

# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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November 3, 2017

TO: Honorable Members of the Los Angeles City Council

FROM: Sharon M. Tso *SMT*  
Chief Legislative Analyst

Council File No.: 13-1493  
Assignment No.: 17-09-0888

## **Proposed City of Los Angeles Sidewalk Vending Program**

### **SUMMARY**

On November 22, 2016, Councilmember Curren Price, Chair of the Economic Development Committee and Councilmember Joe Buscaino, then Chair of the Public Works and Gang Reduction Committee, issued a joint letter (Joint Letter) addressed to the Los Angeles City Council proposing a general framework for the establishment of a Citywide Sidewalk Vending Program (Proposed Program). This letter was considered by the Public Works and Gang Reduction Committee and recommendations were forwarded to the Council for consideration.

On January 31, 2017, the Los Angeles City Council considered the Committee report and took several actions with respect to the establishment of a Proposed Program (C.F. 13-1493). These actions included: 1) Approval in concept of a Proposed Sidewalk Vending Program; 2) Requests for the City Attorney to present and prepare ordinances relative to decriminalization of sidewalk vending and the issuance of permits, and to report on a potential amnesty program for vending misdemeanors; and, 3) instructions for City staff to report relative to rules and regulations for a potential sidewalk vending program, a staffing plan and budget, including cost recovery options.

This report addresses Council requests relative to potential rules and regulations that consist of a possible program framework; application process; operational and location requirements; how other cities account for brick and mortar businesses adjacent to proposed vending locations; a two-tiered penalty system; a process to create special vending districts; and incentives to promote the sale of healthy food. Our Office worked closely in the preparation of the report with the City Attorney, City Administrative Officer (CAO), Bureau of Street Services (BSS), Board of Public Works (BPW), Los Angeles Police Department (LAPD), Office of Finance (OOF), Bureau of Engineering (BOE), Economic and Workforce Development Department (EWDD) and the Los Angeles County Public Health Department (Public Health Department).

Attachment 1 (Council Request Update) provides a status of the items requested on January 31, 2017. The sections labeled Program Design (Attachment 2) and Proposed Sidewalk Vending Regulations (Attachment 3) are intended to provide the City Council with a model that can then be used by the CAO to develop a fee study and to guide the City Attorney in the preparation of a City Ordinance. The Program Design Section describes key components of a potential sidewalk vending program, including Program Description, Sidewalk Vending Districts, Potential Enforcement Models, and Preliminary Budget Implications. The Proposed Sidewalk Vending Regulations provide general program provisions, duties and responsibilities of program participants, application, operating and placement requirements, compliance and a penalty structure. The Proposed Program addresses Council's instruction "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 areas, subject to restrictions on zoning, placement and operations."

Council direction is needed with respect to where vending may occur or not occur and the type and level of enforcement to more accurately determine the potential staffing plan, budget, and cost recovery. Notwithstanding data limitations, this report includes, for discussion purposes, a preliminary staffing plan and budget that includes possible permit fees that are aimed at recovering the cost of enforcement which is the largest component of the costs of any sidewalk vending program. As requested by Council, the preliminary staffing plan includes actions to enable investigators to work nights and weekends, provide same day response for complaints, and options for proactive enforcement based on data collection, at the discretion of BSS. Upon direction from Council with respect to vending locations, the number of potential permits that may be issued will be determined in order to more accurately project the necessary staffing plan, budget and methods to achieve full cost recovery.

In addition, direction was provided for the CAO to conduct a fee study and the City Attorney to prepare a draft ordinance for the issuance of sidewalk vending permits in the Council action of January 31, 2017. This report includes a recommendation for the City Attorney to draft an ordinance for the creation of a special fund for the deposit of permit fees and collected fines. Lastly, a recommendation is included instructing the City Clerk to report with options to facilitate the collection of fees by Business Improvement Districts from permitted sidewalk vendors.

### BACKGROUND

Our Office has prepared three prior reports, dated May 13, 2014, May 26, 2014, and October 21, 2015 in response to Motion (Huizar-Price-Buscaino; C.F. 13-1493) related to sidewalk vending. These reports focused on the history of sidewalk vending in the City, a comparative analysis of street vending in other cities, and an in-depth analysis of the Council's community engagement efforts.

With respect to community engagement, at the direction of the Economic Development Committee in 2015, our Office conducted six Citywide community meetings to gather public input with respect to sidewalk vending. We met with business groups, neighborhood organizations, community advocates and sidewalk vending businesses to consider input from all stakeholders. Our Office also worked closely with City staff and outside government agencies to address any potential concerns. Departments and agencies include City Attorney, CAO, BSS, BPW, BOE, LAPD, OOF, EWDD and the Public Health Department.

### FISCAL IMPACT

Approval of the recommendations in this report will not result in a fiscal impact. However, should the City Council wish to proceed with implementation of a Proposed Program, the CAO should be instructed to report with a fee study and program budget. The Proposed Sidewalk Vending Program is envisioned to be a fee-supported program.

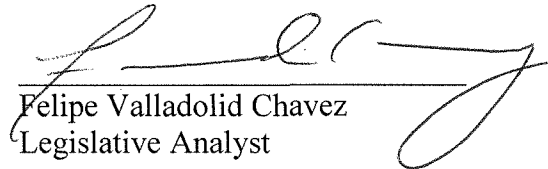
### RECOMMENDATIONS

That the City Council approve the Proposed Sidewalk Vending Program (Proposed Program) based on the framework previously approved by Council, as follows:

1. Approve the proposed Program Design (Attachment 2) and Sidewalk Vending Regulations (Attachment 3);
2. Instruct the Office of the Chief Legislative Analyst (CLA), with the assistance of the City Attorney and Bureau of Engineering (BOE), to work with each Council Office to determine expansion, restriction or prohibition of sidewalk vending in each respective Council District, and report to Council with the final maps for approval;
3. Instruct the City Administrative Officer (CAO), with the assistance of the CLA, the Economic and Workforce Development Department (EWDD) and the Bureau of Street Services (BSS), to report

with a fee study and budget plan for implementation and enforcement of the Proposed Program, including full cost recovery options;

4. Instruct the EWDD to:
  - a. Prepare and issue a Request for Proposals to solicit service providers to operate the Proposed Program as described in this report, including a budget package and any related costs;
  - b. Report with options to provide incentives for the sale of healthy food;
  - c. Prioritize hiring from WorkSource and YouthSource Centers, explore the concept of sidewalk vending business cooperatives as a future business model, and establish a recycling component to safely dispose of unwanted carts;
  - d. Report on the feasibility of partnering with a manufacturer to produce carts that have already been approved by the Los Angeles County Public Health Department;
  - e. Create a small-business or micro-loan program for vendors and actively seek grant opportunities to support this economic activity;
5. Instruct EWDD and BSS to report relative to the use of technology to improve access to the permit process, education and training, and enforcement;
6. Request the City Attorney to prepare and present a draft ordinance to:
  - a. Establish a Sidewalk Vending Program as approved by Council;
  - b. Create a special fund for the deposit and expenditure of permit fees and collected fines;
7. Instruct the City Clerk to report with options to facilitate the collection of fees by Business Improvement Districts from permitted sidewalk vendors.
8. Instruct the Housing and Community Investment Department and the EWDD, with the assistance of the CLA, to report on the feasibility of using Community Development Block Grant funds for the proposed the Sidewalk Vending Program; and if eligible, request the Mayor to allocate Community Development Block Grant funds for street vending in the 2018-19 Program Year budget if eligible; and
9. Instruct the Office of Finance to assess sidewalk vending under the existing Business Tax Classification at the rate of \$1.27 per thousand for sidewalk vending, similar to the rate for restaurants and other retail businesses, and to create a mechanism to track sidewalk vending businesses.

  
Felipe Valladolid Chavez  
Legislative Analyst

Attachments: Attachment 1 Council Requests Update  
Attachment 2 Program Design  
Attachment 3 Proposed Sidewalk Vending Regulations  
Attachment 4 Bureau of Street Services Maintenance Districts  
Attachment 5 Council Action of January 31, 2017  
Attachment 6 Joint Letter from Councilmembers Curren Price and Joe Buscaino  
Attachment 7 Motion (Huizar-Price-Buscaino)

On January 31, 2017, the Los Angeles City Council adopted the following actions: 1) Approval in concept of a Proposed Sidewalk Vending Program; 2) Requests for the City Attorney to: a) prepare and present an ordinance to decriminalize sidewalk vending and provide authority for the Board of Public Works to issue sidewalk vending permits for stationary vending in commercial and industrial areas, with a maximum of two vendors per block face, and limited vending in residential areas; and, b) to report on the feasibility of establishing an amnesty provision for existing sidewalk vendor misdemeanors; and, 3) instructions for City staff to report with recommendations on how other cities consider nearby businesses when issuing sidewalk vending permits, a two-tiered penalty system, a staffing plan and budget, a process to create special vending districts, permit requirements that would mitigate the risk to the City, an electronic notification system, incentives to promote the sale of healthy food, the creation of a special fund for the deposit of permit fees and collected fines, a comprehensive outreach and education campaign, annual status reports, recommendations for operational requirements, location restrictions and options to facilitate the collection of fees by Business Improvement Districts from permitted sidewalk vendors.

On the same date, the City Council adopted an amending Motion (Wesson-Bonin-Martinez-Koretz) to: 1) ensure that violations for sidewalk vending would only be subject to Administrative Citation Enforcement (ACE) Program citations; 2) establish permit fees that will achieve full cost recovery and require minimal assistance from the General Fund; 3) provide investigators with the ability to work nights and weekends, same-day response for complaints, and options for proactive enforcement based on data collection; 4) include “economic” as additional criteria by which to create special vending (including no-vending areas); and 5) report with options to maintain a list of “no-vending” areas including alleys, City-owned property, the ability to opt out of certain streets by Council action with an accompanying petition of a majority of business/property owners and/or area residents; and, providing the City Council the ability to opt out of certain streets by Council action.

Subsequent to Council action, several Council Offices expressed that the intent of the Proposed Program should be to provide economic opportunity for disadvantaged individuals including those who fall under the categories of low- and extremely low-income, as described by the federal poverty guidelines, unemployed, homeless, and near-homeless. Therefore, we have included this concept in the Proposed Sidewalk Vending Regulations section for consideration.

1) Approval in Concept of Proposed Sidewalk Vending Program

On January 31, 2017, the City Council approved, in concept, a regulated sidewalk vending program with restrictions on zoning, placement and operations.

2) Requests for the City Attorney

The City Council also requested that City Attorney prepare and present an ordinance to: a) immediately decriminalize violations of Los Angeles Municipal Code (LAMC) 42.00, et seq., and b) authorize the Board of Public Works to issue permits for stationary vending in commercial and industrial zones, with a maximum of two vendors per block face, and limited vending in residential areas. The City Council also requested the City Attorney to report on the feasibility of establishing an amnesty provision for existing sidewalk and vendor misdemeanors.

On February 15, 2017, the City Council adopted two City Attorney ordinances amending LAMC Section 42.00 (b) to limit enforcement of violations for street vending to issuance of citations under the Administrative Citation Enforcement (ACE) Program and amending LAMC Section 11.00 to remove the potential to use a criminal remedy against a person who fails to pay an administrative citation.

In a transmittal dated February 10, 2017, the City Attorney reported that the City Attorney's Office files criminal charges against a defendant on behalf of the people of the State of California, not on behalf of the municipality. According to the City Attorney, once criminal charges are filed against a person, the City has no legal ability to alter the course of the prosecution. Furthermore, once an individual is convicted or pleads guilty, the City Attorney has no authority to grant amnesty.

3) Instructions for City Staff

The City Council instructed City staff to report on how other cities take into consideration nearby businesses when issuing sidewalk vending permits. Below are examples of two cities that take into account consideration of businesses adjacent to proposed vending locations.

Portland

As part of the operating requirements, the City of Portland requires a Letter of Consent from abutting businesses. A Letter of Consent form is provided to interested applicants as part of the application process. The form expresses that per city code, no monetary compensation is involved in the granting the consent letter.

San Francisco

The City and County of San Francisco requires public notification for proposed vending locations. If the applicant plans to operate between 6:00 a.m. and 8:00 p.m., mailed notices must be sent to all ground floor commercial tenants and any neighborhood organization on the Planning Department list. If the applicant plans to operate between 8:00 p.m. and 3:00 a.m., mailed notices must be provided to all property owners, residential tenants, ground floor commercial tenants and any organization on the Planning Department list. Mobile caterers that operate a space larger than 20 linear feet of curbside area must notify all buildings within a 75 ft. radius. If the applicant operates a push cart, notice must be given within a 300 foot radius from the location of the push cart. Affected businesses have a 30-day period to protest. If there are any protests, the Director of the program may approve or disapprove. The director's decision to approve, approve with conditions or disapprove a permit is appealable to the Board of Appeals within 15 days of the Director's decision.

The City Council proposed requirements include a letter from the adjacent business owner. If the Council wishes to proceed with this additional requirement, we recommend that the service provider be responsible for obtaining such letters of approval during the Special Sidewalk Vending District identification period, prior to issuing any Certificates of Operation. Furthermore, if the Council wishes to include this requirement we recommend that the City Attorney be consulted in closed session.

Council requested to include "economic" as one of the criteria to establish special vending districts. However, the City Attorney has stated that limiting vending by suggesting that one form of economic activity is favored over another would not be advisable.

Additionally, pursuant to instructions in the January 31, 2017 Council action, recommendations are included in the Proposed Sidewalk Vending Regulations Section for staff to provide annual status reports, establish an electronic notification system, and launch a comprehensive outreach and education campaign.

Lastly, the City Council requested criteria that would create and maintain a list of additional list of “no-vending” areas including alleys, City-owned property, the ability to opt out of certain streets by Council action with an accompanying petition of a majority of business/property owners and/or area residents; and, providing the City Council the ability to opt out of certain streets by Council action. This request is addressed in the Program Design Section.

**Program Description**

Inasmuch as sidewalk vending is an economic activity that provides economic opportunity to individuals, we recommend that coordination of the Proposed Program be administered by the EWDD through the procurement of service providers with experience in business development. The General Manager of EWDD, thus, recommends issuing a Request for Proposals to all qualified service providers to provide business development services for sidewalk vending. Attachment 3, Proposed Sidewalk Vending Regulations, may be used as a sample scope of work which may be modified as needed.

It is envisioned that a number of service providers would be selected to set up centers throughout the City to provide consolidated (one-stop) services related to sidewalk vending. These centers would be managed by the selected service providers where interested applicants would receive business development services and obtain the required Certificate of Operation for sidewalk vending. Once the applicant has secured all necessary permits from relevant agencies, the service provider would issue a Certificate of Operation which can be displayed to demonstrate compliance. A recommendation is included requesting City staff to report relative to the use of technology to improve access to the permit process, education and training, and enforcement.

The selected service providers would create a position or a unit called the Sidewalk Vending Coordinator to coordinate with inspectors from the BSS, OFF and the Public Health Department. The primary responsibilities of the Sidewalk Vending Coordinator would be to: 1) issue Certificates of Operation; 2) evaluate applicants for income qualifications, coordinate a lottery system for the issuance of a Certificate of Operation which would serve to confirm that all other permit requirements have been met; and 3) develop an education and outreach campaign.

The selected service providers should have the capacity to provide business development services such as one-on-one consulting, small business financing, employee hiring, and education relative to business tax incentives and credits.<sup>1</sup> Selected providers should be instructed to hire staff from the WorkSource (WSC) and YouthSource (YSC) Centers, as needed. This report includes recommendations for EWDD to: 1) prioritize hiring from WSCs and YSC; 2) explore sidewalk vending business cooperatives and business incubators as future business models; and, 3) create a recycling component to safely dispose of unwanted carts.

The Public Health Department has agreed to participate by placing County inspectors at the various service provider locations to conduct plan checks and other county-related functions at no additional cost to the City. The service provider would ensure that applicants meet all the program requirements of the Public Health Department for food vending and the Business Tax Registration Certificate and the State Seller's Permit for all sidewalk vending businesses.

Sidewalk Vending Certificates of Operation would allow vending from a stationary push cart in commercial or industrial areas or mobile vending in residential areas with transactions limited to seven minutes. Certificates of Operation shall be non-transferrable. The Proposed Sidewalk Vending Regulations Section includes sample application requirements, operating requirements and placement requirements for Council consideration.

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<sup>1</sup> Source: EWDD website.

## **SPECIAL SIDEWALK VENDING DISTRICTS**

In its action of January 31, 2017, the City Council instructed our Office to report on the creation of “special vending districts to be initiated by Council, the Board of Public Works, or petition, based on legitimate public health, safety and welfare concerns that are unique to specific neighborhood with special circumstances.” However, on the same date, the City Council also approved an Amending Motion that requested our Office to report on options to establish criteria that would create a list of additional “no-vending” areas that may include any of the following;

- 1) City alleys
- 2) City-owned property
- 3) Options that provide the City Council the ability to:
  - a) Opt out of certain streets by Council action with an accompanying petition of a majority of business/property owners and/or area residents; and,
  - b) Opt out of certain streets by Council action.

Council direction on where sidewalk vending may occur will determine the extent and staffing needs for the Proposed Program.

If the Council wishes to opt out any areas based on criteria provided below, it is recommended that this process be completed prior to issuing any Certificates of Operation. At that time, each Council Office will have the opportunity to identify and communicate to the Bureau of Engineering (BOE), with the assistance of the CLA, any additional restrictions to either expand, limit or prohibit sidewalk vending in their district. The City Attorney advises that the Council approve a set of criteria by which to impose such additional restrictions. Below are some examples:

- Inadequate parking that creates unsafe conditions
- Narrow sidewalks
- Sloping sidewalks
- Declaration by the Department of Public Works that a sidewalk is unsafe for pedestrians or installation of food equipment
- Alleys
- City-owned property
- Pedestrian safety (high commercial activity and visitor pedestrian traffic)
- Compliance with Community Plans

Hollywood Boulevard, for example, may require restrictions given the level of safety concerns raised as a result of high commercial activity and the number of visitors. There may be other areas of the City that require similar restrictions.

Once areas for sidewalk vending are identified, BOE will incorporate the approved vending locations, restricted vending locations and no-vending locations into mapping technology known as NavigateLA. The final maps and any subsequent changes will require Council approval. The final mapping technology will assist the service provider with the identification of total available vending locations.



## PROGRAM COSTS

On January 31, 2017, the City Council instructed staff to report on the following:

1. Permit fees that will achieve full cost recovery (including enforcement) and require minimal assistance from the General Fund.
2. General Fund subsidized permit fees.
3. Additional funding strategies.
4. MOU flexibility for enforcement employees to work weekends.
5. Immediate enforcement response and same-day service for complaint-driven responses.
6. Options for proactive enforcement based on data collection and recurring areas of concern.

There are three primary factors that will drive the cost of a sidewalk vending program: program management, contractual services, and enforcement. Each of these costs is driven by its own set of variables which will be discussed below. As previously discussed, Council direction on the scope of sidewalk vending locations and the number of Certificates of Operation is needed to ascertain cost and full cost recovery. However, for discussion purposes, based on preliminary research with representatives from the BPW and the CAO, the estimated cost for three potential enforcement models could range between \$3.37 million, \$4.57 million and \$5.87 million, based on an increase in dedicated resources for sidewalk vending. These figures do not include EWDD costs for program management or contractual services nor costs for BSS uniforms or equipment.

### Current BSS Enforcement

There are currently 35 Investigators, seven Senior Investigators and one Chief Investigator assigned to the Bureau of Street Services which provide enforcement and regulatory activities within three general categories including, public right-of-way construction enforcement, public health and safety, and community/event-based operations. Public health and safety related operations includes enforcement of illegal street sales. Of the 35 Investigators, 18 are assigned throughout the 24 Maintenance Districts of the City and are responsible for all enforcement activities within their area of assignment. The remaining 17 Investigators are assigned to special tasks Citywide.

### Proposed Enhanced BSS Enforcement

With input from BPW, CAO and the City Attorney, our Office developed three potential enforcement models that are characterized by the level of enforcement. Under all three models, BSS would be able to deploy the recommended staffing levels on a complaint or proactive basis. The BPW has suggested that the enforcement component be administered by the BSS given that this unit already maintains authority to enforce violations and is the primary City entity overseeing activity on City sidewalks. Inasmuch as enforcement for sidewalk vending is currently provided by the BSS, the proposed enforcement models would be in addition to current levels of enforcement.

In this report, the type of enforcement refers to either complaint-driven enforcement, complaint/proactive enforcement or proactive enforcement. The level of enforcement refers to the number of investigators per Maintenance District. Below are three enforcement models for consideration. The City Council may add or delete positions or the number of investigators. Discretion would be provided to BSS to recommend enforcement changes as necessary. As data is gathered, deployment would be more strategically deployed in future years.

**TABLE 1 - ENFORCEMENT MODEL 1**

	CAP 39	Positions	Staff Salary
Investigators		12	\$796,776
Senior Investigators		2	\$188,630
Chief Investigator		1	\$122,294
Sub-Total			\$1,107,700
Indirect Cost	152.88 %		\$1,693,452
<b>TOTAL COST</b>		<b>15</b>	<b>\$2,801,152</b>

Table 1 – Enforcement Model 1 consists of one Chief Investigator, two Senior Investigators and 12 Investigators who would be deployed throughout the 24 BSS Maintenance Districts (Attachment 4). Depending on the need, BSS would have discretion to deploy Investigators on a complaint-driven basis or to dedicate Investigators on a proactive basis as needed. This represents a 35 percent increase in existing staff for current enforcement efforts, and would be dedicated to the enforcement of sidewalk vending sales as needed throughout the 24 Maintenance Districts.

**TABLE 2 - ENFORCEMENT MODEL 2**

	CAP 39	Positions	Staff Salary
Investigators		18	\$1,195,164
Senior Investigators		3	\$282,945
Chief Investigator		1	\$122,294
Sub-Total			\$1,600,403
Indirect Cost	152.88 %		\$2,446,696
<b>TOTAL COST</b>		<b>22</b>	<b>\$4,047,099</b>

Table 2 – Enforcement Model 2 consists of one Chief Investigator, three Senior Investigators and 18 Investigators who would be deployed throughout the 24 BSS Maintenance Districts (Attachment 4). Depending on the need, BSS would have discretion to deploy Investigators on a complaint-driven basis or to dedicate Investigators on a proactive basis as needed. This represents a 51 percent increase in existing staff for current enforcement efforts, and would be dedicated to the enforcement of sidewalk vending sales as needed throughout the 24 Maintenance Districts.

**TABLE 3 - ENFORCEMENT MODEL 3**

	CAP 39	Positions	Staff Salary
Investigators		24	\$1,593,552
Senior Investigators		4	\$377,260
Chief Investigator		1	\$122,294
Sub-Total			\$2,093,106
Indirect Cost	152.88 %		\$3,199,940
<b>TOTAL COST</b>		<b>29</b>	<b>\$5,293,046</b>

Table 3 – Enforcement Model 3 consists of one Chief Investigator, four Senior Investigators and 24 Investigators who would be deployed throughout the 24 BSS Maintenance Districts (Attachment 4). Depending on the need, BSS would have discretion to deploy Investigators on a complaint-driven basis or to dedicate Investigators on a proactive basis as needed. This represents a 67 percent increase in existing staff for current enforcement efforts, and would be dedicated for the enforcement of sidewalk vending sales as needed throughout the 24 Maintenance Districts.

BSS Program Support - \$567,665

Table 4 shows the potential cost for Program Support under the BSS for a total of \$567,665. Program Support includes staff for the collection of data and preparation of reports for Council. This takes into account the total salaries for one Senior Management Analyst position, one Accountant, and one Management Analyst position for a total of \$224,480 plus CAP Rate 39 (152.88 %).

**TABLE 4 – BSS PROGRAM SUPPORT MODEL**

	<b>CAP 39</b>	<b>Positions</b>	<b>Staff Salary</b>
Senior MA		1	\$102,061
Accountant		1	\$53,808
MA		1	\$68,611
<b>Sub-Total</b>			<b>\$224,480</b>
Indirect Cost	152.88 %		\$343,185
<b>TOTAL COST</b>		<b>3</b>	<b>\$567,665</b>

**Preliminary Budget and Full Cost Recovery**

Preliminary Budget

On January 31, 2017, the City Council requested permit fees that will achieve full cost recovery (including enforcement) and require minimal assistance from the General Fund. There are several factors that are taken into account when considering full cost recovery. These factors include the full cost of the sidewalk vending program, enforcement level desired by Council, Program Support for BSS, and EWDD administrative and contractual services. Table 5 summarizes potential costs of a sidewalk vending program by level of enforcement.

**TABLE 5 - PRELIMINARY PROGRAM COSTS**

Model Type	Level of Enforcement		
	Model 1	Model 2	Model 3
Bureau of Street Services	\$2.8 M	\$4.0 M	\$5.3 M
BSS Support	\$.57 M	\$.57 M	\$.57 M
EWDD	TBD	TBD	TBD
<b>TOTAL</b>	<b>\$3.37 M</b>	<b>\$4.57 M</b>	<b>\$5.87 M</b>

- *It is noted that if the Council wishes to change the level of enforcement at a future date, a new fee study would have to be conducted.*

The City Council may wish to consider maintaining current levels of enforcement during the first year and subsequently phase-in an enhanced enforcement model at the level desired. After the one-year period, staff would report with recommendations relative to sidewalk vending prevalence and need to reduce or augment enforcement and/or services per Maintenance District. If current levels of enforcement remain unchanged, no additional cost would result during the first year for enforcement. If the Council requires that investigators wear uniform while on duty, there may be additional costs for uniform and the use of equipment including marked vehicles.

## EWDD Program Management and Contractual Services

Because the scope of vending locations and the number of Certificates of Operation are not known, EWDD has not provided a staffing plan or a budget in relation to a process to procure service providers with expertise in business development services. However, EWDD recommends the release of a Request for Proposal (RFP) to select the operator(s) for the Proposed Sidewalk Vending Program to carry out activities including but not limited to:

- Program Outreach
- Pre-screening vendor/vendor assessment
- Assisting vendors through various required processes such as:
  - Obtaining county health permit (when applicable)
  - Registering businesses through the Office of Finance
  - Procuring liability insurance
  - Obtaining Seller's Permit
- Reserving spaces for low-income individuals

EWDD has indicated that EWDD, with the assistance of the CLA, will conduct the RFP, if such action is approved by Council, including:

- Preparing the RFP document
- Releasing the RFP
- Evaluating responses
- Making recommendations for the selection of operator(s)

EWDD has indicated that once Council provides more direction, EWDD would consider the following positions to be necessary:

- Senior level position(s) to oversee contract compliance by all contract operators.
- Senior level position(s) for performance monitoring and budgetary submissions and approval process.
- Contract monitoring/Clerical level position(s) for daily outreach to contract operators, answering questions, office duties, etc.

This report includes a recommendation for the Housing and Community Investment Department and EWDD to report to Council on the feasibility of financing the Proposed Sidewalk Vending Program with Community Development Block Grant funds (CDBG). CDBG funds are not costs to the City and will not be part of the cost recovery formula. However, if General Funds are used to finance the proposed services providers, such costs would be included in the cost recovery formula.

### Full Cost Recovery

Full cost recovery is a function of the cost of the program, the cost of the Certificate of Operation and the number of Certificates of Operation that are estimated to be issued. The City Council has flexibility in determining whether or not to augment enforcement, provide program support and specify the services it wishes to provide for operation and management of a potential sidewalk vending program. Additionally, the Council has discretion in determining the type and level of enforcement and the cost of operation. However, an assumption would have to be made with regard to the number of Certificates of Operation that is estimated to be issued pending Council direction which would ultimately determine the total cost of the program, and the number and cost of the Certificates of Operation that will be issued assuming full cost recovery.

As shown on Table 6 – Enforcement Cost Recovery - the approximate cost of a Certificate of Operation will depend on the level of enforcement. Enforcement will likely be the most expensive component of the Proposed Program. The table shows that to recover the cost of enforcement with a Certificate of Operation fee of \$125, a range between 26,950 and 46,885 Certificates of Operation would have to be issued. As the number of permits that are issued decreases, the cost of the permit increases.

Again, these costs are only estimates and at this time do not take into account subsidized Certificates of Operation for the sale of healthy foods or for those who wish to vend in Council-declared food deserts. Upon determination on the vending locations to be permitted by the Council, staff will be able to determine staffing program and enforcement costs to achieve cost recovery. The CAO would then be instructed to prepare a fee study and budget plan.

**TABLE 6 – ENFORCEMENT COST RECOVERY – Fee Supported Program**

Potential Certificate of Operation Fee	No. of Certificates of Operation Issued for Recovery of Enforcement Costs		
	Model 1	Model 2	Model 3
	\$3,368,817	\$4,614,764	\$5,860,711
\$125	26,950	36,918	46,885
\$250	13,475	18,459	23,443
\$300	11,229	15,383	19,536
\$500	6,737	9,230	11,721
\$750	4,491	6,153	7,814
\$1,000	3,368	4,615	5,860

The cost of a City Certificate of Operation is only one of the costs that would be assumed by the potential sidewalk vendor. Below is a discussion of other costs associated with sidewalk vending that a potential sidewalk vendor would have to pay.

## POTENTIAL COSTS FOR SIDEWALK VENDORS

The range of fees included in Table 6 constitute only a portion of the total fees that a potential sidewalk vending business would have pay to be in operation. The costs associated with a sidewalk vending business can be divided into three categories: Costs of Operation, Licensing, and Miscellaneous.

Our Office conducted an informal survey of the cost of new equipment, the leasing of commissary space for storage of such equipment and existing costs of licensing. Proper equipment and commissaries are requirements of the Public Health Department. As shown on Table 7, the cost for equipment such as an ice cream cart or a hot dog cart can range between \$500 and \$15,000 depending on the use. The monthly cost for leasing commissary space can range from \$75 for storing a 5' by 3' ice cream cart to \$400 for a grilling cart.

To obtain certification from the Public Health Department, food cart vendors are required to pay a \$649 plan check fee. For comparison purposes, this is the same amount for a boarding school, a hotel with over 100 rooms and a food truck.

Additionally, the Public Health Department charges an annual permit fee that ranges between \$342 and \$671 depending on the type of food, a re-inspection fee (depending on the type of food) of \$126, and a food handler's certification fee of \$15. The re-inspection fee may occur from one to three times per year depending on the type of food.

Representatives from the Public Health Department have indicated that a study is being conducted to re-examine the plan check fee structure.

**TABLE 7 – POTENTIAL COSTS OF OPERATION FOR A SIDEWALK VENDING BUSINESS**

Type of Fees	Estimated Range of Costs (Purchase)		Notes
Equipment Purchase	\$500	\$15,000	One-time cost + maintenance
Commissary Lease	\$900	\$4,800	Annual
County Permit	\$342	\$671	Annual
Business Insurance	\$400	\$600	Annual
County Plan Check	\$649		One-Time
Re-Inspection	\$126		1-3 times Per Year
Food Handler's Course	\$15		One Time
<b>TOTAL</b>	<b>\$2,932</b>	<b>\$21,861</b>	<b>First Year of Operation</b>

The Public Health Department issues permits for caterers, food vendors at special events, farmers markets, cottage food operations and many other types of establishments. The requirements for each type of establishment are different given the infrastructure built within each one. For example, a food vendor operating out of farmers market may need a grilling cart that is less expensive than one used by a sidewalk vendor. While both may serve the same food, the operator within the farmers market may have access to temperature control equipment, running hot and cold water and a three-sink compartment. This may explain why it is more expensive to operate vending equipment that meets the requirements of the Public Health Department. Representatives of the County have indicated that state law does not specifically address sidewalk vendors and as a consequence food carts are treated the same as brick and mortar establishments and food trucks. An amendment to the California Retail Food Code would be required to design guidelines including a revised fee structure that takes into account sidewalk vending.

Given that operating a sidewalk vending business may be cost-prohibitive, below is a discussion on options that the City Council may wish to pursue to lower the cost of the Certificate of Operation for sidewalk vending businesses.

## POTENTIAL COST REDUCTION STRATEGIES

### MULTNOMAH COUNTY, OREGON

Multnomah County, Oregon, recognizing that the “food sanitation rules designed for restaurants were not entirely applicable to mobile unit operation,” and that the “rules did not include operational components of mobile vending units such as potable and greywater requirements, restroom and handwashing facilities, and physical furnishings such as preparation space and warewashing equipment...local health officials formed a workgroup partnering with state lawmakers and other stakeholders to identify mobile specific needs and design rules and regulations to address them.” This process allowed government to identify pertinent public health issues associated with push carts and other mobile vending units, thus, substantially lowering the cost of operation for sidewalk vending businesses in Oregon.

Potential outcomes from this process could result in reducing the costs of operation for sidewalk vending businesses in Los Angeles. Our Office will continue to review these options as necessary.

### BUSINESS COOPERATIVES/BUSINESS INCUBATORS

As a cost-reduction strategy, the City Council may wish to instruct the EWDD to explore the possibility of forming business cooperatives (profit-sharing organizations) or business incubators which are designed to lower the costs of operation for members of the cooperatives or incubators. With guidance and business development assistance, sidewalk vending businesses may be able to transition to a food truck business or a brick and mortar business.

### MANUFACTURING CONTRACTS

We recommend that the City Council instruct EWDD to explore the feasibility of contracting with a manufacturer that would produce carts that have already received plan-check approval from the County. This process would save each sidewalk vending business \$649 inasmuch as the plans would have been approved by the County prior to production by the manufacturer. The pushcarts can then be leased or sold to sidewalk vending businesses.

### PROGRAM IMPLEMENTATION SCHEDULE

Should the City Council decide to move forward with the establishment of a Program, an implementation schedule must be established (Diagram 1). We recommend that at a minimum a six-month period be reserved for preparation and roll-out of the Proposed Program. EWDD would have a 90-day period to procure service providers to operate sidewalk vending centers throughout the City.

Council Offices would also have a 90-day period to identify expanded, restricted or prohibited vending locations and provide such information to BOE. BOE will have a 60-day period, beginning in month three, to integrate the desired locations into NavigateLA and train service provider staff. Lastly, during the initial 60-day period, the OOF would apply the existing Business Tax Classification to tax sidewalk vending businesses at the rate of \$1.27 per thousand similar to restaurants and other retail businesses and create a mechanism to track such businesses.

By the beginning of month three, the service provider may begin to implement an education campaign and take applications to begin the evaluation and vending location allocation process. The Diagram below shows that issuance of Certificates of Operation can potentially begin at month seven with current enforcement levels. At month 13, six months after issuance of initial Certificates of Operation, the BSS may begin the enhanced enforcement program as approved by the City Council.

**DIAGRAM 1**

**Proposed Program Implementation Schedule**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Service Provider Procurement	█	█	█															
Council Vending Proposals	█	█	█															
Office of Finance – BTAX Class	█	█																
BOE Mapping Technology			█	█														
Education and Outreach (BSC)			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Vending Application Intake			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Certificate of Operation/Lottery							█	█	█	█	█	█	█	█	█	█	█	█
Current Enforcement Levels	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Enhanced- Enforcement													█	█	█	█	█	█

❖ Month 1 represents the effective date of the ordinance.



## **Proposed Sidewalk Vending Regulations**

These Proposed Sidewalk Vending Regulations are subject to change as the program is developed.

### **1. LEGISLATIVE INTENT**

The Los Angeles City Council finds that there is a need to regulate the sale of food and merchandise in the public right of way (City sidewalks) and provide economic opportunity for disadvantaged people including individuals who fall under the categories of “low income,” “extremely-low income,” “unemployed,” “homeless,” or “near homelessness.”

The City Council also finds that regulation of sidewalk vending could result in benefits to the City as a whole as it would lead to orderly sales, a new source of revenue for the City, and ability to monitor, discipline and remove vendors who willfully do not comply with rules and regulations adopted by the City Council.

Once the total number of available locations has been determined by the Council, we recommend that Economic and Workforce Development Department (EWDD) be instructed to develop a lottery system that reserves a percentage of the Certificates of Operation for disadvantaged individuals.

## **2. GENERAL PROGRAM PROVISIONS**

- A) The Department of Public Works, Bureau of Street Services (BSS) is authorized to issue sidewalk vending permits for the sale of food, goods, wares and merchandise, announce the availability thereof, promulgate and modify rules and regulations for the operation of sidewalk vending units, and implement a comprehensive monitoring and compliance program, as necessary.
- B) The Economic and Workforce Development Department (EWDD) shall issue a Request for Proposals (RFP) to procure service providers for management and operation of the Proposed Sidewalk Vending Program as described in this document.
- C) The BSS shall be given position authority to hire investigators and implement an enforcement program based on the level of enforcement desired by the City Council per BSS Management District.
- D) The BSS may reassign inspectors depending on the need for inspectors in Maintenance Districts.
- E) The service provider shall create a Sidewalk Vending Unit and create the position of Sidewalk Vending Coordinator.
- F) The Sidewalk Vending Coordinator shall issue a Certificate of Operation once all required permits have been approved by the BSS, Office of Finance, Public Health Department, and the State Franchise Tax Board.
- G) Any person desiring to be issued a Certificate of Operation for sidewalk vending may apply to the Sidewalk Vending Coordinator to secure all necessary permits, including permits from BSS, Office of Finance, Public Health Department, and State Seller's Permit.
- H) Service Provider shall develop a notification system to inform Council members, LAPD and BSS relative to all Certificates of Operation that are issued.
- I) Prior to issuance of any Certificates of Operation, the City Council may wish to establish a process to designate expanded, restricted or no-vending areas. Such areas shall be called "Special Sidewalk Vending Districts."
- J) Special Sidewalk Vending Districts approved by the City Council shall be referred to the Bureau of Engineering (BOE) for the development of interactive maps that display all sidewalks with respective restrictions.
- K) The Sidewalk Vending Coordinator, in consultation with EWDD, BSS and the BOE shall develop a lottery system to allocate sidewalk vending permits based on the availability of locations and with a percentage of permits reserved for low income individuals.
- L) The Sidewalk Vending Coordinator, the BSS and the Department of Neighborhood Empowerment shall provide outreach and education in Spanish and any other languages, as necessary, to provide access to other City resources such as the City's 311 system and MyLA311.

- M) The Sidewalk Vending Coordinator shall promote the sale of healthy food options and consider the following potential incentives to vendors who sell fruit and vegetables:
  - a. Fee reduction for vendors who only sell fruit and vegetables.
  - b. Renewal required every two years.
  - c. No-fee permits in areas declared food deserts by each Council District.
- N) The Office of Finance shall assess sidewalk vending under the existing Business Tax Classification at the rate of \$1.27 per \$1,000, similar to the rate for restaurants and other retail businesses, and to create a mechanism to track sidewalk vending businesses.
- O) The Office of Finance shall provide technical training to the Sidewalk Vending Coordinator for the completion of online renewal of applications for Business Tax Registration Certificates.
- P) EWDD shall report relative to the operations of Proposed Program to identify areas for improvement six months after implementation and annually thereafter.
- Q) BSS shall report relative to enforcement of the Proposed Program to identify areas for improvement six months after implementation and annually thereafter.
- R) All sidewalk vending Certificates of Operation, including renewals, shall be issued for a one-year term, with the exception of those for healthy foods which shall be issued for the sale of fruit and vegetables and will be renewed every two years.
- S) BSS and the Sidewalk Vending Coordinator shall work with FilmLA to post within a specified perimeter relative to all filming activity that is taking place on City sidewalks.
- T) The Public Works Department shall ensure that vending locations provide adequate clearance and spacing that conforms with the Americans with Disabilities Act (ADA).

3. **RESPONSIBILITIES OF THE SERVICE PROVIDER (SIDEWALK VENDING COORDINATOR)**

- A) The Sidewalk Vending Coordinator shall manage and operate the Sidewalk Vending Program with oversight by EWDD for economic development activities and enforced by the BSS.
- B) The Sidewalk Vending Coordinator shall conduct outreach and encourage sidewalk vending in areas where vending has been authorized.
- C) The Sidewalk Vending Coordinator shall evaluate applicants for sidewalk vending permits to ensure that the legislative intent of the City Council is accomplished.
- D) The Sidewalk Vending Coordinator shall establish a formal partnership with the Los Angeles County Public Health Department through a Memorandum of Agreement specifying the conditions and provisions, including but not limited to, shared space, resources, plan check inspectors and other staff as necessary.
- E) The Sidewalk Vending Coordinator shall establish a complaint process to allow the public to report problems.
- F) The Sidewalk Vending Coordinator shall provide access to records of applications, fee payments, issuance of permits, and dispute resolution for purposes of audit by the City's Office of the Controller or Office of Finance.
- G) The Sidewalk Vending Coordinator shall create a fact sheet that indicates the requirements for vending such as: for mobile vending in residential areas of the City, limited to seven minutes per transaction and is limited to food items only. The Board of Public Works shall review this policy on an annual basis and report to Council with recommendations.
- H) The Sidewalk Vending Coordinator may issue an Operators License for individuals who do not own vending equipment but may be interested in sidewalk vending opportunities. All Sidewalk Food Vending Operator applicants shall certify completion of a food handler course.
- I) The Sidewalk Vending Coordinator shall provide electronic notification of all Certificates of Operation issued to the affected Council Office, BSS and Los Angeles Police Department Bureau/Division.
- J) The Sidewalk Vending Coordinator, with the assistance of EWDD, BSS, Office of Finance and the Public Health Department shall conduct community outreach that includes the following features:
  - a. Coordinate with the Public Health Department to host a series of workshops throughout the City to educate potential vendors relative to program requirements, rules and regulations.
  - b. Provide education to interested sidewalk vendors relative to business development services.
  - c. Work with Neighborhood Councils and Business Improvement Districts to host workshops of interest to existing brick and mortar businesses, residents, and any other interested community group.
  - d. Create a hotline for concerns or complaints.
  - e. The Sidewalk Vending Coordinator, with the assistance of EWDD and ITA, shall develop an interactive informational website that provides access to rules and

regulations, vending locations, “no vending” locations, County Health requirements, permit process, filming notifications, and any other pertinent information.

- K) The Sidewalk Vending Coordinator shall notify Sidewalk Vendor of all filming notifications and post on the Sidewalk Vending Coordinator website and assist with identifying alternative locations as necessary.

#### 4. **CLIENT APPLICATION REQUIREMENTS**

##### A) Sidewalk Vending Operator License (Optional)

An individual may apply for a Sidewalk Food Vending Operator License. Individuals who wish to engage in this type of vending but do not own equipment may submit an application. These operators may operate stationary units in authorized commercial zones or mobile vending in residential zones.

The Sidewalk Vending Coordinator shall develop an application that requests applicants to present a valid identification such as a State of California identification, Matricula Consular, or any other government-issued identification card. The application shall include the following information:

- a. The name, address and telephone number of the applicant.
- b. Proof of Food Handler’s Permit.
- c. A fee must be paid to obtain a Sidewalk Vending Operator License.
- d. Application shall be renewed every year.

##### B) Sidewalk Vending Certificate of Operation

Applicant shall present a valid identification such as a State of California identification, Matricula Consular, or any other government-issued identification and provide the following information:

- a. The name, address and telephone number of the applicant.
- b. A complete list of what is proposed to be sold.
- c. The hours per day and days per week during which sidewalk vending will be conducted.
- d. Any other information required by the Sidewalk Vending Coordinator.
- e. Applications for stationary vending in commercial and industrial areas of the City shall contain the proposed location or area marked by major cross streets, and either north, south, east or west side of the street.
- f. The applicant shall pay to the Sidewalk Vending Coordinator an application fee to obtain a permit.
- g. An individual may apply for a maximum of three vending locations.

- C) Sidewalk Vending Operator Licenses and Certificate of Operation shall be non-transferrable.

## 5. OPERATING REQUIREMENTS

- A) Permitted stationary vending for food products shall be conducted only from Public Health Department approved mobile pushcarts on City sidewalks within commercial and industrial areas of the City on a two carts per block face basis pursuant to the requirements and specifications of the BSS or number specified in Special Sidewalk Vending Districts.
- B) Permitted stationary vending of merchandise shall be conducted only from City approved stands or pushcarts on City sidewalks within commercial and industrial areas of the City on a two carts per block face basis pursuant to the requirements and specifications of the program.
- C) Permitted mobile vending of food products shall be conducted only from Public Health Department approved pushcarts on residential City sidewalks provided that each sale or transaction is no more than seven minutes.
- D) Any person selling food on an authorized sidewalk must be in possession of Sidewalk Food Certificate of Operation.
- E) Pushcarts shall have a length of no greater than 72 inches and a width of no greater than 54 inches and shall be no more than 78 inches in height, including roof or awning. Vendors may have an additional small table for condiments.
- F) A decal certifying approval by City and County shall be attached to each pushcart approved for use.
- G) City permitted filming and special events shall have priority over sidewalk vending Certificates of Operation.
- H) Sidewalk vending hours of operation shall be from 7:00 A.M. to 9:00 P.M.
- I) No vending allowed one hour before, during and one hour after special events that are authorized by the City.
- J) No vending within 500 feet of venues such as Dodger Stadium, Hollywood Bowl, the Staples Center, the LA Coliseum, Hollywood Boulevard, or any other venue as determined by the Board of Public Works.
- K) Sidewalk vendors shall be allowed to push, carry, or transport their pushcarts to the approved location.
- L) Sidewalk vending businesses must maintain a 10-foot surrounding area clean and free of trash and debris.
- M) Sidewalk vending businesses must provide a trash receptacle for customers.
- N) Trash and trash receptacles may not be left in the public right of way.
- O) Vendor must maintain area clean during hours of operation and must leave area clean by closing time.

- P) No pushcart shall be chained or fastened to any pole, sign, tree or other object in the public way or left over night.
- Q) Vending within 500 feet of any K-12 school is prohibited during school hours, unless the vendor is selling exclusively healthy food such as fruit and vegetables.
- R) The Sidewalk Vending Coordinator and the BSS may from time to time recommend rules and regulations to the City Council. The City Council may adopt such rules and regulations as it deems necessary to implement the provisions of this subsection.

6) **PLACEMENT REQUIREMENTS**

- A) Vending shall refer only to vending of food or merchandise on City sidewalks.
- B) No vending stand shall be situated near a curb with the back of said stand situated not less than 18 inches nor more than 24 inches from the edge of the curb.
- C) No vending on City-owned property without prior City approval.
- D) No vending shall occur:
  - 1. Within five feet of any marked crosswalk.
  - 2. Within five feet of the curb return of any unmarked crosswalk.
  - 3. Within five feet of any fire hydrant, fire call box or other emergency facility.
  - 4. Within five feet ahead and 45 feet to the rear of any sign marking a designated bus stop.
  - 5. Within the marked bus zone.
  - 6. Within five feet of any bus bench.
  - 7. Within 10 feet of any transit shelter.
  - 8. In front of an entrance to a business, including the curb area directly across from such entrance where the distance between the entry door and the stand is less than 10 feet.
  - 9. In any location used, marked or posted for public utility purpose, public transportation purpose or government use.
  - 10. Where placement unreasonably interferes with the use of poles, posts, traffic signs or signals, mail boxes or other objects legally permitted, but in no event shall the stand be closer than one foot from such objects.
  - 11. Where placement interferes with the reasonable use or utility for display purposes of any display window of any building abutting the sidewalk or parkway, but in no event within four feet of such window.
  - 12. Within five feet of any area improved with lawn, flowers shrubs, trees or street tree well.
  - 13. Within five feet of any driveway or driveway apron.
  - 14. Within four feet of any outdoor dining areas or patio dining areas.
  - 15. Within 20 feet of both sides of buildings officially designated Los Angeles Historical or Cultural Monuments.
  - 16. Within 20 feet of both sides of visual public art work created, funded or managed through the City's Municipal Art Program including, but not limited to, murals, sculptures and fountains.



17. Where placement impedes the flow of pedestrian traffic by reducing the clear space to less than six feet or, impedes access to or the use of abutting property, including, but not limited to, residences and places of business.
18. Notwithstanding any other paragraph of this subdivision, no person shall install, use or maintain any stand where placement endangers the safety of persons or property.
19. Within four feet from any permanently installed structure in the public Right-of-Way, which is not otherwise specifically identified in this subdivision.
20. Within one foot of any utility cover, vent screen or other object that is flush mounted with the sidewalk, except that if the owner or person in control of the below grade sidewalk installation needs additional space for emergency or non-routine maintenance of the installation, any stand which interferes with such maintenance may be requested to be temporarily removed to accommodate the required maintenance and then be reinstalled.
21. Within four feet to the front and 10 feet to the rear of any parking meter and where there are no parking meters on the curb, 10 feet from the front of any marked parallel parking place.

7. **MONITORING AND COMPLIANCE**

On January 31, 2017, the City Council approved Recommendation 3(b)(i) which instructed staff to report with a two-tiered penalty structure that gives “greater penalties for vending without a permit and less severe penalties for vending in violation of permit conditions.” On February 15, 2017, the City Council adopted two City Attorney ordinances which amended, (1) the Los Angeles Municipal Code (LAMC) Section 42.00 (b) to limit enforcement of violations for street vending to issuance of citations under the Administrative Citation Enforcement (ACE) Program, and (2) LAMC Section 11.00 to remove the potential to use a criminal remedy against a person who fails to pay an administrative citation.

Two-Tiered Penalty System

Violations of any provision or requirements of the Sidewalk Vending Program are subject to the Administrative Citation Enforcement (ACE) Program as follows:

A. Permitted Vending with a Certificate of Operation:

- First Violation                 \$100
- Second Violation                \$150
- Third Violation                  \$200
- Fourth Violation                 Revocation

Individuals whose permit is revoked may not renew their permit for one year.

B. Vending without a Certificate of Operation:

- First Violation:                 \$250 (May be reduced to \$100 with proof of permit)
- Second Violation:               \$500 (May be reduced to \$150 with proof of permit)
- Third Violation:                 \$1,000 (May be reduced to \$200 with proof of permit)



Confiscation of equipment may occur at any point where the health and safety of the general population are at risk. The decision to confiscate someone’s property must be coordinated with the Los Angeles County Public Health Department to ensure proper disposal of food waste.

Vendors who have had their equipment confiscated may recover their property once vendor is deemed to be in compliance by the Board of Public Works.

























The ACE Administrative Hearings shall only address matters related to penalties.



The Board of Public Works shall hear cases related to permit revocation and/or equipment confiscation.

**LEGEND**

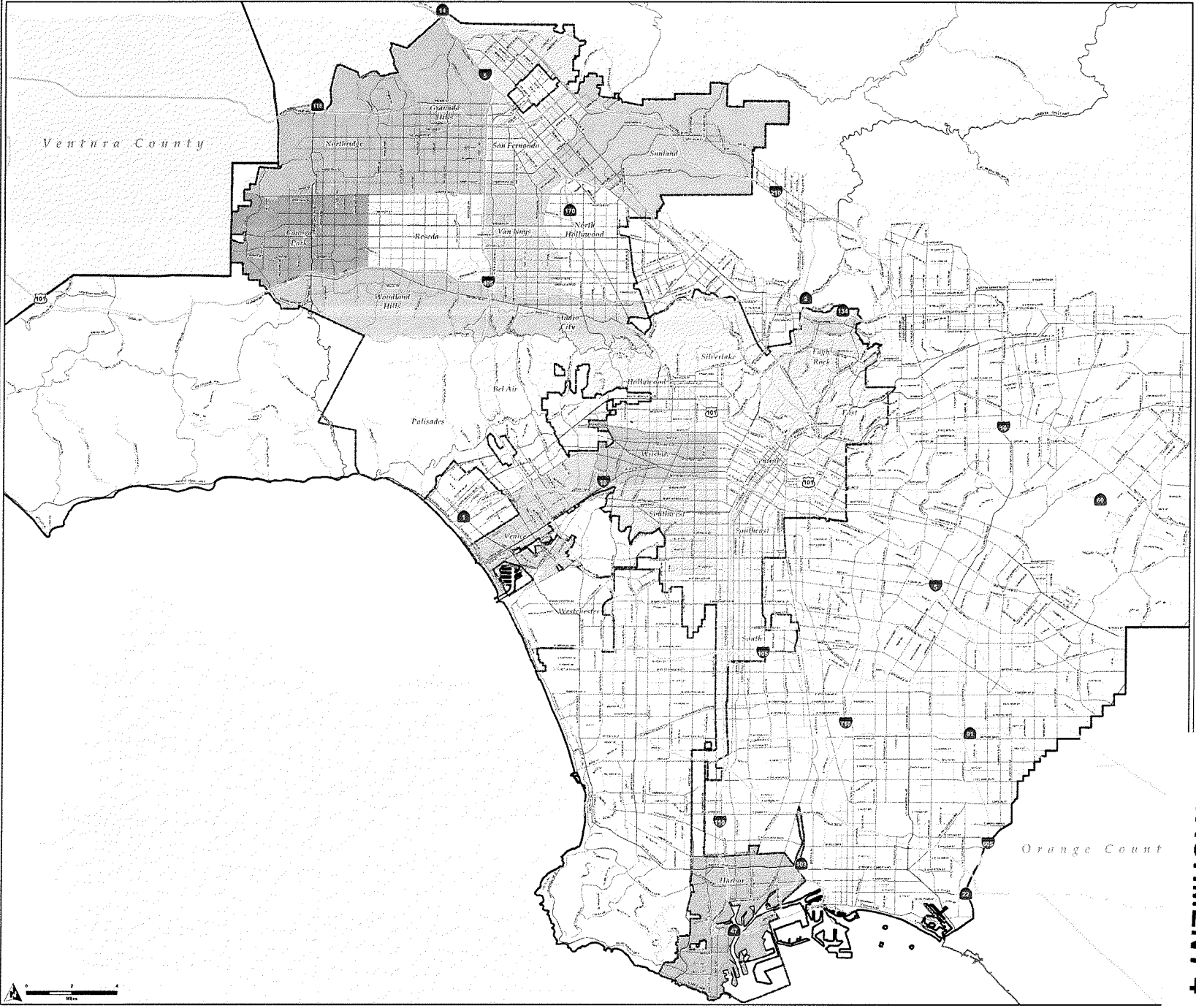
-  Street
-  Freeway

**BSS Maintenance Districts**

-  Bel Air
-  Canoga Park
-  Central
-  Eagle Rock
-  East
-  Granada Hills
-  Harbor
-  Hollywood
-  North Hollywood
-  Northridge
-  Palisades
-  Reseda
-  San Fernando
-  Silverlake
-  South
-  Southeast
-  Southwest
-  Studio City
-  Sunland
-  Van Nuys
-  Venice
-  Westchester
-  Wilshire
-  Woodland Hills

-  City of Los Angeles
-  County Boundary

**Bureau of Street Services Maintenance Districts**



File No. 13-1493

PUBLIC WORKS AND GANG REDUCTION COMMITTEE REPORT relative to creating a sidewalk vending permit system.

Recommendations for Council action, as initiated by Motion (Huizar – Price – Buscaino):

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 to:
  - a. Prepare and present an ordinance to:
    - i. Immediately decriminalize violations of LAMC 42.00, et seq.
    - ii. 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 areas.
  - b. Report on the feasibility of establishing an amnesty provision for existing sidewalk and vendor misdemeanors.
3. DIRECT the Chief Legislative Analyst (CLA) and City Administrative Officer (CAO) to:
  - a. Research sidewalk vending policies and to report to the Public Works and Gang Reduction Committee relative to how other cities take into consideration nearby businesses when issuing sidewalk vending permits.
  - b. With the assistance of the City Attorney, Bureau of Engineering Bureau of Street Services, Los Angeles Police Department, Economic and Workforce Development Department, City Clerk, Office of Finance, and any other City Department as necessary to report in 60 days with recommendations relative to:
    - i. A two-tiered penalty structure, with greater penalties for vending without a permit, and less severe penalties for vending in violation of permit conditions.
    - ii. A staffing plan and budget that will provide for efficient permitting and effective enforcement, to include options for:
      1. Permit fees that will achieve full cost recovery.
      2. General fund subsidized permit fees.
      3. Additional funding strategies.
    - iii. A process to create special vending districts to be initiated by Council, the Board of Public Works, or petition (with signatures from 20 percent 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.

- iv. Permit requirements that will help mitigate risk to the City, adjacent property owners and businesses, including a County of Los Angeles health permit, City of Los Angeles Business Tax Registration Certificate, liability insurance, agreement to indemnify and hold harmless the City of Los Angeles, 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 of Los Angeles 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.
- v. An electronic notification system of permits issued.
- vi. 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.
- vii. The creation of a special fund for the deposit of permit fees and collected fines to support permitting, education and enforcement.
- viii. A comprehensive outreach and education campaign.
- ix. Annual status reports, including number of permits issued, locations, violations, revenues and recommendations to improve the program.
- x. Recommendations for operational requirements, location restrictions and cart standards.
- xi. Options to facilitate the collection of fees by BIDs from permitted sidewalk vendors.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: Yes

For: Historic Highland Park Neighborhood Council  
Arroyo Seco Neighborhood Council  
Mid-Town North Hollywood Neighborhood Council  
Los Feliz Neighborhood Council  
Greater Echo Park Elysian Neighborhood Council  
Lake Balboa Neighborhood Council  
Central Alameda Neighborhood Council  
West Adams Neighborhood Council

For, if amended: Porter Ranch Neighborhood Council

Against: Harbor Gateway North Neighborhood Council  
Studio City Neighborhood Council  
Westside Neighborhood Council  
Hollywood Hills West Neighborhood Council  
Northridge East Neighborhood Council  
Chatsworth Neighborhood Council  
United Neighborhoods of Historic Arlington Heights Neighborhood Council  
West Los Angeles Neighborhood Council

Against, unless amended: Arleta Neighborhood Council  
Westwood Neighborhood Council

Neutral Position: Hollywood United Neighborhood Council

General Comments: Van Nuys Neighborhood Council  
Downtown Los Angeles Neighborhood Council  
Mar Vista Neighborhood Council

**(Economic Development Committee waived consideration of the above matter)**

#### SUMMARY

In a letter to Council dated November 22, 2016, Councilmembers Buscaino and Price present recommendations to create a sidewalk vending permit system. They state the City of Los Angeles has a broken and dysfunctional policy relative to the vending of food and merchandise on public sidewalks. The Councilmembers do not believe that scarce limited police and prosecutorial resources should be used to enforce the existing prohibition.

The Councilmembers recommend the establishment of a regulated sidewalk vending permit system. Their proposal allows for stationary vending in commercial and industrial zones during the hours of 7:00 a.m. to 9:00 p.m., with a maximum of two vendors per block face. Street vending would be prohibited in residential areas and within 500 feet of a school, unless the vendor is selling exclusively healthy food. It is also recommended that all misdemeanor penalties be replaced with a graduated penalty structure that includes fines, confiscation of property, and permit suspension or revocation. Their proposal includes an option to create opt-out districts in which certain areas can prohibit street vending.

The Councilmembers go on to recommend policies for permit requirements, incentives for healthy food, education and outreach, and periodic program review. Their letter also discusses related issues such as requiring the consent of adjacent business owners, liability concerns, electronic notification of permit approvals, and ensuring access to city sidewalks by pedestrians.

At its meeting held December 12, 2016, the Public Works and Gang Reduction Committee

discussed this matter with representatives of the Police Department, the Bureau of Street Services, and the City Attorney. Committee members expressed support for the proposal praising the entrepreneurial spirit of street vendors and the potential economic benefits. The City Attorney confirmed that Council can create special districts for enhanced or reduced street vending regulations. Residential restrictions were also discussed with the City Attorney stating that such regulations are a policy decision to be made by Council.

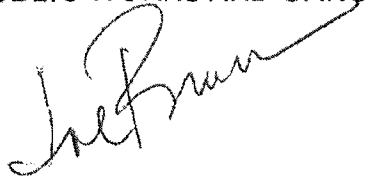
During the public comment period, support for decriminalizing street vending was expressed. Statements were given in support of requiring the consent of adjacent businesses and special opt-out districts. The need for adequate enforcement was stressed to keep sidewalks open and to ensure compliance with program regulations. Concerns regarding public health and litter were also expressed.

Street vendors spoke in favor of the proposed program, urging the Committee to allow more than two vendors per block face. Street vendors often congregate for safety and mutual support. Vendors supported a proposal to create their own special districts but opposed the proposal to allow certain areas of the City to opt out and prohibit street vending. If such opt-out districts are established, they should require the approval of the full City Council and their size should be limited.

Committee members recommended that Council approve the recommendations of the November 22, 2016 letter relative to creating a permit system for street vending, as amended for the City Attorney to establish an amnesty provision for existing sidewalk and vendor misdemeanors, and for the CLA and CAO to research sidewalk vending policies and report on how other cities take into consideration nearby businesses when issuing sidewalk vending permits.

Respectfully Submitted,

PUBLIC WORKS AND GANG REDUCTION COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
MARTINEZ:	ABSENT
PRICE:	YES
O'FARRELL:	ABSENT
RYU:	YES

jaw

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**

HOLLY L. WOLCOTT  
CITY CLERK

SHANNON D. HOPPE  
EXECUTIVE OFFICER

City of Los Angeles  
CALIFORNIA



ERIC GARCETTI  
MAYOR

OFFICE OF THE  
CITY CLERK

**Council and Public Services Division**

200 N. SPRING STREET, ROOM 395  
LOS ANGELES, CA 90012  
GENERAL INFORMATION - (213) 978-1133  
FAX: (213) 978-1040

BRIAN E. WALTERS  
DIVISION CHIEF

CLERK.LACITY.ORG

When making inquiries relative to  
this matter, please refer to the  
Council File No.: 13-1493

## OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

February 1, 2017

**Council File No.:** 13-1493

**Council Meeting Date:** January 31, 2017

**Agenda Item No.:** 30

**Agenda Description:** PUBLIC WORKS AND GANG REDUCTION COMMITTEE REPORT relative to creating a sidewalk vending permit system.

**Council Action:** PUBLIC WORKS AND GANG REDUCTION COMMITTEE REPORT ADOPTED AS AMENDED BY MOTION 30-A (WESSON - BONIN - MARTINEZ - KORETZ)

<b>Council Vote:</b>	YES	BOB BLUMENFIELD
	YES	MIKE BONIN
	YES	JOE BUSCAINO
	YES	GILBERT A. CEDILLO
	NO	MITCHELL ENGLANDER
	ABSENT	MARQUEECE HARRIS-DAWSON
	YES	JOSE HUIZAR
	NO	PAUL KORETZ
	YES	PAUL KREKORIAN
	YES	NURY MARTINEZ
	YES	MITCH O'FARRELL
	YES	CURREN D. PRICE
	YES	DAVID RYU
	YES	HERB WESSON

HOLLY L. WOLCOTT  
CITY CLERK

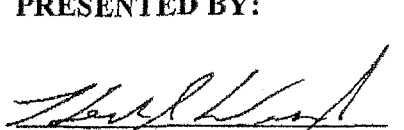



MOTION

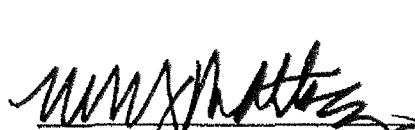
WE MOVE that the matter of Consideration of the PUBLIC WORKS AND GANG REDUCTION COMMITTEE REPORT relative to creating a sidewalk vending permit system; Recommendations for Council action, as initiated by Motion (Huizar – Price – Buscaino), Item No. 30 on today’s Council agenda (CF 13-1493) BE AMENDED to include the following recommendations:

- 1. AMEND Recommendation No. 2(a)(i) to provide that the violation would be a citation subject to the Administrative Code Enforcement (ACE) program only.
- 2. AMEND Recommendation No. 3(b)(ii)(1) to read:
  - 1. Permit fees that will achieve full cost recovery (including enforcement) and require minimal assistance from the General Fund.
- 3. ADD recommendations to Recommendation No. 3(b)(ii) to read:
  - 4. MOU flexibility for enforcement employees to work weekends.
  - 5. Immediate enforcement response and same-day service for complaint-driven responses.
  - 6. Options for pro-active enforcement based on data collection and reoccurring areas of concern.
- 4. AMEND Recommendation No. 3(b)(iii) to include “economic” as one of the concerns allowable to create special vending districts.
- 5. ADD Recommendation No. 3(b)(xii) to read:
  - xii. Options for a rational analysis to develop and establish criteria that would create and maintain a list of additional no-vending areas that may include any, or all, of the following:
    - 1. City alleys.
    - 2. City-owned property.
    - 3. Providing the City Council the ability to opt out of certain streets by Council action with an accompanying petition of a majority of business/property owners and/or area residents.
    - 4. Providing the City Council the ability to opt out of certain streets by Council action.


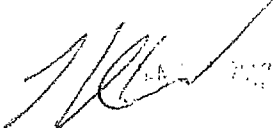
PRESENTED BY:

  
 HERB J. WESSON, JR.  
 Councilmember, 10<sup>th</sup> District

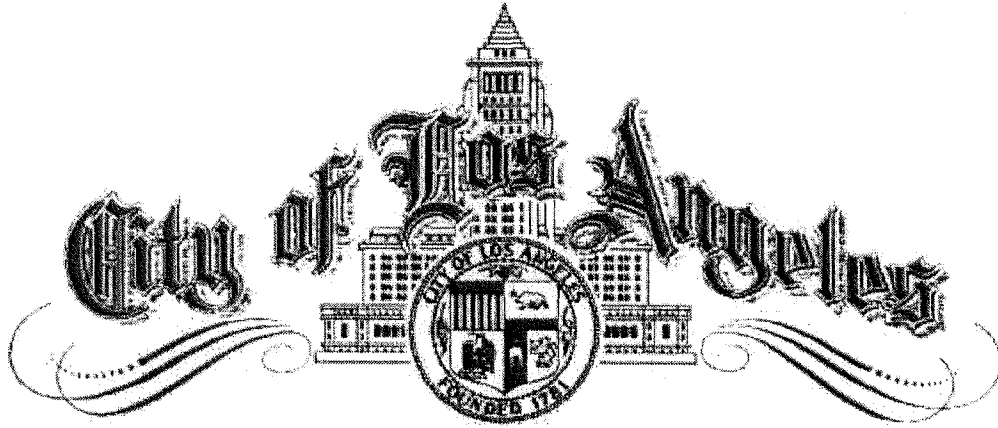
  
 MIKE BONIN  
 Councilmember, 11<sup>th</sup> District

  
 NURY MARTINEZ  
 Councilmember, 6<sup>th</sup> District

SECONDED BY:

RECEIVED  
 CLERK  
 11/13/13



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](mailto: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 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

13-1493

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Related CFs: 13-0980  
08-0011-S3

MOTION

Street vending on the City right-of-way and sidewalk is illegal. In the average year, there are hundreds of tickets written to vendors, and several hundred arrests. Yet thousands of vendors continue to operate in an underground marketplace, selling a wide variety of food and merchandise on the sidewalks of Los Angeles.

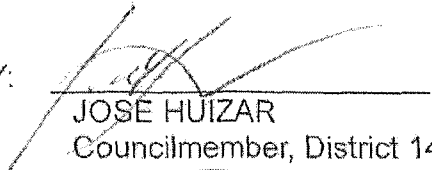
Street vending largely falls within two categories, food street vending and merchandise (non-food) street vending, each with their own complexities. Street vending is permitted in various forms by most other large cities. New York, San Francisco, Houston, Portland and Chicago are among the cities that have established a regulatory system for selling merchandise and/or food on city sidewalks.

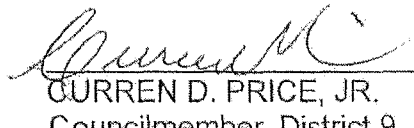
In Los Angeles, a more comprehensive legal framework is required to effectively address sidewalk vending. An effective regulatory system has the potential to protect health and increase public safety and economic activity. Such a policy should also consider the rights and investments of brick-and-mortar businesses, including opportunities to expand and promote their businesses through street vending and with the overall goal of enhancing economic growth and the viability of neighborhoods.

I THEREFORE MOVE, that the CLA, along with Bureau of Street Services and in consultation with other Departments as needed, the City Attorney and the County of Los Angeles, be instructed to prepare and present a report within 90 days with recommendations on possible regulation that could effectively permit and regulate *food street vending* on City sidewalks and parkways. This report should include the following: the history and status of the Special Sidewalk Vending District program administered by the former Community Development Department; a review of policies in other jurisdictions; recommendations to improve public safety; and ways to ensure street food vendors provide safe and healthy food options.

I FURTHER MOVE, that the CLA, along with Economic and Workforce Development Department, City Attorney and Bureau of Street Services, and in consultation with other Departments as needed, be instructed to prepare and present a report within 90 days with recommendations on possible regulation of *merchandise and non-food street vending* in the City of Los Angeles. This report should include the following: information on the number of citations that have been issued over the past year and where the citations were issued; the current regulations on street vending and how the regulations are enforced; potential legal constraints for regulating street vending; and a review of policies in other jurisdictions.

PRESENTED BY:

  
JOSE HUIZAR  
Councilmember, District 14

  
CURREN D. PRICE, JR.  
Councilmember, District 9

SECONDED BY:





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