PropelL.A.

FINAL REPORT

2016-2020 LA County Strategic Plan for Economic Development

LAEDC

Invest In Our People

Strengthen Local Industry

Accelerate Innovation and Entrepreneurship

Advance Infrastructure Development

Be More Business Friendly

Increase Global Connectedness

Build More Livable Communities

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Thanks to all the many collaborators who worked together to develop and implement this consensus plan.

INTRODUCTION

INTRODUCTION

"Economic Growth doesn't mean anything if it leaves people out."

~ Jack Kemp, former-Secretary of United States Housing and Urban Development

By many measures, the Los Angeles (L.A.) region made considerable progress on its second five-year strategic plan for economic development after the Global Financial Crisis of 2008: *Los Angeles County Strategic Plan for Economic Development 2016-2020*. Through a public input process, which continued throughout 2015, that elicited contributions from more than 500 stakeholders representing business, government, labor, environment, faith-based and other community organizations, this plan identified and built consensus around 106 strategic priorities, 30 objectives, and the following seven (7) core aspirational goals to raise standards of living for LA County's 10+ million residents by advancing opportunity and more broadly shared prosperity:

1. **Invest in our people to provide greater opportunity**
2. **Strengthen our leading export-oriented industry clusters**
3. **Accelerate innovation and entrepreneurship**
4. **Be more business-friendly**
5. **Remove barriers to critical infrastructure development, financing, and delivery**
6. **Increase global connectedness**
7. **Build more livable communities**

In the context of these seven aspirational goals, the Strategic Plan's dual emphases were:

- To improve the strength of LA's economy in ways that would create opportunity for all L.A. County's residents, by exploiting Los Angeles's existing physical, networking and economic assets, its world-leading research, innovation and entrepreneurial capabilities, its global brand and connections, and its industrial productive advantages, such as specialized suppliers and labor market strengths, along the "idea" to "export" value chains associated with regionally concentrated industries and fast-emerging sectors, to spur high-ROI economic development; and
- To better connect those residents and businesses from neglected communities and populations that have been historically disconnected from the region's bountiful economic resources and left behind without equal access into its leading industries, by using multiple "touchpoints," which include reconfigured education and career pathways, directed business start-up acceleration and support, and small business procurement, matchmaking and technical assistance.

This document details the region's progress through calendar year 2019, where data is available,[1] along with some examples across the county, which were assembled by the LAEDC's Propel L.A. team, that have helped to perpetuate that shared progress. While outside the reporting period for the Strategic Plan, we also look ahead and set the stage for the region's economic recovery and reimagination after the catastrophic global COVID-19 pandemic, which must include addressing the structural economic inequalities that were further exposed and laid bare during the pandemic.

Overall, the LA County economy achieved many economic milestones during the period of the Strategic Plan's implementation, including reaching so-called "full employment" levels by 2018 and attaining a record Gross County Product (GCP) of over $862 billion by 2019, making LA County the world's 18th largest economy (2019) if it was its own country.

1 In certain cases, progress is through 2018, where possible and as indicated

INTRODUCTION

No doubt, the county's economic performance during this plan's implementation period was striking:

- LA County's GCP increased by more than 11% between 2015 and 2019. (**Exhibit 1**)
- L.A. County's overall unemployment rate decreased by 2.2 points, from 7.2 percent to 5 percent, from 2015 to 2019. (**Exhibit 2**)
- L.A. County's overall poverty rate decreased by 2.5 points, from 16.60 percent to 14.10 percent, between 2015 and 2018.[2] (**Exhibit 3**)
- Median incomes for Angelenos increased by almost $7,000 during 2015-2018 timeframe.[3] (**Exhibit 4**)

The L.A. County region's overall progress through 2019, especially on reducing unemployment and poverty, must be acknowledged, and it should be celebrated. So too should the many programs and initiatives launched during the five-year Strategic Plan period to help more of the county's most vulnerable families and residents. Programs that include, for example, the county's Center for Strategic Public Private Partnerships, which was launched in 2016 as

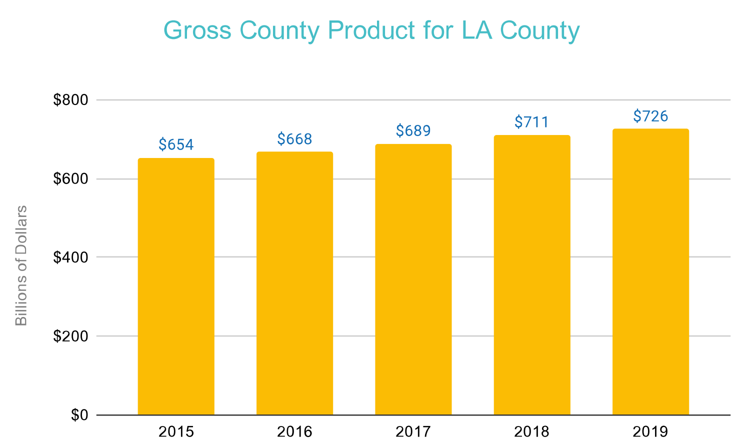


Exhibit 1

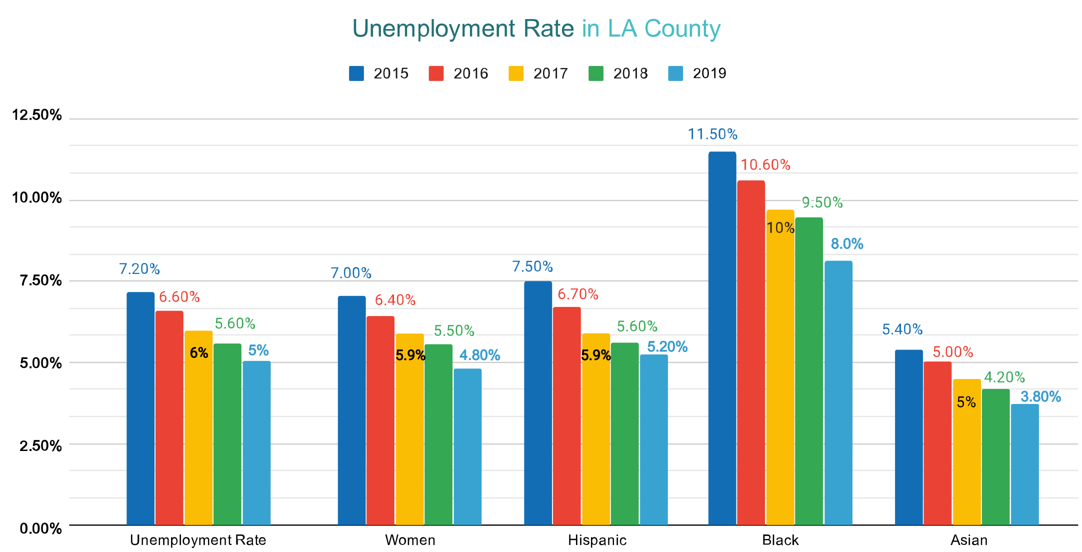
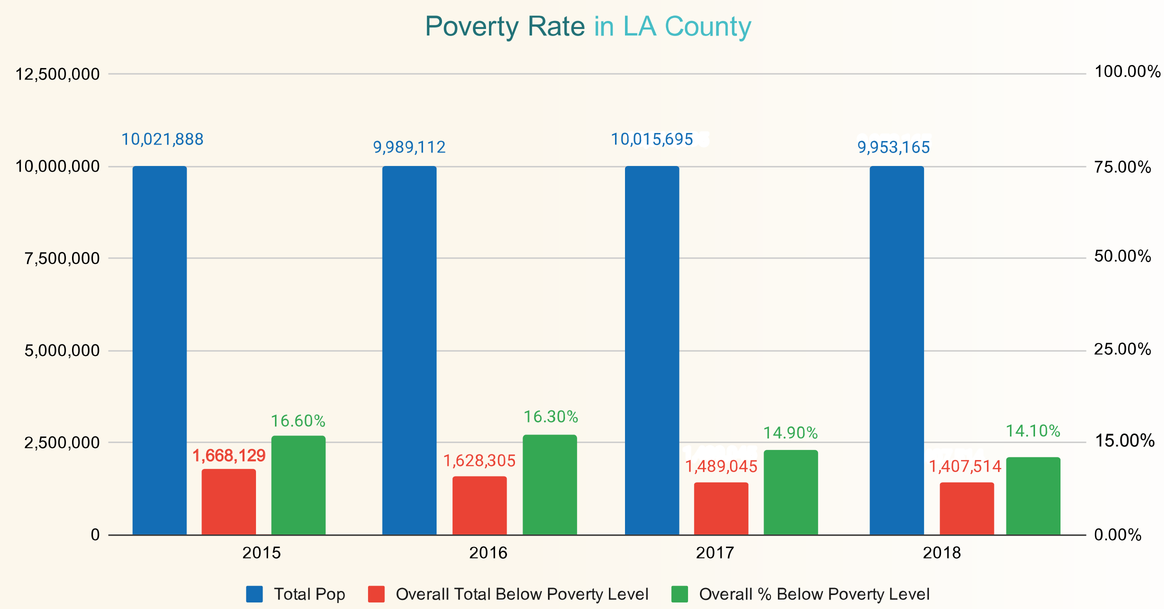


Exhibit 2

2 2019 U.S. Census Bureau estimates are released on September 17, 2020.
3 Ibid.



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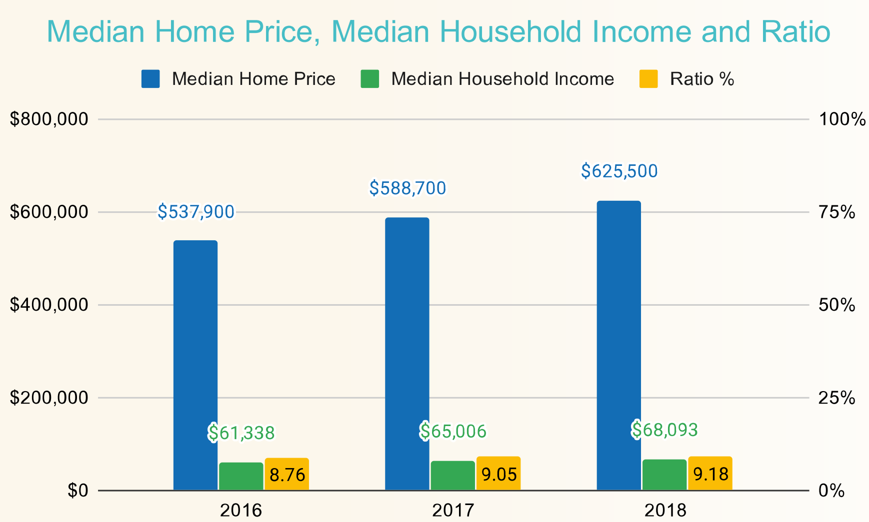


Exhibit 4

INTRODUCTION

a partnership between philanthropy and L.A. County agencies to tackle the most pressing problems faced by children and families in the county, such as reforming the child welfare system, and Los Angeles County's wage enforcement program launched that same year to educate and enforce county wage ordinances in order to eliminate wage theft and the underpayment or nonpayment of wages, promoting economic security and dignity for those working in the county. In addition, the county, as well as several cities within the county, took meaningful steps during this period to aggressively increase minimum wage to levels that are family-supporting, in an effort to address poverty.

However, during the Strategic Plan's five-year period, Los Angeles's growing homelessness challenge turned into a full-blown crisis, with the total number of homeless rising from 44,359 (2015) to 66,436 (2020). Mercifully, Los Angeles County and City elected leaders stepped-in to initiate and voters stepped-up to approve Measure H and Proposition HHH in 2017 and 2016, respectively, to fund key aspects of Los Angeles's plan to reduce the number of homeless residents. To date, however, progress has been slow; most especially in terms of building supportive housing. In fact, according to an audit released in September 2020 by the L.A. City Controller, nearly three years after the first bond issuance and nearly four years since voters approved Proposition HHH, only three projects for a total of 228 HHH bond-funded units (of the 10,000-unit goal by 2026) opened.

We must do better over these next five years, as we are certainly not keeping pace with the demand for supportive housing for the growing number of homeless, which surged by almost 50 percent between 2015 and 2020 and may grow further due to the pandemic.

We also know that top-line growth, as was seen in the county's gross product and employment levels over the last five years, does not necessarily ensure bottom-line shared prosperity, especially for communities of color, who were largely forgotten during the post-Global Financial Crisis recovery period and, for the most part, did not participate in the greatest modern "bull market" that followed. By the close of 2018, the poverty rate for Black Angelenos stood at almost 21 percent, and for Hispanics it was 15.3 percent, compared to around 14 percent for Angelenos overall. (**Exhibit 5**)

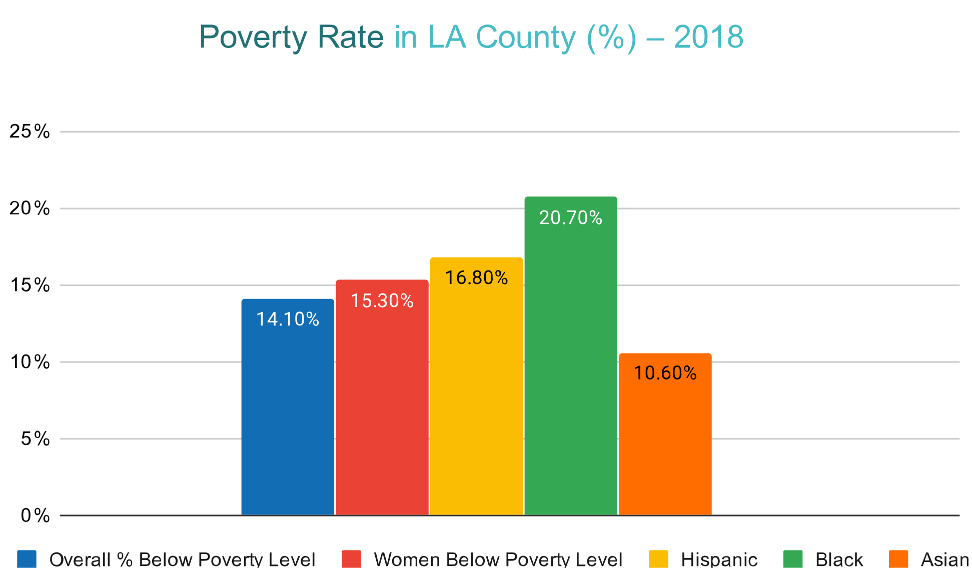
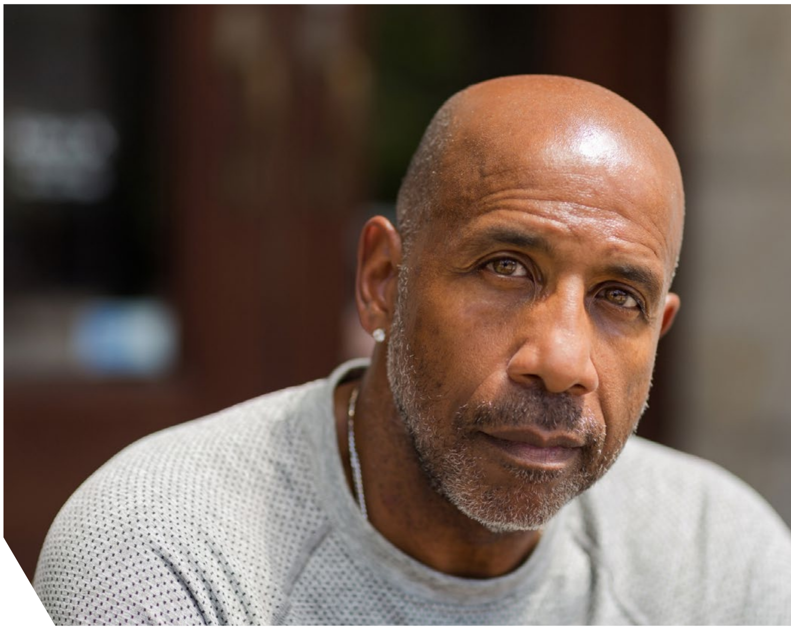


Exhibit 5

And while the unemployment rate for Hispanics in Los Angeles County matched the overall county unemployment rate (5.6 percent) by the close of 2018, the unemployment rate for Black working-age adults in L.A. County was almost 80 percent higher, at close to 10 percent. (**Exhibit 6**)

Equally troubling, the percentage of Black Angelenos in the labor force is notably low, with the labor participation rate for Black residents flat at less than 60 percent at the close of 2018, five points below the labor participation rate (65 percent) for all Angelenos, and seven points below the rate for Hispanics (67 percent). The different conditions that Black residents face in the job market can and must be addressed, especially as we consider that this divergence almost certainly got markedly more pronounced because of the COVID-19 pandemic. Unlike the post-Global Financial Crisis recovery, this time we must not leave behind any communities as we advance through this next economic recovery.



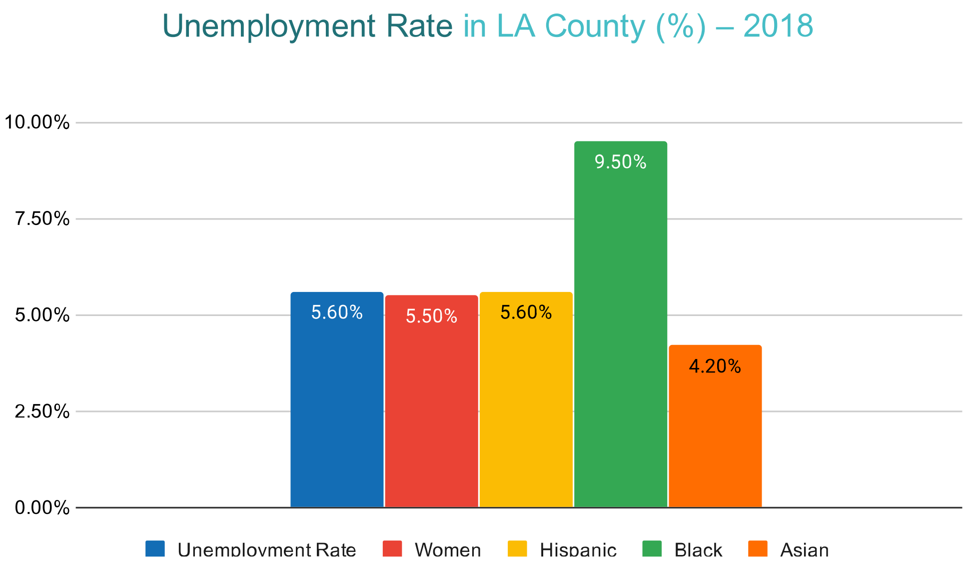


Exhibit 6

GOAL 1

GOAL 1: Invest in our people to provide greater opportunity

"Education then, beyond all other devices of human origin, is a great equalizer of the conditions of men -- the balance wheel of the social machinery."

~ Horace Mann, pioneering American educator

There can be little doubt that cutting-edge primary schooling, specialized professional credentialing, and increased levels of educational attainment have never been more important, especially considering the industrial trend toward the adoption of technologies to analyze and automate information, intelligence and processes. Over the five-year period of this Strategic Plan, this global academic and skills "arms race" has become even more pronounced as the 'headliners' of L.A. County's high-value industrial economy have increasingly featured technology-intensive, knowledge-based industry sectors, such as advanced transportation, biopharmaceuticals, clean technology, digital media, and private space commercialization. These industries offer many well-paying jobs with career ladders but are increasingly moving the county's economy away from the largely commoditized, and more easily globally-sourced production industries, such as fabricated metals, textiles and food processing, where physical labor creates most of the value.

Incomes in Los Angeles County have borne out this academic achievement arms race, as the monetary rewards of increased educational attainment between, for example, those L.A. County residents who do not graduate high school ($23,416) and those who attain a bachelor's degree ($56,577), as measured by the median earnings gap (2018), are quite stark, with an almost 142 percent annual median earnings difference between the two cohorts in 2018. Moreover, by the close of 2018, a bachelor's degree in L.A. County earned a worker about $18,000 more than the median annual earnings for all working Angelenos age 25 and over. (**Exhibit 7**) Indeed, just to stay even, county residents needed to obtain better education credentials.

The good news is that educational attainment levels did improve overall in Los Angeles County during this Strategic Plan's implementation period. The percentage of county residents with a bachelor's degree or higher went from 29.9 percent (2014) to 32.5 percent (2018), while the percentage of residents

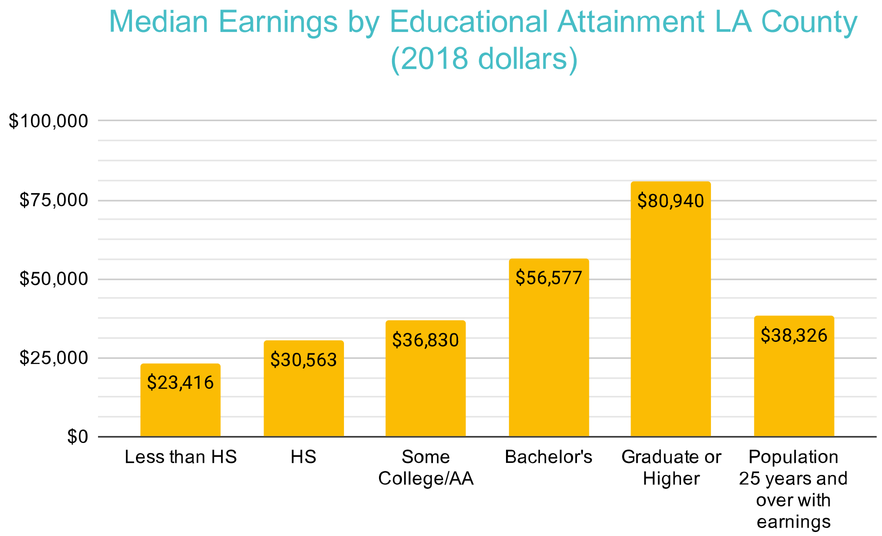


Exhibit 7

GOAL 1: Invest in our people to provide greater opportunity

with less than a high school education went from 23.2 percent (2014) to 20.6 percent (2018). (**Exhibit 8**) The need to further increase educational attainment levels countywide and meet the demand for additional credentialing will only become more important in the coming years; lest the educational attainment-income divide in Los Angeles County continue to grow.

Overall, the county did make significant improvements on key education performance metrics during the timeframe of this Strategic Plan's implementation. Public school graduation rates countywide rose almost nine points across Los Angeles County, from 78.7 percent to 87.4 percent between 2015 and 2019, while high school dropout rates fell close to five points in the county from 12.5 percent to 7.80 percent during this same period. (**Exhibit 9**).

These gains are most certainly something to celebrate. However, somewhat worrisome, the California Assessment of Student Performance English proficiency (Grade 11) rate actually fell from 58 percent to 56.5 percent in L.A. County between the 2015-16 school

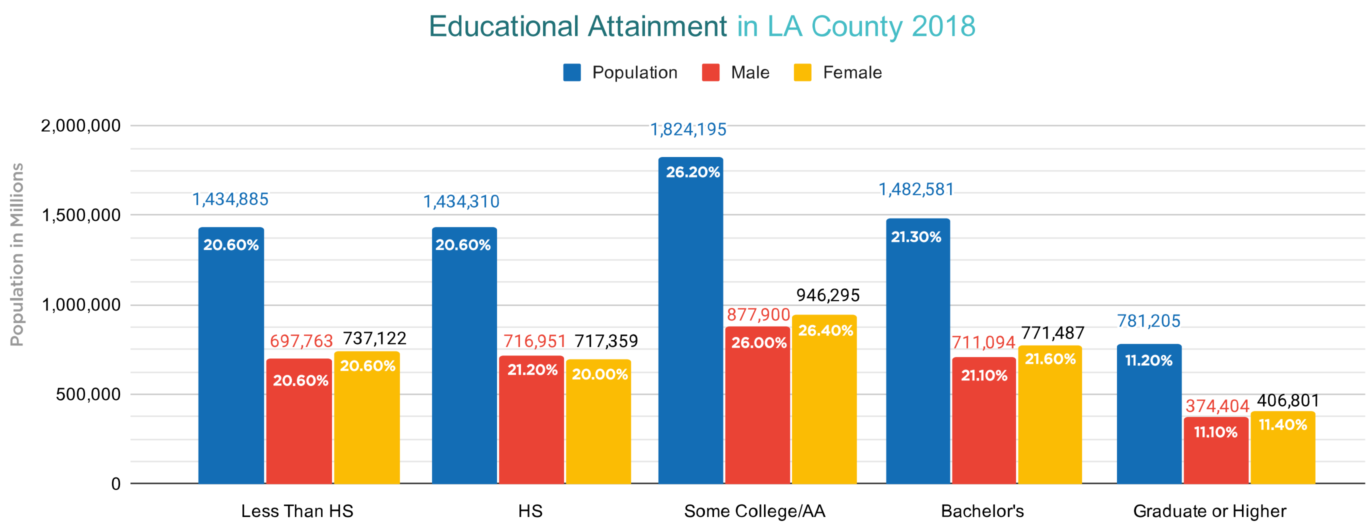


Exhibit 8

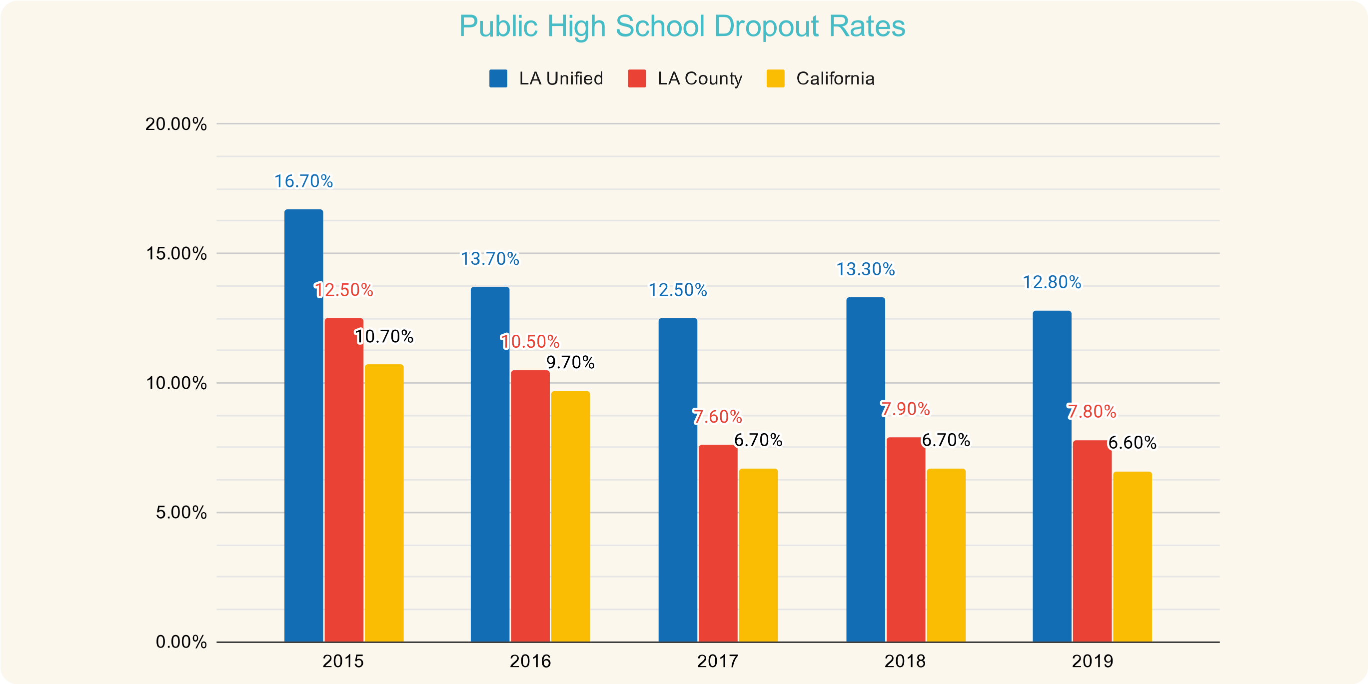

Public High School Dropout Rates
LA Unified
LA County
California
20.00%
15.00%
10.00%
5.00%
0.00%
16.70%
12.50%
10.70%
13.70%
10.50%
9.70%
12.50%
7.60%
6.70%
13.30%
7.90%
6.70%
12.80%
7.80%
6.60%
2015
2016
2017
2018
2019

Exhibit 9

GOAL 1: Invest in our people to provide greater opportunity

year and 2018-19, while county student Mathematics proficiency only went up a little over 19 basis points, from 31.0 percent to 31.19 percent, during this same period. (**Exhibit 10**)

On the school funding front, per pupil funding (total operating costs per student) across the county increased from $11,548 in the 2015-16 school year to $13,978 in 2018-19. (**Exhibit 11**) Yet, increased overall funding per pupil is in no way a cure-all for achieving equity in education. L.A. County must continue to focus its efforts going forward on closing the scholastic achievement gap, between students from wealthier and poorer districts, which has gotten wider over the last half-decade. Although children in school districts serving economically distressed communities may be getting better educations than in prior decades, children in richer school districts have been outpacing those (achievement) gains, which in turn, and as described above, is inflaming the widening income gap. In the last program year (2015) that California tracked its High School Exit Exam results, the passing rates for economically disadvantaged students in L.A. County were nine points lower in English and five points lower in Mathematics than for their more economically advantaged counterparts, 19 percent versus 28 percent and 13 percent versus 18 percent, respectively. Bridging this achievement gap must be a shared priority and area of focus going forward. This gap is being exacerbated by inequal access to broadband internet in disadvantaged communities, which became essential technology for home schooling protocols during 2020.

During this Strategic Plan's implementation period, there were a number of important multi-party collaborative programs and projects that were erected to ensure that more young people from across Los Angeles County are prepared either to enter college or to leave high school "work ready" upon graduation with a defined pathway into an above living-wage occupation within a targeted industry. A few examples include:

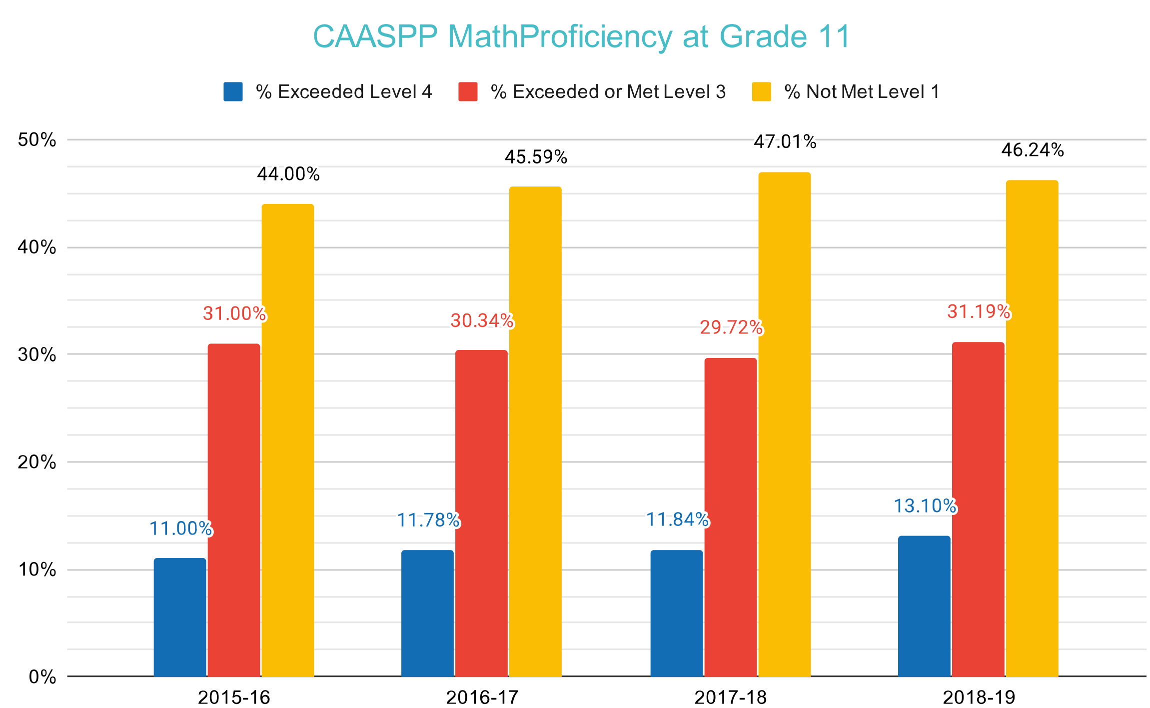


Exhibit 10

- Los Angeles Center for a Competitive Workforce was launched in 2017 to better integrate up-to-date industry, labor market and occupational research and intelligence into the development and resourcing of career and job training programs, which is leading to a better match of skills for projected well-paying job openings.[4]
- California Cloud Workforce Project was launched in 2018 as the fist-of-its-kind collaboration between the 19 Los Angeles-area community colleges, their local high school partners, and Amazon Web Services (AWS) and its AWS Educate program to offer regionally-recognized cloud computing certificates, providing well-paying career opportunities and more work-based learning activity.
- United Way's CLASS (Communities for Los Angeles Student Success) coalition helped to pass (in 2018) the "Close the Gap" in education equity resolution to ensure all students in Los Angeles Unified School District are prepared to complete college and begin successful careers by 2023.
- Citi Foundation Community Progress Makers Short-Term Job Training Program was launched in 2018 by the LAEDC/ Propel LA in partnership with El Camino College, the South Bay Workforce Investment Board, Los Angeles Valley College, and Goodwill of Southern California to deliver training in machine tooling for jobs in advanced manufacturing, aerospace, and other emerging industries.

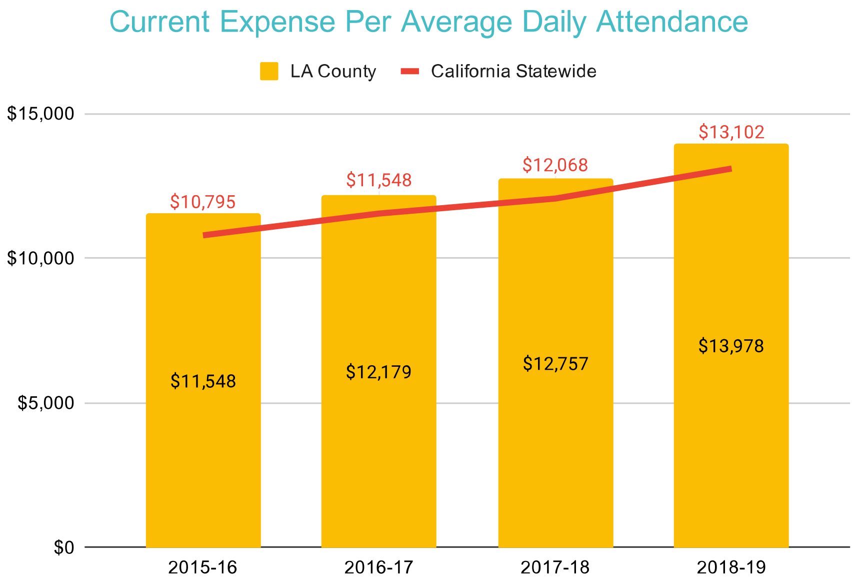


Exhibit 11

4 The Center for a Competitive Workforce is a collaboration between the 19 community colleges in the LA region and the LAEDC.

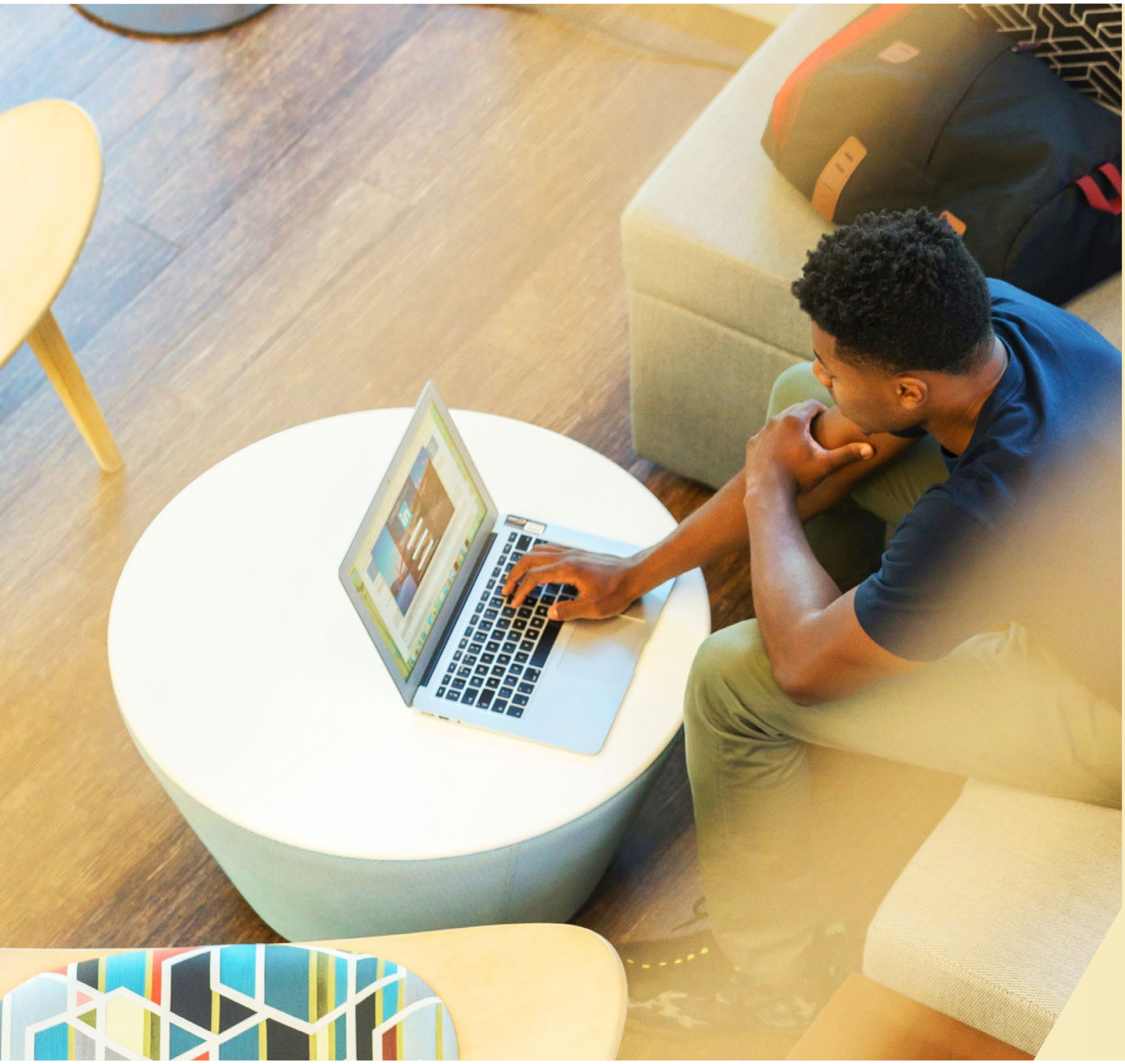
GOAL 1: Invest in our people to provide greater opportunity

- Snap Design Academy was launched in 2019 by the Los Angeles Chamber of Commerce Bixel Exchange's Tech Partners program in partnership with Snap Inc. as a six-week academy for 20 students from Los Angeles area community colleges.
- Bio-Flex was launched in 2019 by South Bay Workforce Investment Board (SBWIB) and numerous partners as a first-of-its-kind biosciences pre-apprenticeship program partnership.[5]
- The Los Angeles College Promise was established by City of LA Mayor Eric Garcetti and the L.A. Community College District (LACCD), and in 2017 started serving thousands of first-time, full-time college students with supports such as waived tuition for the first two years of college and priority enrollment, predominantly serving students of color from disadvantaged communities.
- State of California Career Technical Education Incentive Grants awarded during the period of study have funded high school development of career pathways programs.

Looking forward, Los Angeles County's industry, government, and community, economic and talent development leaders must prioritize and work in collaboration to close the achievement gap, to drive education equity, as defined as "the absence of avoidable or remediable education differences among groups of people," [6] and to guarantee that all of Los Angeles County's learners and students have equal access to the tools, support, interventions, and opportunities needed to overcome their specific challenges to success in this fast-accelerating global education, and skills arms race.

5 The partnership includes LA County, South Bay Workforce Investment Board, California State University Dominguez Hills, Biocom, LAEDC and bioscience industry representatives.

6 World Health Organization.



GOAL 2

GOAL 2: Strengthen our leading export-oriented industry clusters

"There exist limitless opportunities in every industry. Where there is an open mind, there will always be a frontier."

~ Charles F. Kettering, American inventor

The five-year Strategic Plan raised a fundamental question: from which industries will Los Angeles County create the largest number of high-paying direct and value added (indirect and induced) jobs of tomorrow? In answering this question, the following 10 industrial clusters, which are highly concentrated in Los Angeles County, were identified as targets:

- Advanced Transportation & Clean Vehicles and Fuels
- Aerospace & Defense
- Biopharmaceuticals, Medical Devices & Health Services
- Education & Knowledge Creation
- Entertainment & Digital Media
- Fashion & Apparel
- Hospitality & Tourism
- Infotech & Analytical Instruments
- Marketing, Design & On-line Publishing
- Trade & Logistics

To begin, these target industries, which consist of high concentrations of interconnected businesses, were selected because they are export-oriented, which means they sell goods and services within Los Angeles, as well as outside of the region. They were selected because each one is geographically concentrated, both in number of workers and firms here in Los Angeles County, producing a reinforcing cycle of job creation and wage growth. Geographic concentrations of industries increase increase innovation, complementary linkages among industry members, and also increase productivity of firms, suppliers, and workers. And finally, these industries were chosen as targets because they also drive the local service economy, triggering ripple effects, in the form of job, wage, and tax revenue growth, which are felt by more local businesses, workers and communities; thus helping to raise standards of living across more of the county's 88 cities and over 100 unincorporated areas.

GOAL 2: Strengthen our leading export-oriented industry clusters

Like the broader L.A. County economy, most of these industry clusters exhibited marked employment growth (**Exhibit 12**) between 2015 and 2019, including:

- **Transportation and logistics**, which grew by more than 20 percent
- **Marketing, design, and publishing**, which grew by more than 15 percent
- **Hospitality and tourism**, which grew by more than 10 percent
- **Aerospace and defense**, which grew by close to five percent
- **Education and knowledge creation**, which grew by just over two percent

Moreover, several emerging sectors, such as private commercial spacecraft, electric vehicles, and digital media, which are fast-growing categories related to several of the above targeted industry clusters, entered new hypergrowth phases over the last half-decade. For example, L.A. County saw its space industry mature and scale over the last five years, with guided missiles, space vehicles and parts manufacturing employment growing by close to four percent between 2015 and 2019. This is felt widely across the region because nearly all the major firms and primes involved in commercial spacecraft have significant operations and/or headquarters in L.A. County, including Northrop Grumman, Boeing, Lockheed, Raytheon, SpaceX, Aerojet Rocketdyne, and Virgin Galactic, as well as leading service and analysis companies, such as Aerospace Corp., leading research and development centers, such as Jet Propulsion Laboratory, globally significant accelerators, such as Starburst's space accelerator launched in 2019 with Techstars to help develop next-generation space tech companies, and a multitude of newer commercial spacecraft firms, such as Relativity Space, which was launched in 2015.

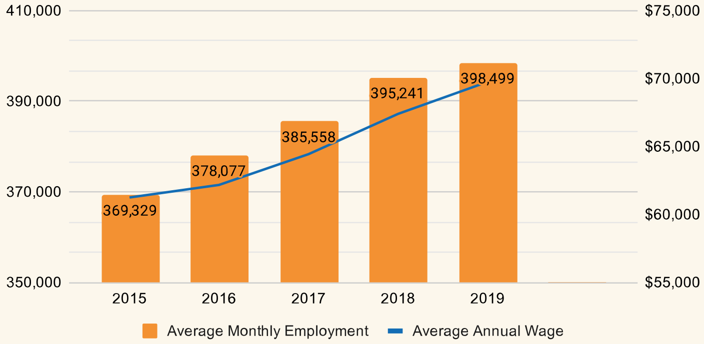
Similarly, L.A. County's electric vehicle (EV) sector, which has been buoyed by the region's long-established concentration of globally important automotive design and tech studios and spurred by some of the nation's leading climate objectives, including the City of Los Angeles's Green New Deal, which was announced in 2019 with a panoply of climate goals that include having 25 percent of all cars on the road be zero emission by 2025 and installing 28,000 electric vehicle chargers by 2028, entered a new growth phase over this Strategic Plan's five-year implementation period. A focus on nurturing the growth of nascent industries like EVs can pay big dividends, as evidenced by the efforts to attract electric bus maker BYD North America to the region and support the company's growth and hiring of 800+ workers. Those workers now benefit from unionization and second chance hiring initiatives, but beyond that, after BYD arrived, more EV firms began locating in L.A. County to compete for major regional contracting opportunities, creating a thriving EV industry with even greater employment potential. Now, headquartered electric vehicle fleet companies, such as BYD, Proterra, Xos Trucks and US Hybrid, along with headquartered electric vehicle automakers, such as Canoo, Faraday Future, Fisker Inc., and related technology companies have nurtured a new EV industry ecosystem that grew to 120,000 direct jobs in Southern California by 2018, employing many thousands of L.A. County residents with well-paying jobs.

Finally, digitization has over the last half dozen years disrupted almost every aspect of Los Angeles's signature media and entertainment industry, from content creation and packaging, to user interface, to ad platform architecture and distribution. Los Angeles has capitalized on these trends with the emergence of a concentrated and specialized digital media sector that is supported by a number of newer L.A. market entrants, such as Amazon Studios, Hulu, Netflix and Fullscreen, which have rapidly expanded their footprint over the last half-decade in L.A. County, along with the region's long-established studios, which have greatly expanded their digital distribution capacities during

— Exhibit 12 —

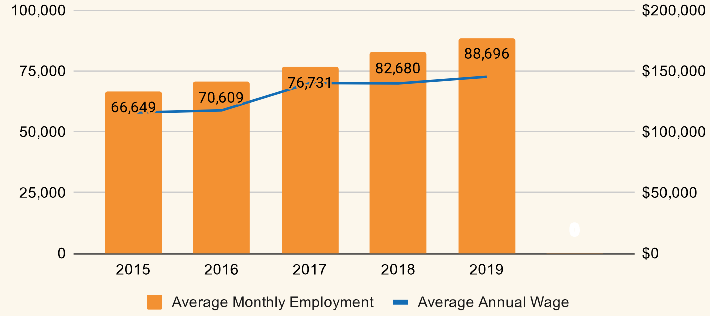
Trade and Logistics Employment and Wages

Source: BLS Quarterly Census of Employment and Wages (QCEW)



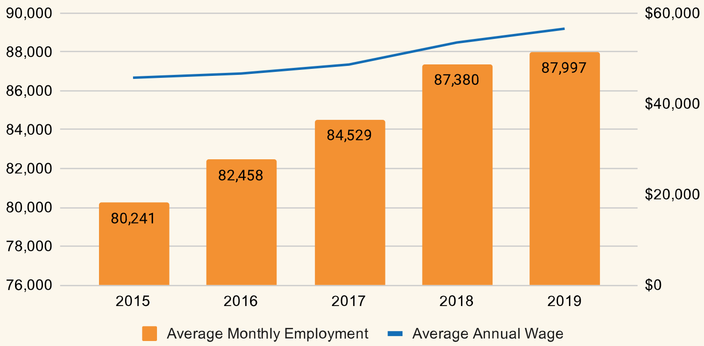
Marketing, Design and Online Publishing Employment and Wages

Source: BLS Quarterly Census of Employment and Wages (QCEW)



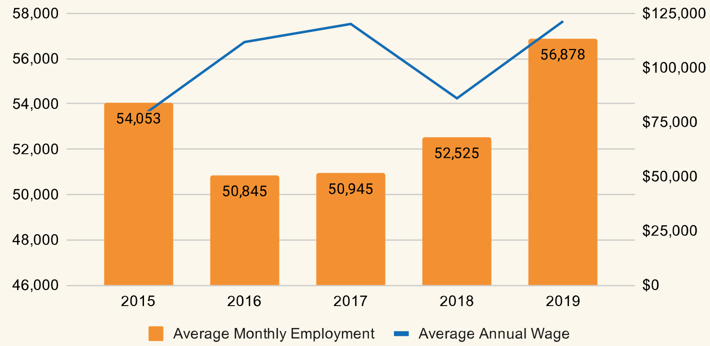
Hospitality and Tourism Employment and Wages

Source: BLS Quarterly Census of Employment and Wages (QCEW)



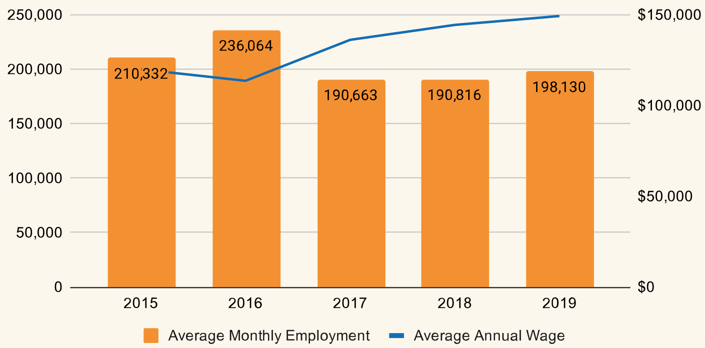
Aerospace and Defense Employment and Wages

Source: BLS Quarterly Census of Employment and Wages (QCEW)



Digital Media and Entertainment Employment and Wages

Source: BLS Quarterly Census of Employment and Wages (QCEW)



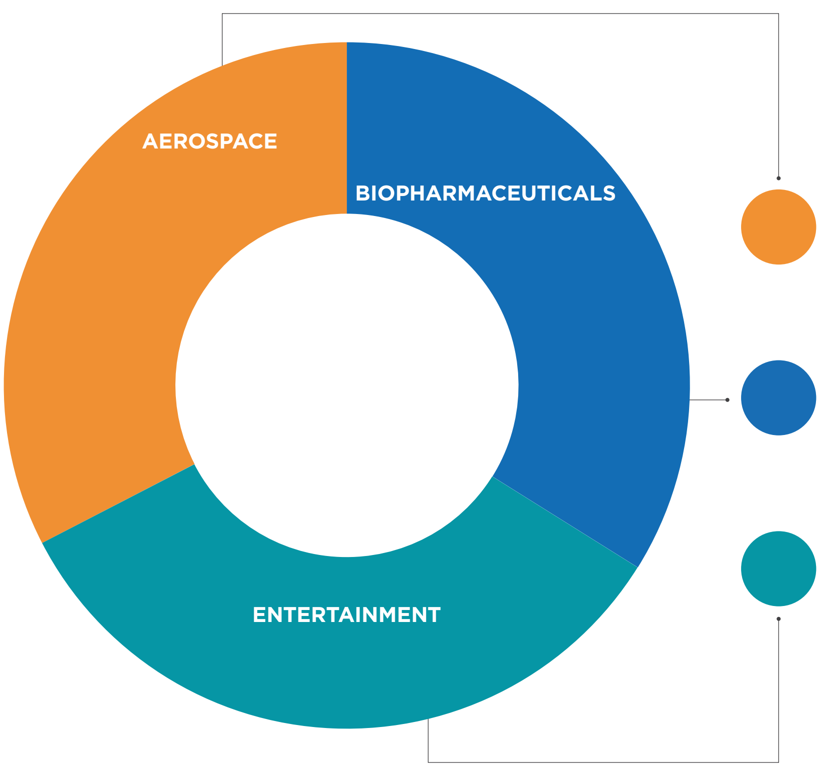
GOAL 2: Strengthen our leading export-oriented industry clusters

this period, gaming companies, such as Riot Games and Activision Blizzard, and the many thousands of small firms and independents that have cropped up over the last few years working on everything from augmented and virtual reality to next-generation distribution technologies.

Looking forward, many of L.A. County's target industry clusters, most notably entertainment and hospitality and tourism, have, of course, been decimated by the secondary economic impacts of the COVID-19 pandemic. How long it takes for these industries to fully recover to their pre-pandemic employment levels will depend on many factors, ranging from the discovery and distribution of an effective vaccine to increased consumer confidence and demand. This recovery will most certainly consume all our efforts over the next half-decade.

In addition, bringing more worker diversity to each industry to reflect the county population's broader demographic distribution, especially by race and ethnicity, is something that will demand all our attention, as many of the above industries, especially the more insular ones with high barriers to entry, such as aerospace, biopharmaceuticals, entertainment and infotech, are overwhelmingly lacking in diversity. (**Exhibit 13 and 14**) Providing career pathways into these industries for more people of color must be a top-priority area of economic development focus as we look to propagate equitable access into these industries, more ethnic and racial diversity within them, and more inclusive and shared prosperity across Los Angeles County going forward.

Exhibit 13



AEROSPACE – GENDER

Year	Male	Female
2019	30,376	8,463

BIOPHARMACEUTICALS – GENDER

Year	Male	Female
2019	13,541	14,049

ENTERTAINMENT – GENDER

Year	Male	Female
2019	121,430	76,700



— Exhibit 14 —

AEROSPACE – RACE						
Year	**White**	**Black/African American**	**American Indian/ Alaska Native**	**Asian**	**Hawaiian/Pacific Islander**	**Two or More Races**
2015	27,829	2,121	451	6,521	188	858
2016	27,008	1,983	436	6,421	178	861
2017	26,539	1,919	431	6,434	172	882
2018	27,304	2,011	451	6,765	183	955
2019	27,931	2114	459	7,119	190	1,025

BIOPHARMACEUTICALS – RACE						
Year	**White**	**Black/African American**	**American Indian/ Alaska Native**	**Asian**	**Hawaiian/Pacific Islander**	**Two or More Races**
2015	17,339	1,445	353	7,334	128	614
2016	17,138	1,421	350	7,250	127	631
2017	16,507	1,375	345	7,065	127	626
2018	16,587	1,414	346	7,181	129	648
2019	17,478	1,540	353	7,391	123	703

ENTERTAINMENT – RACE						
Year	**White**	**Black/African American**	**American Indian/ Alaska Native**	**Asian**	**Hawaiian/Pacific Islander**	**Two or More Races**
2015	165,780	18,470	1,730	16,436	687	7,228
2016	186,235	20,815	1,972	18,036	776	8,230
2017	149,578	16,807	1,644	15,194	637	6,804
2018	148,619	17,388	1,675	15,508	663	6,964
2019	153,686	18,396	1,771	16,182	701	7,393

GOAL 3

Goal 3: Accelerate innovation and entrepreneurship

"Ever since the Industrial Revolution, investments in science and technology have proved to be reliable engines of economic growth. If homegrown interest in those fields is not regenerated soon, the comfortable lifestyle to which we have become accustomed will draw to a rapid close."

~ Neil deGrasse Tyson, American astrophysicist

Like every economic region across the globe, LA County's ability to meet the current economic, environmental, health and social challenges going forward will depend in large part on how its private, public, and education partners adapt and take advantage of changes in technology. Information age-based economic development strategies, such as prioritized in Los Angeles County's 2016-2020 Strategic Plan for Economic Development, tend to drive growth via entrepreneurship, innovation, and technology development. This differs markedly from the more industrial age-circa economic development approaches practiced in many other economic regions, which tend to rely more on incentive-laden proposals or bids aimed at poaching a single large company from another locale as a way to mask and/or overcome the region's inability to develop its economy from within.

The Strategic Plan's strategies not only looked at innovation as a way to boost existing industries in which the LA region has strength, but they also set the stage for innovation to create entirely new industries that we don't even know about today. More specifically, the Strategic Plan offered strategies that play to L.A. County's translational research strengths, such as its 107 universities, eight tech transfer offices, and confluence of world-class research institutes, as well as its diverse array of 32 incubators, 33 accelerators, and over 90 venture capital (VC) firms (2019). Ultimately, translating this into jobs will rest on our collective ability to bridge the gap between basic research (expertise) and commercialization efforts that are tied to our region's industrial production advantages. That kind of progress is happening in emerging sectors such as the bioscience industry. Some significant examples of intentional and targeted efforts to catalyze innovation and entrepreneurship within L.A. County's bioscience industry over the last five years include:

- In 2019, the Lundquist Institute (formerly L.A. BioMed) received a $70 million contribution from Richard and Melanie Lundquist and opened a 78,000-square-foot research and incubator facility in Torrance.
- In 2018, Bioscience Los Angeles County was launched to serve as an entrepreneurial hub for government, research institutions, and private investors to accelerate bioscience startup activity.
- In 2018, the Bioscience Investment Fund was launched to capitalize, launch, and manage an investment fund supporting bioscience startup companies in L.A. County.
- In 2018, Cal State LA broke ground on the Rongxiang Xu Bioscience Innovation Center, which will house the L.A. BioSpace incubator to serve as a hub for bioscience entrepreneurship.

Similar "research to commercialization" acceleration efforts were launched and/or scaled over the last five years in alternative transportation and clean tech.

Goal 3: Accelerate innovation and entrepreneurship

Examples of these efforts include:

- The opening of the Los Angeles Cleantech Incubator's La Kretz Innovation Campus in 2016 to support innovation and foster entrepreneurship in advanced transportation and clean technology
- CoMotion LA, which held conferences in 2017, 2018 and 2019, along with deal making breakout sessions, engaging hundreds of advanced transportation industry start-ups, manufacturers, resource providers, venture capitalists, and other industry leaders
- California SmartMatch program, which held a series of "pitch events" with Series A-level advanced transportation startups pitching local VCs during 2018-19, especially focused on bringing opportunity to disadvantaged suppliers
- e4 Mobility Alliance's successful efforts during 2018-19 to help shepherd two autonomous vehicle pilot projects

There has also been a concerted focus on fomenting innovation in the emerging water conservation technology sector and other so-called "blue economy" industries through AltaSea at the Port of Los Angeles, a public-private ocean institute that in 2017 launched the La Kretz Blue Economy Incubator to stimulate blue economy startup business development, and the Braid Theory incubator, which opened its Braid Space in 2019 to assist early-stage marine, ocean, and maritime-dependent technology development and adoption.

Specialized spaces for innovation are clearly a theme, and that was further supported during the plan period by the rise of shared development and co-working spaces, such as WeWork, Cross Campus, Industrious, and Blankspaces across Los Angeles County, where multiple unaffiliated companies work productively in the same building space, sharing certain administrative resources and amenities. This growing trend in shared spaces as an alternative to traditional office, research, creative, and development spaces also applied to highly specialized industries with unique space needs, such as expensive lab spaces in the bioscience industry with the opening of HATCHlabs@ Alhambra in 2018 as a 17,000 square-foot a multi-tenant lab and office space built by Hatchspaces LLC for emerging and development-stage life sciences companies, as well as for niche communities within growing L.A.-centric sectors, such as Glitch City, which was originally founded by a group of artists and game developers looking for communal space but which has transformed into a hub for LA's indie games community, along with creators from a number of different industries and fields.

The above efforts, together with many other similar efforts launched across Los Angeles County over the last five years in a number of different sectors, have paid off in substance and in global perception with Los Angeles ranking fifth globally (third in the U.S.) on the 2018 Innovation Index. [7] Furthermore, the L.A. region has done a much better job of showcasing its innovation and entrepreneurial prowess, hosting regional events, such as: Innovate L.A., which was launched in 2015 as a celebration of the breadth of innovation and creativity within the L.A. region and which grew to over 100 events with over 25,000 attendee-guests by 2018, and the continued growth and market significance of VerdeXchange, which is an annual market makers conference attended by local, state, national and international leaders to spur innovation and economic growth in all aspects of the "green" economy.

On the attraction of public research funding and private capital fronts, there has been marked growth over the last few years in the ability of California to attract research and development (R&D) funds, with federal R&D funds awarded to both industry and educational institutions rising, for a total increase of almost 13 percent between 2015 and 2018. (**Exhibit 15**) Here in Los Angeles, private venture capital investment rose strikingly, too, during this plan's implementation period. In 2015, more than $5.575 billion in venture capital was invested in Los Angeles-based firms; by the close of 2019, that figure had risen to $8.369 billion.(**Exhibit 16**) And with exactly 410 deals funded in both 2015 and 2019, the average size of the deals got larger, which typically reflects a more mature (higher valuation) startup community.

7 See, e.g., Innovation Cities Program: https://www.innovation-cities.com/

Federal Obligations for Research and Development for Selected Agencies, California ($Billions)

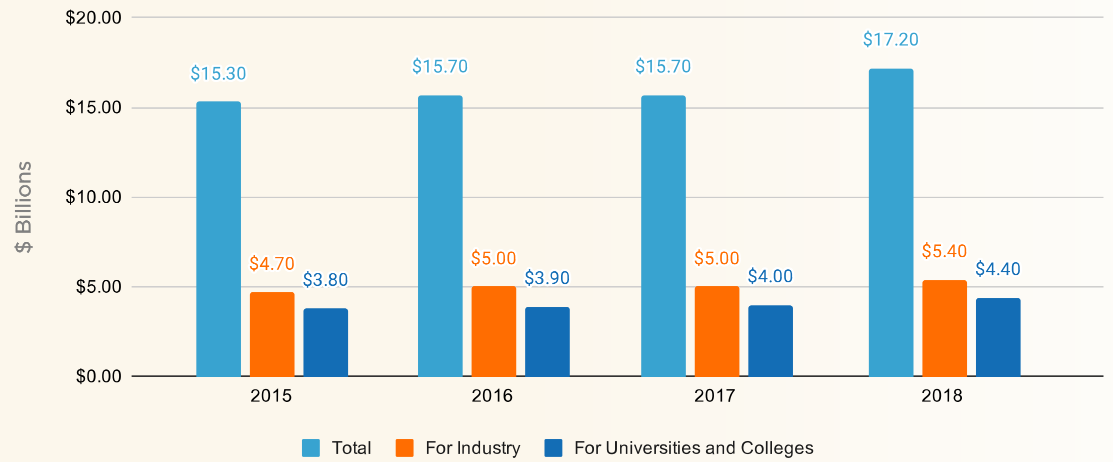


Exhibit 15

Venture Capital Investment, Los Angeles-Long Beach

Source: PwC MoneyTree

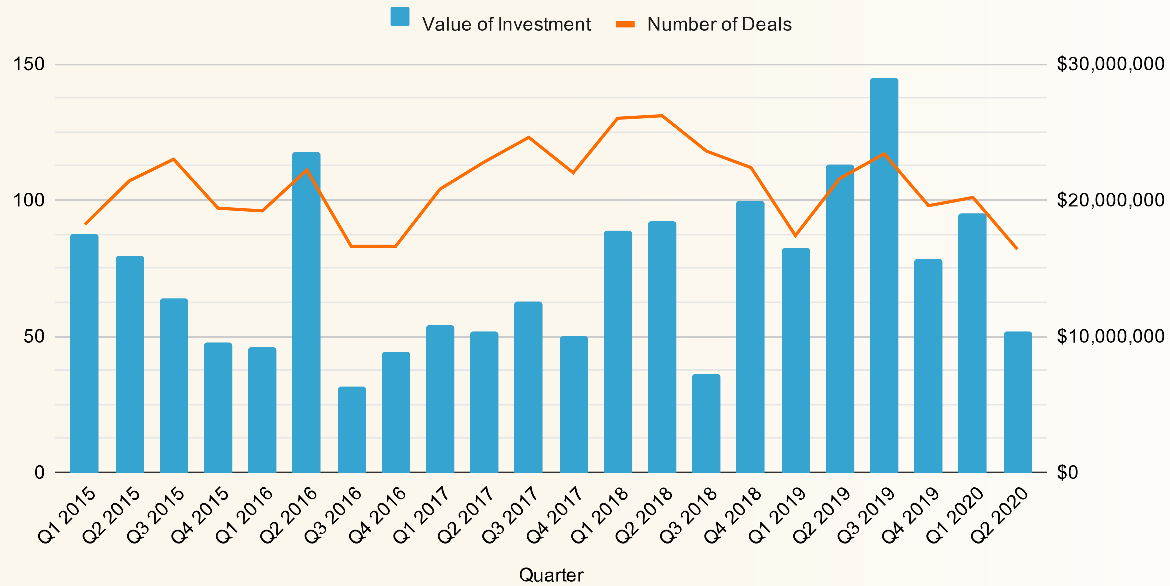


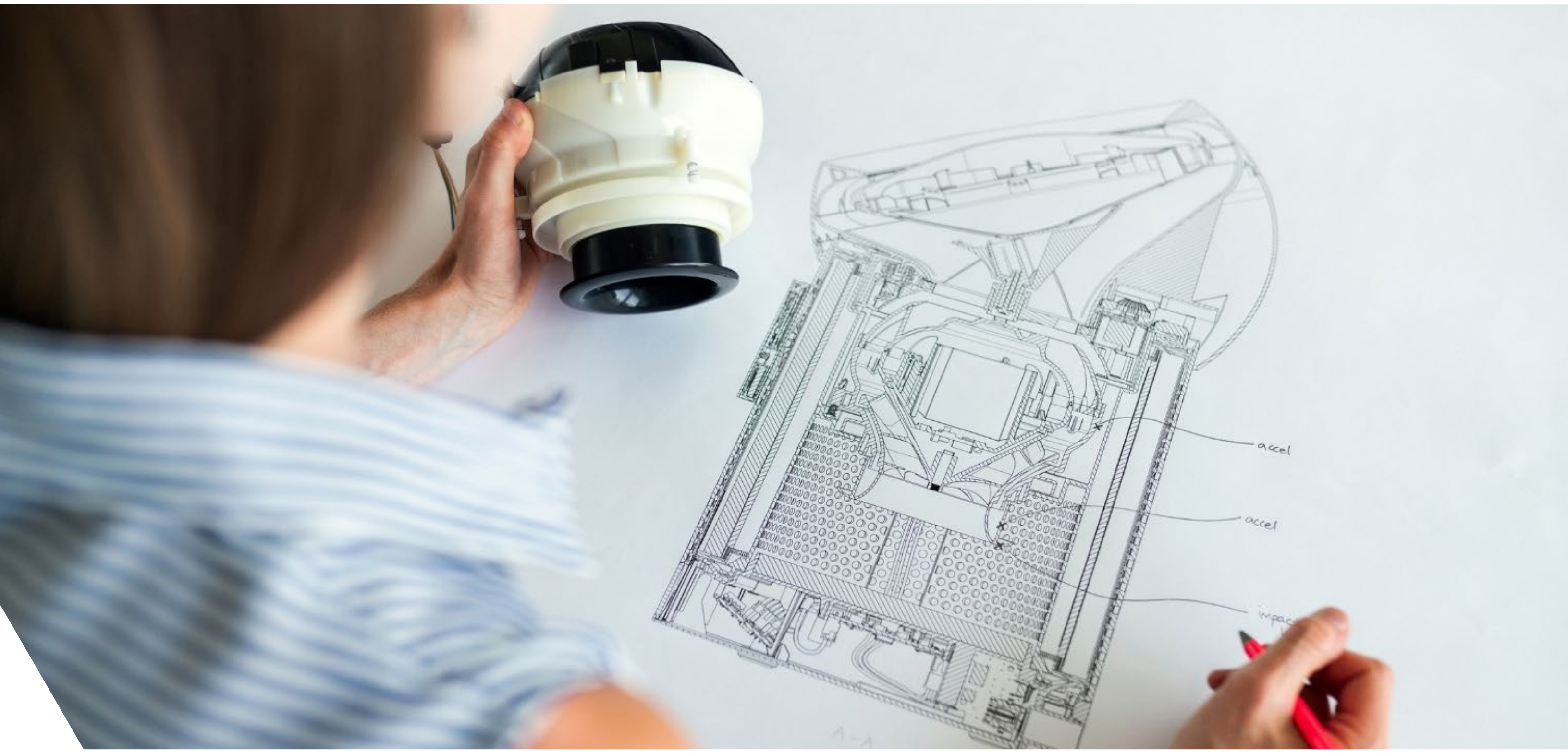
Exhibit 16

Goal 3: Accelerate innovation and entrepreneurship

Looking forward in a more spatially distributed post-COVID-19 pandemic world, Los Angeles County is fortunate that innovation tends to happen differently here than in most places. Los Angeles has never been a place known for a "single-industry" or a "single path" to entrepreneurial success. Instead, innovation in Los Angeles tends to emanate from and accelerate through a cross section of well-established industries, e.g. entertainment and aerospace, as well as from developing sectors that have been at the forefront of major macro forces such as digitization and decarbonization, i.e. digital media and alternative transportation. This bodes well for the L.A. region, versus other innovation hubs, which tend to be industrially monolithic, with an industrial 'monoculture' that over relies on one or, at most, two industries fixed in tight geographic concentrations. And so, as we continue to focus our efforts on driving local solutions to some of the world's macro challenges, such as climate change and water scarcity, it would behoove all of us – as private, public, education and nonprofit sector leaders here in L.A. County – to ensure that we are not simply a consumer of the products and services meant to resolve some of these macro challenges here locally, but also a researcher, designer, creator, builder, and exporter of them; this starts organically with investment in and commercialization of innovation.

Looking forward, an area of progress that must be prioritized is support for innovation businesses operated by entrepreneurs of color, who face disparities and distinct challenges that are much more pronounced than their non-minority counterparts as they try to start, capitalize, and scale their businesses. These challenges include hindrances in networking, insufficient mentorship programs, lack of access to capital, and insufficient customer connections. Taken together, these hurdles have relegated too many of LA's minority entrepreneurs to low-growth sectors with few barriers to entry and low capital requirements, but with high average rates of failure. As public, private, nonprofit, economic development, and philanthropic leaders here in LA County, we must remove these systemic and institutionalized barriers to minority business start-up, development, and revenue growth by, for example:

- Establishing more soft infrastructure services and coalitions to help source and/or target seed- and growth-stage capital for minority-owned start-up and development-stage businesses, as is an objective of PledgeLA, sponsored by Annenberg Foundation and the Office of L.A. City Mayor Garcetti, which was formed in 2018 as a collective of L.A.-based technology companies and venture capital firms working to improve diversity, equity, and inclusion in their investment decisions and, in so doing, to increase capital-access for startup and development-stage firms from underrepresented communities;
- Connecting more minority-owned small businesses with larger partners and/or buyers from sectors with growing local demand, i.e. government and private sector procurement opportunities, such as what JPMorgan Chase's Ascend 2020 program has been doing in Los Angeles (along with five other U.S. cities) to help broker and secure partnerships between minority-owned businesses and anchor institutions that are committed to increasing spending with minority-owned firms,"; and
- Support and scale more projects and initiatives like SoLa Impact's Beehive business campus, which supports local entrepreneurs with business services and investor networks in South Los Angeles.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GOAL 4

Goal 4: Be more business-friendly

"The economy and workers benefit from a strong, healthy relationship between government and business."

~ Harold Ford, Jr., Former United States Congressman

Job creation is dependent on employers, which prefer to locate in jurisdictions where it is easier to do business. As stated in the Strategic Plan, "business friendliness" is neither easily defined nor easily measured. It is subjective and must be evaluated contextually based on the industry, the size of the business and its business model. Too often regulations, tax policies, and government incentives are seized upon as proxies for whether an economic region is business friendly, or not so much. However, survey after survey indicates that there are several more important considerations for whether a business finds a region or locale hospitable or not. One of the most important factors is access, that is whether a business has access to capital, talent, new customers, physical spaces, suppliers, complementary resources, untapped markets, and networks. Nonetheless, governments can – through, for example, unfavorable procurement practices, public finance (including tax) policies, regulatory guidelines and permitting processes – make access more difficult, time-intensive, or expensive for businesses, rendering these locales "unfriendly" places to do business.

By far the best gauge of whether a region or locale is a friendly place for business is whether there is an increase in the total number of businesses -- of many sizes and stripes -- over time. Between the start of 2015 and the close of 2018, the number of businesses in Los Angeles County grew by 8.4 percent, from 258,982 to 280,826. (**Exhibit 17**) The largest percentage increases were seen in businesses with between 250 and 499 employees, which grew by 10.3 percent during this period, and those with fewer than

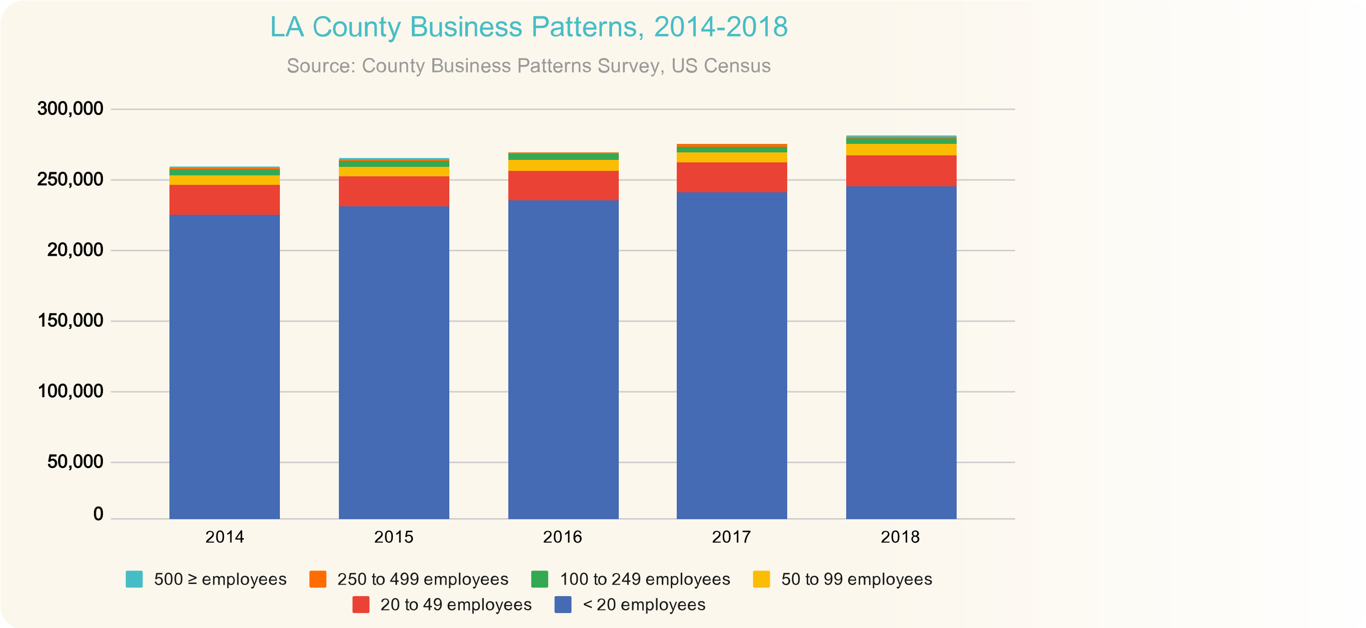


Exhibit 17

Goal 4: Be more business-friendly

20 employees, which grew by 8.9 percent. (**Exhibit 18**) Conversely, there are only 28 Fortune 1000 companies headquartered in Los Angeles County; this is well short of what would be expected in a region of Los Angeles' size and with the "L.A." brand. [8] Indeed, the number of truly large businesses with 1,000 or more employees fell by a significant 13.5 percent over the Strategic Plan period.

LA County Business Patterns, 2014-2018

Source: County Business Patterns Survey, US Census

Exhibit 18

Several important L.A. business-supporting procurement, streamlining, and utilization initiatives have been operationalized in the county over the last five years, including important initiatives that lever the $6.5 billion of annual county expenditures to support local business procurement. Among the initiatives the county established in the last half-decade, are: a Small Business Initiative to support small businesses throughout the county through streamlined service delivery; a Small Business Concierge Program that serves as a single point of contact to assist local business owners and potential business owners in starting and growing their businesses; and a four-year certified business utilization plan with the goal to increase contracting dollars awarded to county-certified small businesses to 25 percent of all contracts the county awards for goods and services, including an increase in contracting and procurement opportunities for disabled veteran business enterprises and local small business enterprises, [9] which are eligible, under the plan, to receive a 15 percent bid price reduction or "preference" when bidding on certain goods and services solicitations from Los Angeles County.

Notably, these programs made good progress on their goals. In particular, the county made significant progress in meeting its certified business utilization goals. From fiscal year 2014-15 to fiscal year 2018-19, there was an increase of over $416.5 million in county contracts for small businesses, [10] a 361 percent increase in business utilization over the four-year period. In addition, the number of businesses assisted through the county's Business Concierge Program increased from 50 in 2015-16 to 732 in 2018-19. And the county helped 691 firms in opening their businesses during fiscal year 2018-19, up from 77 in 2015-16.

Finally, executing a program to identify, target, and assist businesses that are in financial danger is an essential "arrow" in any government's business friendly "quiver." Between 2015-16 and 2019-20, the performance of both the County and City of Los Angeles layoff aversion programs, in partnership

8 One-third of all Fortune 500 companies are headquartered in six metropolitan areas: San Francisco; Minneapolis-St. Paul; Houston; Dallas; Chicago; and New York.

9 DVBEs and LSBEs represented less than 4 percent of all certified vendors before LSBE preference program was launched.

10 From $159.8 million to $576.3 million

with the LAEDC, to provide technical assistance to businesses of any size that are at risk was noteworthy, resulting in: 37,963 at-risk businesses contacted; 2,957 action plans put forth; and, most importantly, 16,652 jobs saved. (**Exhibit 19**)

We know that the COVID-19 pandemic has put minority-owned businesses at particular risk. According to a recent McKinsey & Company report on COVID-19's effect on minority-owned small businesses, the crisis's impact will affect minority-owned small businesses disproportionately.[11] This is largely because many of these businesses were in precarious positions even before COVID-19, with minority-owned small businesses twice as likely to be classified as "at risk" pre-pandemic than nonminority-owned small businesses.[12] Minority-owned businesses also tend to face structural issues that make it more difficult for them to scale successfully, such as lack of adequate and equal access to capital, and they are more likely to be concentrated in industries, such as food service, retail trade, and hospitality that have been most directly affected by the pandemic. As we begin to reopen safely and then enter the recovery phase, we – as government, industry, social enterprise nonprofit, economic development, and philanthropy leaders here in L.A. County – must come together with a sense of urgency and in a directed way with a suite of adequately resourced programs, tools, and strategies to ensure the survival of as many of these minority-owned businesses as possible.

Beyond the study period of this report, the challenges that small businesses have faced from the pandemic of 2020 have been met with significant support from the county, many cities, and the nonprofit and philanthropic communities. The outreach and support initiatives like LAEDC's Community Connectory and the allocation of more than $100 million of CARES act funding to small businesses, micro enterprises, arts organizations, and community -serving nonprofits, has been essential to help them survive, and reinvent themselves for a post pandemic world. Yet, much need for business-friendly practices and structures will remain as small businesses grapple with recovery and look towards retention and growth of jobs for L.A. County's residents.

DIRECT JOBS SAVED IN LA COUNTY BY INDUSTRY SECTOR

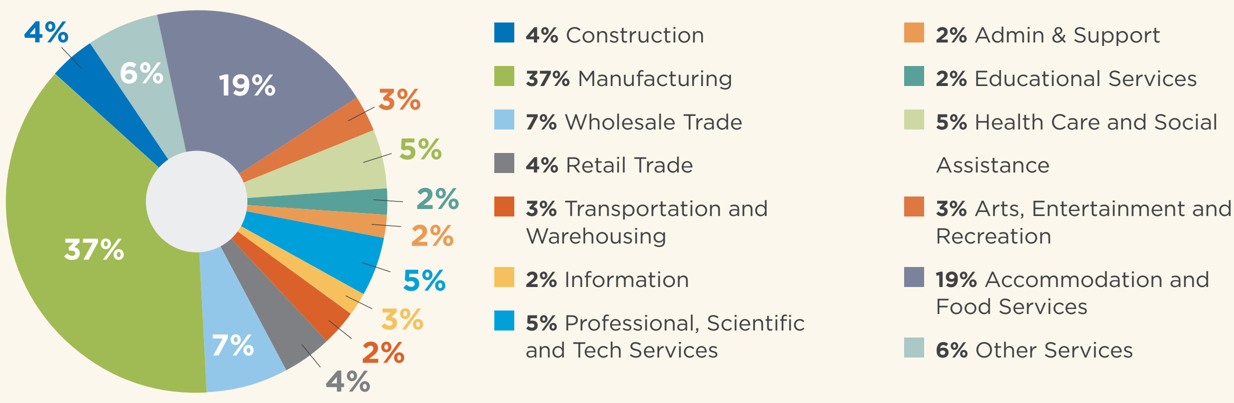


Exhibit 19

11 Andre Dua, Deepa Mahajan, Ingrid Millan, and Shelly Stewart, McKinsey & Company, "COVID-19's effect on minority-owned small businesses in the United States" (dated: May 27, 2020)

12 Ibid. (citing the Federal Reserve Banks, which reported that minority-owned small businesses were significantly more likely to show signs of limited financial health based on factors that include: profitability, credit scores, and retained earnings as a primary funding source)

GOAL 5

Goal 5: Remove barriers to critical infrastructure development, financing, and delivery

"Those who can, build; those who can't criticize."

~ Robert Moses, Known as the "Master Infrastructure Builder" of the 20th Century

From building the Los Angeles aqueduct at the beginning of the 20th Century to the $14 billion modernization of LAX Airport in process in 2020, the foresight displayed by our state and local leaders has always provided the essential building blocks for Los Angeles' rise to global prominence and economic dynamism. Today, of course, modern, reliable, and secure physical infrastructure, such as roads, rail, ports, electrical grids, water systems, and fiber-optic cable, infiltrates every aspect of our lives. It powers trade and commerce; it connects workers to their jobs, goods to their destinations, and students to their classrooms; and it provides community resilience to respond to, withstand, and recover from man-made and environmental disasters and threats.

Building on Measure R's approval during the first five-year (2010-2014) countywide Strategic Plan for economic development, in 2016, L.A. County voters (with almost 70 percent support) approved Measure M, authorizing a new one-half cent sales tax that will help fund 40 major highway and transit projects over years to come and extending Measure R's sales tax increase that was approved in 2008 indefinitely.[13] Between 2016 and 2019, capital expenditures to upgrade or augment many essential infrastructure systems and assets at Los Angeles World Airports, Los Angeles County Metropolitan Transportation Authority (L.A. Metro),

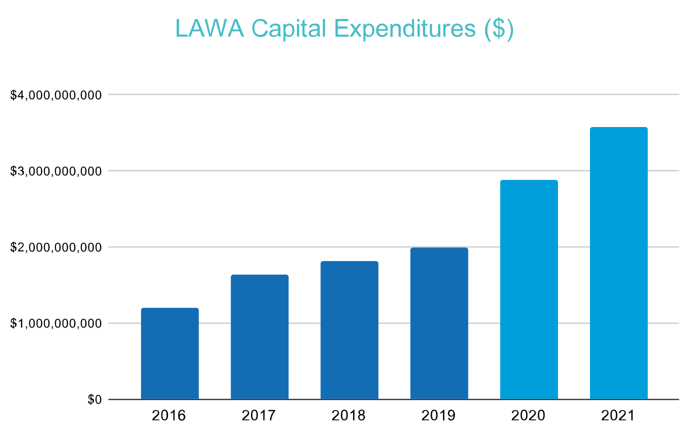
13 It was set to expire in 2039.

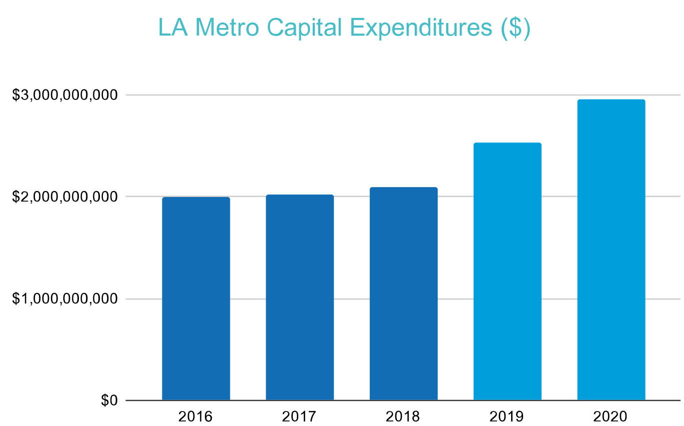
Goal 5: Remove barriers to critical infrastructure development, financing, and delivery

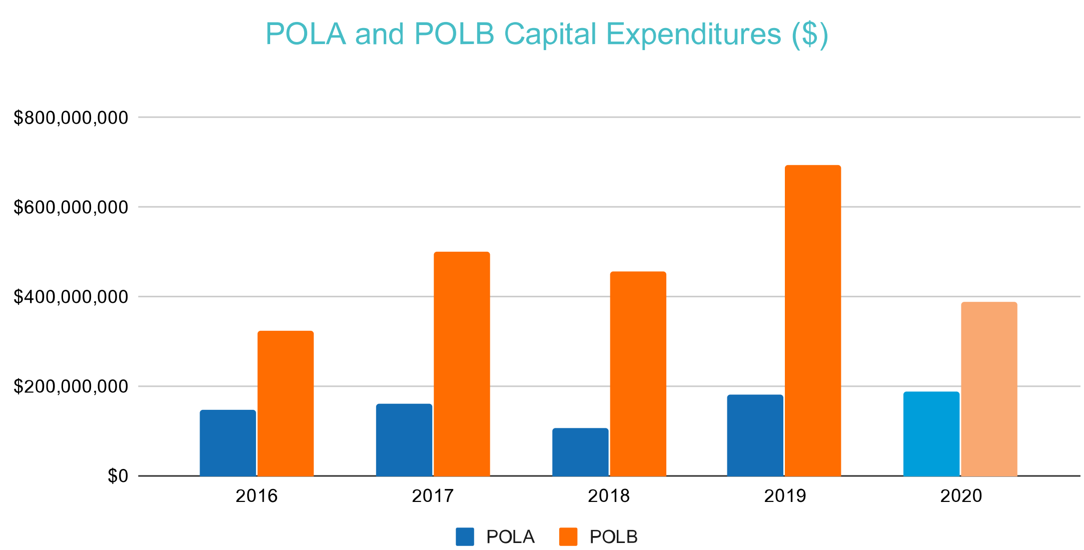
Port of Long Beach, and Port of Los Angeles grew by 66.5 [14] percent, 27.2 [15] percent, 113 [16] percent, and 21.7 [17] percent,respectively. (**Exhibit 19A-19C**)

Somewhat surprisingly, L.A. Metro bus and rail ridership both decreased from 2016 to 2019, as measured by total boardings. Total bus boardings during the period decreased from 304 million total boardings in 2016 to 277 million in 2019, a 9 percent drop. Similarly, rail system ridership decreased from 111 million total boardings in 2016 to 93 million in 2019, a 16 percent drop in total ridership.[18] (**Exhibit 20**)

— Exhibit 19A-19C—







14 2016: $1.2 billion; 2019: $1.99 billion

15 2016: $1.99 billion; 2019: $2.53 billion

16 2016: $325 million; 2019: $695 million

17 2016: $149 million; 2019: $182 million

18 While there were Blue and Exposition Line closures for maintenance and updates during this period, rail ridership was going down annually before these closures.

In contrast, Los Angeles International Airport saw an almost nine percent increase in passenger traffic between 2016 and 2019, going from about 81 million annual passengers (MAP) in 2016 to 88 MAP in 2019. Throughput at the Port of Long Beach from 2016 to 2019 increased by more than 12.5 percent, from 6.78 million twenty-foot equivalent units to 7.63 million TEUs, and at the Port of Los Angeles it increased by 5.3 percent between 2016 and 2019, from 8.86 million TEUs to 9.33 million TEUs.

Even with the significant growth in capital expenditures over the Strategic Plan period, Los Angeles still has major physical infrastructure gaps in many of its important systems. Most notably, while the percentage of county households with broadband access increased almost eight points between 2015 and 2018, from 78.7 percent to 86.5 percent (**Exhibit 21**), the lack of broadband access for 13.5 percent of county residents is just not acceptable nor is it equitable in an information age economy. Fiber optic master plans, such as the one released in 2017 by the 15 South Bay-member cities,

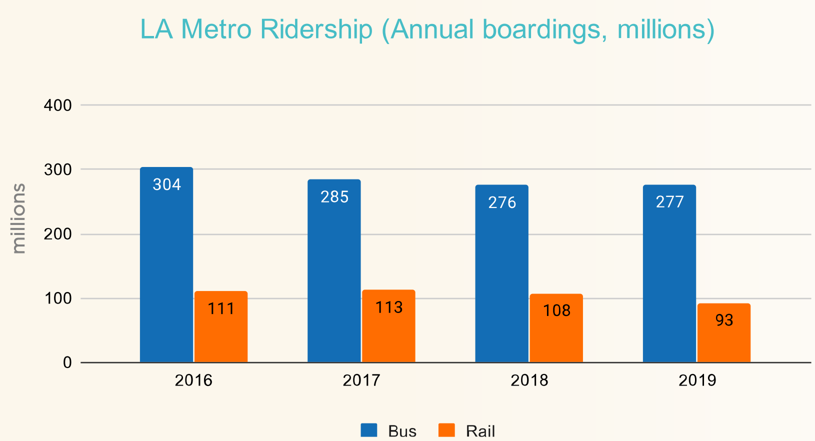


Exhibit 20

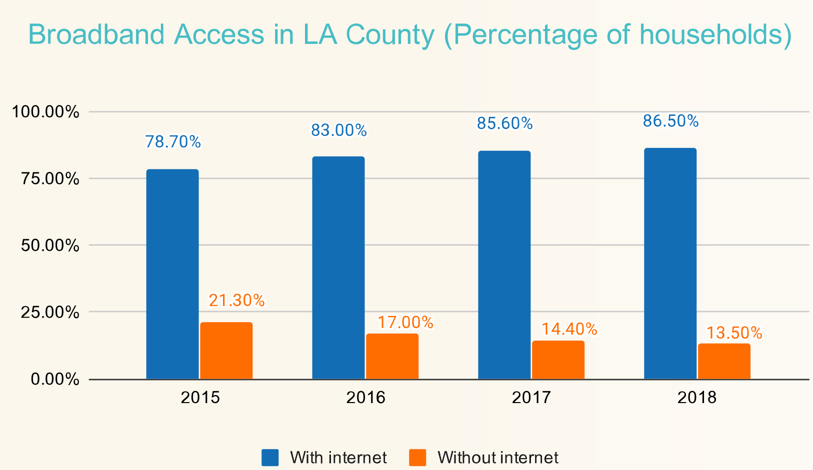


Exhibit 21

Goal 5: Remove barriers to critical infrastructure development, financing, and delivery

should be emulated to institutionalize an ethos and process for digital inclusion that stimulates education and workforce equity and advances broader economic development goals predicated on fiber-optic network infrastructure access and adoption. Simply waiting is not an option, as the digital divide between high-income and low-income communities, which was a serious challenge before the COVID-19 pandemic, has become one of the defining infrastructure and equity issues of our time as residents across the county's economically distressed communities find it near-impossible to earn and learn without high-speed broadband access, adoption, and adequate digital literacy training. This issue puts low income families and communities to a significant disadvantage in obtaining livable wage jobs.

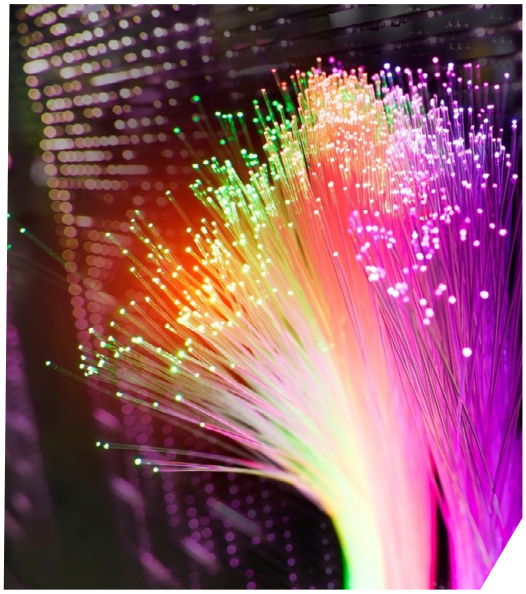
In addition, we must strive to accelerate construction of renewable energy and electrification infrastructure much more rapidly and equitably, to address the increasingly obvious negative impacts of climate change. In so doing, we must balance grid stability and resilience through smarter planning and decrease electricity prices, which are more than 46 percent higher than the nationwide average,[19] and as such, unduly burden poorer residents; still the importance of decarbonizing our economy cannot be overemphasized. During 2016-2019, sustainability-related infrastructure development was spurred by public policy and incentives, driving economic activity and jobs, including jobs working on both behind-the-meter and utility-scale projects.

Utilities took substantial action on renewable electricity generation, partly due to improving economic viability of projects and also in response to Senate Bill 100, which was enacted and chaptered in 2018. For example, Los Angeles Department of Water and Power's "Eland" solar project (2019) increases LADWP's percentage of renewable generation by over seven percent (7%), and LADWP made the ambitious decision in late 2019 to convert its Intermountain Power Plant from coal to green hydrogen. Southern California Edison also made substantial progress during the period, and during 2019 connected 547 megawatts of solar to the grid, while its "Charge Ready Transport" program launched in 2019 for heavy vehicle charging of over 8,000 electric fleet vehicles. Charging infrastructure investment is supported by mandates for freight transportation electrification, as well as funding such as the VW settlement which funded the ZEV Investment Plan of 2017. Having said that, the costs that truck operators and low-income residents must bear for vehicle purchases must be further addressed to reduce economic hardship as we transition our fleets. Generally, EV adoption requires much more widely accessible charging infrastructure which presents economic opportunity looking forward.

Looking forward, traditional public-sector bond financing options are going to be less feasible over the near-term with high-debt levels and lower credit ratings brought on by the pandemic. Still, other financing and risk-sharing options, including private sector involvement in projects with manifest revenue streams, such as in water projects, may make a lot of sense to backfill any financing gaps. In infrastructure project areas where it may not "pencil out" for the private sector firms that dominate, such as for telecommunications firms to lay the cable to provide every county community with high levels of broadband infrastructure, the county and local governments should work with the private sector to figure out those revenue opportunities, perhaps using its regulatory and/or permitting powers, and help develop the business case for building out those networks, which are so essential to the future economic success of all households and businesses.

19 Source: U.S. Bureau of Labor Statistics (July 2020)


EV



GOAL 6

Goal 6: Increase global connectedness

"It has been said that arguing against globalization is like arguing against the laws of gravity."

~ Kofi Annan, former Secretary-General of the United Nations

L.A. County's economy past, present and future is highly reliant, if not wholly dependent, on its interactions with the global economy. Exports from Los Angeles and foreign investments made in the region drive job creation. From movie and television royalties, which are the region's most valuable export, to foreigners buying local services from L.A. -based institutions and businesses, such as a tourist reserving a hotel room, to international businesses moving goods through L.A.'s air and sea ports, to foreign flag firms opening operations in the county or making investments in facilities, these transactions raise overall output, which increases productivity, creates more jobs, and fosters wage growth. Accordingly, our region's global connections should be celebrated; they must be nurtured; and they should certainly be developed further as an economic differentiator, productive advantage, and "badge of honor" for L.A. County going forward.

The progress made in the county during the Strategic Plan period to increase global networks, interactions, linkages, and transactions was significant. Between 2015 and 2019, the number of foreign-owned and/or -affiliated firms grew by 17 percent, from 4,367 firms to 5,113. The number of workers employed by those firms also grew by double digit percentages: up 14 percent, from 177,427 jobs to 202,431 jobs (peaking in 2016 with 212,512 jobs), during the same period, as did the wages paid to those employees, which rose an astounding 52 percent between 2015 and 2019. (**Exhibit 22**) One signature example of the importance of foreign direct investment was the attraction, groundbreaking, and now scaling of the BYD electric bus and truck factory in Lancaster, which has created many hundreds of well-paying union jobs.

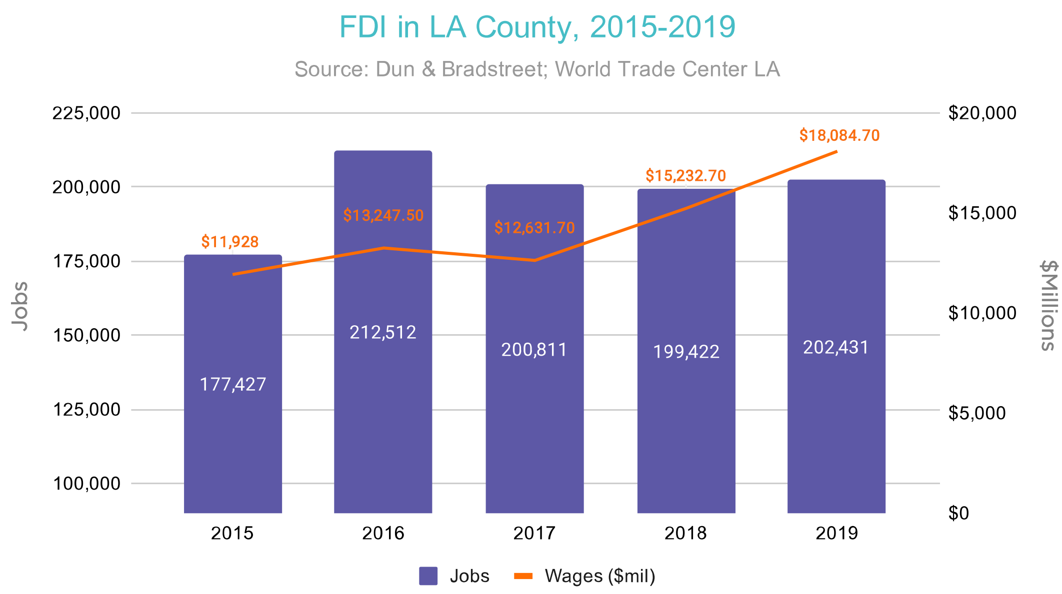


Exhibit 22

Goal 6: Increase global connectedness

Foreign direct investment also played an outsized role in reshaping the built environment in Downtown Los Angeles. From 2016 to 2018, more than $5 billion in foreign investment resulted in some of the most iconic developments and buildings in the region. Korean Airlines' Wilshire Grand development now towers over the city skyline, and mixed-use development projects such as Metropolis, 825 South Hill, and Hope & Flower, all which were backed by international capital, highlight the outsized role these investors play in the L.A. market. Programmatically over this Strategic Plan's period, the World Trade Center Los Angeles (WTCLA) attracted hundreds of international companies from dozens of countries to explore the market.

The value of exports from L.A. County, which reached a five-year high in 2018 of $64.8 billion (from $61.3 billion in 2015), fell back down to $61.85 billion in 2019, due, in large part, to the ongoing trade conflicts between the United States and other trading partners, especially China but also Canada and Mexico prior to the implementation of United States-Mexico-Canada Agreement in 2020. As a percentage of LA's GCP, exports from L.A. County represented about nine percent consistently throughout the Strategic Plan period, except in 2019 for the reasons described above, when the percentage of GCP was closer to seven percent. (**Exhibit 23**)

Over the Strategic Plan period, L.A. experienced significant growth in tourism. In 2013, Los Angeles set the goal to welcome 50 million visitors by 2020. Nearly two years ahead of schedule, Los Angeles reached that milestone in 2018. The explosive growth – 7.8 million more annual visitors since 2013, and almost three million since 2016 – can be partly attributed to more flight connectivity between the Los Angeles region and the world, in addition to major infrastructure enhancements. For example, Los Angeles International Airport (LAX) is in the middle of a $14 billion LAX Master Plan to modernize and enhance service and capacity at and around the airport. International visitors from markets like China, Mexico, Australia, and Canada played a huge role in achieving this '50 million visitor' goal. In fact, China was the first market to surpass one million annual visitors to L.A. These visitors infused billions of annual

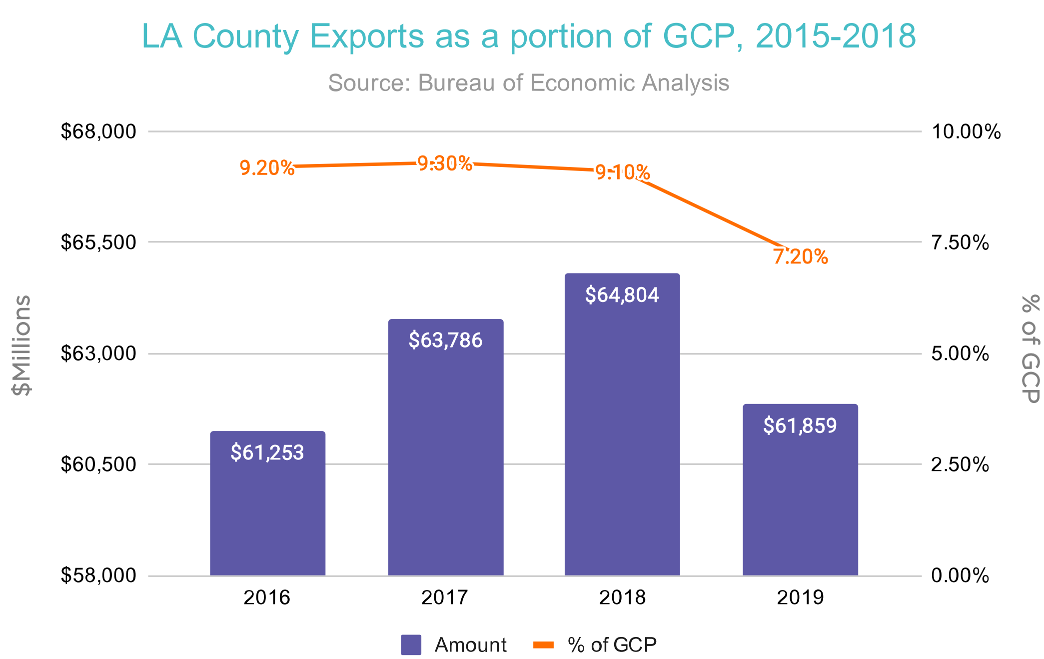


Exhibit 23

dollars through direct and indirect spending, supporting local business and residents. With the onset of the COVID-19 pandemic, visitor spending projections were forecast to decrease by $13 billion with 22 million fewer visitors in 2020. Looking forward, expect reductions in the number of visitors to LA to continue in the subsequent years until consumer confidence in travel safety rises again.

During this Strategic Plan period, L.A. made significant progress in both levering its global “L.A.” brand and connecting with foreign investors with the goal of enticing them to invest in L.A. In 2016, in partnership with Los Angeles Mayor Eric Garcetti, the WTCLA and LAEDC created, launched and hosted the first Select LA Investment Summit, an event first designed to attract foreign investors to the Los Angeles market before those delegates continued onward to the U.S. Department of Commerce’s foreign direct investment Select USA Summit in Washington, D.C. The first year’s program was so successful that the event has grown each year and attracted more than 500 international investors from 30 different countries. As the only event of its kind in Los Angeles County, Select LA will continue to be a “global stop” for large investor delegations, providing an all-important venue to showcase why Los Angeles County is one of the best markets for investment.

While new capital investments began to slow in 2018, E-sports was, and continues to be, an industry where international investors are eager to participate. Whether opening a new office like South Korea’s game developer NetMarble USA did in 2018, or Chinese conglomerate TenCent Holdings acquiring a majority stake in Riot Games, the confluence of content, technical expertise, and a large interested audience, have primed this signature L.A. industry for future foreign investments, as will the larger industry of sports and entertainment be an area on which to focus attraction efforts as major sporting events and the Olympics near. Overall, while COVID-19 will certainly slow the flow of new capital, the L.A. region will maintain its leadership role as an attractive, safe and welcoming market for international firms looking to expand to and/or establish a beach-head in the United States.

GOAL 7

Goal 7: Build more livable communities

“The greatness of a community is most accurately measured by the compassionate actions of its members.”

~Coretta Scott King, Author, activist, and civil rights leader

Livable communities including the systems and conditions that support physical, mental, social, political, and environmental wellness and resilience – for both individuals and communities – are essential to the very fabric of our experience and our quality of life. While these characteristics of the human experience may be seen by some as tangential to economic development, it is truer to say that economic development is the single greatest driver of human welfare the world has ever known when it delivers on its promise of higher standards of living, which are interwoven with these markers of community health, which in turn drive a more productive, fulfilling and stable society that can achieve further economic progress and prosperity.

The consensus process put forth during the public development of the Strategic Plan prioritized specific strategies in the following areas:

- Reduction of homelessness and the elimination of healthy food “deserts”
- Cleaner air and water, and a more sustainable environment
- Stronger community support structures that better connect L.A. County’s underserved communities with more economic development opportunities and more intentionally target at-risk populations
- More affordable housing and more accessible transit options to connect residents to jobs

By many measures, significant progress was made on these strategies during the Strategic Plan’s period. For example, L.A. County’s Measure H-funded Homelessness Initiative (2016) operationalized strategies to reduce homelessness by providing additional rent subsidies to keep people from losing their homes, providing more temporary shelters and “Project Room-Key” motel accommodations, and offering more physical and mental health services to those on the streets. From early-2016 to early-2020, approximately 20,000 homeless people have found permanent housing because of Measure H. United Way of Greater L.A., with its “Everyone In” campaign, also made good progress in addressing L.A. County’s homeless challenge, and the number of homeless programs, pilots and projects region-wide have increased in number and effectiveness over the past several years of the Strategic Plan’s implementation.

As discussed in the introduction, while major efforts to address homelessness, including voter-referendums of L.A. County Measure H and City of L.A. Proposition HHH, have improved the funding of solutions, the amount of people experiencing homelessness in L.A. County increased to 66,436 by 2020; this is a mottle on all of our records, as leaders, organizations and residents of this county. Looking forward, we must all redouble efforts to address this issue; whether through greater will or more empathy, we must stop opposing needed housing, and simplify regulatory and financing complexities to make significant progress on this issue. One thing is certain, we can no longer accept that more than 66 thousand fellow human beings are living on our streets.

Progress related to environmental sustainability, including action designed to improve air quality, has advanced markedly these past several years. There has been a modest decrease in PM2.5 particulate across the South Coast Air Quality Management District from 2016-2019, reducing risks to health. And while disadvantaged neighborhoods, especially those along freight corridors are still experiencing unhealthy particulate and smog, the adoption of low- and zero-emission vehicles increased significantly

Goal 7: Build more livable communities

during this Strategic Plan's implementation, such as Metro's recent commitment to an all-electric bus fleet, the substantial clean-air upgrades at the twin ports, and other transportation electrification and pollution reduction initiatives.

Green New Deal plans adopted by County and City of Los Angeles and other cities also support livable communities, and combined with progress noted in Goal 5, there is cause for optimism both in terms of environmental justice and long-term environmental sustainability. Yet, as described in Goal 5 hereunder, we have a long way to go in terms of EV adoption and scaling renewable energy for reliable and affordable electricity, as we address the threats posed by climate change.

Additional areas of livable communities progress on issues of equity include the First 5 L.A. home visiting program for at-risk families and rapid expansion of transit options for East Los Angeles and South Los Angeles communities served by the Crenshaw/ LAX line and other major Metro and Metrolink projects. Public transit investment will greatly improve economic opportunities and access, along with quality of life, for many residents of the county. Access to health care in underserved communities has also seen some programmatic improvement, such as through an investment made by Weingart Foundation and others to the MLK Hospital foundation to bring in doctors and nurses to staff area clinics in communities such as the Watts-Willowbrook area, which has improved access to preventative healthcare. Financial literacy programs launched during the Strategic Plan's implementation period, such as delivered through a partnership between Citi and the County, will have a positive impact on wealth generation and retention for many families.

The Los Angeles region is leading several innovative programs that serve justice-involved and re-entry individuals, juvenile offenders, transition-age youth and the homeless. In all this important work, civic leaders and their colleagues are bringing transformational change to our county and region, including through the County of Los Angeles Fair Chance hiring initiative (2019), the Second Chance Apprenticeship Preparation Program (2016), and "Ban the Box" legislation (2016) which remove barriers to entry for many workers. Incarceration rates are also down. This drives real change and is providing career opportunities and economic advancement for justice-involved people.

Livable communities must also be resilient, as defined by the Strategic Plan, to economic, natural, health, and man-made disasters, including businesses and infrastructure. And progress was made over the planning period, such as numerous business earthquake preparedness initiatives, including one led by LAEDC with its guide, Preparing for Business After an Earthquake. Over the period there has also been progress on active transportation and complete streets that make it easier to get around without a car, led by many cities across the region.

Yet, even with all of this progress, much more work is still needed to meet the consensus-developed ambitions and aspirations of this Goal 7. In particular, there is a need for greater equity in the region's economy, and communities of color are experiencing lower marks on most of the metrics for livable communities, which in turn reduces the ability of people to access opportunity and social mobility. In fact, the Gini coefficient, which is a measure of the distribution of income across a population, went in the wrong direction in LA County during this Strategic Plan's implementation, from 0.4992 in 2015 to 0.5016 in 2018.[20] The inequality statistics require aggressive action on many levels.

The L.A. County region is suffering from a terrible scarcity of housing at all price points, and while significant energy has been focused on the issue, not enough new units have become available to meet the needs of families across L.A. County. While the percentage of households able to afford to buy a home has remained relatively stable from 2015 to 2019, at about 27 to 28 percent of households, this means about 72+ percent of families are financially unable to buy a home.[21] (**Exhibit 24**) Greatly worsening matters, over the same period

20 The coefficient ranges from 0 (or 0%) to 1 (or 100%), with 0 representing perfect equality and 1.0 representing perfect inequality.

21 Source: https://www.car.org/en/marketdata/data/housingdata

Median Home Price and Home Affordability Index in LA County

Source: California Association of Realtors

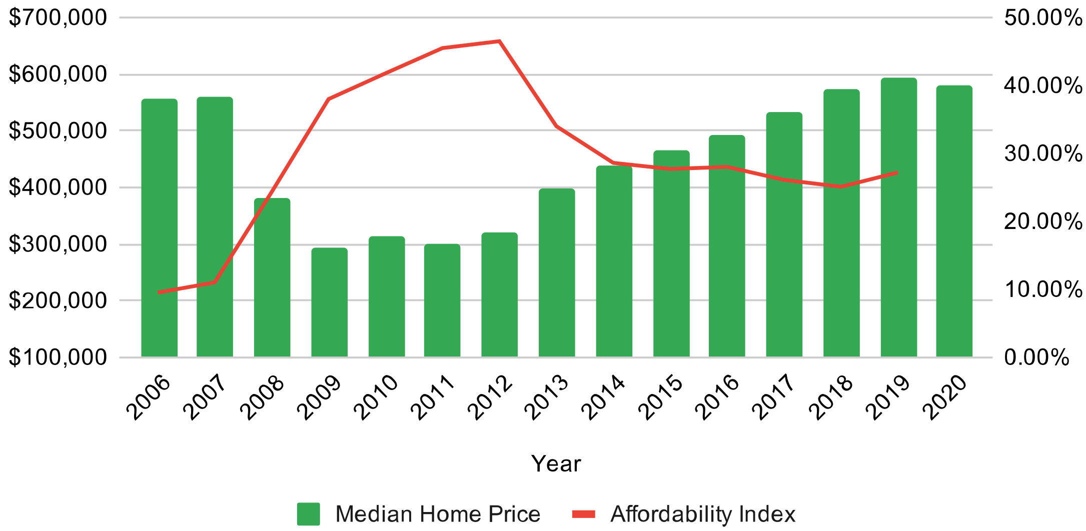
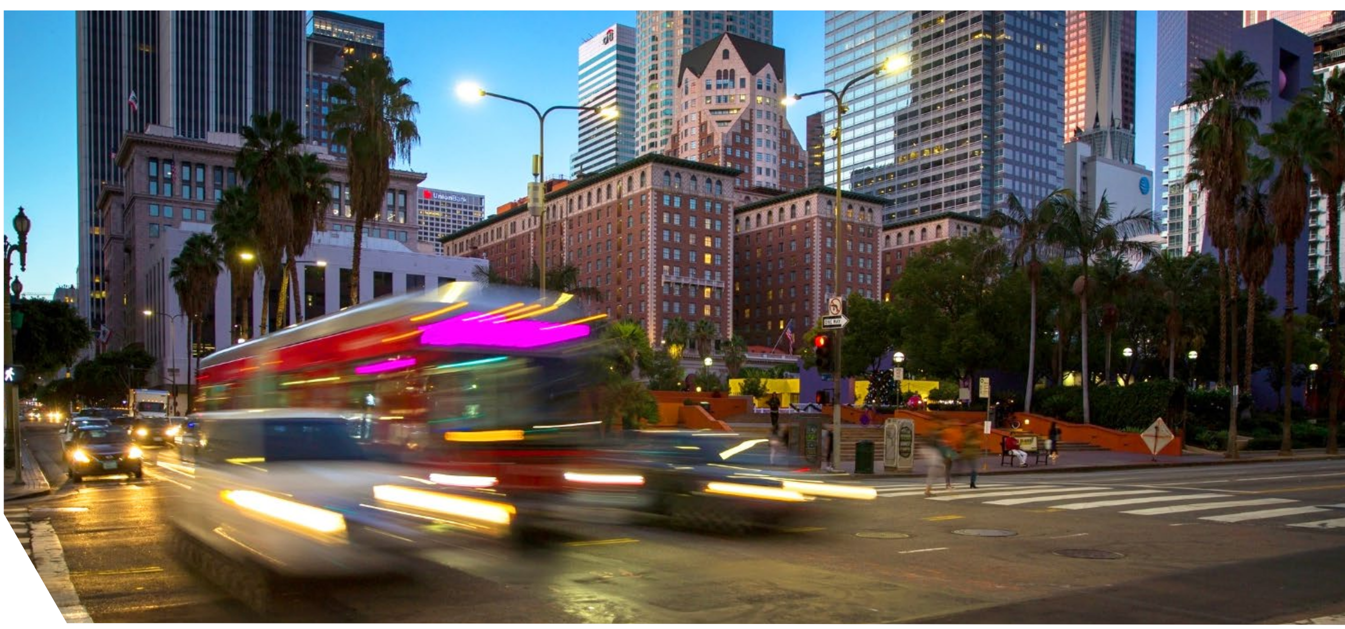


Exhibit 24



Goal 7: Build more livable communities

the rent for a median apartment has risen by over 22.3 percent from $2,036 per month in 2015 to over $2,452 per month in 2019.(**Exhibit 25**) Some of the most pernicious indirect impacts of this housing affordability crisis are increased traffic congestion, more noxious emissions, and longer travel times over the period, as people have moved farther from work to find affordable housing. In fact, mean travel times went up from 30.9 minutes in 2015 to 32.2 minutes by 2018. (**Exhibit 26**)

In conclusion, while it is impossible to thoroughly examine livability in a short summary, during the period of the Strategic Plan there was marked programmatic progress made in several areas that were stimulated, in part, by the public input sessions and expressions of priorities by the people who participated in the strategic planning process, which inspired many to move forward on those goals in their own work.

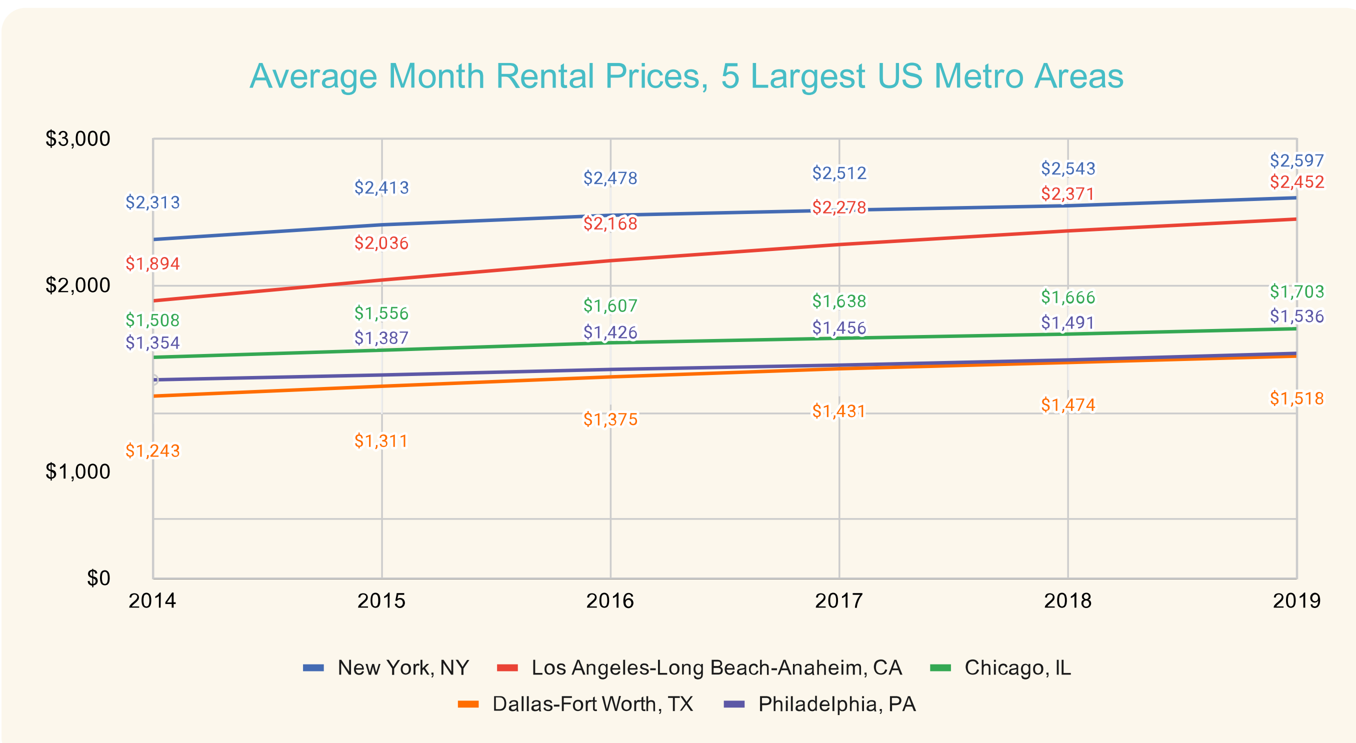


Exhibit 25

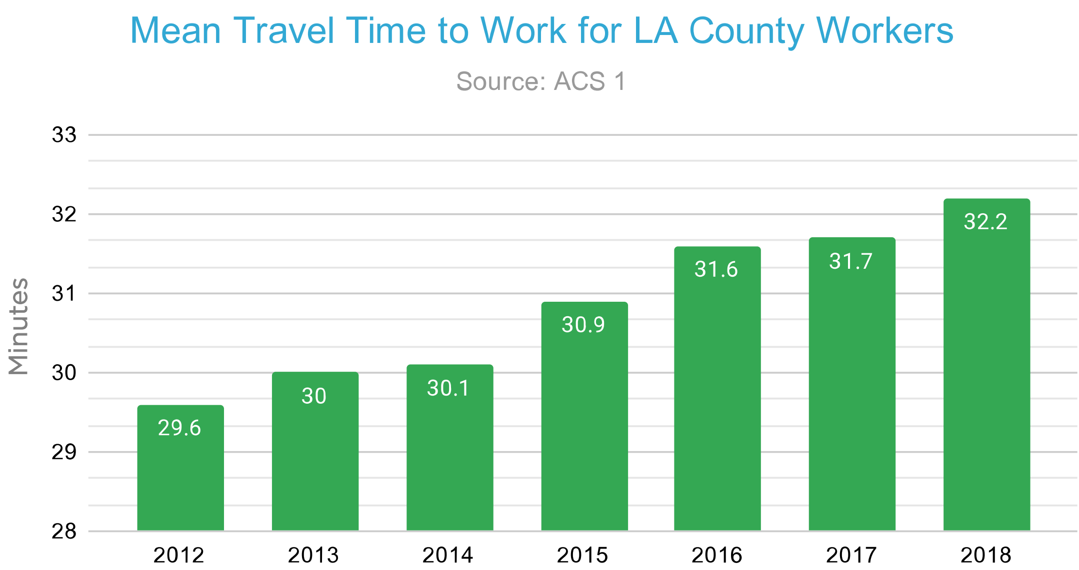

Mean Travel Time to Work for LA County Workers
Source: ACS 1
Minutes
33
32
31
30
29
28
29.6
30
30.1
30.9
31.6
31.7
32.2
2012
2013
2014
2015
2016
2017
2018

Exhibit 26

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