Land Use, Construction, and Housing Council  
June 26, 2013  
10:00 – 11:30 AM

1. Welcome and Self Introductions

2. Re:Code LA Launches: Timeline and Priorities

   **Special Guests:**
   Tom Rothmann, Senior City Planner, Los Angeles City Planning Department

   Audience Q&A and Zoning Code Task Force Priorities for Chamber

3. Health and Wellness: Incorporating Public Health into the General Plan

   **Special Guests:**
   Elizabeth Carvajal, Urban Planning and Public Health Specialist, Raimi + Associates  
   Lys Mendez, Outreach Coordinator and Planner, Raimi + Associates

   Audience Q&A

4. Update Item:
   - Enterprise Zone Advocacy

**Next Council Meeting:**
July 24, 2013  
10-11:30 AM
Thomas Rothmann
Senior City Planner
Los Angeles Department of City Planning

Thomas Rothmann has worked at the Los Angeles Department of City Planning since 1999 and was recently promoted to Senior City Planner. Prior to his promotion he supervised the Code Studies Section writing citywide ordinances on a variety of planning issues including mixed-use zoning, signage, murals, community care facilities, medical marijuana, affordable housing, urban farming, and process streamlining.

As the supervisor of the Department’s River Unit he coordinated the implementation of the Los Angeles River Revitalization Master Plan. He also worked in Environmental Review and the Demographics Unit.

Before moving to Los Angeles, Tom served as a Senior Planner and a Director of Land Use Planning for the City of New York’s Department of Real Estate where he managed the purchase and sale of City property.

Tom received his Bachelor’s in geography and physics from Rutgers College and his Master’s degree in public administration from New York University.
Elizabeth Carvajal
Urban Planning and Public Health Specialist
Raimi + Associates

Elizabeth Carvajal is an Urban Planning & Public Health specialist with Raimi + Associates, a Berkeley, CA based urban planning firm founded in 2006 to pursue projects with an explicit focus on community health, sustainable neighborhoods, and social equity. She is currently embedded within the City of Los Angeles Department of City Planning and is project lead for the preparation of the new Health and Wellness Chapter that will be incorporated into the General Plan Framework Element.

Ms. Carvajal has over eight years of progressively responsible achievements in urban planning, project management, and program delivery. Prior to working at Raimi + Associates, she was an Assistant Planner for the Eastside Region of the Community Redevelopment Agency of the City of Los Angeles (CRA/LA). Before joining the CRA/LA, Ms. Carvajal was with the City of Pomona and the City of El Monte respectively.

Carvajal holds a Masters in Planning from the University of Southern California and a Bachelor’s degree in History from the Claremont Colleges: Pitzer College.
Lys Mendez  
Outreach Coordinator  
Raimi + Associates

Lys Mendez is an Outreach Coordinator for Raimi + Associates, working on engaging residents in creating a new vision for a healthier Los Angeles. Mendez is part of a team that is working on creating a new Health and Wellness Chapter for the city’s General Plan, which will serve as a guiding policy document to elevate health as a priority for future planning and development efforts.

Before joining Raimi + Associates, Mendez did communications for Mayor Antonio Villaraigosa and the County of Riverside.

She has a master’s degree in Urban and Regional Planning from UCLA.
What is the Health and Wellness Chapter?

A General Plan is a city’s “constitution”; it describes the City’s long range vision for growth and development. The Health and Wellness Chapter will be a new addition to the City’s General Plan Framework Element and will elevate health as a key priority in making growth and development decisions. As part of the first update to the General Plan Framework Element in over 20 years, the new Health and Wellness Chapter will provide guidelines to make Los Angeles a healthier place to live, work and play.

According to the Centers for Disease Control and Prevention (CDC), health-driven design policies can improve people’s health by making it easier for people to walk and bike, reduce injuries, improve access to healthy food and minimize the effects of climate change. A growing body of research links the design of communities to some of the nation’s most chronic health conditions, such as obesity, heart disease and mental health.

The Health and Wellness Chapter will serve as a policy mandate to prioritize health as the City develops and grows. The citywide document will use planning-based tools such as transportation, land use, open space and environmental standards to increase opportunities for healthy activities, choices, and living in Los Angeles.

• Set a long term vision for health in Los Angeles and highlight the relationship between health and planning.
• Establish objectives to improve health conditions throughout the City, especially for communities facing the greatest health disparities.
• Identify implementation programs to meet established health goals.

What will the Health & Wellness Chapter do?

What’s happening next?

The Department of City Planning is conducting a data-driven analysis of health conditions in Los Angeles on topics such as air quality, asthma rates, access to healthy food options, access to opportunities for physical activity, and obesity rates. Once complete, the data analysis, along with stakeholder input, will be used to develop health policies. The project team is partnering with City departments and community-based groups to get input from residents on the barriers to health and opportunities for improvement. After an extensive outreach period focused primarily in the communities with the greatest health disparities, community input will be used to develop an initial draft of the Health and Wellness Chapter.
How to participate or get more information on the Health and Wellness Chapter:

Please check planning.lacity.org for future updates on the Health and Wellness Chapter or contact the Health and Wellness Chapter team:

- Claire Bowin, 213-978-1213
  Claire.Bowin@lacity.org

- Elizabeth Carvajal 213-978-1212
  Elizabeth.Carvajal@lacity.org

- Lys Mendez 213-978-1207
  Lys.Mendez@lacity.org

County of Los Angeles Public Health Working for You.

Made possible with funding from the Centers for Disease Control and Prevention through the Los Angeles County Department of Public Health and The California Endowment.
June 13, 2013

The Honorable Jerry Brown
Governor
State Capitol Building
Sacramento, CA 95814

Re: California Enterprise Zone Program

Dear Governor Brown:

We, the undersigned organizations, businesses and individuals dedicated to promoting job growth, economic expansion, and preserving the overall global competitiveness of California applaud your willingness to explore new programs and offer new economic development tools – such as the California Tax Credit and your proposed statewide sales tax exemption for manufacturing, biotechnology and research and development equipment purchases – to create jobs, strengthen the economy and keep our state’s fiscal house in order. However, we respectfully urge you to exercise extra caution and prudence, to engage in a more public and transparent vetting process, and to not rush hastily during the truncated budget negotiation process to implement a plan that would effectively eliminate California’s 30-year-old Enterprise Zone program (“EZ Program”) – a proven (see below) tool to promote much-needed job growth and reduce poverty in distressed areas of the state.

Understandably, the 30-year-old EZ Program can use some improvements to make it more accountable, effective and less costly. But this should not automatically mean having to make a rigid, binary choice between enterprise zones and your three new replacement proposals. Rather we must be more thoughtful and flexible in our choices, more deliberative in our process and more creative in our solutions; we are, after all, California – the most innovative, imaginative and inspired state in the nation. Simply rushing to eliminate and replace a program on which many underserved communities and disadvantaged populations have come to rely without the proper scrutiny, public examination and economic impact analysis is not the way for the world’s 12th largest economy to go about such a critically important undertaking – that is, if we expect to get to right outcome once and for all and not have to go through this process on a seemingly annual basis, creating more uncertainty for businesses, municipalities and California’s distressed populations.

Enterprise Zones: a proven Economic Development tool that could be thoughtfully improved

At the outset, it is important to note that while we believe the California EZ Program can stand to be improved, we do not agree with your underlying premise that, as currently structured, the [EZ] program fails to achieve its goals in reducing unemployment. Time and again, EZ Program opponents cite the study authored by Jed Kolko and David Neumark of the Public Policy Institute of California (PPIC), titled: Do California’s Enterprise Zones Create Jobs (“PPIC study”), as unassailable evidence that there is no positive employment impact from enterprise zones.

Inexplicably, this single, isolated study continues to serve as the analytical basis for those policymakers intent on eliminating the EZ Program even though a number of highly-respected economists up and down the state have publicly questioned and expressed very serious reservations about the validity of the PPIC study. Most troubling to many of these economists is that the underlying non-government data source used in the PPIC study is not capable of detecting precise changes in jobs over short intervals
(i.e., year-over-year) and does not track business relocations or new businesses with any measure of confidence. This is because the PPIC study uses a privately-developed database of businesses based on Dun and Bradstreet data, which obtains self-reported data on employment levels. These employment levels are reported in intervals, which will mask improvements over time. For example, in one time period, a business with two employees selects “1 to 5 employees.” If the business later has 5 employees, it would still check “1 to 5 employees,” showing no employment increase. The intervals for larger companies range in hundreds of jobs, such as 500 to 750 employees.

Alternatively, several other studies by prominent institutions have, in fact, found that Enterprise Zones have a positive and significant impact on reducing unemployment rates, lowering poverty and increasing household incomes. Two of the more commonly referenced studies, using rigorous methods and Census data, found the following in regard to Enterprise Zones:

- The Department of Housing and Community Development (August 2006) found the following in EZs between 1990-2000:¹
  - Poverty rates declined 7.35 percent more than the rest of the state.
  - Unemployment rates declined 1.2 percent more than the rest of the state.
  - Household incomes increased 7.1 percent more than the rest of the state.
  - Wage and salary income increased 3.5 percent more than the rest of the state.

- The University of Southern California (November 2008, revised October 2010), which was funded by USC, the University of Maryland and the National Science Foundation (NSF) and has appeared in the Journal of Public Economics (a peer-reviewed, top-ten Economics journal), found that California EZs have positive, statistically significant, impacts on local labor markets in terms of the unemployment rate, the poverty rate, and the fraction of individuals with wage and salary income.²

Moreover, any honest budget analyst will tell you that it is somewhat misleading to claim only that “the [EZ] program costs the state $720 million in 2010.” This, of course, only tells part of the story. While it is true that the state would save approximately $5,000 per year for each tax credit, it would also lose on average $20,000 per year in unemployment insurance payments for those workers who would lose their jobs, and an additional $3,000 per lost job per year in personal income and sales tax revenue. Not to mention all the businesses that would have otherwise left or not located in the state but for the benefits offered in these zones and now might leave the state for more business friendly environments, and not return.

Still, like any program, the EZ Program can – and should – be improved. Whether it’s past regulatory proposals such as reducing retro-vouchering, expanding the “claw back” period for misapplied tax credits to incentivize employee retention, or excluding certain industry sectors from the definition of qualified taxpayer to incentivize jobs that provide pathways into the middle class, we believe there are a

¹ California Department of Housing and Community Development. Authored by Nonprofit Management Solutions and Tax Technology Research, LLC. “Report to the California Department of Housing and Community Development on Enterprise Zones.” August 18, 2006.
number of potential reform ideas that would allow us to more narrowly achieve the EZ Program’s original intent, to reduce its costs and to use the cost savings to move forward with some of your other recent proposals, including the expanded sales tax exemption and California Competes Tax Credit.

And so, while we applaud your eagerness to explore new economic development tools and programs, we steadfastly maintain that radically hollowing the Enterprise Zone Program in such a sudden, hurried and improvident way during the budget process would be exactly the wrong prescription for what ails the California economy and would almost certainly make things worse in already stressed areas, which could suffer further job losses, economic decline and diminished quality of life. If anything, we must work together in a responsible, open and public fashion to improve the performance of the Enterprise Zone Program, reduce its costs and combine (rather than replace) the revamped program with new economic development tools, such as the California Competes Tax Credit, to revitalize economically-challenged areas by providing incentives that create high-wage jobs and investment in these communities.

We look forward to working with you and leadership from the California Legislature to ensure that critical economic development and job creation tools such as the California Enterprise Zone Program, the statewide sales tax exemption and the California Competes Tax Credit are improved in ways where they can be maximally targeted and ultimately effective.

Sincerely,

Bill Allen
President & CEO
Los Angeles County Economic Development Corporation

Gary Toebben
President & CEO
Los Angeles Area Chamber of Commerce

Randy Gordon
President & CEO
Long Beach Area Chamber of Commerce

Paul Granillo
President & CEO
Inland Empire Economic Partnership

Jerry Sanders
President & CEO
San Diego Regional Chamber of Commerce

Al Smith
President & CEO
Greater Fresno Area Chamber of Commerce
Lisa Bailey
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Russell Lahodny, IOM  
Senior Vice President, Communications  
Anaheim Chamber of Commerce

Daniel Morrow  
President/CEO  
Sof-Tek Integrators, Inc.

Carol Schatz  
President & Chief Executive Officer  
Central City Association of Los Angeles

Dave Jensen  
Redding Distributing Company

Ed Rullman  
Partner/General Manager  
BEST WESTERN PLUS Hilltop Inn  
C.R. Gibbs American Grille

Frank J. Strazzarino, Jr.  
President/CEO  
Greater Redding Chamber of Commerce

Gloria Moore, Executive Director  
Community Career Development

Tim Rayl  
Simple Business Solutions

Renee Young

cc: Honorable Members of the California State Senate  
Honorable Members of the California State Assembly  
Kish Rajan, Director – Governor’s Office of Business and Economic Development  
Randall Deems, Chief Deputy Director – Department of Housing and Community Development