

**PROGRESS REPORT
OF THE
PRESIDENTIAL TASK FORCE ON LOS ANGELES RECOVERY**

MAY 12, 1992

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Presidential Task Force on Los Angeles Recovery

May 12, 1992

The President
The White House

Dear Mr. President:

On Monday, May 4, 1992, in response to the civil unrest in the city of Los Angeles and Los Angeles County, California, you directed that a task force of Cabinet Deputy Secretaries and other key Federal officials be sent immediately to Los Angeles to assist in the recovery process.

Attached is a progress report on what that task force has accomplished in the past eight days. We hope that our efforts to date have assisted in easing the effects of this tragedy, and in ensuring the prompt delivery of Federal, state, county, and city services.

We have been struck in conducting our work by the genuine desire for prompt recovery, and by the cooperative spirit that has sprung from the ashes of the Los Angeles fires.

The work of this task force is ongoing and will continue. We will report again to you in the weeks and months ahead. While our work has been focused on process and implementation issues, we would be pleased to give you and your Cabinet impressions and input as you develop programs and legislation to assist large urban centers. Thank you for the opportunity to serve in this important mission.

Respectfully,

Alfred A. DelliBovi
Co-chairman

David T. Kearns
Co-chairman

PROGRESS REPORT OF THE PRESIDENTIAL TASK FORCE ON LOS ANGELES RECOVERY

I. Overview and Highlights:

On Monday, May 4th, the President established a task force of Cabinet Deputies and other--key Federal officials to assist in the recovery of Los Angeles. The purpose of the task force was limited and straightforward: to knock down barriers to the speedy delivery of services to the citizens of greater Los

Angeles who suffered as a result of the disturbances there, and to bring quickly to the area those Federal resources and programs which could help address the immediate problems facing the affected area.

The Federal role represented by the task force was not to supplant state and local efforts to rebuild Los Angeles, but rather to ensure a coordinated response and to make the Federal government a helpful partner -- assisting in every way possible the state, county, and city governments, and the private sector, in rebuilding their community.

Examples of the work accomplished by the task force include:

- Assisting in the establishment of 7 Disaster Application Centers (DACs) to provide "one-stop shopping" for residents and businesses in need of disaster assistance and Federal, state, or local services. As demand for the services grew, the task force helped arrange for a mobile facility to expand the space available at one DAC and for the opening of an eighth DAC in an area in need.
- Removing roadblocks to the provision of FEMA and SBA assistance to those who suffered fire or looting losses due to the disturbance.
- Cutting red tape and providing special assistance to small businesses in the provision of SBA disaster loans. The task force brought in minority business specialists to help small businesses prepare loan applications and IRS personnel to assist in the prompt recovery of tax returns. The task force helped create a special expedited process at the Treasury Department for clearing SBA loan checks, and removed a hurdle for very small businesses by creating a much simplified test of the requirement that they seek credit elsewhere before applying to the SBA.
- Responding to the language problem which naturally arises in a diverse community such as Los Angeles. The task force helped arrange for the hiring of about 60 bilingual aides to assist applicants. When a shortage of Spanish-speaking assistants arose, ten were hired on the same day.
- Helping to speed the delivery of a full array of Federal services to the Los Angeles area, including rental assistance for those who were displaced from their homes, unemployment assistance for those who lost their jobs, food for those in areas with shortages, emergency funds for those who did not receive Social Security checks, and crisis counseling for those affected by the disturbance. On Monday, May 11th, three days after the opening of the application centers, FEMA mailed the first disaster housing assistance checks to applicants.

II. The Mission of the Task Force:

One might think of the Federal response to the civil unrest that occurred in Los Angeles as encompassing three phases. One phase was the restoration of peace and the rule of law in the immediate term. A second phase is the provision of necessary assistance and services to those who suffered losses or disruption of services as a result of the disturbance. A third phase is the crafting of a long-term policy strategy for addressing the underlying problems facing urban America.

The work of this task force has been focused on the second phase. The task force did not participate in or direct any law enforcement activities, although in the aftermath of the disturbance, the task force leadership has worked closely with Robert Mueller, the Assistant Attorney General, Criminal Division, and with Governor Wilson to coordinate appropriately with law enforcement. Nor is the task force a policy-making body.

This task force has sought to work with the state, county, and city governments, as well as private sector and non-profit entities, in speeding the delivery of services to the people of Los Angeles. The task force worked to bring quickly to the Los Angeles area those programs which the Federal government can deliver right now, under existing statutory authority and using existing funds, to help those victimized by the violence.

Most importantly, the mission of the task force has been to knock down any extraneous barriers to the efficient delivery of services to the people of Los Angeles city and county. Too often, the processes and paperwork of the Federal government are a source of frustration to citizens who confront them. The goal of this task force was to ease that frustration in every way possible -- and to deliver assistance to the people who need it in record time.

III. The Process:

Meeting Schedule:

Upon arrival in Los Angeles on Monday night May 4th, members of the task force met with Governor Pete Wilson and his staff. Governor Wilson also met with the full task force on Tuesday morning May 5th to offer his assessment of the situation. At that meeting, he designated the State of California's Director of Emergency Services, Richard Andrews, as liaison with the task force.

Also on Tuesday morning, task force representatives met with Los Angeles Mayor Tom Bradley and Deputy Mayor Linda Griego. Bradley appointed Deputy Mayor Griego as liaison and she met with the full task force on Tuesday to identify specific problems the city had encountered that could be addressed by task force actions.

The task force coordinated by telephone on Tuesday with Los Angeles County Chief Administrative officer Richard Dixon, who designated Sheriff's Lieutenant Ben Nottingham as the County's liaison with the task force. On Wednesday, May 6th, representatives of the task force met with the Chairman of the Los Angeles County Board of Supervisors, Supervisor Deane Dana, Los Angeles County Sheriff Sherman Block, Supervisor Michael Antonovich, Mr. Dixon, and other representatives of the county.

On the afternoon of Tuesday, May 5th, the task force met with Mr. Peter Ueberroth, who had been appointed by Mayor Bradley and Governor Wilson to chair Rebuild L.A., a long-term effort to promote recovery by encouraging private sector investment in affected areas of greater Los Angeles.

On Friday, May 8th, at the invitation of its President, Councilman John Ferraro, representatives of the task force presented a briefing to the Los Angeles City Council, and subsequently met with various members of the Council.

Throughout the week, members of the task force took the opportunity to meet with members of the community, including the mayors of Compton, Inglewood, Long Beach, and Linwood, City of Los Angeles Superintendent of Schools Bill Anton, Los Angeles County Superintendent of Schools Stuart Godholt, President of the Los Angeles Urban League John Mack, various members of the clergy, representatives of the police and firefighting forces, and affected businessmen and women. In addition, members of the task force toured affected areas and neighborhoods at various times throughout the week.

The task force briefed the President on two occasions: upon his arrival in Los Angeles on Wednesday night, May 6th, and again on Thursday evening, May 7th. Also in attendance at one or both of these briefings was Governor Wilson, Mayor Bradley, U.S. Senator John Seymour, Supervisor Dana, Councilman Ferraro, Secretary of Health and Human Services Louis Sullivan, Secretary of Housing and Urban Development Jack Kemp, and Administrator of the Small Business Administration Patricia Saiki.

Coordination Mechanisms:

The task force has coordinated its activities closely with the state, county, and city governments. Since Tuesday, May 5th, senior task force representatives have participated in a daily conference call with officials of the state, city, county, the Small Business Administration (SBA) and the Federal Emergency Management Agency (FEMA). This conference call has made possible an immediate, coordinated response, on a daily basis, to problems that are occurring in the field. This daily conference call will continue for the foreseeable future.

For the past week in Los Angeles, the task force met at the beginning and at the end of each working day.

IV. Assessment of the Situation in Los Angeles

While the greater Los Angeles community sustained significant damage as a result of the rioting, the task force was impressed by the pervasive signs of hope that have arisen in the wake of this tragedy. Every member of the task force was struck by the genuine desire, at every level of government and throughout the community, to cooperate in working toward the quick recovery of Los Angeles.

The nature of the damage which resulted from the thousands of fires set during the rioting was different from that sustained in Watts, Detroit, and other riots in the 1960s. While the damage was extensive and indeed staggering, relatively few residences were burned: HUD estimates that approximately 250-300 families lost their homes as a result of fires related to the disturbance.

The principal physical damage sustained during the rioting was the destruction and/or looting of several thousand businesses. Preliminary estimates by city and county building and safety experts are that 5,000 structures in the greater Los Angeles area were either damaged or destroyed. The businesses housed in these structures provided essential services to the citizens of South Central, Crenshaw, Koreatown, Compton, Inglewood, Long Beach and other areas of greater Los Angeles. The task force believes that an urgent priority is to encourage re-investment in these neighborhoods.

Because many of the businesses which were destroyed or looted were small, family-owned businesses, without the staff or facilities for extensive recordkeeping, the task force recognized that these businesses might encounter special difficulties in completing the paperwork necessary to apply for SBA disaster loans and FEMA disaster assistance.

Further, given the emotionally charged nature of the disaster and the attendant tensions in the community, the task force was eager to minimize any additional frustration which might result from delays in processing and receiving disaster assistance. Two key objectives of the task force were therefore to assist in the application process and to streamline the approval process for these types of assistance.

The record-keeping problems of small business had the potential to be exacerbated by language barriers in the culturally diverse community of Los Angeles. The languages spoken by affected business owners ranged from English to Korean to Spanish to Persian to Armenian to Thai to Mandarin Chinese. Throughout the week, the task force worked to surmount this barrier by marshalling the resources necessary to provide effective translation services.

V. Disaster Assistance:

On Saturday, May 2nd, in response to a request from Governor Wilson on that same date, the President declared that a major disaster exists in the County and City of Los Angeles. This declaration made Federal disaster-related funding available for individuals, businesses and local governments who had suffered as a result of the civil disturbance.

Specifically, as a result of the President's declaration, SBA is making available direct, low-interest loans to homeowners, renters, businesses and non-profit organizations who suffered losses. These include physical disaster loans to help rebuild and replace uninsured property, and economic injury loans to provide small businesses with the working capital to replace inventory and otherwise resume normal operations.

FEMA is providing temporary housing and grants to individuals and families whose homes and property were damaged in the disaster, and who cannot qualify for SBA loans. In addition, FEMA provides grants to local governments to cover the costs of repairing public buildings and facilities and the overtime salaries of state and local workers who had to respond to the disaster.

This SBA and FEMA assistance constitutes the lion's share of the Federal assistance made available to respond to urgent, short-term recovery needs. In the past, the application and approval process for these programs has been the source of some frustration. The task force was and is committed to removing any unnecessary bureaucratic barriers to the efficient functioning of this process. The specific goal of the task force is to provide this FEMA and SBA assistance in record time.

To aid in the task of minimizing confusion for a local population already under stress, the task force worked with the state, county, and city governments to establish centers that would provide all key services under one roof. Under this "one stop shopping" approach, a citizen could find information on and make application for SBA loans; FEMA grants; emergency food, clothing, shelter, and medical assistance; individual and family grants; tax assistance; and crisis counseling -- all at one location.

On Friday, May 8th, seven Disaster Application Centers (DACs) were opened throughout the affected areas of greater Los Angeles to provide this "one-stop shopping" service. One measure of the success of the task force is this: on Monday, May 11th, three days after the opening of the application centers, FEMA mailed its first disaster housing assistance checks to victims of the disturbance.

Breaking Down Language Barriers:

The task force recognized that language differences could constitute an important barrier to the efficient delivery of services in such a culturally diverse community as Los Angeles. As a result, FEMA, SBA, and the task force worked to tap a range of resources to provide sufficient numbers of linguistic specialists in the DACs. FEMA and SBA enlisted the services of Korean-speaking assistants to aid the many Korean-American business owners affected by the disaster. On Friday, May 8th, it became clear that a shortage of Spanish-speaking assistants existed at the Ardmore DAC site.' FEMA redeployed several assistants to that site, and hired ten additional Spanish speaking aides that day.

In total, approximately 60 bilingual aides have been hired to date to ease the language problem.

In order to minimize the time between the actual disaster and the receipt of disaster assistance, the task force took several actions to reduce red tape and assist applicants.

Speeding Delivery of SBA Disaster Assistance Loans:

Many of the businesses affected by the rioting were small businesses without extensive records. In order to receive disaster assistance loans, businesses must furnish tax returns from the past three years; an itemized list of losses; proof of operation of a business at a particular location, such as a copy of a deed, lease, or mortgage; a brief history of the business; and financial statements for the past three years.

For many of the businesses in the affected areas of Los Angeles, it is difficult to meet these requirements. To help such applicants, the task force:

- Arranged for the placement of specialists from the Minority Business Development Agency (MBDA) in each of the DACs. These specialists are providing technical assistance to businesses in preparing such required items as the business history and the profit and loss**

statements from the past three years. MBDA arranged to have its services provided in several languages.

- Arranged for the placement of representatives of the IRS in each of the DACS, to speed the process of recovering tax returns from IRS headquarters in those cases in which the applicants' copies of the tax returns are missing or destroyed. In addition, the task force worked with the IRS headquarters in Washington to ensure that expedited treatment is given to any request to retrieve tax returns in cases related to the situation in Los Angeles.

Another requirement of the SBA for disaster loan applicants is that they demonstrate that they sought and were unable to secure credit elsewhere. In the case of many of the small businesses in South Central and other affected areas of Los Angeles, it is safe to assume -- in that availability of credit was a major difficulty for them even prior to the disturbance -- that they would be unable to secure such credit. In response, the task force:

- Developed through SBA a, simplified "credit elsewhere" test. This is a major time saver in the application process, which for thousands of businesses will cut weeks from the time it takes to receive an SBA disaster loan.

The length of time required to process SBA disaster loan applications and actually provide checks to affected businesses has been a source of frustration in past disasters. To reduce that frustration, the task force :

- Established a special expedited process with the U.S. Treasury Department to speed approval of check writing for the Small Business Administration.

Delivering FEMA Assistance Fairly and Efficiently:

The city and state governments expressed concern that, due to the wording of the disaster declaration, FEMA and SBA might be in the position of providing disaster assistance to those who had suffered losses or damage due-to fire, but not to those who had suffered losses or damage due to looting. The task force:

- Worked with FEMA to clarify the interpretation of the President's disaster declaration. Under the clarification, FEMA declared that, "'Fires during a period of civil unrest' means all *fire-related damages or hardships* which occurred during the major disaster." (emphasis added) Further, FEMA stated that "where it is not feasible to differentiate among the causes of civil unrest ... or where it appears that damages or hardships may be in any way the effect of fires or fire-related circumstances, all damage is considered to be related to fires." This interpretation should allow agencies to provide assistance to all those who suffered damages as a result of the civil disturbance.

Creating Additional DACs:

The task force has sought to be flexible in accommodating the demand for assistance in the community and to reduce undue waiting time in the DACS.

When indications of long waiting times at the Ardmore Recreation Center DAC in Koreatown arose on Friday, May 8th, the task force:

- worked with FEMA and the state government to move a mobile DAC to the site, expanding the available space by 720 square feet.

When the need for additional application facilities in the Crenshaw area was identified during the first weekend of operations of the DACS, the task force:

- Worked to establish a new DAC site at 4030 Crenshaw Boulevard in Los Angeles. This new DAC was opened at 10:00 am on Monday, May 11th.

The task force is prepared to remain flexible as new demand for disaster recovery services arises.

VI. Assistance Provided by Other Federal Agencies:

In addition to FEMA and SBA, other Federal agencies have worked to provide quickly a range of other services and types of assistance in response to the disturbance in Los Angeles. Some examples follow.

Agriculture:

In response to spot shortages of food in certain neighborhoods, the U.S. Department of Agriculture (USDA) sent over 27,000 boxes of cereal, over 58,000 cans of infant formula, over 1,500 six-pound boxes of nonfat dry milk, and other foodstuffs to Los Angeles area food banks.

A USDA survey revealed that private sector donations to food banks soared in the wake of Los Angeles disturbance, and that distribution outlets in the area had been increased, thanks to the participation of churches and other non-profit institutions in the community.

The USDA survey revealed that there was no marked increase in food stamp demand in the wake of the disturbance. Nevertheless new requests from individuals affected by the disturbances will be put on a special fast track. Because several outlets authorized to accept food stamps were closed or destroyed, red tape was cut so that new food stamp authorization applications from retail outlets are being processed in one day.

At least fifty stores authorized to receive vouchers in the Women, Infants and Children (WIC) program were closed or destroyed. In response, USDA issued instructions to allow WIC coupons to be valid at any authorized vendor.

Commerce:

The Department of Commerce has provided both business and economic development assistance in the wake of the Los Angeles disturbance.

In addition to placing its representatives in the DACs to assist in the preparation of applications by small minority businesses, the minority Business Development Agency (MDBA) operates two Minority Business Development Centers in the Los Angeles areas.

The Commerce Department is in the process of making available approximately \$25 million in Economic Development Administration (EDA) funds to assist in the recovery process. Six to ten million dollars will be made available to the county and city governments for bridge loans to businesses to be used for purposes such as cleanup, demolition, and restoration of inventory, machinery and equipment, or building structures.

Another \$2 to 3 million is expected to be provided to Rebuild LA, chaired by Peter Ueberroth, to help set up and operate this non-profit organization, whose mission is to assist in the economic recovery of greater Los Angeles by attracting job-creating private sector investment.

Approximately \$1 to 2 million is expected to be provided to the Los Angeles Convention and Visitors Bureau, to help reinvigorate international tourism to the Los Angeles area. This is the second largest industry in the area, employing 360,000 -southern Californians, eighty percent of whom are minorities.

Finally, EDA is discussing \$5.5 million in defense adjustment grants for Los Angeles County, to assist areas where defense contracts were terminated. Some of these grants could be used for seed capital for technology companies which are spinoffs from defense-related companies.

Education:

The Department of Education is taking steps to speed the availability of approximately \$1.2 billion in formula grants to the State of California, and to work with the state to optimize the suballocation of these grants in order to address conditions related to the disturbances.

Education is working with college student aid administrators to allow them to use "special condition" procedures in the Pell Grant program to take into account any loss of family income due to the disturbances.

In addition, a special desk has been set up at Education's Federal Student Aid Information Center to handle inquiries from Los Angeles students on how to apply for student aid or how to reflect loss of assets or income due to the disturbances in the application. This desk will be serviced by an "800" phone number.

Health and Human Services:

Within 24 hours of the disturbance, the Department of Health and Human Services (HHS)

HHS, through the Social Security Administration, ordered the use of emergency check-writing authority to make payments of up to \$200 for those elderly poor or low income, disabled children whose Supplemental Security Income (SSI) checks were not received as a result of the disturbance. HHS also put in place procedures to speed the replacement of any welfare or disability check lost as a result of the disturbance.

HHS dispatched experts from the National Institute of Mental Health to assess mental health assistance needs and requirements. Mental health and crisis counseling is available in the DACS. Epidemiologist from the Centers for Disease Control were brought in to investigate the health effects of the disturbance -including those related to environmental safety (chemical and biohazards), health control (sanitation and clean water), and other questions.

Housing and Urban Development:

The Department of Housing and Urban Development (HUD) immediately made available Section 8 rental assistance vouchers to those families who have been displaced by fires related to the disturbance.

HUD is also making available 32 HUD-owned homes, with a dollar value of \$2.3 million, for use in the affected areas. These homes will be leased to the city for one dollar per month.

HUD issued a new rule this past week to provide priority contracting for businesses that are at least 51 percent resident owned. This means that a higher proportion of contracts for work performed for HUD will go to businesses which are representative of the area in which the work is to be performed.

On Wednesday, May 6th, HUD announced that it will approve requests to allow the early release of over \$92 million in Community Development Block Grant (CDBG) funds to the city and County of Los Angeles that were scheduled to be released on July 1st.

On Thursday, May 7th, HUD signed an interagency memorandum of understanding with the Department of Labor to better coordinate Labor's job training efforts with HUD's HOPE and other public housing initiatives.

On Friday, May 8th, HUD announced the availability of \$1.5 million in Technical Assistance program grants for low- and moderate-income young people (between the ages of 14 and 21) to help them acquire the skills and knowledge they need to start and operate successful small businesses.

The Resolution Trust Corporation (RTC) has made available to HUD a list of properties available in the affected area of Los Angeles. HUD has been working to match these properties to local needs, and leases could be signed later this week.

Labor:

The Department of Labor provided \$2 million in emergency grants to hire and pay the wages of workers who were dislocated as a result of the disturbance.

Labor also launched a demonstration project to Use unemployment insurance benefit payments to support entrepreneurship efforts by unemployment insurance claimants.

Labor also provided about \$2 million for several types of training assistance. One grant would establish "one-stop shopping" skill centers to provide vocational training and employment-related assistance to affected areas. Another would finance an expansion of a program operated by the Community Youth Gang Services which allows area youth to participate in community service projects as an alternative to incarceration. A third would finance youth apprenticeship model programs for African-American and Hispanic males. And a fourth would provide training funds to supplement local economic development efforts.

Office of Personnel Management:

The Director of the Office of Personnel Management authorized the conduct of a special Combined Federal Campaign effort among Federal employees in the Los Angeles area to help generate contributions to non-profit organizations involved in the recovery effort. OPM has also taken steps in the past week to increase job opportunities and to provide job counseling and stress counseling in the Los Angeles area.

VII. Continuation of the Work of the Task Force:

The work of the task force will continue beyond the efforts of this first week. The task force is committed to implementing fully the President's directive to work with the state, county, and city, and with the private sector, to ensure the swift delivery of needed assistance and services to the people of Los Angeles.

The task force has established a structure and a set of processes to see that this directive is carried out in the weeks and months ahead.

With the return of most Deputy Secretaries to Washington, the conference calls with State, county, city, and on-site Federal representatives are nevertheless continuing. Deputy Secretary DelliBovi has returned to Los Angeles this week. Deputy Secretary Schnabel will arrive later in the week. The task

force co-chairs, Deputy Secretaries Kearns and DelliBovi, plan to continue alternate visits to Los Angeles for as long as such visits are helpful.

Each of the agencies represented on the task force has stationed a representative to remain in Los Angeles. Some of these representatives will be moved to the site of the current Federal/State/Local coordinating office in Pasadena to ensure maximum coordination.

The task force co-chairmen are now in the process of identifying a task force leader to lead the task force in Los Angeles on a day-to-day basis. This leader will report regularly to the co-chairmen.

In six weeks, the task force has agreed to reconvene in Los Angeles to assess the state of the recovery effort, to meet again with state, local, and private sector officials, and to determine what additional actions are necessary.

The task force will work diligently to support state, county, city, and private sector efforts to help Los Angeles recover, and to make sure that the Federal government is a constructive partner in that recovery.

VIII. Conclusion:

Throughout greater Los Angeles, members of the task force witnessed inspiring signs of hope in the wake of the tragic violence. Store owners whose shops had been looted only days earlier rushed to replace inventory, placed plywood over their shattered windows, and proudly painted "Open for Business" in bold letters on their newly installed plywood facades.

Volunteers poured into the affected areas from all over the city -- indeed from all over the country. Mayor Bradley estimated that 50,000 volunteers had assisted in the cleanup of Los Angeles in the days following the disturbances.

On one street corner in South Central, against a backdrop of a burned out shopping center, a man opened a flower stand, in one first small step of hope and recovery.

One firefighter who had served 27 years earlier in combating the fires of Watts, predicted and observed "a much quicker recovery" than that which followed the Watts disturbances, because, he said, of "the total commitment to cleanup and recovery on the part of the local people."

From the ashes of this recovery, the members of the task force found blossoming a springtime of hope. Its most important feature was a near-consensus on the types of measures that are needed not only to restore Los Angeles but to make its neighborhoods stronger than they were before this incident happened.

While there is much about which to be encouraged, the task force found that this is a very tough situation. It is estimated that unemployment in the affected area prior to the disturbance was far higher than the national average, perhaps more than triple the national rate. Mayor Bradley estimates that many thousands of jobs were lost as a result of the disturbance--some permanently.

Virtually everyone the task force spoke to believed that private sector investment in these neighborhoods, investment which can create jobs in the community, was the most urgent priority. Virtually everyone the task force spoke to believed that residents of these affected areas must be given a greater equity stake in success -- the opportunity to accumulate assets without penalty--from the welfare system, the opportunity to own and manage their own homes, the opportunity to live in neighborhoods free from crime and drugs. What the Federal government can provide is incentives to encourage investment that will create jobs and build local assets.

The members of the task force believe that in this emergent consensus lie the seeds of a truly complete recovery for Los Angeles, and for all of America's cities.

