



City of Los Angeles

2023 Popular Annual Financial Report



PREPARED BY
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LETTER FROM THE CITY CONTROLLER KENNETH MEJIA TO THE MAYOR KAREN BASS

Community Members of the City of Los Angeles

As the Controller for the City of Los Angeles, our Office has the Charter responsibility to **prepare and publish** the City's Annual Comprehensive Financial Report (ACFR) of the City for the fiscal year ended June 30, 2023. I can report a year of **strong revenue growth** that contributed to record reserves on July 1, the beginning of the current fiscal year.

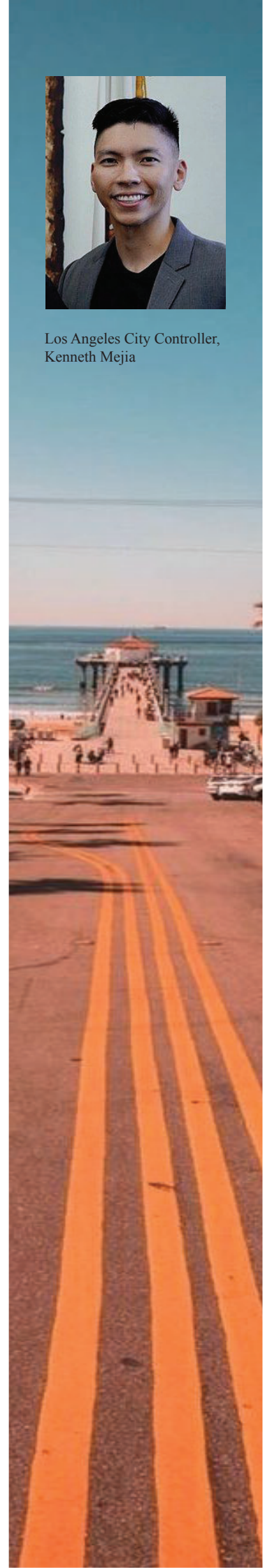
Unfortunately, it is also my responsibility to report the **bad news**: this year the City **expenses increased** more than its revenues. Projected deficits for years to come will force wrenching choices that threaten the vital services Angelenos rely on. This is not the result of a sudden economic downturn, but the **culmination** of years of short-term budget balancing at the cost of long-term fiscal sustainability.

While not as dependent on volatile revenues, the reality is that **both** the strong economic recovery from the pandemic and major Federal emergency aid are behind us. Not only has revenue growth slowed, it is **falling far short** of the optimistic projections contained in this year's adopted budget. Meanwhile, spending is exceeding expected levels. The estimates of the City Administrative Officer contained in his recent January statement point to a budget shortfall in excess of **\$143 million** to be addressed by a partial hiring freeze and tapping the City's Reserve Fund. The shortfall could swell to as much as **\$400 million** next year, according to the CAO. As previously reported, despite widespread staff vacancies, General Fund departmental spending actually exceeded last year's adopted budget by nearly \$200 million. Had the vacancy rate been closer to normal, the budget would have been in the red.

As our Office has consistently pointed out, citywide deferred maintenance of vital **infrastructure** requires urgent attention. Last year's underspending of \$316 million in budgeted capital expenditures underscores that the City continues to fall behind – which means even higher costs in the **long run**.



Los Angeles City Controller,
Kenneth Mejia



Again, as we have warned, current **staff shortages** and long-term underinvestment in the training, technology, equipment and facilities for our workforce hobbles productivity and shortchanges our residents. The **homelessness crisis** and the reality of a changing climate put even further strain on City resources. The recent ratification of police staff contracts in Los Angeles will significantly increase city expenses, adding nearly a **billion dollars** over the next four years, with likely similar increases for police management. Additionally, new contracts with civilian employees will exacerbate budget deficits, putting **long-term financial stability** at risk. The city urgently needs a **five-year strategic financial plan** to avoid continual budget shortfalls, which threaten public services and residents' quality of life. Transitioning to a two-year budget cycle, establishing a transparent Capital Improvement Program, and expanding participatory budgeting could enhance community involvement and enable more strategic resource allocation. Ultimately, the city's budget must reflect changing **priorities** to support the long-term wellbeing of residents.

Our Office is eager to collaborate with the Mayor, Council, and greater community to reform the City's budgeting process and priorities. This must be a **long-term commitment** because the problems are long-standing and will require a phased approach to solving. Budget reform and more accountable stewardship of the public's resources are vital to minimize abrupt service cuts (which disproportionately hurt our most vulnerable) – especially if economic conditions deteriorate.

Los Angeles is a vibrant, dynamic center of one of the world's **most diverse and influential** regions. Our City has the potential to restore fiscal health, improve vital City services, and lead the world in confronting climate change, housing insecurity, and a changing economy. It would be tragically short-sighted not to tackle the City's fiscal challenges to capture that potential. We must put our City on the path to fiscal sustainability so we can do the job our residents expect us to do.

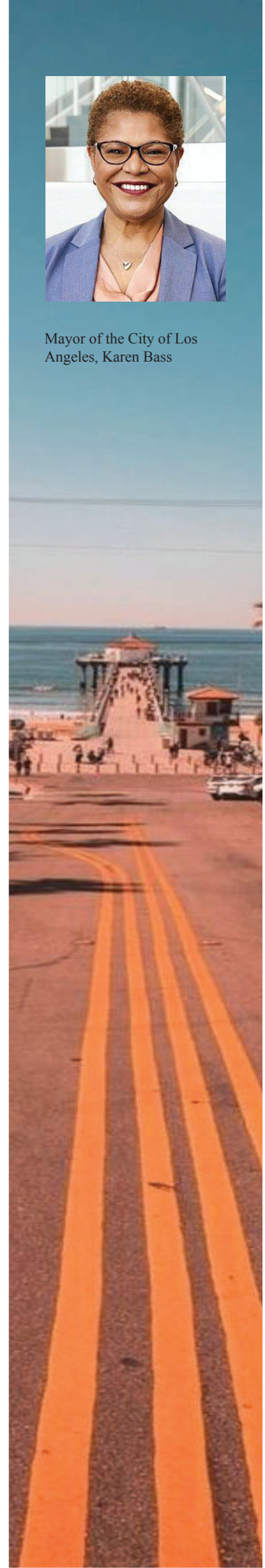
My staff and I appreciate the cooperation shown by City departments as we prepared this report. Should you have questions or require additional information, please contact my Director of Financial Analysis and Reporting, Rahoof Oyewole at rahoof.oyewole@lacity.org.

Respectfully submitted,

Kenneth Mejia
Los Angeles City Controller



Mayor of the City of Los Angeles, Karen Bass



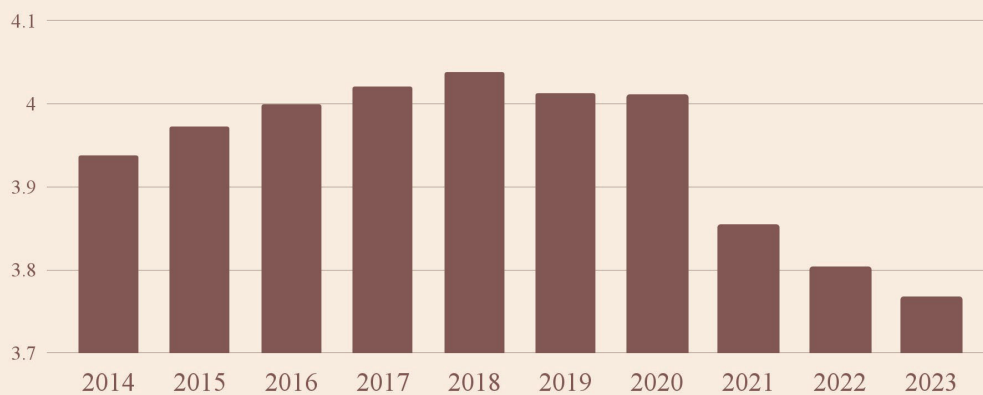
The context of L.A.

A declining population

Los Angeles is a very dynamic metropolis, with a constant inflow and outflow of citizens. During the last 6 years however, a strong decline in population interested the city.

This is the result of many factors, 2 in particular: the pandemic and the **cost of living**. Poor and middle classes are leaving the city, while higher income, better educated people are moving in.

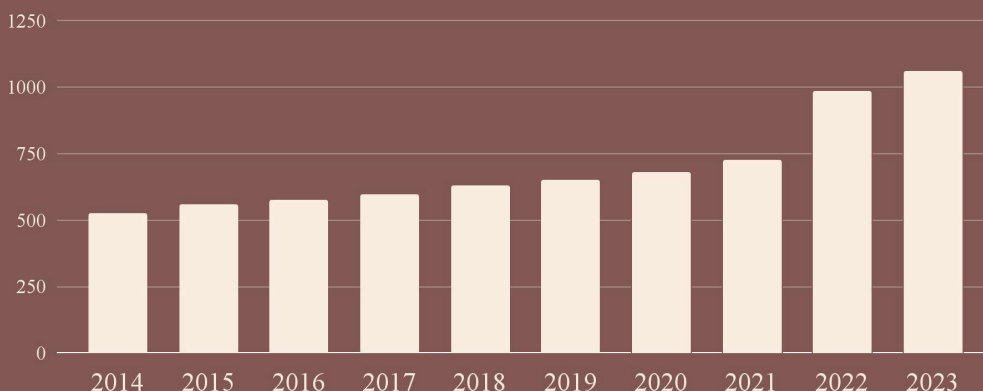
Population (in millions)



Personal income on the rise

The Pandemic made even more clear the fact that in Los Angeles, as in California as a whole, the cost of living is much higher than in the majority of the US. Of course the cost of living signals a higher quality of life, but it's a quality that going forward, less and less people can afford. The graph for personal income clearly shows an increase in total personal GDP, in conjunction with the decrease in population shown in the first graph.

Personal Income (in millions of \$)

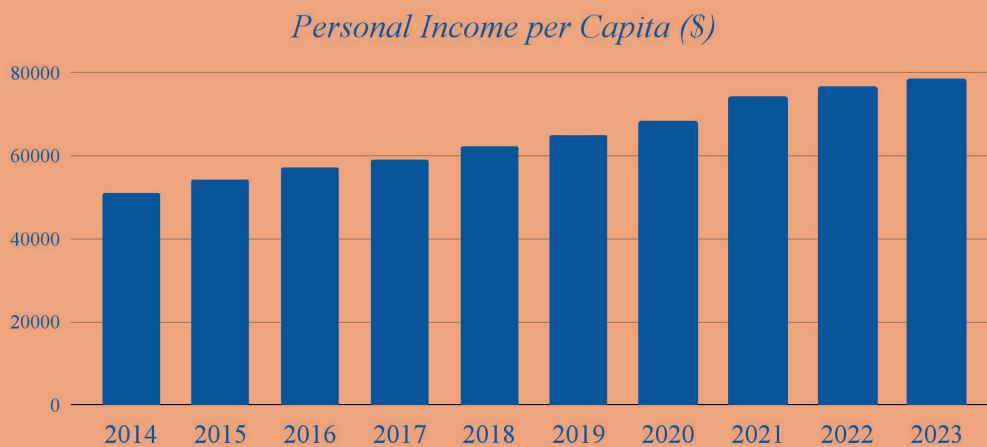


The context of L.A.

Balanced Personal Income per capita

Although the sudden decrease in population, the personal income per capita maintained its steady growth.

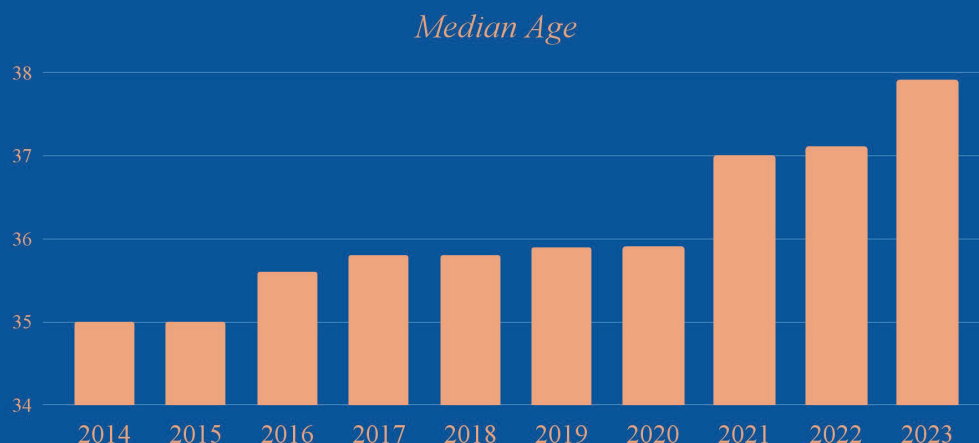
This goes to show how rich are the people moving in the city, as they're balancing the average gdp per capita.



An increasingly older city

However, the rising cost of living showed its effect especially on the age of the citizens; as the city demands higher incomes, younger people are forced to leave, preferring to move to Tennessee, Texas or Florida.

Since 2014, the average age increased a lot especially after covid, and interestingly in 2023, maybe caused by the uncertain economic conditions of the US.

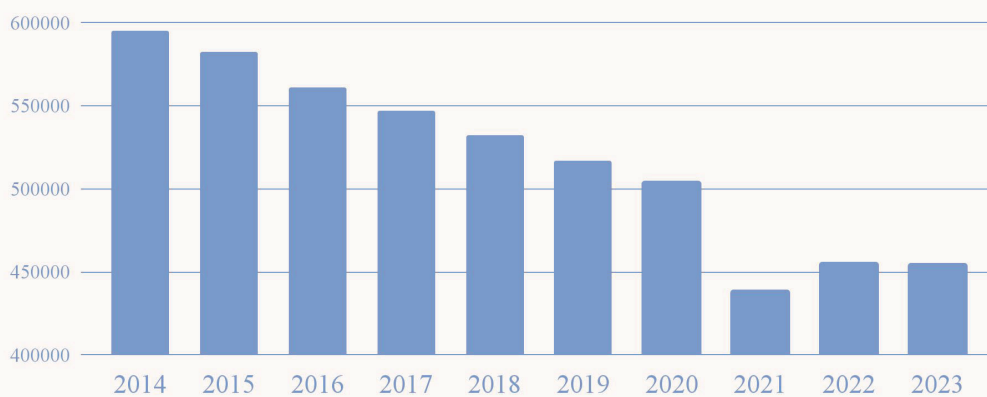


The context of L.A.

Lower (or private) education

The strong decline in public school enrollment could be the result of the increased average age, as younger people leave, fewer families are created. However, given the social class exchange, it can't be excluded that new citizens prefer to enroll their children in private schools.

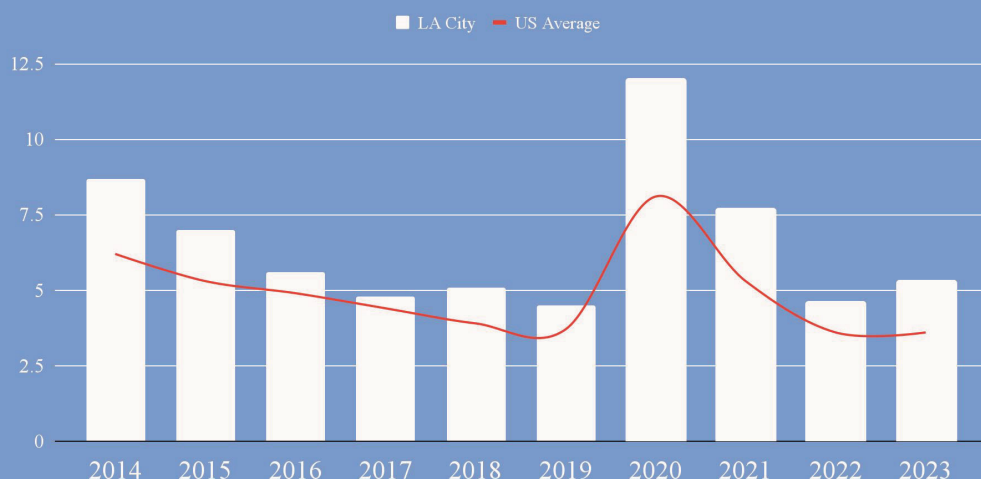
Public School Enrollment



Above-average unemployment rate

Even though the labor market in the City of Los Angeles is strong, the unemployment rate always fell above the US average in the last decade.

Unemployment Rate (%)



Quality of Life



Purchasing Power Index	134.47	Very High
Safety Index	46.55	Moderate
Health Care Index	61.32	High
Climate Index	95.50	Very High
Cost of Living Index	76.90	High
Property Price to Income Ratio	7.15	Low
Traffic Commute Time Index	57.11	Very High
Pollution Index	67.68	High
<hr/>		
<i>f</i> Quality of Life Index:	144.91	Moderate

The **Quality of Life Index** is used to estimate the overall quality of life in a city utilizing data and user surveys. It takes into account 8 factors which directly impact the citizens' life:

- **Purchasing Power Index:** relative purchasing power based on average net salary.
- **Safety Index:** takes into account perceived safety and crime levels, property and violent crimes data and concern about specific crimes.
- **Health Care Index:** assessment of the overall quality of the healthcare system, considering healthcare professionals, equipment, staff, doctors and costs.
- **Climate Index:** estimation of general climate appreciation, based on temperatures, humidity and other major weather conditions.
- **Cost of Living Index:** indicates the relative prices of consumer goods and accommodation expenses in relation to New York City, which has a baseline index of 100%.
- **Property Price to Income Ratio:** measures apartment purchase affordability.
- **Traffic Commute Time Index:** provides insight into the overall traffic conditions of a city taking into account commute time, dissatisfaction with time spent in traffic, overall traffic system inefficiencies and CO₂ emissions.
- **Pollution Index:** estimates overall pollution levels considering factors such as air and water pollution, garbage disposal, perceived cleanliness, noise and light pollution and green spaces.

Quality of Life

Cost of Living in L.A.

\$25

Single meal in inexpensive restaurant

\$4.77

12 Eggs

\$2.19

1.5 L Bottle of water

\$79.13

Public Transport monthly pass

\$187.50

Basic Utilities (monthly)

\$63.89

Mobile Phone plan (monthly)

\$2,067

Median rent for 1 and 2 bedroom apartments

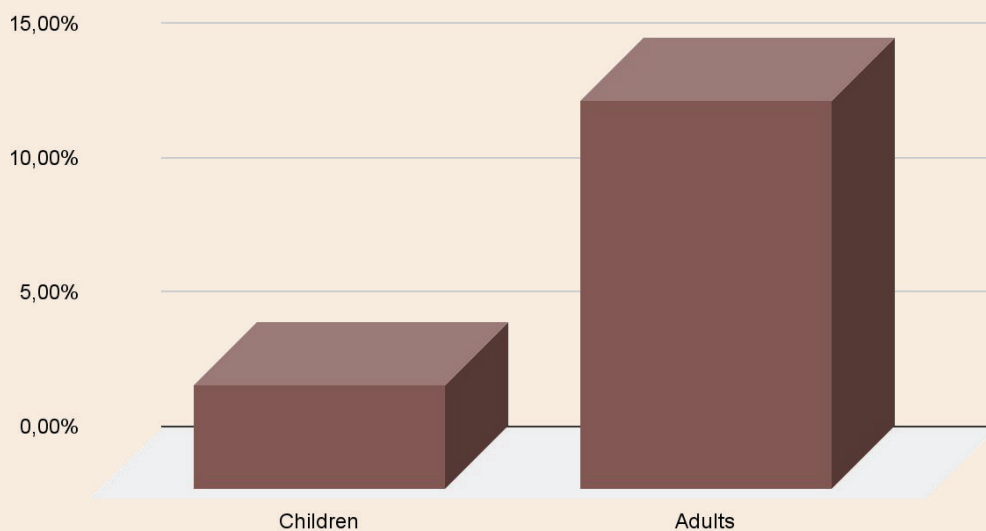
Quality of Life

Access to Healthcare

The vast majority of adults and children in Los Angeles have health insurance, in large part due to outreach efforts and the expansion of insurance coverage following the passage of the Federal Affordable Care Act in 2012: only **3.9% of children** and **14.5% of adults** remain **uninsured**.

However, even among insured citizens **26.2% adults** experience **difficulties accessing needed healthcare**. City and community organizations can help tackle this problem by providing citizens with information on free or low-cost medical services offered in the area.

Uninsured Citizens

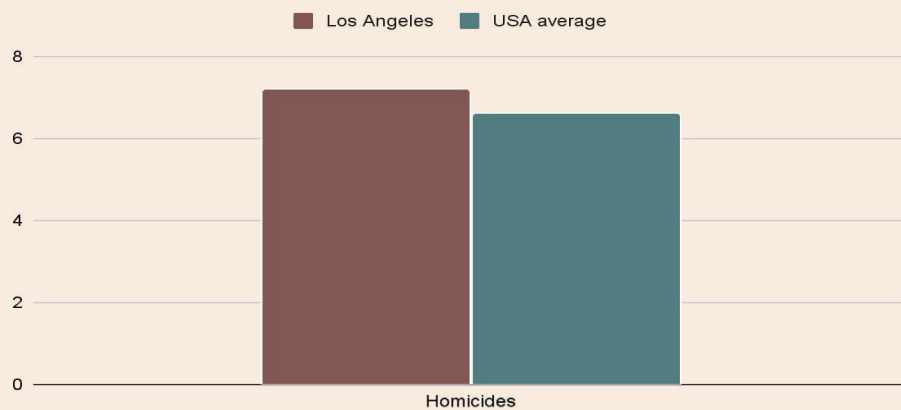


Quality of Life

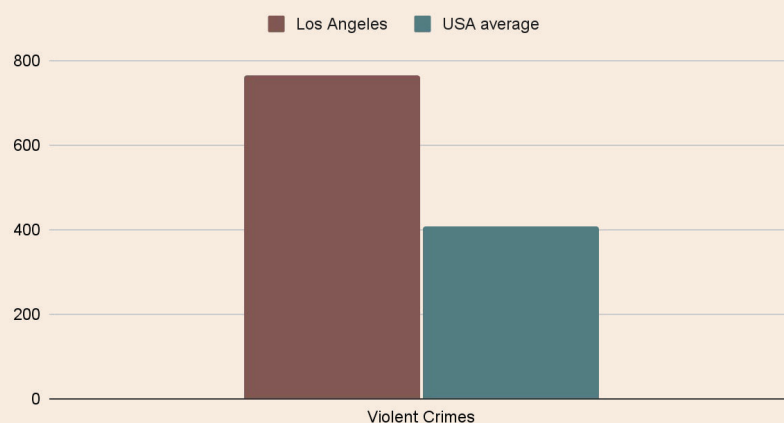
Community Safety

Community Safety is paramount not only in protecting citizens from exposition to violence and crimes, but to prevent chronic stress, anxiety, depression and other mental health conditions deriving from it. **67.2% of adults** living in Los Angeles report their neighborhood is **safe from crime**, and **76% of children** have **easy access to a safe place to play**. The **violent crime rate** sits at **764.1 crimes per 100,000 citizens** and the **homicide rate** is of **7.2 deaths per 100,000 citizens**.

Homicide rate per 100,000 Population



Violent Crime rate per 100,000 Population

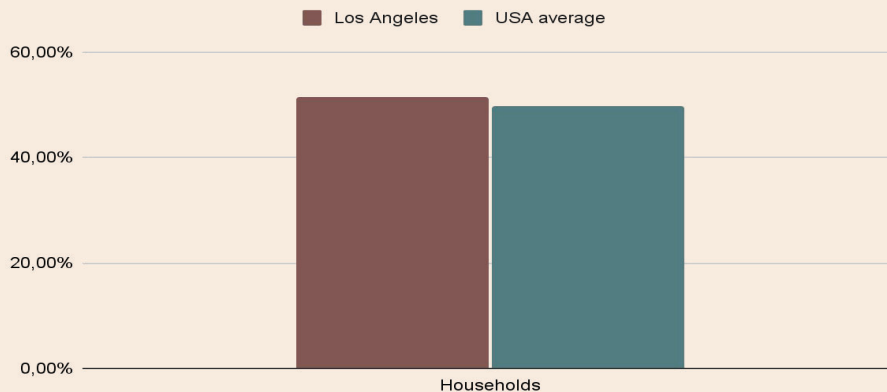


Quality of Life

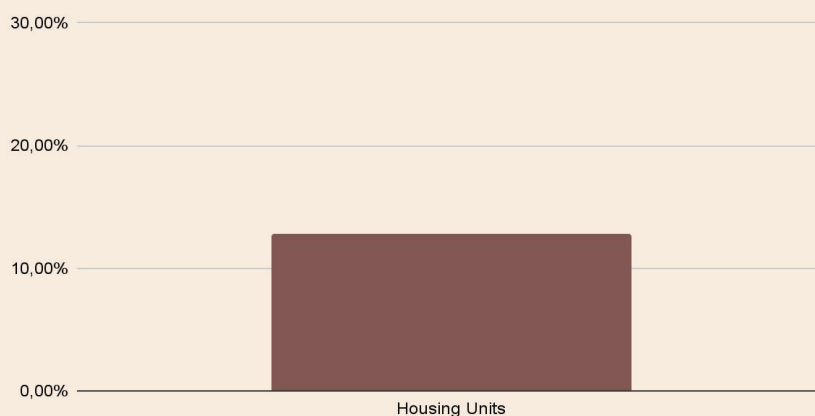
Housing

The challenge to provide affordable housing availability remains significant for the City of Los Angeles, with **51.4%** of households experiencing **housing burden** (occurring when **housing expenses total 30% or more of monthly household income**) and **12.8%** of housing units being **overcrowded**. Furthermore, Los Angeles' **Lead Exposure Risk Index** is 6 out of 10, with over **18%** of housing stock presenting **High Potential Lead risk**.

Housing Burden



Overcrowded Housing Units



Quality of Life

Rankings and Awards

#1

Digital city in the nation, awarded by the Center for Digital Government

#57

City in the Global Liveability Index of the Economist Intelligence Unit

#70

City in the world according to the Mercer Quality of Living Survey 2023

#8

City in the Kearney 2023 Global Cities Index

#19

Richest city per GDP per Capita in the United States

#7

Most Expensive city in the United States

Public Administration Structure

Founded in 1781, Los Angeles was incorporated in 1850 and currently operates under a mayor-council government **structure based on a city charter** last updated in 2000. The **Mayor** acts as the **Chief Executive Officer**, overseeing the administrative functions, while a **15-member Council** handles legislation, budget, finance, and other major decisions. The **City Attorney** and **City Controller** are also elected positions with specific oversight responsibilities.

Los Angeles has **41 departments and agencies** funded through the Council's annual budget. Additionally, **three major departments**—the Department of Water and Power (DWP), Harbor Department, and Department of Airports—are managed by boards appointed by the Mayor. The **Housing Authority of Los Angeles (HACLA)**, though mostly overseen by the City, operates with fiscal independence. Other agencies, such as the Los Angeles City **Employees' Retirement System** and the **Fire and Police Pension System**, are governed by boards that include both mayoral appointees and elected representatives. The **Municipal Improvement Corporation of Los Angeles (MICLA)** is also part of the City's financial structure.

Public services provided by Los Angeles include police, fire, waste management, street maintenance, traffic management, public libraries, parks, housing, community development, and operation of airports and the convention center. The City's **financial control system** is based on an **annual budget**, with **strict budgetary controls** to ensure compliance and prevent overspending. Expenditures are managed at the department level through an encumbrance accounting system that tracks spending based on approved budgets.



L.A. Financial Positions

The city activities are divided into Governmental and Business Type, to better distinguish the numerous tasks and businesses that the public administration perform.

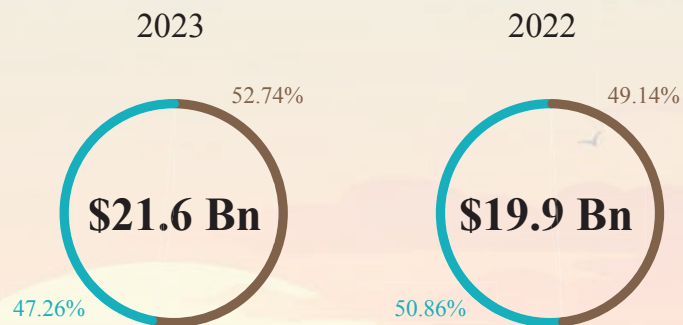
Governmental Activities: Functions of the City that are primarily supported by taxes and intergovernmental revenues. These include general government, police, fire and paramedics, public works, health and sanitation (other than sewer services), transportation, cultural and recreational services, and community development.

Business-Type Activities: Functions and services provided to the general public, that are intended to recover all or a portion of their costs through user fees and charges. These include airports, harbor, power, water, sewer and convention center services.

Financial Highlights for the financial year 2023:

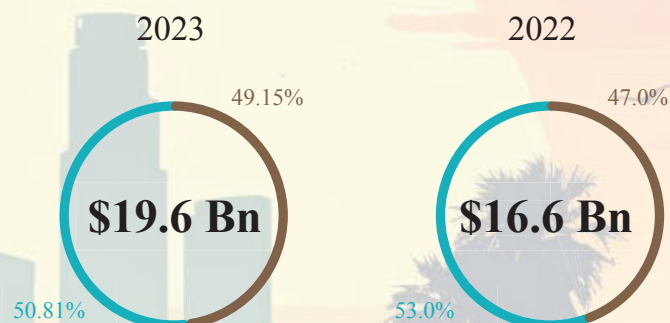
Revenues

+8.4% YoY



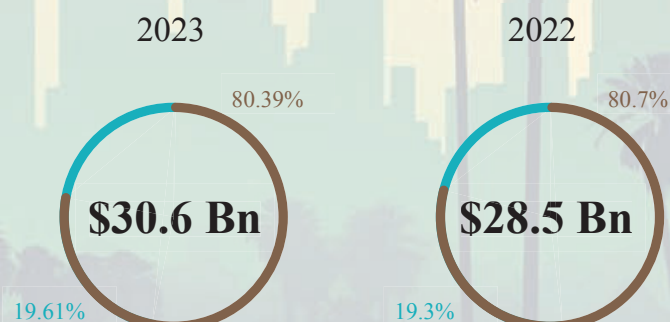
Expenses

+18.2% YoY



Net Position

+7.1% YoY

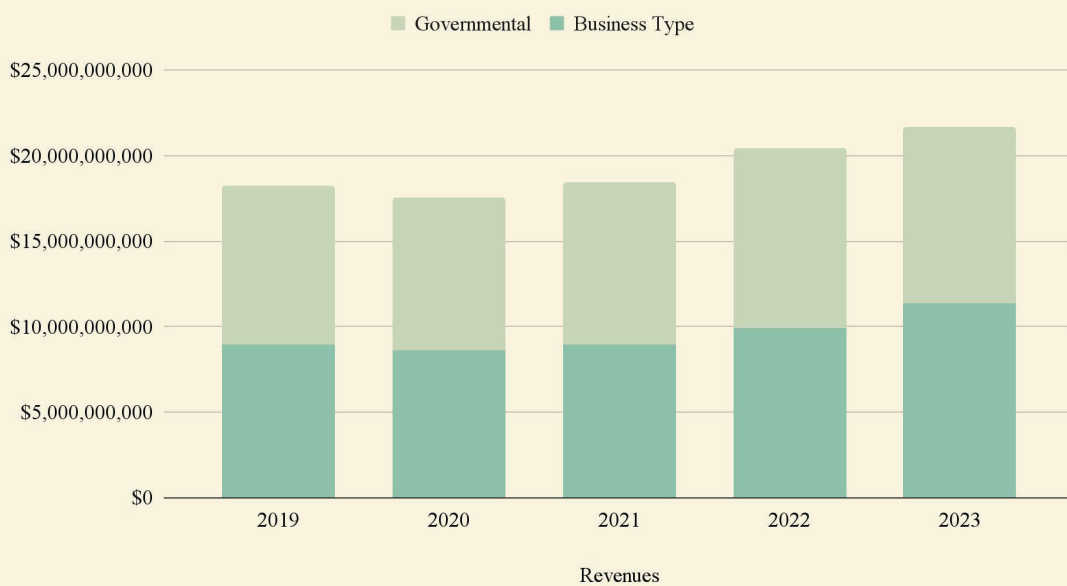


L.A. Financial Positions

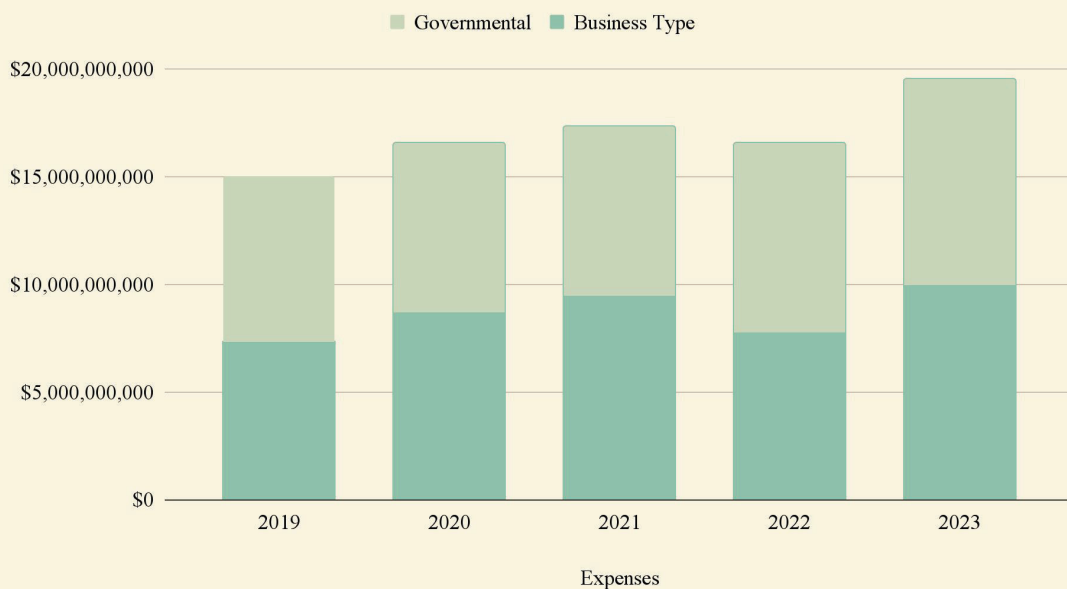
Revenues and Expenses trends

Both trends are on the rise since at least 2020, signaling a good response of the city to the pandemic. Expenses increased by \$2.1 billion in the governmental activities (primarily in general government, protections of persons and property, public works, health and sanitation, transportation, cultural and recreational services, community development and interest on long-term debt) and \$839.4 million increase in the City's business-type activities.

Business Type and Governmental Revenues



Business Type and Governmental Expenses



L.A. Financial Positions

Income Statement

Detailed analysis of the City's net position following GAAP directives:

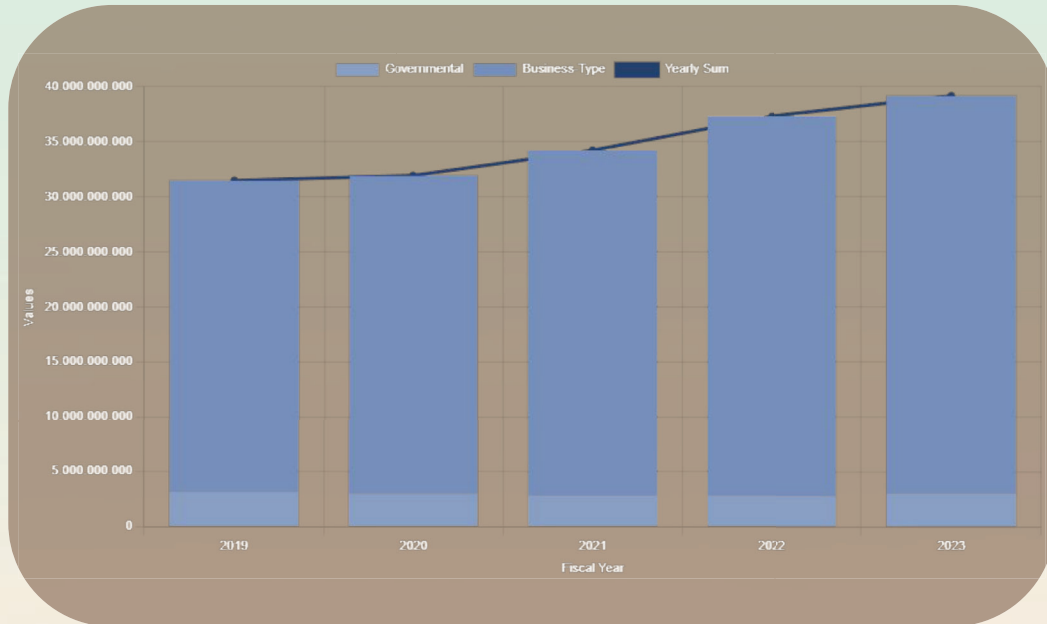
Category	Description	Business-Type	Governmental	Total
Assets	Current and other assets	\$15.4B	\$11.9B	\$27.2B
	Capital assets	\$51.0B	\$8.7B	\$59.6B
	Total assets	\$66.3B	\$20.5B	\$86.9B
	Deferred outflows of resources	\$1.9B	\$3.3B	\$5.2B
Liabilities	Current and other liabilities	\$1.9B	\$1.5B	\$3.4B
	Long-term liabilities	\$40.3B	\$15.1B	\$55.4B
	Total liabilities	\$42.2B	\$16.6B	\$58.8B
	Deferred inflows of resources	\$1.5B	\$1.2B	\$2.7B
Net Position	Net Investment in Capital Assets	\$16.2B	\$6.5B	\$22.7B
	Restricted	\$2.2B	\$4.7B	\$6.9B
	Unrestricted	\$6.2B	-\$5.2B	\$1.0B
	Total Net Position	\$24.6B	\$6.0B	\$30.6B

The net position of \$30.6 billion consisted of:

- Net Investment in Capital Assets, including **land, building, infrastructure and equipment**, less accumulated depreciation and outstanding debt, deferred outflows and deferred inflows of resources related to acquisition, construction or improvements. This is an increase of \$401.6 million over FY 22.
- Restricted Net Position: \$6.9 billion, which represents **amounts with constrained** placed on their use by external groups or law. This is an increase of \$779.6 million over FY 22.
- Unrestricted Net Position: \$971.9 million is the net unrestricted amount. Compared to FY22, the overall unrestricted position **increased by \$857.5 million**, primarily due to a combination of reduction in governmental deficit by \$12.8 million and an increased in business-type of \$844.7 million.

L.A. Financial Positions

Budgeting and Debt



The City has established guidelines for the structure and management of the City's debt, which include **target and ceiling levels** for certain debt ratios to be used for financial planning purposes and **restrictions** on the types of items that can be financed.

In accordance with this policy, the ratio of annual debt payments **cannot exceed 15%** of General Fund revenues for voter-approved and non-voter approved debt **overall**, and **cannot exceed 6%** of General Fund revenues for non-voter approved debt alone.

The 6% ceiling for non-voter approved debt may be **exceeded only if there is a guaranteed new revenue stream** for the debt payments.

For Fiscal Year 2023, the ratios were 3.9% for overall debt and 2.4% for non-voter approved debt. Of the \$39.2 billion long-term bonds and notes payable, \$1.1 billion were General Obligation bonds.

As of June 30, 2023, the City was in compliance with its Debt Policies.

Here's the General Obligation Bonds rating:

Rating Agency	2018	2019	2020	2021	2022	2023
Moody's	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
S&P Global	AA	AA	AA	AA	AA	AA
Fitch	AA-	AA	AA	AA	AAA	AAA
Kroll	AA	AA+	AA+	AA+	AA+	AA+

Major Policies

“INSIDE SAFE”

HOUSE PEOPLE AND END STREET ENCAMPMENTS

Mayor Bass recognizes homelessness in Los Angeles as a humanitarian crisis impacting everyone. To address this, she declared a [state of emergency](#), revealing shortcomings in data collection and outdated bureaucratic processes that interfere with immediate action.

The city has implemented a coordinated, citywide plan to bring people indoors. This comprehensive approach includes:

- [expanding interim housing](#);
- [accelerating permanent affordable housing construction](#);
- [reducing bureaucratic barriers](#);
- [fostering partnerships across government, nonprofits, and the private sector to help people stay housed.](#)

21,600+
BROUGHT INSIDE
THUS FAR



Mayor Bass's [Executive Directive 1](#) has expedited the review of over 9,000 affordable housing units, reducing permit processing times from 6-9 months to an average of 45 days.

[Executive Directive 7](#) aims to accelerate housing production and make housing more affordable and accessible across Los Angeles. This directive seeks to speed up the construction of affordable and mixed-income housing, promote homeownership, and support the conversion of non-residential buildings into housing. The goal is to help people at all income levels find housing more quickly and efficiently.

HOMELESS
SOUTHERN CALIFORNIA

"INSIDE SAFE" CLEANS UP 63RD ENCAMPMENT

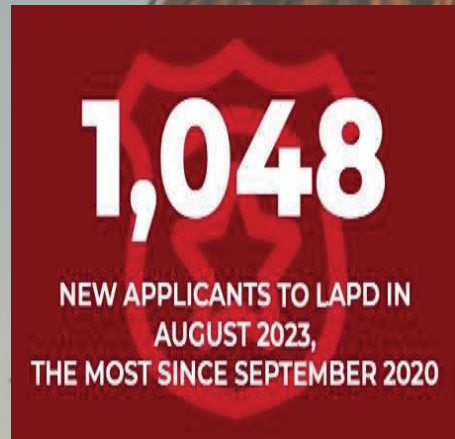
abc
abc7.com

CREATING A SAFER LOS ANGELES

Mayor Karen Bass is working to create a safer Los Angeles by addressing crime and ensuring all Angelenos feel safe. This year, she supported the **Los Angeles Police Department (LAPD)** with a commitment to increase recruitment and hiring efforts.

The city is enhancing emergency medical response to address the high volume of medical 911 calls. To expand the Los Angeles Fire Department's (LAFD) capacity, it introduced the **Emergency Appointed Paramedic (EAP) Program** to alleviate the paramedic shortage.

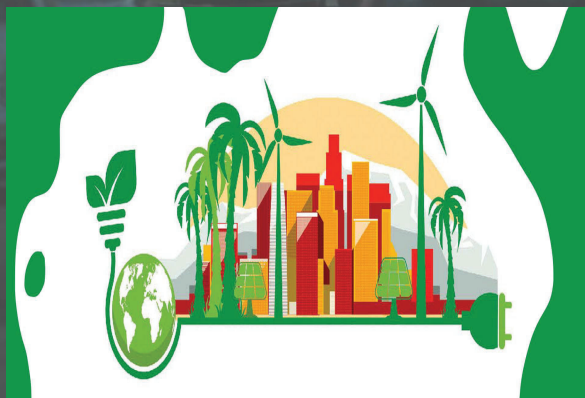
Additionally, the Mayor is securing funding for **automated chest compression (CPR) devices** for every paramedic rescue ambulance in the city.



ENTERING AN ERA OF SUSTAINABILITY

Mayor Bass is leading efforts to create a greener, more sustainable Los Angeles. She secured \$48 million from the U.S. Department of Energy to enhance L.A.'s electrical grid, making it more resilient to extreme weather and climate change. This funding will enable the **Los Angeles Department of Water and Power (LADWP)** to create a **platform for managing distributed energy resources** like solar, electric vehicles, and energy storage. Furthermore, LADWP launched the **Project Powerhouse** to reduce infrastructure costs and accelerate the construction of affordable and supportive housing.

The **Los Angeles Department of Transportation (LADOT)** added **26 electric DASH buses** this year, bringing the total to 56, with more on the way. The city also released a Request for Proposal to create a 100% public EV truck charging depot at the Port of Los Angeles, expected to be operational by 2025.



In collaboration with the **National Renewable Energy Laboratory** and **UCLA**, **LADWP** released its **LA100 Equity Strategies**, aimed at expanding electric vehicle charging infrastructure in underserved communities.

Serving Angelenos

REQUEST COMPLETIONS AS OF DECEMBER 2023



IMPROVING PUBLIC TRANSPORT SERVICE

Mayor Bass implemented **enhanced cleaning, inspections, and technology** to improve security in non-public areas under the Metro B (Red) Line. Additionally, the City is committed to making the Metro increasingly affordable for Angelenos.

- The **Capping program** has provided over 1.2 million free trips.
- The **GoPass Pilot** has offered nearly 17 million free trips for students.
- The **Low-Income Fare is Easy (LIFE) Program** has enrolled 95,266 new riders, providing 90 days of free trips followed by substantial fare discounts.

SUPPORTING YOUNG PEOPLE

The Mayor's Office secured **\$53 million** in state funding to provide jobs and training for over 4,000 young people by May 2024.

More than 2,700 youths have already participated, with a strong focus on summer recruitment.

Additionally, the Mayor's Office has secured over **\$20 million** to continue the program.

Dissemination Plan

The Popular Annual Financial report of the City of Los Angeles is published with the Comprehensive Annual Financial Report on the City Controller's website (<https://controller.lacity.gov/reports/pafr23>) six months after the end of the fiscal year.

Where?

- City Controller's website
- Official website of the City of Los Angeles
- City Controller's social media channels
- City Hall
- Public libraries

Who?

All public stakeholders (citizens, local businesses and community members) who lack a background in public finance but still wish to learn about the City's financial activities.

Why?

To ensure **transparency** and foster **community trust**, **include** all public stakeholders in the overview of the city's financial activities, **enhance communication** between city officials and citizens, **highlight the value** and performance of the services and initiatives provided by the city.

The Six Capitals

OF LOS ANGELES

The Six Capitals model helps Los Angeles assess and integrate the city's various resources, highlighting how improvements in one area can positively impact others. These six points are:

- Intellectual
- Human
- Natural
- Productive
- Social
- Financial



Intellectual Capital

Los Angeles is renowned for several aspects of intellectual capital, for example its:

- **Cultural Capital:** Los Angeles is a global hub for **entertainment and culture**, with **Hollywood** serving as the center of the film and television industry. The creativity and artistic skills of its residents are essential to the city's intellectual capital.
- **Innovation and Technology:** Los Angeles has a rapidly growing tech sector, known as "**Silicon Beach**," where many **startups and tech companies** are based. Industries like **gaming, virtual and augmented reality**, and **biotechnology** are expanding, contributing to the city's economic diversification.
- **Social Capital:** Intellectual capital is also expressed through **social networks and collaborations** among individuals and organizations. The presence of numerous incubators, accelerators, and co-working spaces fosters idea-sharing and mutual support among entrepreneurs, creatives, and researchers.
- **Research and Development (R&D):** Los Angeles hosts many **research centers**, including in fields like **aviation, biomedicine, and advanced engineering**. NASA, the Jet Propulsion Laboratory (JPL), and other research institutions are pillars of scientific and technological knowledge.



These elements make Los Angeles an intellectual capital hub that influences not only the local economy but also **global culture and technological trends**.

The Six Capitals

OF LOS ANGELES

Human Capital

The workforce in Los Angeles is one of the city's most important **assets**. It includes a diverse population with a range of **skills, education levels, and cultural backgrounds**. Cities with a well-educated and skilled workforce are more productive, innovative, and entrepreneurial. They also have reduced crime, better schools, and a higher quality of life. Currently, Los Angeles has lower human capital compared to other major U.S. cities, relying more on its natural advantages, such as its climate, ocean, and geographic location, than on its workforce's skills. To ensure long-term prosperity, Los Angeles must invest in education, particularly in early childhood. Both families and public and private sectors need to prioritize resources for education to secure a brighter future for the city.

Natural Capital

The City's natural capital includes a range of resources that contribute to its economic, environmental, and social value, such as its **coastline and beaches**: Los Angeles has over 75 miles of coastline along the Pacific Ocean, with famous beaches like **Santa Monica, Venice, and Malibu**, essential for tourism, recreation, and biodiversity. Around Los Angeles **mountains and canyons** arise, like the nearby **San Gabriel and Santa Monica Mountains** that provide outdoor recreational spaces, scenic views, and habitats for wildlife. **Griffith Park, Runyon Canyon, and the Angeles National Forest** offer hiking, wildlife observation, and contribute to L.A.'s green space. The region also contains key water and minery resources.

The UC Cooperative Extension's Natural Resources Program offers research-based information, tools, and training to support effective natural resource management in Los Angeles, Orange, and Ventura counties.

Southern California's diverse geography makes it a **global hub for biological diversity**, with a variety of natural habitats such as coastal wetlands, oak woodlands, chaparral, deserts, and mountain forests. These counties are home to over 10 million people, a third of California's population, and host thriving urban ecosystems and forests. However, due to the growing population, many local species are increasingly threatened or endangered—more so than in any other region in the U.S.

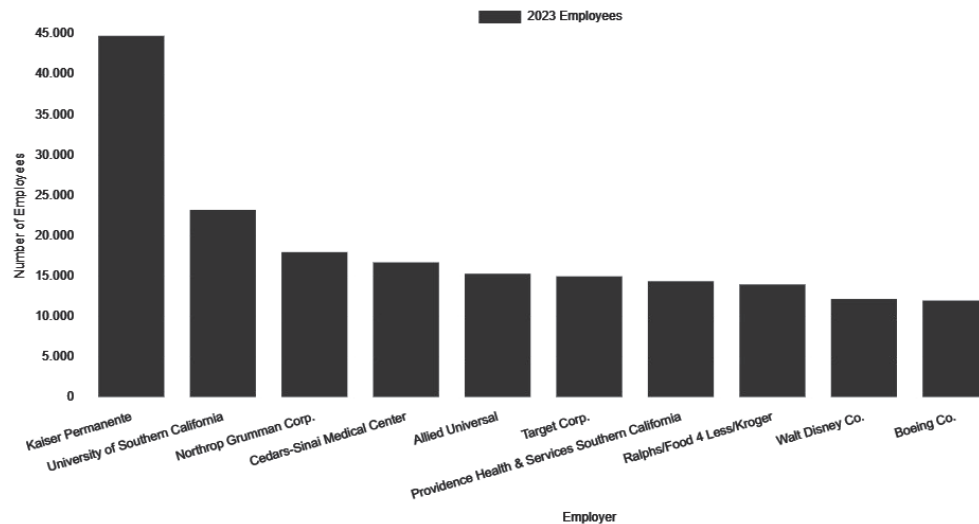
UC Cooperative Extension advisors collaborate with local, state, and federal agencies, community organizations, and educational institutions to develop and implement educational and research programs aimed at improving resource management across Southern California.





Productive Capital

The graph shows the principal employers of the City. There are a lot of big companies sustained by the local workers, and a lot of entrepreneurs populate the city with owned businesses.



Social Capital

Los Angeles is known for its diverse and interconnected **communities**, with a large **immigrant** population contributing to the social fabric. Social capital in LA is built on **networks** of support, collaboration, and engagement across various sectors, from business to **culture and activism**.

Various **organizations**, both governmental and non-governmental, work to improve social cohesion, sustainability, and equity within the city. This year, the Crisis Response Team (CRT) employed 402 volunteers to support Angelenos in crisis after critical incidents occurred throughout Los Angeles. In addition, CRT Members provided immediate, on-scene crisis intervention to surviving victims at approximately:

- 45 traffic fatalities;
- 37 homicides;
- 37 suicides;
- 11 infant deaths;
- 10 officer-involved shootings;
- 5 fire incidents;
- 13 non-fatal traumatic incidents.

They also provided 49 follow up contacts and visits to support families within 1-2 days after a traumatic incident occurred.



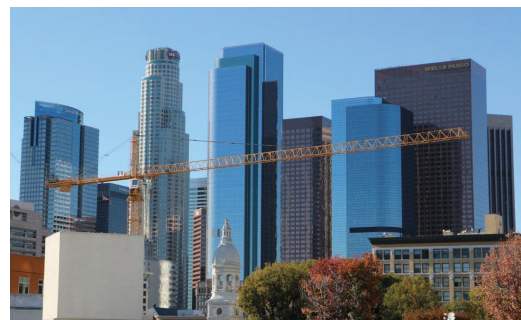
The Six Capitals

OF LOS ANGELES

Financial Capital

Los Angeles' financial capital is bolstered by a **diversified economy** that spans traditional finance, venture capital, real estate, entertainment, and tech. The main pillars of LA's Financial Capital are:

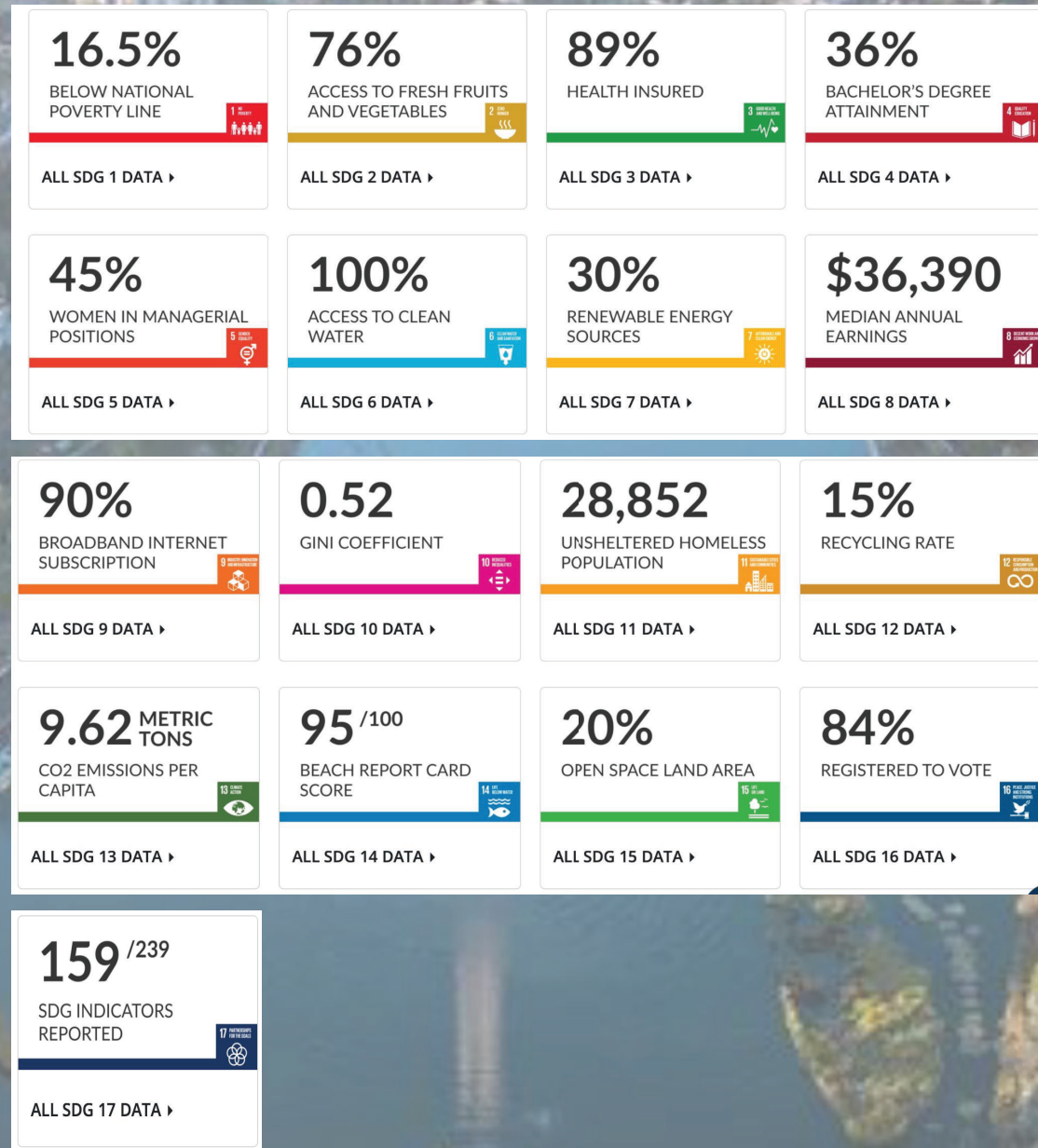
- **Banking and Financial Institutions:** Los Angeles hosts numerous domestic and international banks, with major financial institutions like Bank of America, Wells Fargo, and JPMorgan Chase establishing strong presences, primarily in Downtown Los Angeles (DTLA).
- **Venture Capital and Private Equity:** LA is an emerging hub for venture capital, particularly in tech and entertainment sectors.
- **Real Estate Assets:** Los Angeles' real estate market represents a significant portion of the city's financial capital. With high-value commercial and residential properties, especially in areas like Beverly Hills, Santa Monica, and the Financial District, LA's real estate supports substantial wealth generation and investment.
- **Public Financial Support and Economic Development:** The city and state government contribute through incentives, grants, and financing options for various projects.
- **Capital Markets:** Los Angeles benefits from proximity to Silicon Valley and close ties with capital markets, which allow local businesses, especially in entertainment and media, to access funding through IPOs, bonds, and other securities.
- **Tourism and Hospitality Revenue:** Financial capital generated through tourism is essential to Los Angeles, especially from its top attractions and large hospitality industry.



Los Angeles' SDGs

In the context of the **SDGs**, the Six Capitals provide a useful tool for addressing global challenges through local, concrete actions, contributing significantly to achieving sustainability goals.

In 2015, the United Nations adopted Agenda 2030, a resolution outlining **17 Sustainable Development Goals** (SDGs) for global progress. Los Angeles has embraced this responsibility through a multi-phase initiative to integrate the SDGs across the city. With its diverse population speaking over 220 languages, Los Angeles sees this work as an **opportunity to collaborate** with other global cities in sharing methodologies and knowledge. By reporting its progress, the city positions itself as a leader in local SDGs implementation, emphasizing the importance of cities in the global sustainable development dialogue.



Methodological Approach

The Popular Annual Financial Reporting is divided in 9 sections:

- **City Controller's Letter** introducing the topics discussed in the Report.
- **General Data** provides context for understanding the government's operating environment.
- **Rankings and Positioning** in order to highlight the City's well-being position.
- **Public Administration Group** to facilitate the understanding of the composition of the City's administration.
- **Consolidated Financial Statements** showing main financial data and highlighting positive and negative components.
- **Major Policies** implemented by the City to reach citizens' needs.
- **Methodological Notes**.
- **Dissemination Plan** to make the Report widely available and to encourage public feedback.
- **Six Capitals and SDGs**.

The document was designed to provide **concise, easy-to-understand** information. The language used is clear and **definitions** of financial terms and **acronyms** have been provided. The text and financial information given are completely **objective**. Tables and charts **summarize** trends and specific topics and enhance the **comprehensibility** of the document.

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[HOME | City of L.A. Sustainable Development Goals](#)





This work was completed as part of the Public Management course at the School of Advanced Studies (SAA), University of Turin, under the supervision of Prof. Valerio Brescia. The elements presented in this assignment have been developed in accordance with the guidelines defined by Professors Paolo Biancone, Silvana Secinaro, Valerio Brescia and Davide Calandra.

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