

Communication from Public

Name: Gerardo Robledo
Date Submitted: 10/21/2019 09:09 PM
Council File No: 13-1493
Comments for Public Posting: I'll speak as a restaurant owner.

Communication from Public

Name: Rafael Guerreo
Date Submitted: 10/22/2019 08:52 AM
Council File No: 13-1493
Comments for Public Posting: Item No (1) - 13-1493, 13-1493-S5, 19-0600-S155 City Administrative Office and Bureau of Street Services reports relative to the establishment of permit fees for the Sidewalk and Park Vending Program (Also referred to the Public Works and Gang Reduction Committee, health Education, Neighborhoods, Parks Arts, and River Committee, Personnel and Animal Welfare Committee and Budget

Communication from Public

Name: Los Angeles Street Vendor Campaign
Date Submitted: 10/22/2019 10:59 AM
Council File No: 13-1493
Comments for Public Posting: Please see attached a letter from the Los Angeles Street Vendor Campaign.

October 22, 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 a detailed recommendation for the lowering of the proposed permit fee of \$541 annually for all vendors to **a sliding scale between \$50 - \$200 based on ability to pay**. 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:

- **Work towards fulfilling the initial intent of the ordinance.** In the original ordinance, the opening clauses specify vending as a means for encouraging entrepreneurship due to its low barrier to entry. The initial intent of the ordinance was to protect low-income, often immigrant, entrepreneurs and integrate their livelihoods into a formal system. An LASVC member organization, East Los Angeles Community Organization (ELACC), hosts multiple programs around asset and wealth building, financial coaching, and accessible wealth building products. These programs directly support LA street vendors. The staff and volunteers have served more than 275 low income street vendors in the past three years, and have found that their average income is \$15,875. Charging \$541 annually for only the vending permit would be prohibitive, preventing them from entering the formal economy and countering the initial intent of the program the City thoughtfully imagined in November of 2018. A \$541 permit fee would exclude the majority of vendors and make the program accessible only to those who have direct access to capital, especially when other expensive requirements, like the County Department of Public Health Permits, are factored. This muddies the initial intent of the ordinance, and creates further penalization of a community.
- **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.

- **Reduce fees to ensure long-term success.** The City should consider the long-term viability of the entire sidewalk vending program when assessing costs and revenue associated with the permitting process. We understand and appreciate the City's need to consider how to pay for the costs associated with the permitting program. However, the beginning of a brand new system like this is very important, and very delicate. Launching a high permit fee at the very beginning of the program, as currently proposed, will likely discourage or preclude many vendors from participating in the new program. This could potentially prevent tens of thousands of very low-income entrepreneurs from ever formalizing their business, undermining participating in the program and generating far less revenue over the long run. On the other hand, starting with a lower permit fee - at the \$50 - \$200 recommended rate - will encourage participation and integrate more vendors into the program in the beginning, therefore resulting in a larger initial on-boarding. Once a larger pool of participation is achieved, the City can then reassess permit fees and potentially ramp up the costs based on data and lessons gleaned from the first few years of implementation. Ultimately, this program seeks to provide a path to formalization within a sector that has been relegated to the shadows for decades. In the very beginning, the City ought to err on the side of integrating as many participants as possible by minimizing barriers to entry.
- **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.
- **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 at least 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 at least 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.**

- **Encourage inter-agency workgroups to streamline processes.** As this new permit system becomes finalized, it is imperative that the City Council work with other agencies and jurisdictions, such as the LA County Department of Public Health, to ensure a smooth process of implementation. With the estimated 10,000 food vendors in the City of Los Angeles, a streamlined system will be the crux of its success. As an example, food cart designs are not ready to be approved and built, on top of being too expensive for many vendors, meaning there will be a direct impact on the success of the vending program within the City of Los Angeles. These inter-connected systems must be taken into consideration when assessing the success of this new program.

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