



November 22, 2016

Honorable Members of the City Council
C/O City Clerk
Los Angeles City Hall
200 N. Spring Street, Room 395
Los Angeles, CA 90012

Re: CF 13-1493 - Sidewalk Vending Policy

Dear Honorable Members:

Despite the undeniable division and polarization that exists in our country right now, there is one common characteristic that is shared by Americans of every gender, race, ethnicity, religion, sexual orientation, gender identity, immigration status and political party: our entrepreneurial spirit. We value the notion that everyone deserves the opportunity to start a small business, on a level playing field, with failure or success determined by our own talent, hard work, and perseverance. At an early age, we teach our children concepts like overhead, profit and loss by encouraging them to sell Girl Scout Cookies, candy bars, and lemonade. Yet, if they sell any of those on a public sidewalk in Los Angeles, they are committing a crime of the same seriousness as drunk driving.

The City of Los Angeles has a broken and dysfunctional policy as it relates to the vending of food and merchandise on public sidewalks. We are the only major city in the United States that prohibits vending of every type, at all hours, on all of the 10,750 miles of sidewalks throughout Los Angeles. While vendors are being charged with misdemeanors for violating this ban, there are no penalties imposed on those that purchase from vendors, nor any regulations or ban on food trucks, even though they are utilizing the same sidewalks to sell their products, only from the other side of the curb.

The core question the Council must answer is whether sidewalk vending poses a threat so grave to public health, safety, and welfare that it is worth continuing to expend limited police and prosecutorial resources enforcing a citywide ban.

We do not believe that it does.

Sidewalk vending is one of the most accessible ways to start a small business, and in a city like Los Angeles with high levels of poverty and skyrocketing housing prices, we should be assisting entrepreneurs who are attempting to help themselves and help their families - not arresting them.

That doesn't mean we should allow vending without any regulations or restrictions. We must address legitimate concerns about pedestrian access, trash, and food safety, without creating excessive regulation and bureaucratic red tape that which makes it impossible to comply.

The Economic Development Committee has held three hearings, and solicited dozens of hours of oral testimony, written comments, and letters from concerned stakeholders. We carefully considered the questions, concerns, and priorities expressed over the past two years and we are jointly submitting for the Council's consideration a sidewalk vending framework that we believe is a reasonable approach that is worthy of your support.

The Public Works & Gang Reduction Committee will hold a public hearing on this proposed framework on Monday, December 12th at 1:00 PM in the Council Chamber.

Written comments to be included in the public record may be submitted in advance of the hearing by emailing the committee's legislative assistant, John White at John.White@lacity.org. Please reference *CF 13-1493* in the subject of the email.

We jointly propose a regulated, sidewalk vending permit system that includes the following core elements:

- 1. Location:** We propose the City establish a permitting process that allows for stationary vending in commercial and industrial zones, with a maximum of two vendors per block face, provided the specific location allows for adequate ADA clearance and spacing between other obstructions on the sidewalk - such as benches, bus shelters, utility cabinets, etc. - and that the adjacent business or property owner has provided their consent. As part of the Citywide Sidewalk Repair Program, the Bureau of Engineering is in the process of developing an inventory of sidewalks and their dimensions, and should be a key stakeholder in developing a permit system and recommending minimum clearance requirements between vendors and other obstructions. Vending in residential areas should be prohibited, with a narrow exception for small, push-cart vendors, provided they stop no more than 5 minutes, and do not deviate from a pre-approved route or zone. The City should develop limits on the number of vendors allowed in residential areas to prevent an over-concentration in any single neighborhood. Vending within 500 feet of a school should be prohibited, unless the vendor is selling exclusively healthy food.

2. Enforcement & Criminal Penalties: Recent talks about changes to our nation's immigration policy, including threats to deport millions of undocumented immigrants - starting with those with criminal records - has created significant fear amongst our immigrant communities. Continuing to impose criminal misdemeanor penalties for vending disproportionately affects, and unfairly punishes, undocumented immigrants, and could potentially put them at risk for deportation. We believe the Council has a moral imperative to decriminalize vending by removing all misdemeanor penalties, and instead establish a graduated penalty structure that includes fines, confiscation of property, and permit suspension or revocation.

The City should establish separate penalty tiers that impose greater penalties for vending without a permit, and less severe penalties for vendors who have a permit, but are in violation of rules governing placement, hours of operation and other conditions the City imposes. The City must provide enough enforcement personnel to ensure compliance, so that those vendors who obtain a permit and follow the rules are not forced to compete with those that do not. Permits mean nothing if failing to have one results in nothing.

We propose the Bureau of Street Services, Investigation & Enforcement Division be the designated enforcement agency, and be responsible for responding to complaints of unpermitted vending or violations of placement rules or hours of operation. The LAPD will retain its enforcement authority, and is authorized to enforce when violations are observed.

3. Operational Requirements: We recommend establishing hours of operation of 7:00 AM - 9:00 PM, with no vending allowed one hour before, during, and one hour after special events, including sports and entertainment venues, and permitted special events in the public right of way. Permits for filming and special events will supercede permits for vending. Vendors should be required to keep a 10 foot surrounding area clean and free of trash and debris, and provide trash receptacles for customers. Vendors should be encouraged and educated on how to use 311 and the City's MyLA311 app to report blight, and Crimestoppers to anonymously report crime to help the City better deliver services and ensure public safety.

4. Special Vending Districts. Los Angeles is a very diverse city, spread out across 469 square miles. While it is important to establish baseline rules and regulations, we recognize a one-size-fits-all approach will not work for every community, and some neighborhoods may need to establish a separate set of rules that govern hours of operation, number of vendors allowed per block, types of items allowed to be sold, or prohibition of all vending activity. The City should establish a process for creating special vending zones, and we propose this process be initiated by either the City Council, Board of Public Works, or Petition

(with signatures from 20% of property owners or businesses in the proposed district).

No-vending districts, and districts with more restrictive rules than the citywide standards, should be based on legitimate public health, safety, and welfare concerns that are unique to specific neighborhoods with special circumstances. For example, the combination of tourists taking photos of stars on the Hollywood Walk of Fame, costumed performers in front of the Chinese Theater and a high volume of pedestrian traffic may necessitate a no vending, or restricted vending zone on Hollywood Boulevard. Conversely, special districts that allow for expanded hours of operation or a greater number of vendors per block should only be established if it can be demonstrated that it will not negatively impact public health, safety, and welfare.

5. Permit Requirements and Notification - We recommend the City establish permit requirements that will help mitigate risk to the City, adjacent property owners and businesses as well as ensure vendors pay taxes, including: a county health permit (food only), City business tax registration certificate, liability insurance, agreement to indemnify and hold harmless the City, adjacent property owner and business, and BIDs, the exact address the applicant is seeking a vending permit (with a maximum of three locations authorized per vendor) or route where vending will occur, the consent of the adjacent property owner or business at that address, a list of the food or merchandise to be sold and clear photos of the proposed location, showing the nearest obstructions, including benches, transit shelters, utility cabinets & poles, light poles and street trees.

The City should establish a process to provide electronic notification to the affected Council office, Bureau of Street Services, and community relations office at the appropriate LAPD division.

6. Business Improvement Districts (BID) - The City's 43 BIDs serve as invaluable partners that help bridge the gap when city services fail to ensure a safe, clean and enjoyable pedestrian experience by providing supplemental services such as pressure washing, trash & litter pickup, and security. This is paid for by an additional tax on the property or business owner, so it is reasonable that vendors who benefit from those services should be required to contribute to the cost of BID operations through an additional fee to be included as part of the annual vending permit fee.

7. Incentives for Healthy Food - Many Angelenos live in "food deserts" with little to no access to healthy food. In order to help achieve the City's objective of increasing access to healthy food, decreasing obesity, diabetes and other diet-related health problems, special incentives should be provided to vendors selling exclusively healthy foods, such as a discounted annual permit fee, and special authorization to vend near schools.

8. Education & Outreach - In order to maximize voluntary compliance and minimize the cost of enforcement, the City should develop a significant bilingual education and outreach campaign to inform vendors of newly established rules and help them navigate the permitting process. It is unfair to expect vendors to comply with rules they don't know about. We propose the City contract with one or more community based organizations to help assist in this effort.

9. Automatic Comprehensive Review - After decades and decades of a dysfunctional vending policy that was impossible to adequately enforce, we recognize that residents, business owners, vendors and councilmembers alike may be apprehensive about change. Legalizing an entire underground economy will inevitably involve growing pains and unintended consequences. As the program is implemented, we will learn what works and what doesn't, and should be committed to making changes as necessary. Therefore, we are proposing an extensive, in-depth, comprehensive review of the City's vending policy one year after implementation, with recommendations for changes to improve the program and address any problems.

Sidewalks comprise our most abundant and accessible public space, and providing safe, legal and regulated vending can help enhance the vibrancy and atmosphere of a neighborhood. It is no surprise that sidewalk vending exists in some form in almost every theme park and every shopping mall in the country, including Disneyland and the Grove, and that some of the most visited cities in the world are also home to the best street food in the world. Tokyo, New Orleans, Istanbul, Hong Kong, Rome, New York, and Rio de Janeiro, are all synonymous with street food vendors and Los Angeles has joined that list.

The City of Angels is now a food destination recognized across the globe - a diverse home to Korean BBQ tacos, gourmet donuts, hipster cold brew, and fried chicken and waffles. The diversity of our food represents the diversity of our people. We are Angelenos, proud, bold, unique and the embodiment of the American Dream. Supporting our fellow Angelenos in their pursuit of that dream is an ideal that we as a City should rally behind and unequivocally support. Swiftly moving forward to adopt this policy gives us as a City the opportunity to stand up to the overt racism that has plagued our national discourse as of late. It is our hope that this framework to legalize street vending in Los Angeles allows us to embrace the best Los Angeles culture has to offer in a safe, accessible, and productive manner.

Sincerely,



JOE BUSCAINO

Chair, Public Woks & Gang
Reduction Committee



CURREN D. PRICE, JR.

Chair, Economic Development Committee

RECOMMENDATIONS FOR COUNCIL ACTION:

1. APPROVE, in concept, a regulated sidewalk vending program for the City of Los Angeles with restrictions on zoning, placement and operations.
2. REQUEST the City Attorney prepare and present an ordinance to immediately decriminalize violations of LAMC 42.00, et seq.
3. REQUEST the City Attorney prepare and present an ordinance that will authorize the Board of Public Works, - or designee - to issue permits for stationary vending in commercial and industrial zones, with a maximum of two vendors per block face, and limited, mobile vending in residential.
4. DIRECT the Chief Legislative Analyst and City Administrative Officer, with the assistance of the City Attorney, Bureau of Engineering, Bureau of Street Services, LAPD, Economic and Workforce Development Department, City Clerk, Office of Finance, and any other city department as necessary to report back in 60 days with recommendations on:
 - a. A two-tiered penalty structure, with greater penalties for vending without a permit, and less severe penalties for vending in violation of permit conditions
 - b. A staffing plan and budget that will provide for efficient permitting and effective enforcement, to include options for:
 - i. Permit fees that will achieve full cost recovery,
 - ii. General fund subsidized permit fees
 - iii. Additional funding strategies
 - c. A process to create special vending districts to be initiated by either the City Council, Board of Public Works or petition (with signatures from 20% of property owners or businesses in the proposed district), based on legitimate public health, safety and welfare concerns that are unique to specific neighborhoods with special circumstances.
 - d. Permit requirements that will help mitigate risk to the City, adjacent property owners and businesses, including: a county health permit, City business tax registration certificate, liability insurance, agreement to indemnify and hold harmless the City, the adjacent property owner and business, and Business Improvement District (BID), the exact address the applicant is seeking a vending permit (with a maximum of three locations authorized per vendor) or route where vending will occur, consistent with the County model, the consent of the adjacent property owner or business at that address, a list of the food or merchandise to be sold and clear photos of the proposed location, showing the nearest obstructions
 - e. An electronic notification system of permits issued
 - f. Incentives to promote the sale of healthy food, including discounted permit fees, and authorization to vend near schools, as well as a list of what qualifies as a "healthy food."
 - g. The creation of a special fund for the deposit of permit fees and collected fines to support permitting, education and enforcement
 - h. A comprehensive outreach and education campaign
 - i. Annual status reports, including number of permits issued, locations, violations, revenues, and recommendations to improve the program.
 - j. Recommendations for operational requirements, location restrictions, and cart standards
 - k. Options to facilitate the collection of fees by BIDs from permitted sidewalk vendors