

INCLUSIVE ACTION

FOR THE CITY



Annual Report 2019



Inclusive Action for the City is a community and economic development organization whose mission is to bring people together to build strong, local economies that uplift low-income urban communities through advocacy and transformative economic development initiatives.

Friends,

When this decade began, our organization was only an idea in the minds of our founders. In those early days we had big ideas of bringing positive changes to the communities we cared about. Over the last 10 years, we worked to bring those ideas to life in order to create a real and lasting impact to the underserved communities in which we lived and worked.

We reached many milestones along the path towards creating an inclusive and equitable economy. We helped launch the Los Angeles Street Vendor Campaign which advocated for (and won!) the decriminalization of street vending in Los Angeles and throughout California; we created the Semi'a Fund and the (Re)Store Fund to assemble and deploy capital to marginalized entrepreneurs; and we met with community members and conducted research to produce dozens of reports on some of the most pressing issues facing our cities.

This year continued to bring us opportunities to invest in leadership, our communities, and our own identity as an organization.

It seems like ages ago, but it was just this past June that we changed the name of our organization from LURN to Inclusive Action for the City. The name change was part of a celebration of our work to date: 10 years of advocacy and economic development initiatives.

Our re-branding was part of a two year process to examine our work to date and prepare for the future. The Board of Directors and staff engaged in intentional discussions on how we invest in our communities and how our organization's internal systems need to be aligned in order to make an impact. The result of this work was not only a new name, but also bold moves from our founders who decided to develop pathways for new leadership at the organization by stepping aside to create space for others to lead (leadership personified!).

Indeed, our new name, Inclusive Action, describes how we always have and will continue to take action in our communities. Nearly everything we've done over the past 10 years has been done with partners and community leaders. To build cities that work for the historically marginalized, we have to work with others. We need to serve each other. We need to work together with a new level of urgency. This core philosophy drove our work for the last decade and will remain our guiding principle as we continue on this path as **Inclusive Action for the City**.

You'll see in this report important progress in this spirit.

Although we changed our organization's name, we remain committed to our advocacy efforts and the economic development initiatives that inform them. In 2019, we expanded our capacity to distribute capital to the neighborhoods we serve. As a result of our work, thousands of dollars were deployed to micro-entrepreneurs as they build their businesses and wealth to support their families. We also doubled down on our work to support street vendors as we monitored the implementation of the new street vending program and shared best practices on how other cities can adopt their own systems. We also "broke ground" this year on a new project that aims to preserve small businesses in gentrifying neighborhoods.

We're immensely grateful for the support we've received this year from partners and friends in the community development field and beyond. We couldn't be where we are without you. As we move into the new decade, we're excited to continue our fight towards creating an inclusive economy.

Sincerely,



Rudy Espinoza
Executive Director

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Executive Director

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Associate

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Policy + Advocacy

One of Inclusive Action’s key priorities is conducting research that supports policy advocacy. The conditions in our communities were not created by accident, but by policies with intentional design. Yes, policies have helped communities, but they’ve also harmed them by segregating residents, creating affordable housing shortages, and restricting capital to only the privileged few. To change these systems, we need to understand where these policies came from and who they were meant to serve. At Inclusive Action, our policy research also informs our economic development initiatives with the intention of making sure that our work is rooted in the lived experiences of the communities we serve.

Los Angeles Street Vendor Campaign

After Los Angeles legalized street vending at the end of 2018, we dedicated this year to monitoring the implementation of the legalization effort and tracking the development of the street vendor permit itself. As expected, there was a lot of confusion among street vendors about what exactly the City passed, so a key component of our work this year was education. With the LASVC, we disseminated information to vendors about how legalization would impact their lives. This year we assisted over 500 vendors! In March, the LASVC held a summit for vendors to learn about the regulations they would be subject to in the coming year. From March until August, we held capacity building workshops for vendors to see how they could build their financial capacity, as well as vend healthy food. Finally, we helped vendors obtain their California Seller's Permit and their City of Los Angeles Business Tax Registration Certificate - two of the multiple permits they will need to qualify for a vending permit in the City of Los Angeles.

Although legalizing vending last year was a huge policy milestone, there were other related policies that were being developed this year. In November, the City Council approved a street vending permit fee that, despite our advocacy efforts, is set much too high for most vendors. In 2020, we will continue to work with our allies and City Council to work to ensure that a street vending program works for all street vendors.



Adopt-A-Lot | Free Lots Angeles

Free Lots Angeles formed back in 2013 to transform vacant lots in low-income neighborhoods into spaces that positively impact the lives of existing residents. With a similar goal, the Adopt-A-Lot Pilot Program was established in 2018 by City Council after two years of advocacy from Free Lots Angeles. Adopt-A-Lot established a formal channel for community members to “adopt” city-owned vacant lots in their community. The program aligns with our belief that community members know what’s best for their own community. Neighbors who get involved in a lot activation participate in a participatory design and budgeting process used by “adoptees” that help determine what neighbors want to see on the lot and how resources should be used to activate their space.

In 2019, we created all the pieces needed to formalize this new program and establish processes for “adopting” the lots in the Pilot program. The Master Lease that turned over the pilot lots to Free Lots Angeles was signed at the end of September 2019 - officially launching the program and kicking off the adoption of our first lot in North Hills.

Our partners at Kounkuey Design Initiative developed a prototype “kit of parts:” a set of physical pieces or blocks that can be connected together in various ways to form “furniture” for a lot based on the priorities of the community.

The first lot in the pilot is located in North Hills and has been adopted by our friends at Pacoima Beautiful. There was a Community Vote Day in October where 90 local residents voted on what amenities should be on the lot through a participatory budgeting process. Ultimately, they chose to have an open field, lounge area, garden beds, play pieces, and a community table! In the second lot, a group of engaged residents have adopted the lot and are currently in the outreach phase of the process.

The remaining four lots in the pilot are waiting to be activated and are expected to have outreach begin within the first half of 2020.

Know Your City Podcast

Our podcast is a place for us to nerd out as we hear about the great community development work being done around Los Angeles and California. We launched season two and hosted a few local leaders - Lou Calanche of Legacy L.A., Alfred Fraijo, Jr. of Sheppard Mullin, and Rosten Woo, a local artist who makes policy easy to understand. We talked about the origins of LURN/Inclusive Action, Los Angeles being the only major city without a Youth Department, and operational transparency of governments in creating equitable policy. Season two will continue in 2020 with more conversations with our city’s thought leaders!





Economic Development Initiatives

Paired with our policy work is Inclusive Action’s economic development initiatives that get capital into the hands of people who have historically been kept from it. Without access to capital, it is difficult to access secure housing, a comfortable living, and healthy food. Our economic development initiatives provide access to capital for micro and small businesses throughout Los Angeles County; from street vendors to corner stores, our programs provide a means for building wealth through working capital, cooperative purchasing, and alternative ownership models. Expanding our initiatives to meet the needs of residents in underserved neighborhoods provides another avenue for building wealth in low-income areas.

Semi'a Fund

The Semi'a Fund is Inclusive Action's micro-lending program, whose mission is to provide access to capital to street vendors and other underserved business owners in Los Angeles County. This program grew exponentially in 2019; this year we deployed 26 loans totaling just over \$157,000 and recorded over 530 hours of business coaching. In addition to capital, each loan client receives one-on-one business coaching which helps Semi'a Fund borrowers grow and sustain their businesses. With our help, entrepreneurs have designed their first business cards, attracted new catering clients, and have even set up online profiles to boost their customer base.

Inclusive Action has now deployed a total of \$469,000 to 48 small businesses.

In 2020, we expect the Semi'a Fund to grow. In addition to maintaining a portfolio of nearly \$500,000 in capital, we expect to double our ability to lend. As Los Angeles prepares to issue its first permits to street vendors, we are working hard to equip ourselves with the tools to help entrepreneurs get the capital they need to buy certified equipment. To this end, we just began the application process for Community Development Financial Institution (CDFI) certification and look forward to finalizing that certification by the end of next year.

Semi'a Portfolio At A Glance

Businesses We Serve

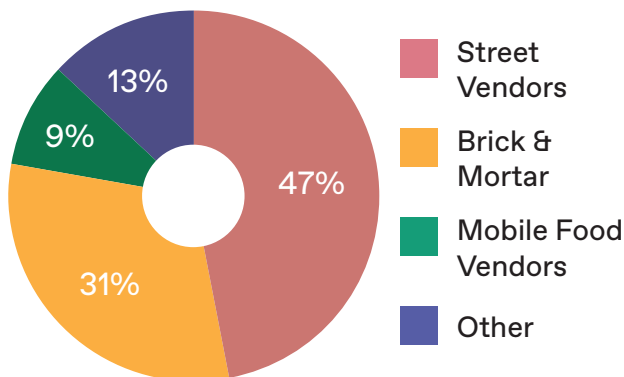
58%
women-owned

96%
low-income

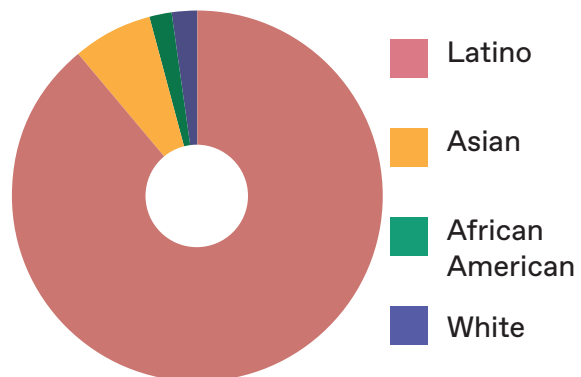
91%
immigrant-owned

98%
minority-owned

Business Segments



Race & Ethnicity



COMPRA Foods

This year, our produce distribution enterprise, COMPRA Foods, continued to expand its reach. Every week, we connect with convenience stores and small grocers across Los Angeles who are seeking affordable produce and delivery services so they can be a purveyor of produce in food deserts. This year, we had 62 clients place orders through our initiative with 29 new stores, cafes, and daycares added this year. We expanded the number of delivery days for our convenience stores to four days a week to allow for more purchases to continue the availability of produce for their communities. Through increased marketing assistance and equipment to scale up sales, COMPRA Foods stores increased their purchases by an average of 11%. In total, we distributed over 70,000 pounds of produce this year.

**COMPRA Foods has now distributed
202,000+ pounds of produce
and delivered to 124 stores.**

2019 Highlights

8

stores received
customized branding

20

scales provided

75%

stores recruited
introduced produce



Community Owned Real Estate (CORE)

In a gentrifying community, small businesses are often the first to be displaced. In these communities, small businesses without leases are subject to sudden increases from landlords who see an opportunity to capitalize on the speculative real estate market. It's not uncommon to see small businesses experience a double or tripling of their rent overnight. We believe that small businesses are an integral part of the DNA of a community and we should find ways to preserve spaces for entrepreneurs who are committed to serving a community.

To this end, Inclusive Action launched an exciting real estate project alongside its partners East Los Angeles Community Corporation, Little Tokyo Service Center, and Genesis LA. Together, we formed the Community-Owned Real Estate (CORE) Project and began our mission to stabilize commercial rents and preserve small businesses in neighborhoods facing gentrification. By acquiring 5 buildings across LA's Eastside, we removed them from speculative real estate market and helped to preserve 13 small businesses and one cultural center. Our plan is to prepare the tenants of these buildings to become part owners of their buildings in the coming years.

We believe this project can set a precedent for how community-based organizations can fight back against gentrification and displacement. We are excited to learn from the CORE project and disseminate that knowledge to organizations seeking to replicate and scale this model.

Micro-Business Accelerator (MBA)

In communities across Los Angeles, entrepreneurs are struggling to stay in their communities and are seeking support, both in the form of capital and knowledge. To this end, Inclusive Action will launch the Micro-Business Accelerator (MBA) in 2020, a pilot initiative that works to preserve micro-businesses in gentrifying neighborhoods like East LA or South LA by providing business coaching and financial tools so they can purchase the real estate on which they work.

The MBA plans to enroll up to 10 entrepreneurs in a 24-month program that provides technical assistance, access to capital, and personalized support to acquire a commercial real estate asset for their business. The MBA values working cooperatively: entrepreneurs are to help each other complete their assignments and fully understand and apply what they learn at the accelerator.

Once the cohort successfully completes all the modules, we will spend more one on one time with each entrepreneur to prepare them to present to funders, landlords, and stakeholders that will help them achieve their goal of purchasing their own commercial real estate in their community.





Leadership Development

Inclusive Action is committed to supporting the next generation of change-makers in a way that helps them navigate the complex systems of equitable programs and policies. Over the last two years, we have developed two major initiatives in leadership development: the Research Fellows and our internships. This year we hosted a stellar cohort of three Research Fellows and five interns, all of which have done work at the intersection of Policy Advocacy and our Economic Development Initiatives.

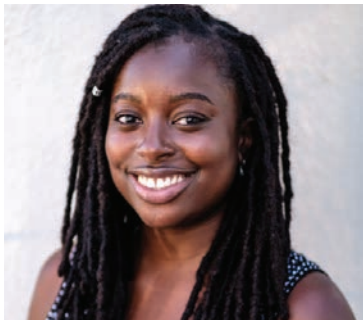
Research Fellows

Our Research Fellows Program is an opportunity for undergraduate and graduate students to work with Inclusive Action on applied research projects. The Fellows' researched a broad range of topics that aligned both with their academic interests and Inclusive Action's mission. This year's Research Fellows cohort represented three Southern California universities. As the culmination of the program, their research was showcased at PLUS².

Meet the Fellows!



Stephanie Camacho Arriola is a second year Masters of Urban and Regional Planning student at Cal Poly Pomona. She conducted research on the Business Interruption Fund (BIF) that LA County Metro has for businesses affected by the construction of their new metro lines. For her research, she interviewed small businesses receiving funds from Metro along a small portion of the almost-finished Crenshaw Line in Leimert Park. This was combined with secondary research that had been done regarding the effectiveness of this fund during the Red Line construction in Hollywood. She produced a list of recommendations to adjust the BIF to further help small businesses in construction areas.



Kyra Baffo is a Senior at UCLA, majoring in Global Studies. She did research on cooperatives and the policies that Los Angeles could adopt to uplift worker cooperatives. Through direct interviews with leaders in LA, New York City, and Oakland, as well as secondary research on policies in the US, she created a set of recommendations for Los Angeles. NYC and Oakland were chosen as cities to model due to their existing robust framework for supporting cooperatives. The recommendations she produced are specific policies that Los Angeles can adopt to help foster cooperative ownership of businesses.



Paola Fernandez graduated from USC with a Masters of Public Policy in May 2019. She is now working as a Consultant in Government & Public Services at Deloitte. Her research focused on small businesses in terms of gentrification and their resilience to it in the neighborhood of Highland Park. She performed secondary research around small business gentrification and innovative approaches to help businesses weather the storm, followed by contextualizing interviews with small businesses along the Figueroa Corridor of Highland Park to understand what businesses needed most to adapt to a changing clientele. Her recommendations for what could be done to help small businesses in gentrifying neighborhoods had multiple points of consideration for any future endeavors Inclusive Action takes in this space.

Research Assistants & Interns

Inclusive Action has had the pleasure of hosting many interns over the years. We have found that working with young professionals aids our organization in all of its initiatives and helps guide the trajectory of emerging leaders. We have been lucky to have eager students help us in our initiatives. This year, we had five interns and research assistants work with the organization to advance policy research, underwrite Semi'a Loans, input valuable data to track our programmatic progress, and review country-wide initiatives to understand the landscape of alternative ownership models.

Emily Makini and Amanda Zeidner were in graduate school when they aided in general policy research and research on alternative ownership models. Aidan Birnbaum helped us understand the implications of Opportunity Zones for those investing in them. Alyssa Lopez worked both with our Semi'a Fund and our research and advocacy team to help advance both of those initiatives. Katrina Aubry is currently working with our Semi'a Fund to help with technical assistance to clients and underwrite new loans. Without the work of these five students, our organization would not have reached so many goals!





Events and Convenings

Our events are an opportunity for community economic development professionals to come together to build new relationships, share ideas, and identify ways to work together. This year we convened over 600 people through our events including the Planning and Land Use Strategies Summit (PLUS2) and Summer Nights & City Stars!



PLUS² (Planning and Land Use Strategies Summit)

The Planning and Land Use Strategies Summit (PLUS²) is a dynamic convening of leaders, thinkers and change-makers who come together to share their work and dream up an actionable vision for the communities in which we work. This year, we hosted over 375 people (our highest attendance yet!) for our 7th annual PLUS². This year's theme was "The Inclusive City," and we learned from leaders who are addressing the lack of affordable housing, the acceleration of gentrification and displacement, increased income inequality, climate change, and food insecurity. All 8 panels brought in unique information, tying together ideas of stewardship, partnership, and collaboration in pursuit of inclusivity in our communities. Reflections from the event and key lessons we learned were published in a report made available to the public on our website.

This year's event was also special because we dedicated time to announce our name change from LURN to Inclusive Action for the City, as well as the transition of our Founder and Board Chairman, Alfred Fraijo Jr. who served the organization for over 10 years.

Summer Nights & City Stars

This annual party is where we celebrate "unsung" heroes of our City who work to make it better, especially for the most marginalized and underrepresented. This year we hosted over 150 guests at our 7th annual event and celebrated three amazing leaders at City Hall who helped legalize street vending in Los Angeles last year. We honored Marisa Alcaraz from Councilmember Price's Office, Jesse Leon from Councilmember Huizar's Office, and Dennis Gleason from Councilmember Buscaino's Office. We were moved by their work on behalf of their City Council offices to move such an important legislation forward.







Consulting

Aside from our Policy Advocacy and Economic Development Initiatives, we also take on projects that support other organizations whose mission aligns with ours. This year, we took on a few projects that aligned with our expertise and our passion:

- LA County Department of Consumer and Business Affairs (DCBA) - Inclusive Action planned, researched, and prepared a sidewalk vending policy recommendation report for the County of Los Angeles by hosting seven listening sessions throughout LA County, conducting surveys of hundreds of vendors, and then authoring a detailed report with all relevant information. This work was done in conjunction with our partners at ELACC, Public Counsel, and LA Food Policy Council.
- First 5 LA - Inclusive Action helped four Best Start Communities facilitate and train residents throughout Los Angeles County on participatory design practices.
- SPARCC - Inclusive Action conducted research with From Lot to Spot and the Southeast Asian Community Alliance (SEACA) on the possible correlation of pocket park development and the rise of property values. We worked closely with the UCLA Center of Neighborhood Knowledge to provide data to this team on how property values are impacted by pocket parks.



Looking Forward

We're excited for the new year! 2020 marks the first year we will begin and end as Inclusive Action for the City and we think it is the perfect year to take on new challenges, while doubling down on our existing programs, policy research, and advocacy.

Next year we hope to obtain our CDFI Certification, opening the doors for our organization to facilitate the delivery of more resources for entrepreneurs and working families across Los Angeles County. We will also be sharing our work to stop small business gentrification widely, in hopes that other communities can replicate it and improve our model. Finally, we will be launching our Micro-Business Accelerator (MBA) to help small businesses work towards owning the spaces they do business in.

On the policy front, we plan on coalescing a vision for equitable economic development strategies at the City and County level, complete with policy recommendations we feel leaders should consider to advance equity. Most importantly, we plan on continuing to work with stakeholders all across the city to make sure we're building an inclusive city. We're grateful for a good year and are looking forward to 2020!







Our Funders

We're grateful to our funders who support our organization and the work we do to help fulfill our vision for a more equitable economy. We believe the support we receive is a testament to the sense of urgency with which people feel we must act. Thank you to all our funders!

Ahmanson Foundation
Bank of the West
California Community Foundation
California Wellness
Capital One
CIT Bank
CITI Community Development
Citizens Business Bank
City National Bank
Chase Bank
Durfee Foundation
Genesis LA
Goldhirsh Foundation

LISC LA
Mercury Public Affairs
Mercy Housing
UCLA Luskin School of Public Affairs
Roschen Van Cleve Architects
LA2050 Challenge
Liberty Hill (Pobladores Fund)
PG&E
Roy and Patricia Disney Family Foundation
Sheppard Mullin
Weingart Foundation
Wescom Credit Union
Wurwand Foundation



Individual Donors

We'd like to give a special shoutout to all of the individuals who supported Inclusive Action's work by joining our monthly contributor campaign!

Karolina Andrini
Joey Bravo
Ananias Chairez
Ivory Chambeshi
Shafaq Choudry
Nathaniel Coleman
Mike De La Rocha
Carlos Delgado
Vera de Vera
David Diaz
Kate Dykgraaf
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Kennie and Grace Hsu
Daniel Huynh
David Kietzman
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Helen Leung
Ericka Lozano-Buhl
Consuelo Martinez
Vinit Mukhija
Jorge Nuno
Tulsi Patel
Jane Paul
Omar Pulido
Jocelyn Ramirez
Joe Ramirez
Mari Riddle
Michael Siegler
Doug Smith
Craig Thompson
Chris Torres
Nicole Vick

Our Partners

Each year we look back at the work we have done alongside our partners and are humbled by the depth and breadth of their passion and expertise. The only way to truly make an impact is in conjunction with partners who do this work by our side and build our capacity. Together, these groups are changing Los Angeles to be a more inclusive city. This year our partners were:

Asian Pacific Islander Forward Movement
Center for Neighborhood Knowledge at
UCLA
Chinatown Service Center
Child 360
East LA Community Corporation
Environmental Defense Fund
Esperanza Community Housing
FreshWorks Fund
From Lot to Spot
Heath & Lejeune
Investing in Place
Kounkuey Design Initiative
La Cocina
LA Forward
Latham & Watkins
Little Tokyo Service Center
Los Angeles Food Policy Council

Los Angeles Neighborhood Land Trust
Los Angeles Regional Open Space &
Affordable Housing Collaborative
(LA ROSAH)
Milbank
Opportunity Fund
Para Los Ninos
Public Counsel
Self Help Graphics & Art
Sheppard Mullin Richter & Hampton LLP
South Central LAMP
South East Asian Community Alliance
SPIRITT Family Services
Thai CDC
T.R.U.S.T. South Los Angeles
Vermont Slauson CDC
Vendedores En Acción





INCLUSIVE ACTION FOR THE CITY

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