

**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.

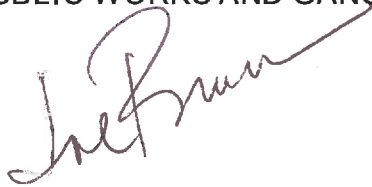
During the public comment period, support for decriminalizing street vending was expressed. Statements were given in support of requiring the consent of adjacent businesses and special opt-out districts. The need for adequate enforcement was stressed to keep sidewalks open and to ensure compliance with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