

Communication from Public

Name:

Date Submitted: 10/01/2019 09:48 PM

Council File No: 13-1493-S5

Comments for Public Posting: Please see the attached PDF Letter to Council from the Los Angeles Street Vendor Campaign.

October 1, 2019

Los Angeles City Council
200 N. Spring Street
Los Angeles, CA 90012

Re: Los Angeles Street Vending Permit System - CF 13-1493; 13-1493-S5

Dear Honorable Members:

In response to the City Administrative Officer's (CAO) submission of the Sidewalk and Park Vending Fee Study and Recommendations dated September 16, 2019 and the Bureau of Street Services (StreetsLA) Recommendation to Establish a Sidewalk Vending Permit Process dated September 17, 2019, the LA Street Vendor Campaign respectfully submits recommendations on several key issues that are central to a successful implementation of the sidewalk vending program. Among the issues outlined, we strongly suggest that the City consider lowering the recommended permit fees to maximize the potential for success of this program, and also suggest that the City delay the implementation of the permit program if all necessary components of a comprehensive and inclusive policy, including Los Angeles County Department of Public Health permit systems, are not ready for a January 2020 roll out. With Los Angeles as the latest major city to create a brand new sidewalk vending program, the City has a unique opportunity to set the standard for a fair and inclusive program. Our recommendations were crafted alongside street vendors with this goal in mind. We appreciate the careful consideration of these recommendations by the City Council, Council committees, and City departments in order to support local micro-entrepreneurs and help integrate immigrant families into our formal economy.

Background on the LA Street Vendor Campaign

The LA Street Vendor Campaign (LASVC) is a citywide campaign consisting of various nonprofit organizations, community-based groups, labor unions, and thousands of street vendors who have been working for years to create a thoughtful permit system for street vendors. For many years, the LASVC has been working in communities all across Los Angeles to engage stakeholders to develop pragmatic, community-centered policy solutions to address the injustices facing low-income entrepreneurs in LA. As a result of this organizing work, thousands of street vendors and supporters are engaged every month through workgroups in various neighborhoods of Los Angeles.

Since the legalization of sidewalk vending by the City Council in November of 2018, the LASVC has continued our outreach to and organizing of vendors across the region. Our efforts

also include meeting with City and County agencies to provide insight on the needs of vendors in the wake of legalization and to uplift equitable policy solutions for a fair and inclusive sidewalk vending program in the city. We have also hosted workshops for vendors on a variety of topics including obtaining the required State Seller's permit and the local LA business license, as well as assisting vendors in dismissing former sidewalk vending convictions.

Recommendations for the Los Angeles Sidewalk Vendor Permit Program

The LASVC reiterates our strong support for a formal and just permit system for sidewalk vendors. We applaud the efforts of the CAO to determine the true cost of the program as well as StreetsLA's focus on the importance of inter-agency coordination and streamlining of processes. A permit system will help thousands of street vendors contribute to our economy, while providing a framework to manage our public right of way in a manner that protects accessibility to brick-and-mortar businesses, pedestrians and other uses. The following recommendations were crafted in partnership with street vendors:

- **Provide a permit at an affordable price to vendors.** Sidewalk vendors in the City of Los Angeles are often low-income micro-entrepreneurs. This work has a low barrier to entry and is used as a means to provide for whole families. An annual permit cost of \$541 will prevent vendors from signing up for the sidewalk vending permit program, ultimately leaving vendors operating outside of the regulations established in the November 2018 ordinance. The LASVC has surveyed hundreds of vendors from all over the County on an appropriate cost for the permit, and the majority of vendors recommended that the permit be **within \$50 - \$200 annually**. This lower cost will ensure that more vendors sign up for the program and are operating within the regulations established by the City, County, and State, further formalizing their micro-businesses and bringing their business into the formal economy. Further, the proposed cost of \$541 annually is the second highest in the nation - Austin, TX is the most expensive. We encourage the City to consider sliding scale fees which will take into account a vendor's ability to pay as well as providing incentives that vendors can take advantage of to access a lower permit fee, such as a healthy food incentive.
- **Move away from the Full Program Cost Recovery requirement.** With the start of any new program, we understand that there are a number of costs to make it operational. In the 2019 - 2020 City Budget, StreetsLA was provided \$3.7 Million in funding for additional staff for administering the program. We appreciate that the City had the foresight to allocate some monies for this new program; however, we encourage the City to re-allocate some money from the discretionary fund to offset the cost of the permits. Considering the importance of this program to protect the livelihoods of the immigrant

population, this is an opportunity to show the City's stance on protecting and investing in some of the hardest working members of our society.

- **Establish a permit system that gives vendors the option to request a location-specific permit.** We reiterate our recommendation, described in detail in our October 10, 2018 letter, that the City establish a permit system that recognizes the different modes of street vending by establishing different types of permits for sidewalk vendors. As the CAO report stands now, it implies that all permits will be a general permit and will cost the same for all vendors. The program should include a general Flexible Location Vending Permit option for vendors who do not require a pre-determined fixed location; and a Fixed Location Vending Permit option for vendors who seek the security of an exclusive designated location. Under this system, all vendors would be required to obtain a permit from the City, but with a choice between the types of permits offered. Alternatively, the City should explore the possibility of establishing a permit system that only requires permits in high density vending areas. This would lower the cost of administering the permit system, allow vendors to secure location-specific sites in high demand areas, and maintain rules and regulations for vendors operating in other areas of the City.
- **Establish a permit system that protects and promotes low-income entrepreneurs.** While the City continues to draft the policy outlining the street vending permit program, we strongly encourage the City to keep the interests of low-income entrepreneurs at the forefront of the program. To that end, we encourage the City to consider including policies such as: limiting the number of stationary permits that can be issued to any one individual vendor, especially in highly desirable locations; providing a sliding scale pay option for permits for low-income vendors; and, creating an affordable and streamlined system for vendors to acquire permits and carts.
- **Request a report back on establishing healthy food vending incentives.** The StreetsLA Recommendation Report briefly discusses the establishment of healthy food vending incentives. The LASVC has long promoted the use of healthy food incentives to encourage vendors to provide nutritious food at a low price point with the ultimate goal of addressing disparities in healthy food access in low-income neighborhoods. We believe that these incentives could include: lower permit fees, special authorization to vend near schools and community centers, a right of first refusal for vending opportunities at City-sponsored events, and special promotional and marketing support from the City. We encourage the City to actively engage in further discussion on this topic and ask for a report back to the Council within 90 days. Encouraging the sale of healthy and fresh produce is one way to combat the food swamps that exist throughout Los Angeles.

- **Request a report back on establishing an inclusive process to create Special Vending Districts.** The City has long contemplated a procedure to establish specialized vending regulations in certain areas to account for unique neighborhood dynamics. The LASVC has supported this approach, and has been working with vendor communities for over a year to organize and establish workable safety regulations in certain neighborhoods with unique circumstances, such as Hollywood Boulevard, the Piñata District, MacArthur Park, and 47th & Main. In each of these communities, vendor leaders have taken the initiative to solicit and respond to stakeholder priorities with thoughtful and pragmatic regulatory ideas. Further, the LASVC has also been working with StreetsLA to develop a pilot Special Vending District. We urge the City to provide institutional support for this important process by requesting a report back that details clear guidelines for the creation and implementation of a special vending district that would modify the citywide default standard and ensure vendor participation and leadership in the rulemaking process.
- **Establish a timeline for developing cart innovations.** Sidewalk vendors currently operating throughout the City may need to update their vending equipment, especially their carts, given the recent change in law. The cost of a cart can be a direct and insurmountable barrier to entry for these micro-entrepreneurs. The StreetsLA Report discusses an MOU between Economic & Workforce Development Department and the County Department of Public Health. We encourage this relationship and suggest that this MOU also detail how DPH and EWDD will work together to produce affordable options for carts that are in compliance with county health requirements. Affordable carts will be a key piece in a successful sidewalk vending program that supports vendors facing high barriers to traditional employment.
- **Provide at least a six-month enforcement grace period for vendors.** With an estimated 50,000 street vendors across the City of Los Angeles, an interim period that is used to focus on providing these micro-entrepreneurs with the tools they need to successfully and legally enter the permit system, instead of penalizing vendors as soon as the permit system goes into effect, will be crucial. Allowing for a six-month grace period will ensure that as many vendors as possible are reached and given the proper tools to become part of the formalized system. By allowing half a year for vendors to re-establish their businesses under the new guidelines and cart requirements, they will have enough time to replace any equipment they need and apply for permits to ensure their business stays afloat. **If systems are not in place to on board vendors, including systems at the LA County Department of Public Health that impact food vendors, then the implementation of a permit program should be delayed further.**

These recommendations were vetted by street vendor leaders who advocated for a legal permit system in Los Angeles and who will be the most impacted by the City Council's decisions on the sidewalk vending program fees.

We appreciate the Council's careful consideration of these recommendations.

Sincerely,

Los Angeles Street Vendor Campaign