

*Amended to Add Supplemental Items to
Recommendation 1A and 1D

*See page 7 for Supplemental Items

AS AMENDED*

DEPARTMENT OF PUBLIC WORKS
BUREAU OF STREET SERVICES (StreetsLA)
REPORT NO. 1
Page 1 of 7
Date: June 2, 2020

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE CITY COUNCIL
JUN 02 2020

Honorable Board of Public Works
The City of Los Angeles

AND REFERRED TO THE MAYOR

Executive Officer
Board of Public Works

STREETSLA STATUS REPORT ON SIDEWALK AND PARK VENDING PROGRAM

This report provides a status update and recommendations pertaining to the Sidewalk and Park Vending Program, referencing the following Council Files: 13-1493-S5 (1), 13-1493-S9 (2), and 20-0147-S27 (3). The Vending Program has been significantly affected by the COVID-19 crisis, and the actions recommended below are in response to COVID-19 related issues.

RECOMMENDATIONS:

- 1) Consider and approve the following StreetsLA recommendations and forward for approval to the Mayor and City Council for consideration and approval:
 - a. Defer permit fees until December 31, 2020, with the temporary return of fees paid to date. A fee not paid by that date December 31, 2020, will result in revocation of the permit.
 - * i. **Recommend waiver fees; and ***
 - b. Extend the expiration date of all vending permits issued through June 30, 2020, to be eighteen months from the date of permit issuance.
 - c. Extend the Enrollment Period to December 31, 2020, and accordingly apply the associated reduced fee of \$291 to permits issued during the Enrollment Period.
 - d. Report back before December 31, 2020, if the emergency conditions require consideration of a further extension or other modifications.
 - * i. **Recommend the Bureau of Street Services return to Board of Public Works within 30 days to report back on: (Supplemental Items - See Page 7) ***

VENDING PROGRAM OVERVIEW

The City's Sidewalk and Park Vending program is led by StreetsLA with interdepartmental collaboration among the Economic and Workforce Development Department (EWDD), Office of Finance, Department of Recreation and Parks (RAP), City Council offices and the Mayor's office, and other agencies including Los Angeles County Public Health. The program establishes a Citywide framework for legal and regulated sidewalk and park vending, including rules and regulations for vending in the public right of way and in parks, designation of no-vending areas due to public health, safety and welfare, and an annual vendor permitting process.

The permit program launched January 1, 2020 requiring vendors to obtain a California State Sellers Permit, Business Tax Registration Certificate (BTRC), and LA County Health Permit (if selling food). For a vendor with all the completed necessary documentation, StreetsLA can issue a

vending permit for a fee of \$291 until June 30, 2020, and \$541 thereafter. The permit is valid for one year after issuance. The permit can be used to sell on both the sidewalk as well as in parks. The permit contains various information including a unique identifier, the name and photo of the vendor, an expiration date, a designation of whether the permit is for selling food or merchandise, and a designation of whether the permit is for sidewalk locations, parks or both.

As of May 8, 2020, StreetsLA has issued 412 sidewalk and park vending permits, 37 of which are food vending permits.

A food vendor must go through the LA County Public Health Department process to obtain the appropriate health permit and to certify a compliant vending cart. Vendors and stakeholders have identified the County health permit as the most challenging and highest-cost aspect of the permitting process. Some vendors have sought to lock-in the reduced fee amount by registering as a merchandise vendor while in the process of getting a County Health permit. StreetsLA will reissue a permit with no charge to adjust a merchandise permit for a vendor who later gets a County Health Permit and wants to be able to sell food. County Health Permits have potentially become even more difficult to obtain during the pandemic.

The implementation of the program and the marketplace for vendors has been significantly disrupted by the COVID-19 pandemic, reducing opportunities for outreach and training to support vendors to go through the permitting process, tightening limitations on food vendors, and reducing the customer base during the emergency.

To provide consistent information, encourage collaboration, and help address concerns in the development of a new program, StreetsLA continues to convene regular meetings with partner agencies and stakeholders, including EWD, RAP, Office of Finance, the Los Angeles County Department of Public Health, community-based organizations, and others.

Vendors are initially encouraged to contact the Business Source Centers (BSC) to receive guidance in navigating the permit process and for personalized assistance in support of building a small business. StreetsLA has also established a central website for the citywide program, which includes common outreach materials and guidance for vendors, at vending.lacity.org.

OBTAINING PERMITS DURING COVID-19 PANDEMIC

To reduce the spread of COVID-19 and implement safe distancing measures, StreetsLA is issuing Sidewalk and Park Vending permits by appointment only. (Vending permits are issued in-person to verify identification and take a photo that becomes part of the issued permit.)

Applicants are advised to have all required documents before scheduling an in-person appointment, including a government-issued identification card, California State Seller's Permit, a Sidewalk and Park Vending application, a Business Tax Registration Number through the Office of Finance, the County of Los Angeles Public Health permit (food vendors only), and fee payment.

PROGRAM STAFFING

StreetsLA has developed a special unit in support of the Sidewalk and Park Vending Program. This unit has been approved for 26 positions consisting of one Chief Street Services Investigator I, three Senior Street Services Investigator IIs, 17 Street Services Investigators, one Management Analyst, three Senior Administrative Clerks, and one Administrative Clerk. StreetsLA has 20 staff dedicated to the program, with six vacant positions. All vacant Resolution Positions within Streets LA have been proposed for deletion in the Mayor's Proposed Budget, including six vacancies in the vending program.

The sidewalk vending unit is organized and deployed to provide daily education, observation and enforcement on weekdays and weekends. Note that while StreetsLA issues permits for both park and sidewalk vending, RAP staff is responsible for compliance and enforcement in City parks.

OUTREACH EFFORTS

Council has pre-approved a list of eight organizations eligible to perform outreach work on a contract basis. Four of these organizations were issued task work orders on January 17, 2020, in response to the first Vending Task Order Solicitation. The selected organizations were asked to provide StreetsLA with professional assistance in promoting the program to vendors and prospective vendors, development of multilingual educational outreach material regarding the permit requirements and resources available to support applicants, and providing a wide range of community-based outreach including direct vendor outreach and hosting and participating in community events. While this work was originally envisioned in stages, with the first task order being completed by April, StreetsLA has extended that end date because of disruptions from the COVID-19 pandemic, including the inability to convene in-person vendor outreach meetings.

Outreach and education efforts have focused on direct outreach and street canvassing, and on reaching vendors directly and interacting with community groups who can promote the program to potential vendors. Street vendor resource guides have been distributed in popular vending areas and provided to community groups who can further share the materials. A primary focus of the outreach program is to direct vendors to EWDD Business Source Centers, where they can receive support as small business entrepreneurs and assistance in preparing for and navigating the permit process.

The conditions of the COVID-19 pandemic, emergency orders, and physical distancing requirements have constrained in-person outreach efforts: some of these efforts have transitioned to online and virtual settings. This shift has resulted in fewer outreach contacts and a slower implementation of outreach plans.

Materials have been created in multiple languages and are available at a central website for the citywide program at vending.lacity.org

The Proposed Budget includes \$350,000 to continue the outreach program.

COMPLIANCE EFFORTS

During the enrollment period, the focus of compliance efforts has been education and voluntary compliance, with ACE citations issued only as an action of last resort. The scope of compliance efforts has expanded to ensure that vendors wear face coverings and abide by safe distancing rules to protect their own safety as well as that of customers and other users of sidewalks and parks. In response to COVID-19, StreetsLA Investigators have taken on temporary additional responsibilities beyond vending to promote Safer at Home compliance at non-essential businesses and restaurants and farmers markets.

In response to the COVID-19 pandemic, on March 17, 2020, the City Council instructed StreetsLA to prohibit vending of food when vendors do not possess a valid County of Los Angeles health permit. Street Services Investigators currently monitor sidewalks and check for food vending permits. Anyone selling food without the appropriate permit is issued a Notice of Violation (NOV), which is a warning, and asked to cease vending operations. An Administrative Citation Enforcement (ACE) is issued to repeat offenders who refuse to follow a request to cease vending operations.

A total of 225 vending-related ACE citations have been issued since January 1, 2020, 15 of which have been issued since the imposition of the Safer at Home order. This includes citations for vending of food without a permit. Most of the 15 citations were issued within the no-vending zone along Hollywood Boulevard; however, vending has dwindled as tourism in Los Angeles decreased.

CHALLENGES

Budget: The Proposed Budget for Fiscal Year 2020-21 released April 20, 2020, would eliminate six StreetsLA positions within the Sidewalk and Park Vending Program. Four of these positions are investigator positions and two are clerical positions. Program capacity for permit issuance, community outreach, and field education, observation and enforcement will be diminished because of the proposed position, compounded by other budget reductions, a hiring freeze and proposed furloughs.

The Department of Recreation and Parks reports that its Ranger operations will be impacted as it pertains to the enforcement of vending operations in City parks as the Department anticipates reductions in their overall park operations budget due to the Proposed Budget.

StreetsLA is aware that hundreds of vendors have sought assistance through EWDD's BusinessSource Centers, which is the step that our outreach materials advises vendors to take. The Program and vendors' ability to become permit-ready is expected to be negatively impacted by the Proposed Budget's lack of funding for vendor support at the BusinessSupport Centers.

County Health permits: Many stakeholders and existing food vendors have reported difficulty obtaining a permit from the County Department of Public Health (DPH) due to the inability of the vendors in meeting the DPH guidelines. Vendors who wish to sell food must have obtained their DPH permit in order to receive a City vending permit, and StreetsLA Investigators will continue to check for current DPH permits of vendors selling food on the Sidewalk. The City may want to consider additional support for vendors to successfully navigate the DPH process, for example by encouraging the County to increase vendor access, and providing additional targeted outreach, guidance and even small-business loans to purchase DPH authorized food carts.

POLICY RECOMMENDATIONS IN RESPONSE TO COVID-19:

Since most of the permitted vendors have not been able to make full use of their permits and vend during the COVID-19 emergency, StreetsLA recommends the following for consideration and approval:

1a: Return and defer vendor permit fees:

Stakeholders and City Council have requested that StreetsLA consider refunding permit fees for vending permits issued between January and June 2020. Vendors who received permits in early 2020 have been significantly impacted by the pandemic's impacts on the marketplace; one way to mitigate that impact would be to refund vendor permit fees. In lieu of a refund,

StreetsLA recommends deferring permit fees until December 31, 2020. For vendors who have already paid fees, StreetsLA would arrange a temporary return of funds. To provide vendors the greatest flexibility, StreetsLA would allow vendors to opt-in to the fee deferral. A fee not paid by December 31, 2020, will result in revocation of the permit.

1b: Extend permit expiration date: Permits issued by June 30, 2020 could be valid for eighteen months from the date of issuance, giving vendors an additional six months to recoup the cost of the permit before needing to pay for permit renewal.

2: Extend Enrollment Period: Per Council direction, the initial permit fee was set at \$291 and is scheduled to increase to \$541 on July 1, 2020. StreetsLA recommends extending the enrollment period through the end of 2020, enabling vendors to take advantage of the \$291 fee through December 31, 2020.

The December 31, 2020, date in the above recommendations assumes the lifting of the local emergency declaration, and StreetsLA would provide further reporting before the end of the year if conditions make necessary consideration of a further extension or other such modifications.

3. Maintain mobility of permitted vendors: Some vendors have inquired about the possibility of being able to obtain an exclusive permit to vend in a specific location. Such a location-based permit would regulate who has the opportunity to vend in the most desirable, highest foot-traffic locations. StreetsLA does not recommend launching a location-based permit during this initial phase in the program when the regular citywide vending permit is still in the early stages.

Budgetary Impacts of the Recommendations:

The permit fees paid for the 412 permits at \$291 each is \$119,892.

Extending the enrollment period would have an unknown financial impact, because it is possible that more vendors would complete the permit process at the reduced fee level.

The original methodology used to establish City permit fees was based on the expectation of up to 20,000 vendor permits issued. Due to COVID-19, it is expected that a significant revenue shortfall will exist within the program at the end of 2020.

Please contact Chief Gary Harris at 213-847-6000 or gary.harris@lacity.org with any questions you may have regarding this report.

Respectfully Submitted,



ADEL H. HAGEKHALIL, P.E.

Executive Director and General Manager

Bureau of Street Services

List of Supplemental Items to report back on in 30 days

- 1) LA VENDORS RELATIVE TO LA AL FRESCO INITIATIVE;
- 2) CREATE NEW SPECIAL VENDING DISTRICTS;
- 3) OFFER LOCATION SPECIFIC PERMITS;
- 4) WAIVE CITY PERMIT FEES THROUGH DECEMBER 31, 2021;
- 5) CREATE COMMUNITY OWNED COMMISSARY SPACE AND REPURPOSE VACANT AND UNDERUTILIZED KITCHENS;
- 6) MAKE PPE AVAILABLE TO ALL STREET VENDORS;
- 7) WORK WITH COUNTY OF LA ON FOOD PERMIT ISSUANCE;
- 8) PROVIDE CALL IN NUMBER TO VENDOR (IE HOT LINE);
- 9) TASK TO PROVIDE TECHNICAL ASSISTANCE FOR PERMIT PROGRAM; AND
- 10) TRANSLATE ALL FORMS INTO MULTIPLE LANGUAGES (ACCESS).