

**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: April 20, 2021

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso *KEK*
Chief Legislative Analyst *for*

Council File No: 20-0499
Assignment No: 21-04-0294

SUBJECT: Resolutions to SUPPORT/SPONSOR various actions at the State and County level regarding streamlining policies governing the food and beverage industry.

CLA RECOMMENDATION: Adopt the attached Resolutions to include in the City's 2021-2022 State Legislative Program SUPPORT/SPONSOR State and County actions to streamline policies governing the food and beverage industry.

SUMMARY

A working group organized by the Economic and Workforce Development Department (EWDD) and consisting of industry representatives, City staff, the Small Business Commission, Business Improvement Districts, and Los Angeles County staff was created to make recommendations that would streamline food and beverage regulations at the local, County, and State levels. On November 9, 2020, EWDD released a report to the Council recommending that the City seek legislation to support the restaurant industry. Council subsequently instructed the Chief Legislative Analyst (CLA) to review those legislative proposals and report with recommendations.

The CLA recommends that the Council adopt the attached Resolutions to seek support and sponsorship for a variety of administrative and legislative actions that would streamline and reduce barriers to the food and beverage industry in light of the significant challenges the industry is facing from COVID-19. The Resolutions state that there have been over 1.2 million COVID-19 cases reported in Los Angeles County and the pandemic has taken a heavy toll on the food and beverage industry. The City Controller estimates that the City lost over 75,000 Food and Accommodation jobs during the first few months of the pandemic.

BACKGROUND

In May 2020, the City Council adopted Motion (Blumenfield-Price) dated April 22, 2020, and Amending Motion (Blumenfield-Price) dated May 6, 2020, which instructed EWDD to develop recommendations for low-cost or no-cost changes to streamline City processes required for Food and Beverage businesses. To develop the recommendations, EWDD convened a working group consisting of industry representatives, members of the Mayor's Office, Council Office staff, Small Business Commission, Business Improvement Districts (BIDs), Los Angeles County agencies, and various City Departments, including the Department of Building and Safety, the Department of City Planning, the Department of Transportation, the Fire Department, the Department of Water and Power, the Bureau of Engineering, Bureau of Street Services, Bureau of Sanitation, and EWDD.

On December 8, 2020, the Economic Development Committee adopted the recommendations put forward by EWDD in a subsequent report, as amended to instruct the CLA to prepare Resolutions to support legislative actions at the County and State levels to enact recommendations from the working group. This amendment was not included in the final language sent to the City Council. On January 12, 2021, the City Council adopted the Committee report without the recommendations concerning the Resolutions. Our Office recommends that the City Council add the following positions to the State Legislative Program to ensure Food and Beverage streamlining efforts continue at the County and State levels. Several of the Working Group's recommendations are based on California State codes and would require State code amendments.

Specifically, the County and State are recommended to take the following actions respectively:

1. SPONSORSHIP and SUPPORT of legislation or administrative action by the County of Los Angeles that would:
 - a. Update codes regarding all-gender restrooms;
 - b. Create a simple process for restaurants to convert dining area to dry market retail;
 - c. Remove requirement for multiple restrooms in establishments serving alcoholic beverages;
 - d. Remove a Los Angeles County Plan Check requirement to submit three sets of hardcopy plans for initial review;
 - e. Offer over-the-counter plan check for qualifying small restaurants;
 - f. Allow small locations to locate grease traps under three-compartment sinks; and
 - g. Modify requirements for under-counter dishwashers.

2. SPONSORSHIP and SUPPORT of State legislation which would:
 - a. Allow food preparation areas to be open to the outside if they can be fully enclosed and secured after hours;
 - b. Remove the requirement to add a hood system over electrical (no-flame) countertop equipment;
 - c. Classify coffee service equipment as "low risk"; and
 - d. Exempt outdoor dining areas, whether covered or uncovered, from occupant load calculation as they relate to fire sprinklers.

COVID-19 has had a devastating impact on the food and beverage industry. According to the National Restaurant Association, approximately 110,000 restaurant establishments have permanently closed nationwide since the onset of the pandemic, a reduction of 17 percent. The Los Angeles City Controller estimates that the City lost over 75,000 Food and Accommodation jobs during the first few months of the pandemic. As the pandemic continues to impact the economy after one year, local job losses will continue. The County and State actions recommended by the attached Resolutions will streamline approvals, diversify the types of goods that can be sold, and modify certain code requirements. These changes will lower the cost of

operation for the industry and help the industry rebound as the economy begins to reopen. The necessary Resolutions effectuating these positions are attached to this report.

DEPARTMENTS NOTIFIED

Economic and Workforce Development Department

BILL STATUS

N/A

Clay McCarter - rg

Clay McCarter

Analyst

Attachment: 1. Resolutions

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, with over 1.2 million cases reported in Los Angeles County, COVID-19 continues to have serious health and economic impacts on the City of Los Angeles; and

WHEREAS, food service and retail beverage industries are seeing some of the most significant economic impacts from COVID-19; and

WHEREAS, the National Restaurant Association estimates that the industry nationwide will lose five to seven million employees and \$225 billion in the next three years; and

WHEREAS, the City Controller estimates that the City lost over 75,000 Food and Accommodation jobs during the first few months of the pandemic; and

WHEREAS, to address the crisis facing the food and beverage industry, the City convened a working group consisting of industry representatives, City staff, the Small Business Commission, Business Improvement Districts, and Los Angeles County staff to make recommendations that would streamline food and beverage regulations at the local, County, and State levels; and

WHEREAS, the working group developed a list of Los Angeles County legislative and administrative actions that should be enacted to assist the food and beverage industry through these unprecedented times;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2021-2022 State Legislative Program SPONSORSHIP and SUPPORT of the following legislative or administrative actions by the County of Los Angeles that would assist food and beverage businesses: update codes regarding all-gender restrooms; create a simple process for restaurants to convert dining areas to dry market retail; remove the requirement for multiple restrooms in establishments serving alcoholic beverages; remove the County Plan Check requirement to submit three sets of hardcopy plans for initial review; offer over-the-counter plan check for qualifying small restaurants; allow small locations to locate grease traps under three-compartment sinks; and modify requirements for under-counter dishwashers.

RESOLUTION

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WHEREAS, the working group developed a list of State legislative actions that should be enacted upon to assist the food and beverage industry through these unprecedented times;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2021-2022 State Legislative Program SPONSORSHIP and SUPPORT of legislation which would assist food and beverage businesses in the following manner: allow food preparation areas to be open to the outside if they can be fully enclosed and secured after hours; remove the requirement to add a hood system over electrical (no-flame) countertop equipment; classify coffee service equipment as "low risk;" and exempt outdoor dining areas, whether covered or uncovered, from occupant load calculation as they relate to fire sprinklers.