

2018 BizFed Leadership Roundtable Series

The Honorable Eleni Kounalakis

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Industry Manufacturers Council (IMC) in the City of Industry was the host of the third Leadership Roundtable Series on Wednesday, February 7th, 2018. Our featured guest was Eleni Kounalakis, Chair of California’s Advisory Council for International Trade and Investment and former U.S. Ambassador to Hungary.



The Council advises the Governor’s Office of Business and Economic Development (GO-Biz) on strategies to expand international trade and investment for California businesses and assists GO-Biz in identifying foreign markets with the greatest potential for export expansion. The Council also aids GO-Biz in developing specific export strategies for those markets – including the state’s top trading partners, Canada, Mexico and China, and emerging markets such as Brazil and India, as well as strategies to attract more job-creating foreign direct investment into the state.

BizFed’s Trade Committee Co-Chair, Stephen Cheung commented to Kounalakis his concern that the California-China Office of Trade and Investment (CTO) is administered by the Bay Area Council and it influences the State’s development and implementation of economic policies with China, benefiting primarily the Bay area. Engaging with the CTO is best way to influence their decisions. It has a different governing board from the Council. Get involved there. California needs to reinstate its trade office with Mexico, one of its top trading



partner. An opportunity for the Los Angeles area to be influential.



Local businesses, chambers of commerce and local government have filled the void since the California’s foreign trade offices in Mexico and other countries were closed. From her experience as Ambassador, Kounalakis commented that political stability in the regions where you are conducting trading and investment activities, is preferable to situations and other factors that can destabilize the regional political environment and make trade and investments at higher risks than necessary. GO-Biz is an excellent addition to the Governor’s Office as California expands its role and strengthens its

presence in the global economy.

The discussion turned to governance issues such as contracting out by Los Angeles County and the impact of AB1250 (Jones-Sawyer) on community services and the providers. IMC member Dr. Blyane Cutler, President of Heluna Health stated that Counties simply don’t have the capacity to provide many public health programs to its residents and needs to enter into contracts with community based organizations and others to provide many services. While it’s preferable to keep the work in-house, Kounalakis said that Counties must have the flexibility to contract out when it more efficient and cost effective to do so. “Prohibiting contracting out is the wrong way.”



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After graduating with an MBA from UC Berkeley’s Haas School of Business, Kounalakis worked for 18 years in the family business, AKT Development, one of California’s most respected housing development firms. She performed all aspects of housing development, from the permitting process to overseeing construction as the project manager.



When asked was asked about the initiative in circulation that repeals Costa Hawkins and imposes new rent control measures throughout the state. “Rent control doesn’t produce housing” she said. The initiative effort is the response to the housing crisis and high rents that keep increasing, taking a larger percentage of people’s paychecks, Kounalakis added. This is what happens when current housing policies aren’t working for its residents.



California has had several key policies for many years and there is a push and pull that will require the next governor to tackle these issues. The housing crisis is the catalyst for many of these policies. For example, California Environmental Quality Act (CEQA) needs to be revisited. She was sued under CEQA in one of her projects. A process to reform certain parts of CEQA is needed. She is a strong supporter of SB35 (Wiener), chaptered in 2017 that allows for streamlining the approval process for affordable housing.



The status quo isn’t working when it comes to tax fairness. An inclusive discussion on tax reform and overhaul is needed. “I believe in paying taxes, but let’s not strangle the goose the lays the golden egg.” Proposition 13 should be part of that discussion. For many, the residential portion of Proposition 13 is the most important component. Governing at the ballot box is not always best.

Kounalakis discussed briefly her campaign for California Lieutenant Governor. She would be the first woman elected to the office. A major role of the Lieutenant Governor is membership in the governing



boards of the University of California and the California State University systems. She feels that her experience in the housing business and as Ambassador, will be an asset, as the Lieutenant Governor chairs the state’s commission on economic development.

Participants: Jonathan Beutler, Chris Bowen, Stephen Cheung, Dr. Blayne Cutler, Roozbeh Farahanipour, Leon Garcia, Lara Larramendi, James Litz, Chris Lo, Mark Lomeli, Elizabeth Shapiro, Mayor Mike Spence, De’Andre Valencia, Ben Wong and Charlie Yan