ Public transportation
- ✍ Tremendous retail potential, however, the area is ignored by major retail chains
- ✍ Joint venture with larger corporations such as Starbucks, Magic Johnson Theatres
- ✍ Private sector investment in the area of training and domestic and international trade
- ✍ E-commerce; web presence and trade opportunities including exports
- ✍ Light manufacturing
- ✍ Call centers
- ✍ Arm the community with technological base of skills
 - ✍ Provision of “computer” to businesses just like what Ford and American Airlines did to connect their employees with the cyber world
- ✍ Develop legitimate banking services
 - ✍ Curb shark lending and reform credit practices
- ✍ Relax excessive codes/regulations that inhibit small business marketing
- ✍ Develop niche markets
 - ✍ For example, identify new markets for packaged food processing, a strength of this area, by establishing linkages with airlines/airports.
- ✍ Bridge small businesses to large entities
 - ✍ USC and [change] USC procurement policies to enable smaller businesses access to the market
 - ✍ Hospitals
 - ✍ Childcare centers

Resources

- ✍ People: They have the drive and the desire; however, there is a need to channel the energy in the right direction
- ✍ City of Los Angeles, Community-based organizations, community development/economic development corporations
 - ✍ Service delivery
 - ✍ Provision of internet access to businesses community
- ✍ Area has great historic significance - should be embellished
- ✍ Proximity to downtown, freeways
- ✍ Tax incentives through EZ and EC, in addition to Community Redevelopment Agency designated redevelopment areas for economic revitalization
- ✍ Enrich technical skills by providing training
 - ✍ Adult classes
 - ✍ Asset mapping
 - ✍ GIS systems
- ✍ Bike police

Council District 10

Problems (top 5 problems numbered)

- ✍ (1A) Perception/image of the district
- ✍ (1B) Lack of employment opportunity with respect to career pathway/training
- ✍ Underdevelopment (San Marino St. between 8,9, & 10th Streets)
- ✍ (2A) Korean community needs Senior Citizen Center at Olympic/Normandie
 - ✍ Need English instruction/language assistance
 - ✍ Need help in how to access services
- ✍ (2B) Zoning-shift residential to commercial
- ✍ (3A) Lack of knowledge as to “where to get help”; “communication gap”
- ✍ (3B) Underserved “goods & services”
 - ✍ Lack of quality commercial retail stores
- ✍ Lack of lighting
- ✍ Lack of entertainment
- ✍ Redevelopment
- ✍ Absentee landlords
- ✍ Marginal/questionable business
 - ✍ Ugly aesthetics
- ✍ Renters vs. home owners - blighted conditions
- ✍ Lack of affordable housing
- ✍ Shopping centers with bars (increases perception of fear)

- ✍ Community level of expectation; self respect and motivation
- ✍ Resistance to change with in EDC/CDC organizations

Opportunities

- ✍ Increase outreach
- ✍ Alliances-USC, banks, foundations
- ✍ Income generation...revenue creating jobs
- ✍ “Highlight” and promote existing organizations
- ✍ Parking on Washington/Florence to Crenshaw
 - ✍ Relax parking codes
 - ✍ Consolidate parking

Resources

- ✍ FAME-Training/work force development/incubator/multimedia
- ✍ EDC, CDC, neighborhood associations, social service organizations
- ✍ National Assoc. of Urban Bankers
 - ✍ Business development
 - ✍ Mentoring/tutoring
- ✍ Collaboration-Align existing organizations: marketing of positives/achievements of groups & community
- ✍ Coordination among organizations
 - ✍ Assistance (city, state, and federal level)
 - ✍ Re: development/support of organizations
- ✍ Chamber of Commerce

Council District 15

Problems (top 5 problems numbered)

- ✍ (1) Land and land use
 - ✍ Brownfield and superfund sites
 - ✍ Toyota-Ashton site concern regarding working in hazardous area
 - ✍ Land assembly
 - ✍ Cost of land and high development costs
- ✍ (2) Lack of identity
 - ✍ Non-Los Angeles Zip codes
 - ✍ No city center/No heart of city
 - ✍ Confusion regarding city boundaries and services it provides
- ✍ (3) Lack of child-care centers
- ✍ (4) Inadequate housing stock

- ✍ Low supply and quality issues
- ✍ Affordability
- ✍ (5) Perception of crime
- ✍ Competition from other cities
 - ✍ Regional competition from neighboring cities resulting from their better amenity mix and focused development efforts
- ✍ Education

Opportunities

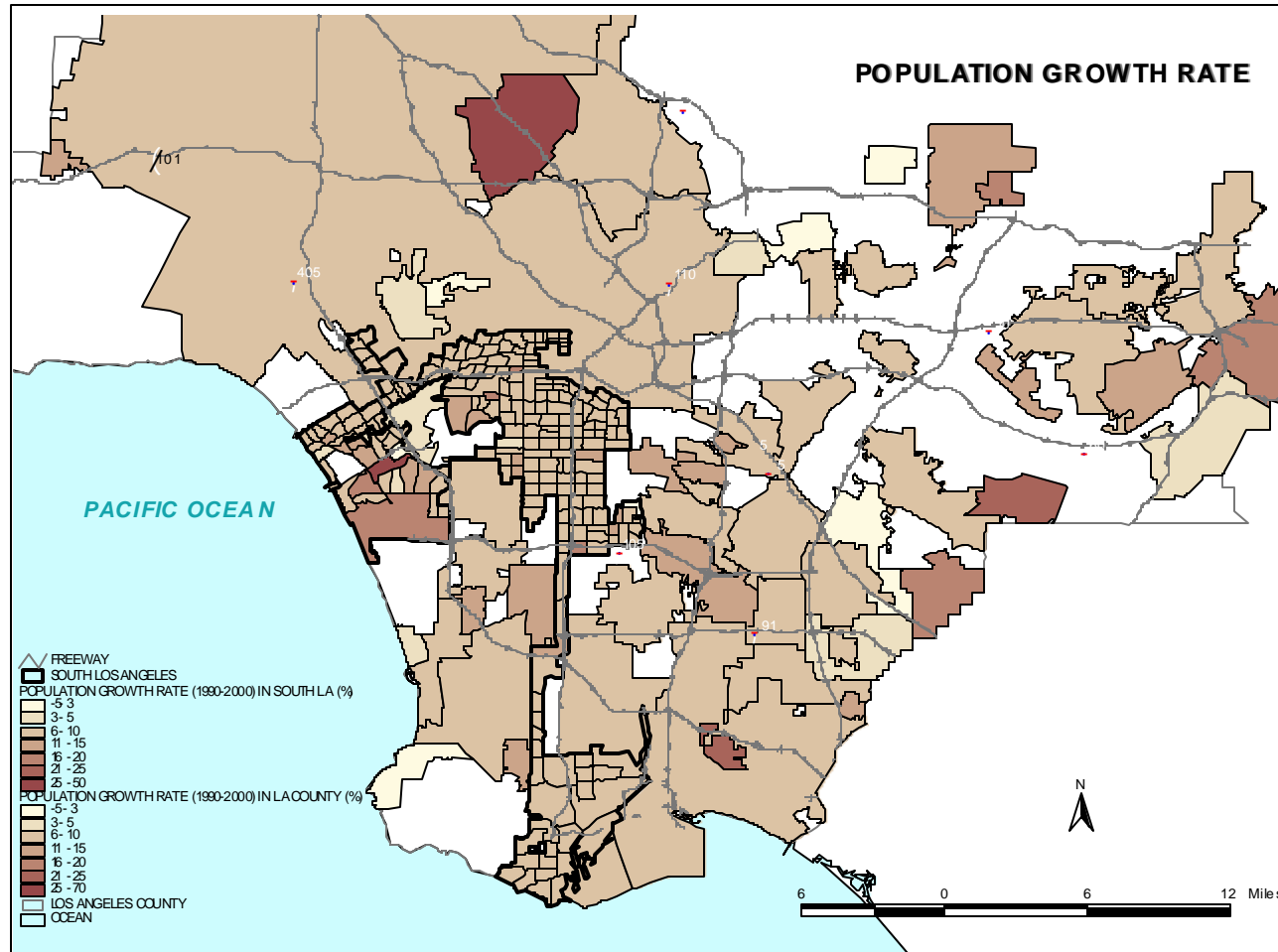
- ✍ Identity: City of Los Angeles
- ✍ Locational value
 - ✍ Enterprise zone; marketing needed to increase awareness of such location based tax incentives
- ✍ Continuity of services provided by LANI, TNI, and CRA
- ✍ Chamber of Commerce to increase communication with Los Angeles Business Team
- ✍ Available labor force
- ✍ Increasing diversity due to trade and business affiliations with Pacific Rim countries
- ✍ Commercial office space
- ✍ Ports of Los Angeles and Long Beach
- ✍ New warehousing space

Resources

- ✍ Council office
- ✍ Chamber of Commerce
- ✍ Local and state agencies
- ✍ Regional training centers (Southern California Regional Occupation Center)
- ✍ Funding
 - ✍ Harbor Small Business Assistance
 - ✍ Faith based organizations
 - ✍ Coordinate resources to increase sustainability of organizations
- ✍ Neighborhood Councils
 - ✍ They can only be effective if they have broad community support and representation from all renters, homeowners, business, faith-based and other organizations.
- ✍ Collaboration between three Chambers of Commerce, i.e., Wilmington, San Pedro, and Gateway
- ✍ Harbor Economic Alliance web site
 - ✍ Job connect
 - ✍ Social services provider
 - ✍ Community calendar
- ✍ Volunteer center

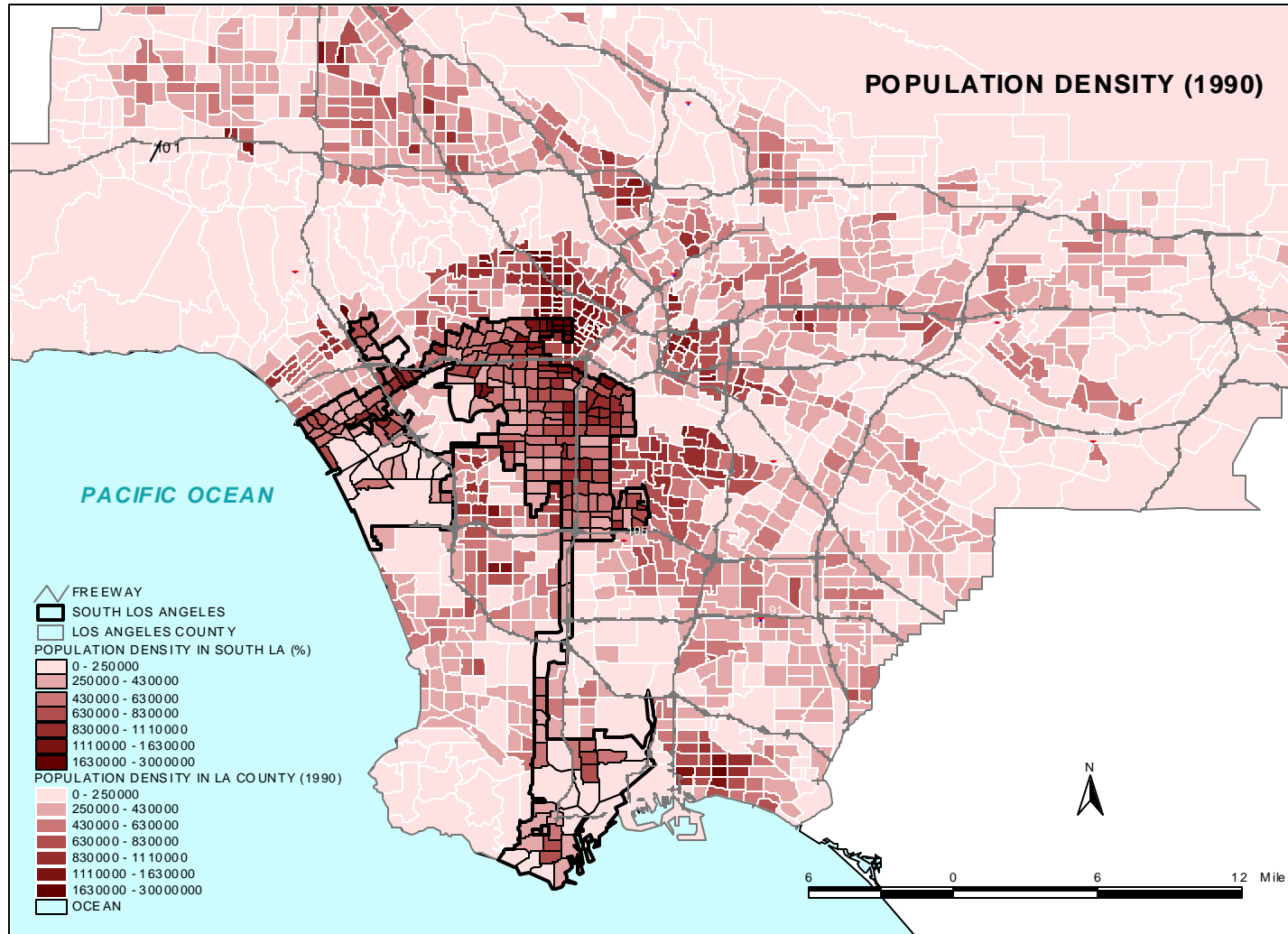
B. GIS MAPS OF SOUTH LOS ANGELES²⁷

GIS Map 1

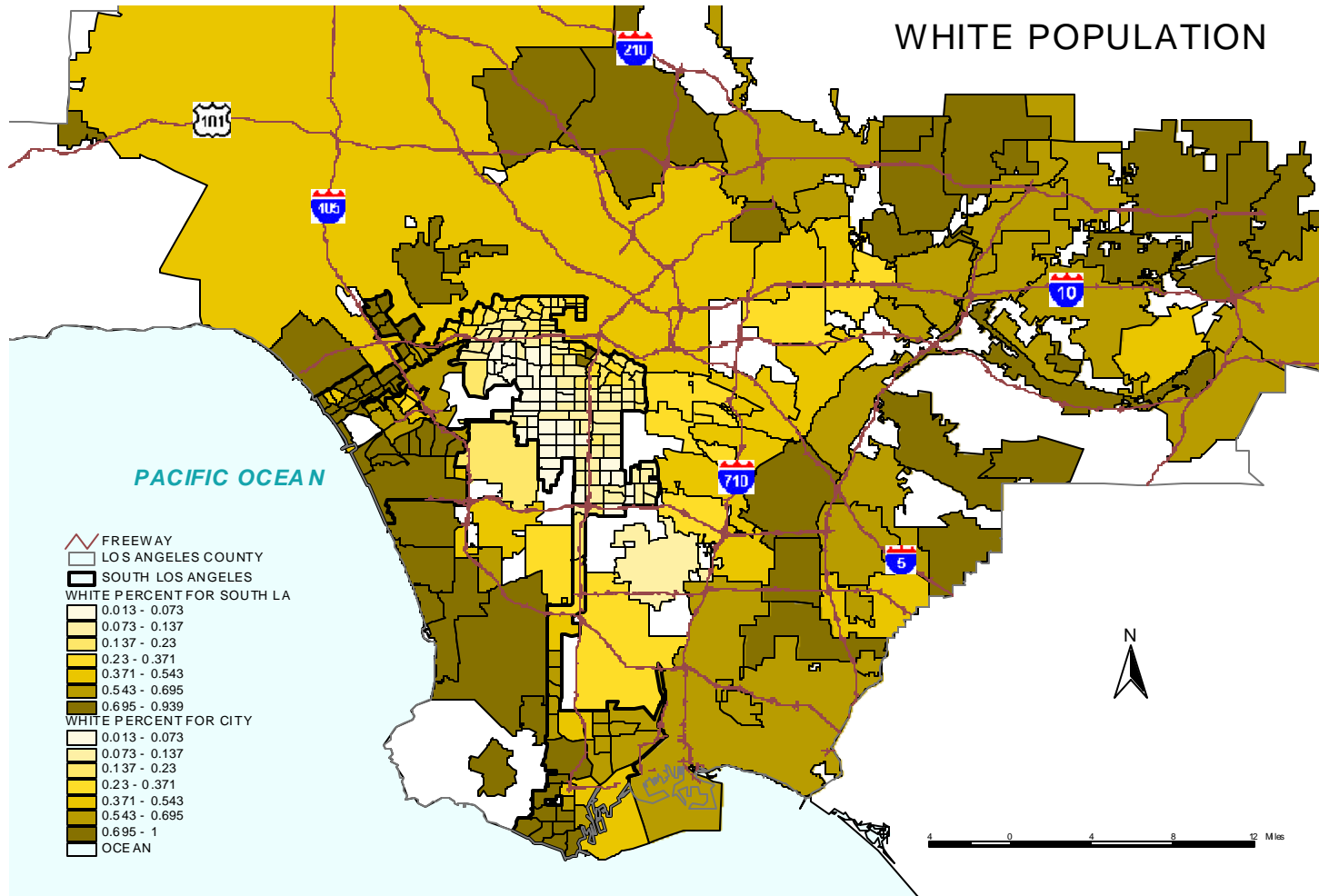


²⁷ Data source for maps in this section is the 1990 U.S. Census, unless otherwise noted. South Los Angeles portions of the maps are displayed by census tracts. Data displayed for the remaining portion of Los Angeles City is the City-wide average. Data displayed for Los Angeles County is for individual city averages. Map 2's boundaries are entirely census tracts.

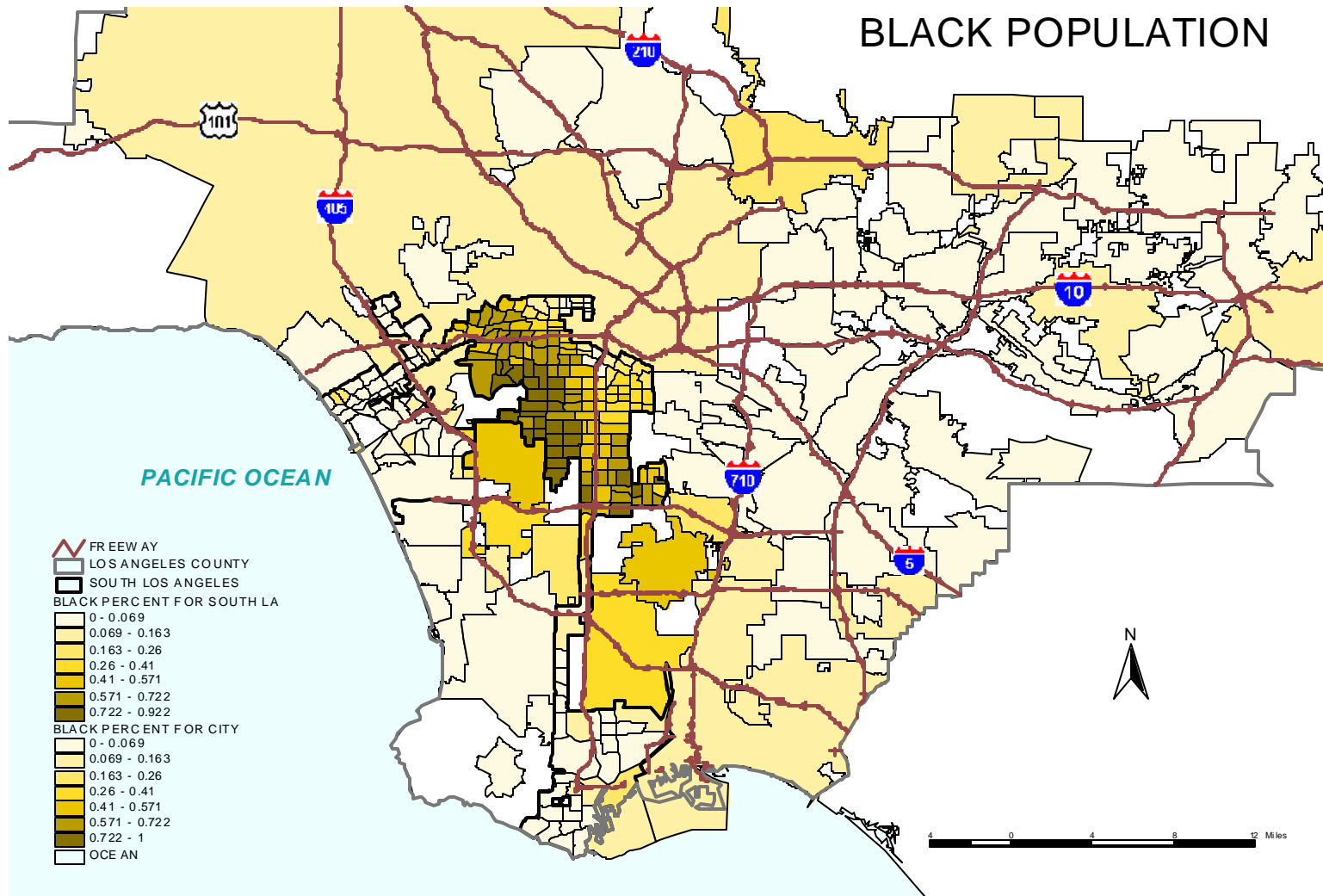
GIS Map 2



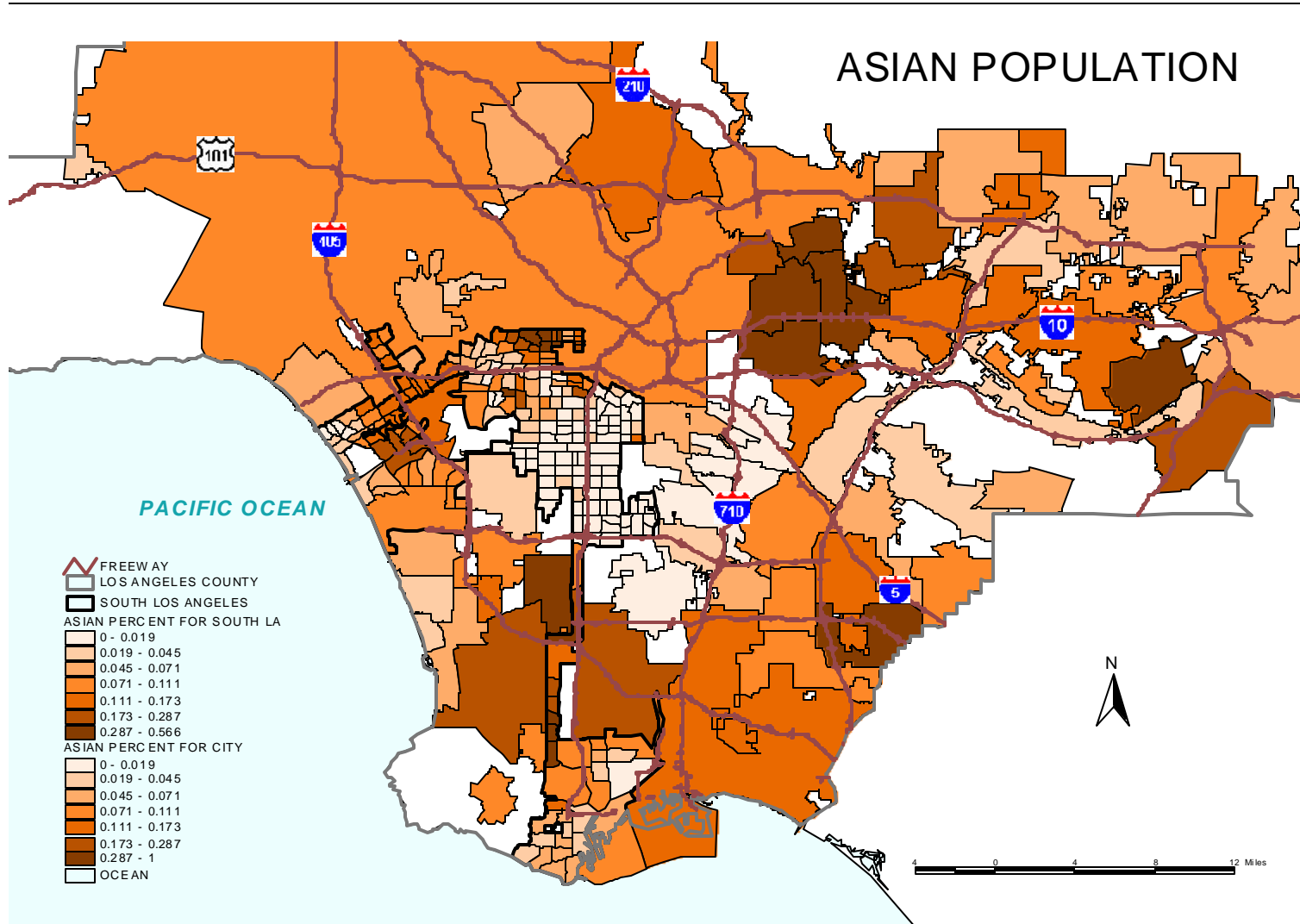
GIS Map 3



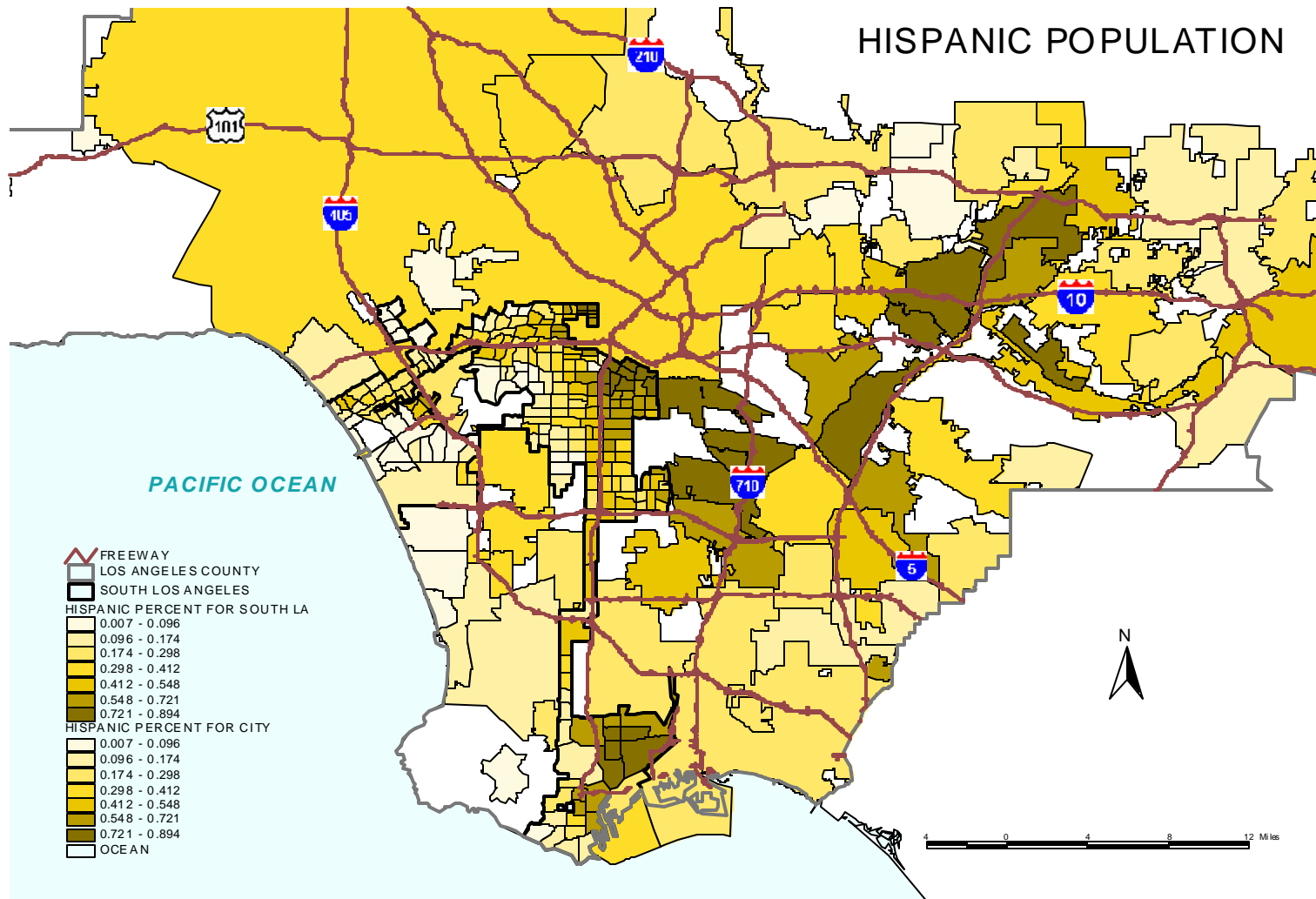
GIS Map 4



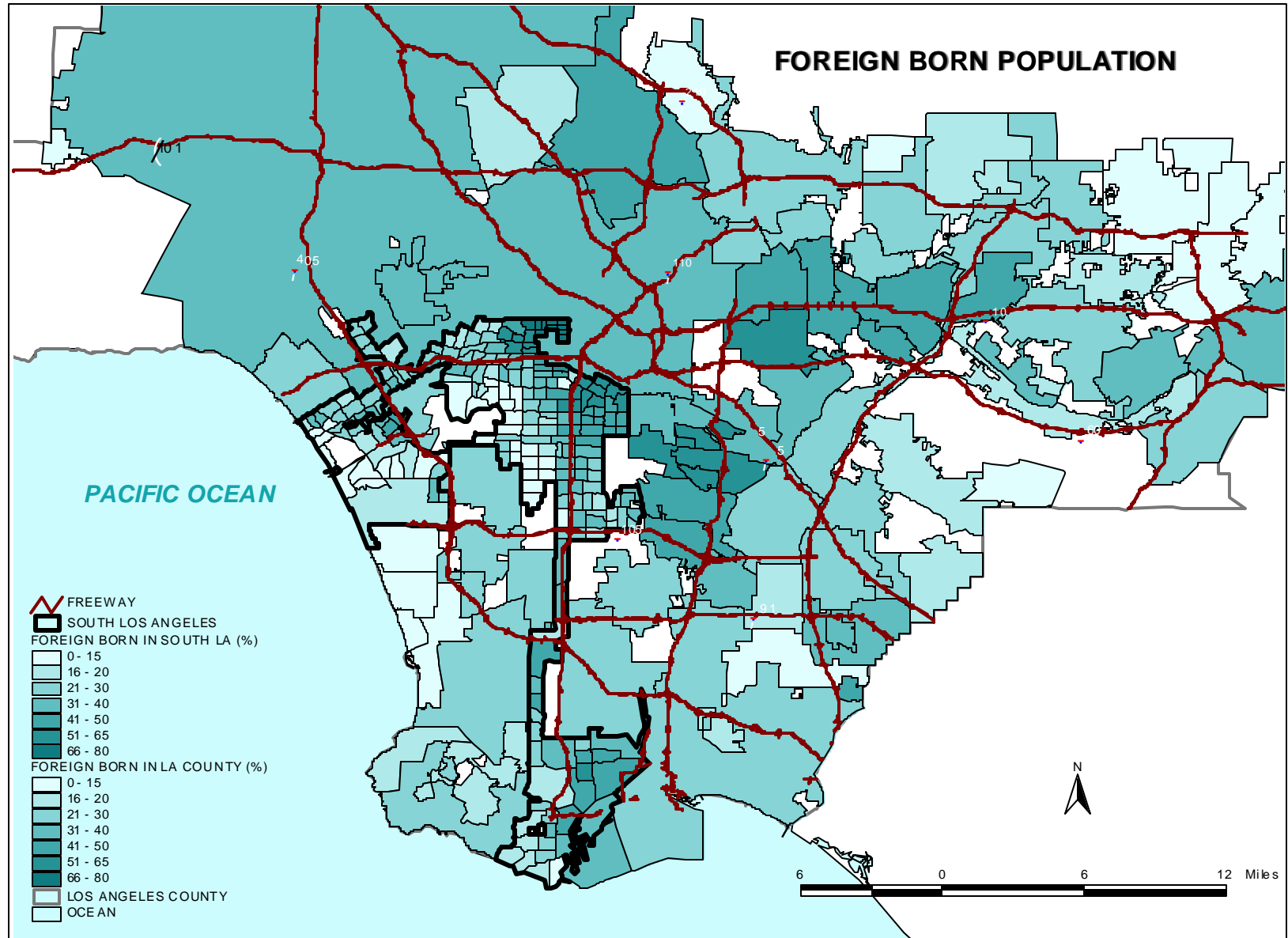
GIS Map 5



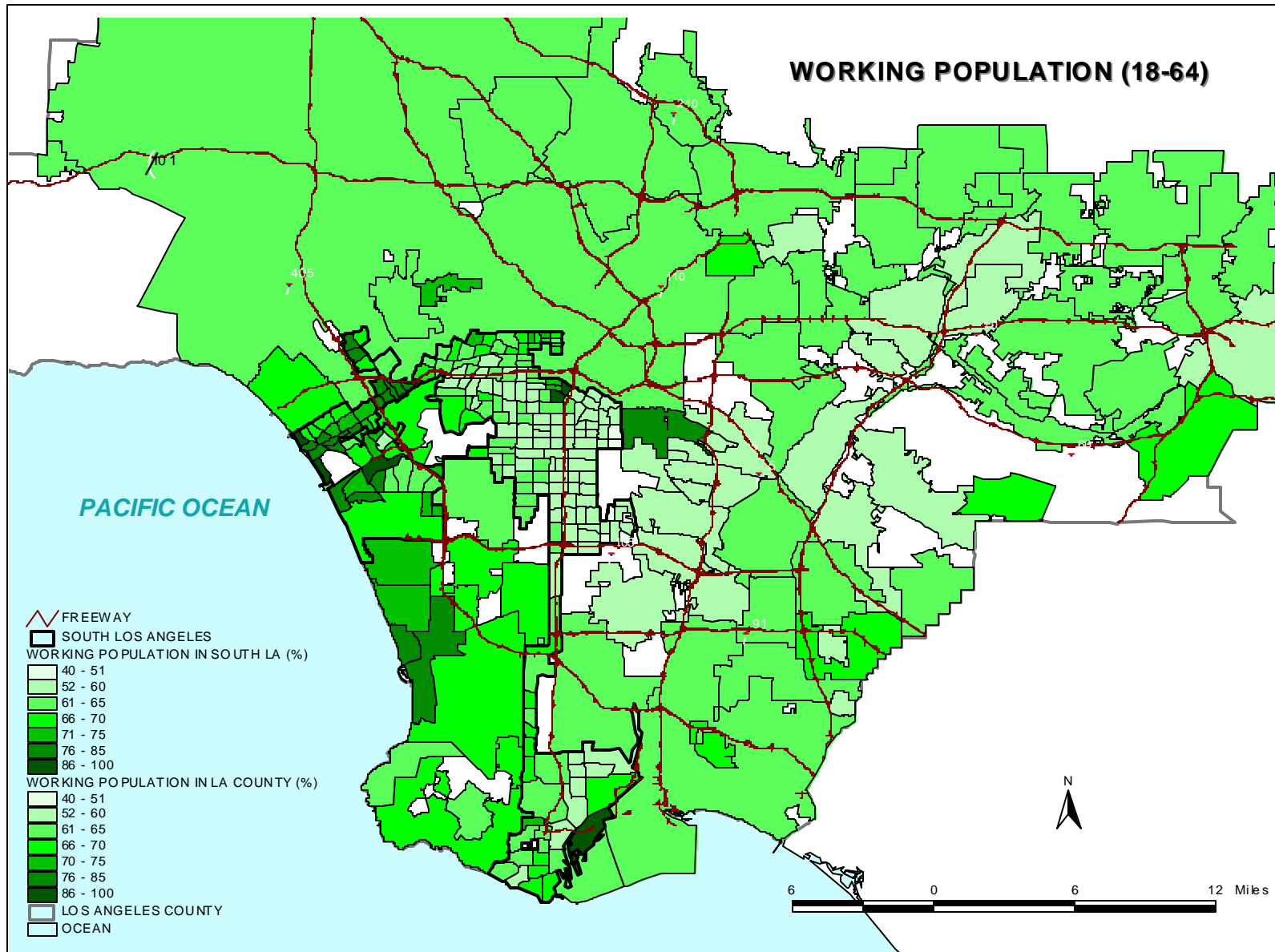
GIS Map 6



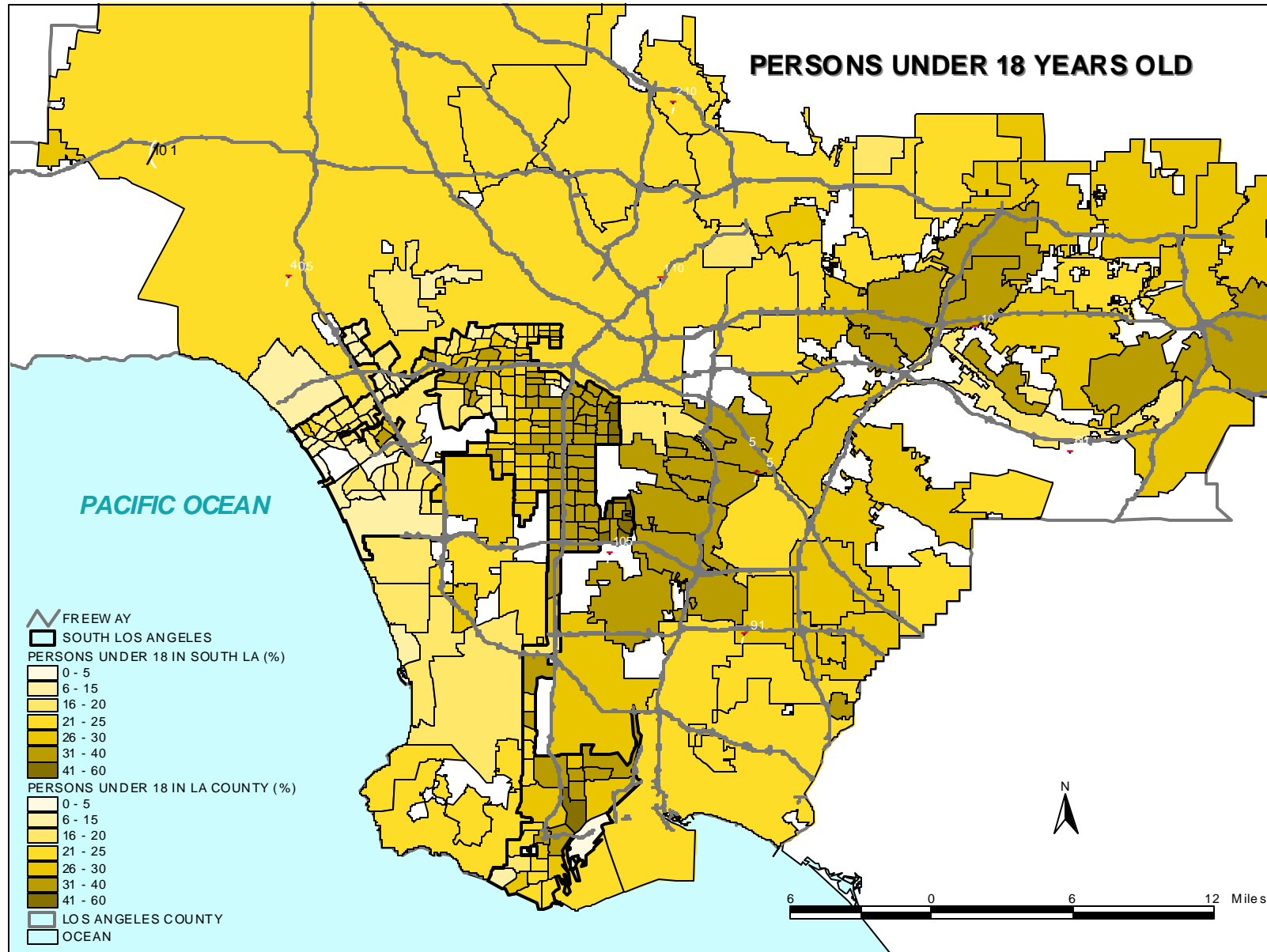
GIS Map 7



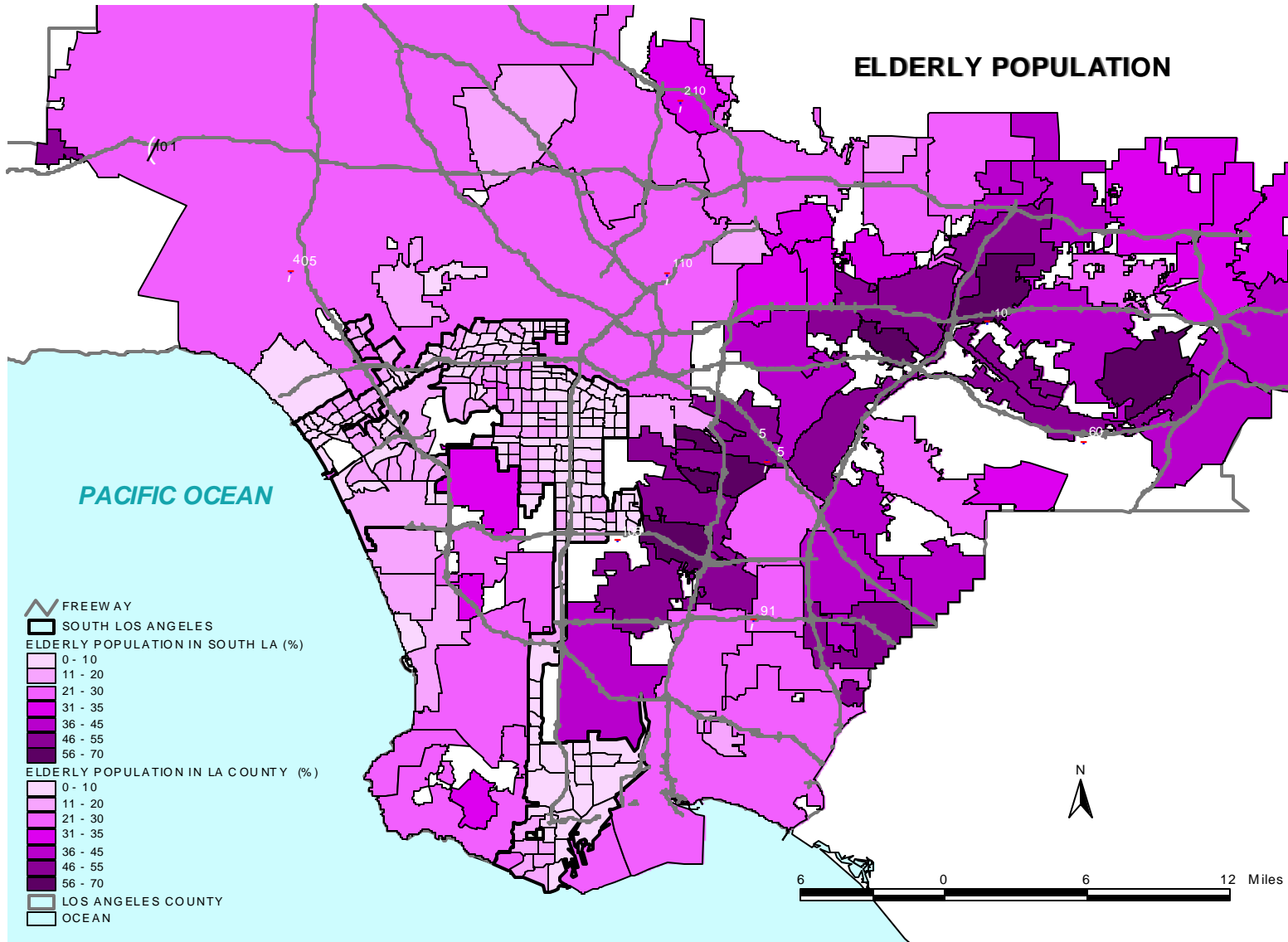
GIS Map 8



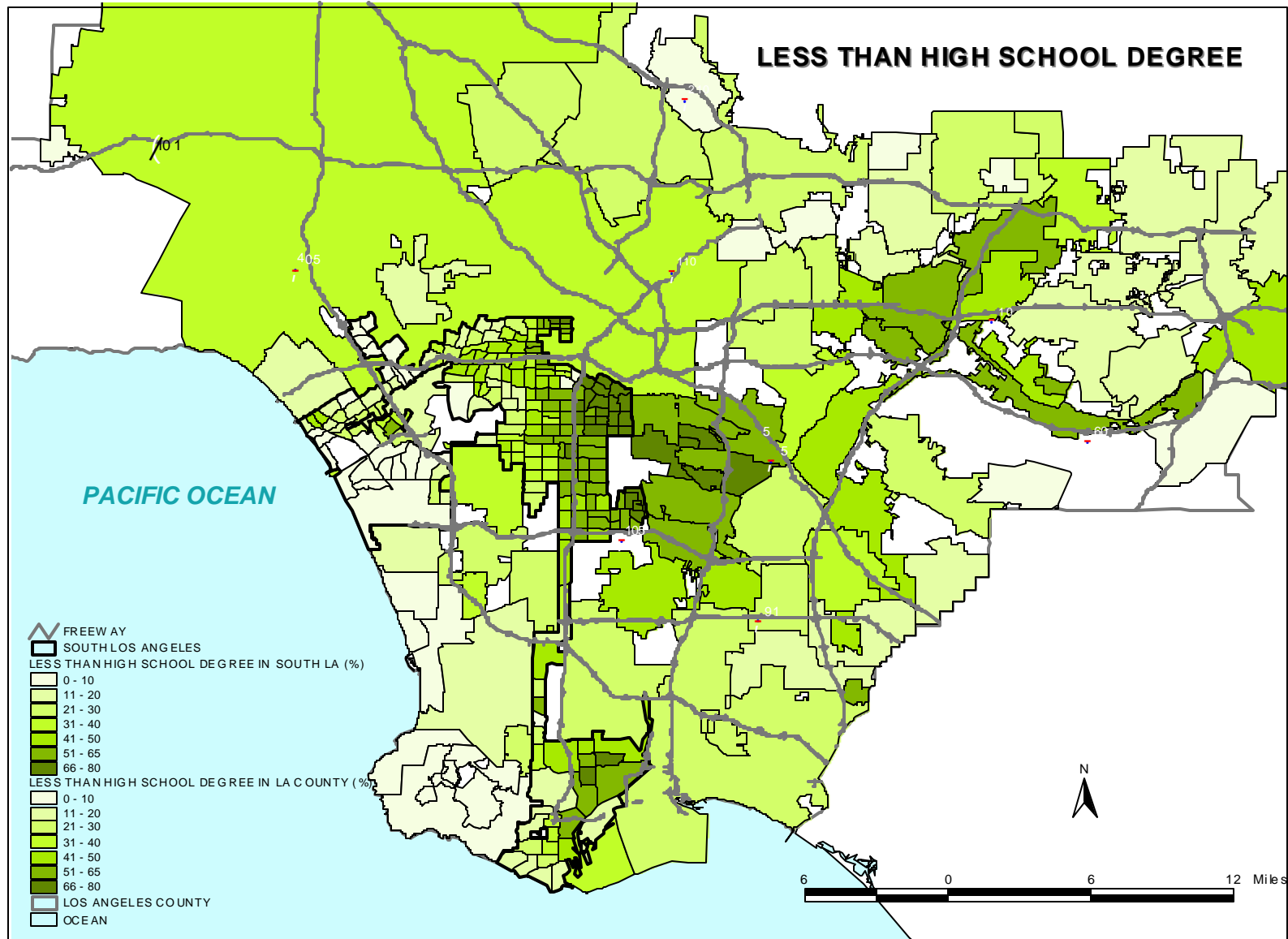
GIS Map 9



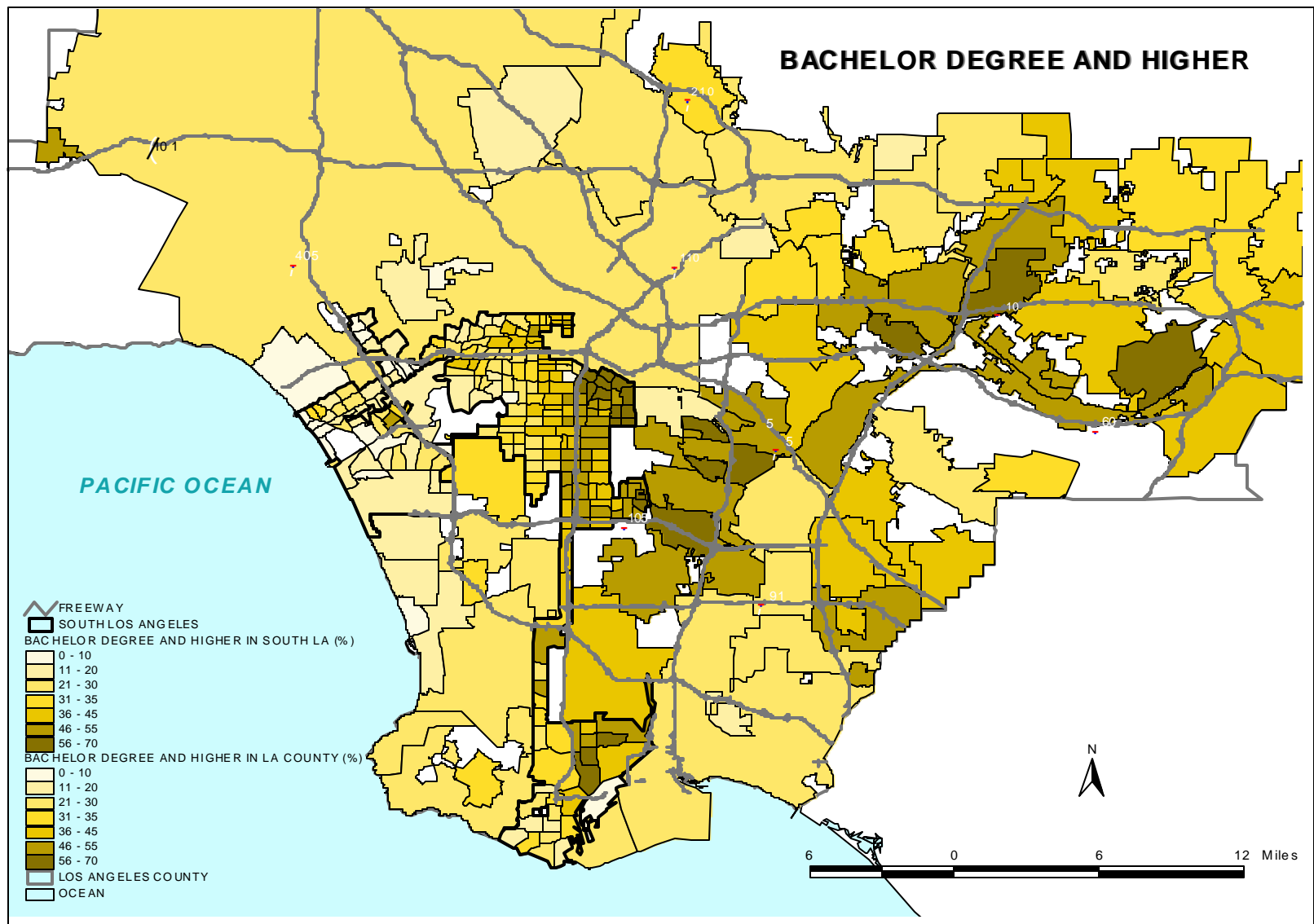
GIS Map 10



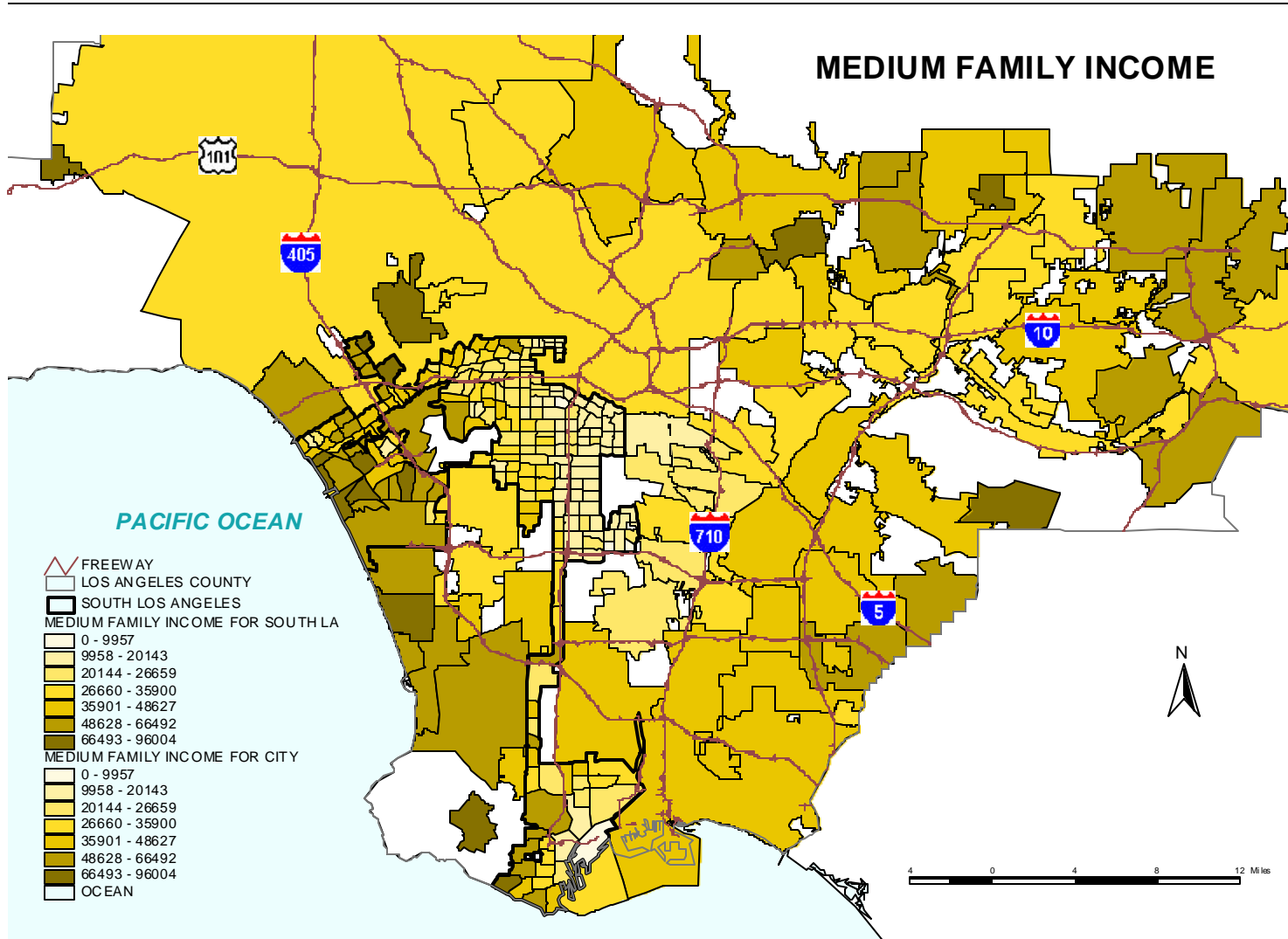
GIS Map 11



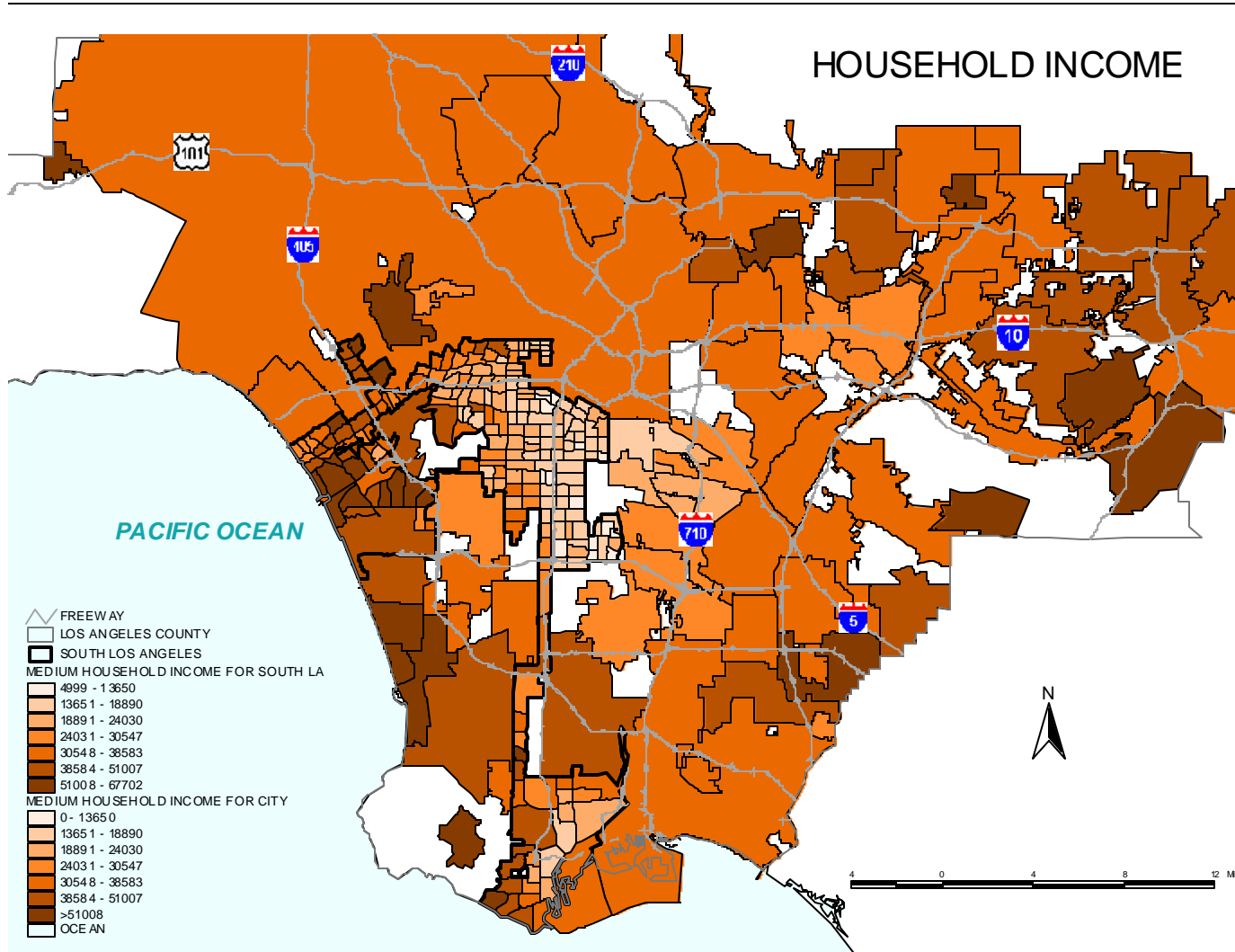
GIS Map 12



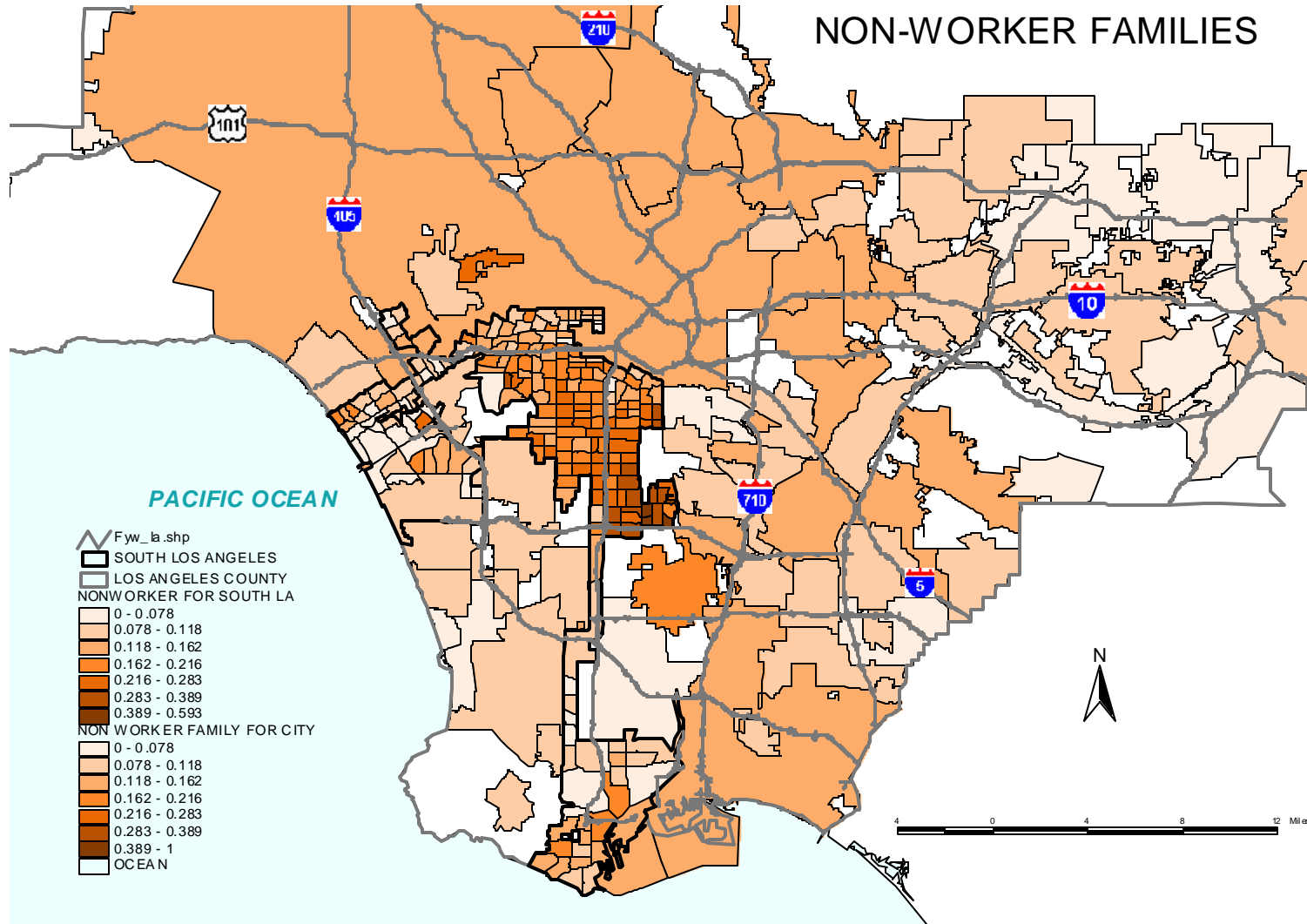
GIS Map 13



GIS Map 14



GIS Map 15



GIS Map 16

