



An Economic Alliance Born from the Devastation of the Northridge Earthquake

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It has been 30 years since the 6.7 magnitude Northridge earthquake struck the San Fernando Valley, on Jan. 17, 1994. It remains one of the most costly earthquakes in U.S. history, with 57 official deaths, more than 9,000 injured, over 22,000 people displaced from their homes and an estimated over \$40 billion in property damage.

“The lion’s share of the damage from that earthquake was in the San Fernando Valley, and we wanted to make sure that attention stayed focused on the valley issues,” said Fred Gaines, the current chairman of the board of the Valley Economic Alliance (VEA).

The VEA was established in 1995 as a direct response to the earthquake. Five cities – Glendale, Burbank, San Fernando, Calabasas and Los Angeles – came together along with several major businesses, to focus on getting an equitable distribution of federal, state and local resources to the San Fernando Valley and to help restore the economy after the earthquake.

Gaines added there were concerns at the time that the earthquake “would be a negative in terms of attracting business to the valley and keeping businesses in the

valley over time,” so they worked to ensure that there was, “the job base and the economic base in the valley, to keep the economy going.”

Immediately after the earthquake, the federal government arrived with resources to help rebuild. Federal Emergency Management System (FEMA) set up temporary centers across the San Fernando Valley, where people could go to receive low-interest loans and financial assistance to rebuild.

In total, Los Angeles and Ventura counties received \$11 billion in federal assistance. The City of Los Angeles secured an additional \$321 million in supplemental disaster relief funding from the United States Department of Housing and Urban Development (HUD).

Following the quake, Richard Katz, the assemblymember at the time for District 39 in the Northeast San Fernando Valley, said the alliance helped businesses to get back on their feet by providing consulting expertise, facilitating loans and funding, interacting with the federal government and getting programs set up so that people could recover.

“The alliance grew out of the earthquake as the vehicle for helping those businesses get back on their feet, and it developed after that into the largest business advocacy organization in the valley, as it still is today,” said Katz.

The COVID-19 Pandemic Tests the VEA

“One thing that hasn’t changed is we are still here for the community when there are emergencies,” said Sonya Kay Blake, current president and CEO of the VEA.

The COVID-19 pandemic tested the strength of the organization, as the second major disaster since its conception.

“You had a situation where almost every business was closed or certainly had to change their work situation. And there was immediate unemployment and a hit to the economy,” said Gaines. “The good news was the economic alliance was there ...

We were already in place and we were able to work right away to provide a lot of assistance to businesses.”

Blake told the *San Fernando Valley Sun/el Sol* that the VEA provided information and health updates for businesses and aided businesses with accessing emergency grants such as PPE loans. She said they helped facilitate over \$7 million of capital since the pandemic.

“The alliance was one of the few places that valley businesses could go to for help during the pandemic,” said Blake.

Thirty Years Later, the Alliance Looks to the Future

The initial conception of the VEA was reactionary to the disaster of the Northridge earthquake, but today they are focused on the future growth of the San Fernando Valley.

“At our founding, we were really needed to step in and help the community recover after the earthquake. Today, we’re here to drive economic prosperity into the future, even when there isn’t a national or community emergency,” said Blake.

The alliance now takes a two-pronged approach: programs and policy.

Gaines said that through economic and workforce development programs the VEA aids businesses with consulting, connects them to funding and provides technical training for job seekers. Policy-wise, they try to attract and entice developers to invest in the region, bring federal resources into the valley and promote tourism.

“The valley has undergone tremendous evolution over the past 30 years. And the alliance has followed suit to be responsive to the changing needs,” said Blake.

With over 1.8 million residents, if the San Fernando Valley were its own city, it would be the 5th largest in the U.S.

“It’s got its own economic powers that generate a tremendous amount of content for the entertainment industry, for aerospace and manufacturing,” said Katz.

Whereas in the past the San Fernando Valley had more manufacturing jobs, today healthcare services are the largest market, making up 20% of the economy.

According to Gaines more people are now living and working in the valley.

“Thirty years ago ... in almost every family someone got up and went over the hill for their job – someone went downtown, someone went to the West Side, someone was going out of the valley. That has changed,” said Gaines.

“People are living and working and spending much more of their time here in the valley... and it makes what we [VEA] do even more important because we really need to maintain that and frankly, to grow that.”

Serving a Diverse Demographic

The demographics that make up the San Fernando Valley have also changed over the years. In the 1990s the population was already undergoing a shift from predominantly Anglo households to an influx of Asian and Latino households. According to census data, “Hispanic households” now make up the largest demographic group, comprising 42% of the population in the San Fernando Valley.

“It’s a much more diverse community, a much more integrated community,” said Katz.

Although more diverse, more integrated may not be the case.

“It’s true that we have a ‘Tale of Two Valleys’ in some way,” admitted Blake, acknowledging that wealthier communities are situated in the west and south side of the San Fernando Valley, while more moderate and low-income communities tend to occupy the mid and northeast valley.

Blake told the *San Fernando Valley Sun/el Sol* that the VEA is actively promoting “inclusive community and economic development” and advocating for “revitalization of previously underinvested areas.”

“I think we’re just beginning to scratch the surface and get the attention of our elected officials that we need to get the Northeast Valley the love and attention and resources that it so much deserves,” said Blake.

To learn more about the Valley Economic Alliance visit: thevalley.net.