

## Communication from Public

**Name:** Los Angeles Street Vendor Campaign  
**Date Submitted:** 02/27/2020 11:38 AM  
**Council File No:** 13-1493  
**Comments for Public Posting:** Please see attached a letter from the Los Angeles Street Vendor Campaign that includes information on challenges to the implementation of the Sidewalk and Park Vending Program, as well as information on what an equitable framework for sidewalk vending compliance should look like.

February 26, 2020

Honorable Members of the City Council  
Los Angeles City Hall  
200 N. Spring Street  
Los Angeles, CA 90012

**Re: Sidewalk Vending Program Implementation**

Dear Honorable Council Members:

The Los Angeles Street Vendor Campaign (LASVC) writes to share updates, concerns, and suggestions regarding the implementation of the City's Sidewalk Vending Program. The LASVC is a citywide coalition of community-based organizations, labor unions, and thousands of street vendors who have been working for years to advance and protect the rights of low-income vendors. Our coalition, and the worker-led movement to legalize street vending in California, has always been led by those most impacted: low-income vendors. The perspectives and recommendations in this letter are the result of many years of directly engaging vendor leaders to collectively develop a policy and implementation platform that is rooted in the deep experiential knowledge of LA's vending community.

Until very recently, sidewalk vending was a crime in Los Angeles. For decades, tens of thousands of low-income and immigrant workers across Los Angeles were excluded from the economy, denied economic mobility, and forced to live in constant fear of the very real and very dangerous consequences of criminalization. Each year that vending was criminalized, the City lost out on thousands of jobs and millions in revenue, and low-income vendors faced the daily risk of deportation, homelessness, and the unending cycle of poverty.

Thankfully, this City Council finally rejected that framework of exclusion. In February 2017, the City Council took the bold and progressive step of decriminalizing sidewalk vending, recognizing the vital role that sidewalk vendors have played in the community over many decades and their heightened vulnerability under the Trump administration. In November 2018, the City Council fully legalized sidewalk vending, requiring businesses to follow spatial regulations for the 2019 calendar year and then obtain a vending permit from the City starting in 2020.

However, passing a policy to legalize sidewalk vending businesses was only the first step. After years of criminalization and exclusion from the formal economy, the City must now critically engage all levels of its bureaucracy to assist and welcome these micro-entrepreneurs into the local economy. The City must also recognize how high costs, complex regulatory requirements, and heavy-handed enforcement will only hinder efforts to formalize this longstanding informal sector of the economy.

This letter describes some of the challenges we are witnessing in the early stages of implementation:

- **The Sidewalk Vending Permit is too costly and does not take into account the wide variety of sidewalk vending businesses that exist;**
- **The rollout and administration of the program has been haphazard and confusing;**
- **Punitive enforcement actions are counter-productive to the creation of a successful program; and**
- **Vendors are being denied appropriate access to the political and administrative process.**

Implementation is difficult, but it must not fail. How the City approaches implementation will determine whether a vulnerable population of low-income and immigrant workers will be able to access economic opportunity, formalize their business, and strengthen LA's small business economy. Successful implementation is about more than just permits and rules. The Sidewalk and Parks Vending Program is also

one of the City's most important economic development and jobs programs, a vital homelessness prevention initiative, and an essential strategy to protect immigrants' and workers' rights. Success is imperative, and all of the challenges highlighted below can be addressed through strong leadership from the City Council. The LASVC remains committed to working with the City to ensure a successful and inclusive program, and we provide the following comments in the spirit of making such a program thrive.

**The Sidewalk Vending Permit Fee is too Costly and Does not Take into Account the Wide Variety of Sidewalk Vending Businesses that Exist.**

In December 2019, the City Council set the Vending Permit fee at \$291 annually for the first six months of 2020. Starting July 1, 2020, the annual permit fee will rise to \$541.<sup>1</sup> This will be the highest permit fee in the region<sup>2</sup> and the 2<sup>nd</sup> highest in the entire country. For one point of comparison, the annual licensing fee to practice law in the state of California, a profession that commands an average salary of over \$168,000/year, is \$544 – a mere \$3 more than the City is asking subsistence-earning sidewalk vendors to pay. This places a significant, if not insurmountable, burden on the low-income vendor population.<sup>3</sup>

This flat fee also does not take into account the wide diversity of vending practices among the thousands of vendors across the city. Many vendors are seniors on fixed incomes, part-time business operators, and/or low-income workers. For example, one LA-based vendor is an elderly woman who lives with her son and his family, contributes her entire Social Security check to the household income to help cover rent and other family expenses, and vends a few times a month to cover her own basic necessities. A \$541 annual permit fee is an infeasible expense for a low-income and/or fixed-income individual who relies on the modest income of part-time vending to cover basic needs.

The vending permit requirement is also specific to each individual worker instead of a fee per each business operation. This requires family business operations to pay for two or more permits at the full price, further exacerbating the financial stress the City is putting on family budgets. The City should only require a single permit for a single business, just as it does for the City Business Tax Registration Certificate, which only requires a single license for each business.

Furthermore, The City vending permit fee is only one of several fees and costs that a vendor may incur in order to fully legalize their business. The following is just a sample of additional fees and costs that a food vendor may incur on the pathway to formalizing their business:

- \$772 Annual fee for a County Health Department Permit
- \$742 one-time cost for Plan Check, consisting of an inspection of a vendor's cart
- \$100 fee for a Food Manager's Permit (renewed every five years)
- \$15,000 approximate cost for a Health Department compliant cart on the market<sup>4</sup>
- \$6,000 annual lease for commissary space

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<sup>1</sup> Los Angeles Municipal Code Section 42.13.B.2.

<sup>2</sup> For example, Santa Monica has an annual permit fee of \$157.96 (see <https://www.santamonica.gov/blog/how-to-become-a-licensed-vendor-in-santa-monica>), Pasadena has an annual permit fee of \$142 (see <https://www.cityofpasadena.net/public-works/wp-content/uploads/sites/29/Sidewalk-Vending-Application.pdf>), and Glendale has an annual permit fee of \$295 (see Seidman, Lila. "Glendale Sidewalk Vending Rules Adopted, Making Vendors Non-Compliant Overnight." *Los Angeles Times*, 22 Nov. 2019. <https://www.latimes.com/california/story/2019-11-22/glendale-sidewalk-vending-ordinance-adopted>).

<sup>3</sup> See LASVC Letter at page 2, October 22, 2019, available at [http://clkrep.lacity.org/online/docs/2013/13-1493-S5\\_PC\\_AB\\_10-22-2019.pdf](http://clkrep.lacity.org/online/docs/2013/13-1493-S5_PC_AB_10-22-2019.pdf) ("[East Los Angeles Community Corporation] staff and volunteers have served more than 275 low income street vendors in the past three years, and have found their average income is \$15,875. Charging \$541 annually for only the vending permit would be prohibitive, preventing them from entering the formal economy and countering the initial intent of the Program the City thoughtfully imagined in November 2018.")

<sup>4</sup> The cart cost is based on conversations with and price comparisons among several different cart manufacturers. It is anticipated that carts that can support more food preparation on site will cost significantly more.

Many vendors are facing costs of more than \$20,000 before they can even apply for a city vending permit. The City should be working to break down these barriers to entry instead of creating one more obstacle to financial stability and job opportunity.

Finally, the vending permit fee is set to double on July 1, 2020—*before* StreetsLA is required to file a report back on the implementation of the permit program. This leaves City Council unable to evaluate the shortfalls of the program and to implement necessary fixes before the permit fee doubles, shutting more low-income vendors out of the formal economy.

Instead, the permit fee should be a sliding scale—starting at \$50—that accounts for a vendor’s ability to pay, as well as generally applicable fee reduction incentives for healthy food vending. In setting a lower initial permit fee, the City should consider the long-term viability of the entire Sidewalk Vending Program. We understand and appreciate the City’s need to consider how to pay for the costs associated with the permitting program. However, the beginning of a brand new system like this is very delicate. Launching a high permit fee at the very beginning of the program, as currently proposed, will likely discourage or preclude many vendors from participating in the new program. This could potentially prevent tens of thousands of very low-income entrepreneurs from ever formalizing their business, undermining participating in the program and generating far less revenue over the long run. On the other hand, starting with a lower permit fee—at the \$50 recommended rate—will encourage participation and integrate more vendors into the program in the beginning, therefore resulting in a larger initial on-boarding. Once a larger pool of participation is achieved, the City can then reassess permit fees and potentially ramp up the costs based on data and lessons gleaned from the first few years of implementation. Ultimately, this program seeks to provide a path to business formalization within a sector that has been relegated to the shadows for decades. In the very beginning, the City ought to err on the side of integrating as many participants as possible by minimizing barriers to entry.

### **The Rollout and Administration of the Permit Program has been Haphazard and Confusing.**

As of mid-February, StreetsLA has reported that a little over 800 vendors have entered the one permitting office, located downtown, to express interest in obtaining a vendor permit. Fewer than half - approximately 300 vendors - have obtained their vending permit. Only twenty-two (22) food vending permits have been issued, while the remainder issued are merchandise vending permits. These numbers express the deep interest in the vendor community to enter the formal economy, but also showcase that hundreds of vendors have not been properly prepared to apply for the city vending permit, and thousands of vendors in the city are unaware of this new permitting process and are not being provided with the appropriate education or tools to come into compliance with the new program. This is the case for several reasons.

#### ***Vendors Lack Information on Prerequisite Permit Requirements***

There are a number of prerequisites to obtain a sidewalk vending permit. Unfortunately, StreetsLA did not detail these requirements prior to the actual date by which vendors were legally required to have a permit. Despite the fact that the agency knew for over a year that the City Council requested a permit program for 2020, no information was shared with the vendor community or other stakeholders about the documentation or other prerequisites necessary to obtain a city vending permit until January 2, 2020 – a day after the permitting requirement became effective.

Currently, StreetsLA requires two to three other permits in order to issue a city vending permit:

1. A City Business Tax Registration Certificate (BTRC)
2. A California Seller’s Permit
3. A County Health Department Permit (if a food vendor)

In order to obtain a Seller's Permit and a City Business Tax Registration Certificate ("City Business License"), many vendors must first acquire an Individual Taxpayer Identification Number (ITIN), which requires filing an application with the Internal Revenue Service (IRS) in conjunction with filing a tax return. This is a challenging process for many vendors who are wary of government paperwork and unaccustomed to bureaucratic procedures. While there are free ITIN services available for individuals, most commonly through the federal Volunteer Income Tax Assistance (VITA) program, these services are not commonly available at the business source centers, where vendors are currently directed to go to receive support with the licensing process. Further, in order to apply for an ITIN, applicants must submit original forms of identification in the mail, effectively disabling them from moving forward with any other part of the process because they will not have a government issued identification card available to them during the four to six week filing period.

Timing is also an enormous obstacle. While obtaining a Seller's Permit and a City Business License can be accomplished in a relatively short time frame (immediately if done in person or online), obtaining both an ITIN and a County health permit (if a food vendor) can take several weeks to several months.

The lack of culturally and linguistically accessible information available at the start of the permit program severely hampered the ability of individual vendors to obtain a city vending permit in the first few months of 2020, which was the most crucial time to onboard program participants.

### ***County Health Permits are Inaccessible.***

Food vendors are required to obtain permits from the LA County Department of Public Health (DPH permit) prior to receiving a city permit. As described above, the costs can be astronomical, depending on what type of food a vendors plans to sell. And any vendor attempting to secure a DPH permit must navigate an incredibly opaque system and make multiple trips to Baldwin Park - far from most vendors' place of work and a difficult location for those without vehicles to transport their equipment. Despite these challenges, very little information on County requirements is available in an accessible format for vendors, and too little progress has been made in reducing the enormous cost barriers that exist.

To start, vendors need much better access to educational materials and technical assistance programs to assist in navigating the complex regulatory requirements of the County Health permitting process. Although permitting mobile food facilities is the purview of the County DPH, the City can do much more to make sure that vendors have a chance to succeed. The City should help convene cart manufacturers to develop more cost-efficient compliant carts; support and fund mission-driven micro-lending and capital investment programs; collaborate with DPH to provide satellite offices closer to where vendors are working in order to offer plan check services, consulting, community education, clinics, and demonstration programs; and provide one-one-one coaching and technical assistance to vendors attempting to navigate the complicated County permitting process.

In addition to education and technical assistance, DPH permit requirements need to be modernized within the confines of state law, and the City needs to better align regulations with DPH requirements. As just one example of the need to modernize requirements, **there is no existing cart for hot food vendors that is compliant with City of LA requirements as well as county and state requirements.** The size regulations in the City of LA are dictated by the size of sidewalks, ADA requirements, and the park requirements for carts to be no larger than 3 feet wide by 8 feet long. Vendors often sell a variety of products to accommodate different seasons and needs of their clientele. For hot foods, no cart exists currently that meets these size constraints. Further, plans that have been proposed are extremely high in price - over \$15,000 per cart. The lack of a cart that is code compliant and meets the needs of vendors selling some of the most common foods - such as hot dogs, tacos, and hot chocolate - is a source of deep concern. The City must push the cart manufacturing industry to craft new carts that are compliant with local regulations, support the wide variety of foods that vendors prepare, and to do so at an affordable price point for lease or purchase.

There are currently a number of conversations taking place among City staff, DPH officials, County departments, and the cart manufacturing industry seeking solutions and strategies to make food vending permits more accessible within the parameters of state food safety laws. While these conversations are important, it is deeply disappointing that they are only now beginning in earnest and that more progress was not made during the year after legalization and prior to City permitting requirements. As a result, many low-income food vendors are effectively forced to wait until solutions are crafted to make DPH permits more accessible, thereby missing the 6-month window for a lower permit fee.

***Contractors Selected to Assist Vendors were not Prepared at the Start of the Year.***

In late 2019, StreetsLA selected eight business source centers to provide City Business License and Seller's Permit services to the vendor community. However, in early January 2020, some business source centers were only equipped to assist vendors seeking a City Business License, but could not assist with Seller's Permits. Other business source centers were not equipped to assist vendors who were seeking an ITIN; most of the business source centers still do not have a full list of VITA sites across the city that can assist undocumented vendors. As described above, an individual vendor may have to obtain documents from federal, state, and local governments before they can successfully apply for a city vending permit. This is a near impossible task for an individual business owner who has had little prior interaction with the government, especially if provided with little assistance and conflicting information.

***The Permit Center is Inaccessible for Many Vendors Operating Across the City.***

Currently, StreetsLA is only issuing vending permits in one location – the StreetsLA permit counter downtown. Yet sidewalk vendors operate in every corner of the city's 503 square miles and are often reliant on public transit. Accessing the StreetsLA permit counter during business hours can be a significant burden, especially if the individual has to also travel to a business source center, the Department of Public Health, and a VITA site in order to gather the necessary documentation to obtain a city vending permit. This is yet another obstacle for a vendor attempting to obtain a city vending permit in the first six months of 2020. It is imperative that StreetsLA expand permitting services to accessible community spaces throughout the city.

***Accessible Education Materials and Outreach is Currently Non-Existent.***

On December 20, 2019, StreetsLA issued its first Task Order for Outreach and Education for the sidewalk vending program. The deadline for submitting proposals for the task order was January 6, 2020 – four days after the tens of thousands of vendors operating across the city were required to have permits to continue operating legally.

The selected contractors are still working to put together education and outreach materials with only four months remaining in the reduced permit fee period. This severely disadvantages those vendors who are eager to comply with all new laws and regulations, but who have not received accessible information or had contact with any outreach workers. At this point, the only centralized source of information is the StreetsLA website, despite the fact that many in the vendor population do not have access to the internet and/or face literacy barriers.

***Enforcement Officers are Arbitrarily Denying Permit Applications.***

Several vendors have reported that they have been denied permits by the StreetsLA officers running the permit office. These vendors report that they have encountered the same officers in the permit office that they see when they are operating their business on the sidewalks, and that these officers have refused them permits because the officers state that their businesses do not comply with vending regulations. In other words, applications for future work are being denied based on one party's recollection of the applicant's past practices.

Every vendor throughout the city must learn and adapt to the new regulatory system, which includes altering how these individual businesses operate. Arbitrary denial of a city vending permit application simply because a vendor has previously operated in a manner that violates new regulations is unacceptable, and raises significant due process concerns.

### **Punitive Enforcement Actions Are Counter-Productive to the Creation of a Successful Program.**

A wealth of literature on the informal economy supports the general conclusion that high costs, complex regulatory requirements, and heavy-handed enforcement will hinder efforts to formalize an informal sector. The beginning period of sector formalization is particularly fragile. Depending on how complex or expensive the system is, or how frequent law enforcement interaction is, workers will have to make a choice whether to remain in the informal economy or to take the next steps necessary to formalize their businesses. The more that vendors feel supported and welcomed to participate at the outset of the regulatory program, the more likely they are to invest in program compliance. Especially in the first few years, City enforcement officers should operate primarily as technical assistance providers and liaisons to services and resources. Direct engagement with non-compliant vendors should focus on finding opportunities and alternative paths to compliance, not administering punishment. Unfortunately, program implementation is falling short of this important standard.

### ***Current Enforcement is Focused on Punitive Action Instead of Engagement and Education.***

StreetsLA officers have been enforcing the new sidewalk vending ordinance since the start of 2019. However, over the past year, LASVC has received numerous reports of vendors receiving inaccurate or confusing information from StreetsLA officers. For example, in the MacArthur Park area, vendors routinely report working with one officer to mark out suitable spaces along the sidewalk that comply with the regulations, only to then be told by another officer the next day that they must move from these spots because they do not comply with the regulations. In other areas, StreetsLA routinely state that vendors are not allowed to have umbrellas despite the fact that nothing in the ordinance or the regulations prohibit shade structures and early versions of the regulations depicted a vendor with an umbrella over their cart.

We have also received several reports of StreetsLA officers using intimidation tactics when they encounter vendors who are non-compliant. For example, several vendors have reported that they have been threatened with property confiscation, despite the fact that the ordinance appropriately does not include confiscation in the enforcement framework. Other vendors have reported that StreetsLA officers are demanding to see health permits from vendors, despite the fact that StreetsLA claims they will not be enforcing permit requirements at the beginning of 2020 due to the myriad of issues that are outlined above, and that ensuring vendors operate with health permits is solely within the enforcement authority of the Los Angeles County Department of Public Health and the California Department of Public Health.<sup>5</sup> Finally, there are several reports that StreetsLA is requesting LAPD back up when patrolling, despite the fact that vending violations are not criminal in nature. The presence of LAPD is intimidating and counterproductive to any attempt to educate and encourage compliance among the vendor community.

StreetsLA has asked for more financial resources to support the hiring of more StreetsLA officers, but it has not invested in any systematic training or education of its officers, and it has been slow to disburse funds to outside contractors for outreach and education services. The City should be investing in training programs for the enforcement officers to ensure that they are prepared to uplift compliance instead of punishing vendors for violations of rules that have not been properly conveyed. The City has also not included more resources in the StreetsLA budget to implement the new permit requirement for 2020, despite the fact that there are thousands of micro-entrepreneurs interested in joining the local formal economy.

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<sup>5</sup> Health and Safety Code Sections 114381(b), 113713(a), 113773, and 113763; LAMC Section 42.13.

***Park Rangers need educational materials and training to achieve program objectives.***

As it stands now, park rangers have not been educated or trained on the park vending regulations. This has resulted in them trying to move vendors from parks where they are legally allowed to vend. This oversight negatively impacts the lives of micro-entrepreneurs, and does a serious disservice to the program overall. Currently, there are no educational materials available to park rangers or park vendors. This allows for the spreading of misinformation and scare tactics to proliferate - such as through the removal of vendors who are complying with rules. There should be a comprehensive training of park rangers on the new rules and regulations, as well as development of materials specific to the requirements of parks. This will ensure that vendors who are vending in parks are aware of the rules, while also enabling the park rangers to have the information needed to carry out the duties of their position in a culturally appropriate manner.

***The City is Putting Immigrant Workers at Risk by Advocating for a Return of Criminalization.***

The impacts of sidewalk vending criminalization have been devastating for all low-income workers trying to eke out a living. But the consequences are particularly severe for immigrant vendors and their families, as criminal charges affect immigration and citizenship programs, and a Trump administration Executive Order prioritizes for deportation those that have merely committed an act that constitutes a chargeable criminal offense. Unfortunately, these risks are not just hypothetical – a number of vendors have faced deportation and families have been torn apart stemming directly from a vending citation. Seeing this threat and the injustice of criminalizing honest work, this City Council decriminalized vending in early 2017. Following LA's lead, the state legislature then decriminalized sidewalk vending across California in 2018 with SB 946. These policy changes represented a significant and essential protection for immigrant workers and their families, taking sidewalk vending compliance out of the realm of criminal penalties and helping shield immigrant vendors from greater risk. Unfortunately, there have already been comments and actions from the City that put this protection at risk. Suggesting re-instituting criminal infraction penalties for certain violations, and supporting efforts to amend the section of SB 946 that decriminalized vending are very dangerous steps that threaten to take the program backwards. City Council should be doing everything possible to strengthen protections for the immigrant community, not signaling support to re-criminalize sidewalk vending before the program has even been given a chance to succeed.

If a citation is ultimately issued to a vendor, state law requires that it be a non-criminal citation without custodial arrest, along with a procedure to reduce fines and seek alternative disposition. Law enforcement involvement in program compliance is an inefficient use of resources and may undermine, rather than promote program compliance. As a non-criminal compliance program affecting a vulnerable population, sidewalk vending enforcement should not be carried out by the LAPD. In partnership with vendor leaders across the city, we have developed a five-point program for equitable sidewalk vending compliance, *attached as an exhibit to this letter.*

**Vendors are Being Denied Appropriate Access to the Political and Administrative Process.**

***Meetings and Hearings are Only in English Without Adequate Interpretation and Translation.***

State law requires cities with a substantial number of non-English speaking residents to employ enough bilingual employees or interpreters to provide information and services in residents' primary languages.<sup>6</sup> Information and services include, but are not limited to public hearings, management of public resources, and the implementation of public programs.<sup>7</sup> Although the City has the authority to enumerate what constitutes a substantial number of people, the City of Los Angeles is home to over a million non-English speaking residents, constituting almost twenty-six percent (26%) of the City's population, which is

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<sup>6</sup> Gov. Code Section 7293.

<sup>7</sup> Gov. Code Section 7292(b).



indisputably a substantial number of non-English speaking residents.<sup>8</sup> Moreover, there are more than 700,000 Spanish speakers with limited English proficiency over the age of five in Los Angeles, amounting to an estimated eighteen percent (18 %) of the City’s total population.<sup>9</sup> Unfortunately, the City is currently falling short of these language access standards.

In the past, there have been insufficient interpretation headsets available for City Council and Committee hearings. Because these hearings are conducted only in English, many vendors cannot comprehend nor participate in them without interpretation—even though the issues discussed and decisions rendered directly implicate their livelihood. These challenges continued in the beginning of 2020, as StreetsLA began convening and conducting program implementation meetings exclusively in English without providing a Spanish language interpreter. This prevented the majority of street vendors, who are predominantly monolingual Spanish speakers, from offering meaningful and constructive feedback about their experiences attempting to comply with the program in its early stages of implementation, and precluded their recommendations on how the StreetsLA, Mayoral, and Business Resource Center’s resources could be managed to more effectively implement the City’s Sidewalk Vending Program. Moving forward, City Council and Committee hearings and StreetsLA meetings regarding sidewalk vending should have Spanish interpretation to comply with state law,<sup>10</sup> and all announcements of the meetings and all handouts provided at the meetings should be translated into Spanish.<sup>11</sup>

### ***The Administrative Citation Program is Inaccessible.***

Currently, it appears that administrative citations are only in English, resulting in confusion about the next steps a vendor must take to resolve the ticket and fears that they will have to appear in court. Additionally, it seems that the “Notice of Administrative Violation and Fine Due” mailed to vendors is also only in English, creating further confusion about how to comply with the citation. Finally, to our knowledge, the “Ability to Pay Determination” and “Application for Fine Reduction” forms are also only provided in English, preventing eligible vendors from applying for partial or full relief from administrative fines, to which they are legally entitled.<sup>12</sup> As explained above, all information regarding the implementation of a public program such as the Sidewalk Vending Program and the Safe Sidewalk Vending Act must be translated into Spanish, as a significant number of Los Angeles residents are monolingual Spanish speakers.<sup>13</sup> Therefore, all administration citation tickets, “Notice[s] of Administrative Violation[s] and Fine[s] Due,” “Ability to Pay Determination[s]” and “Application[s] for Fine Reduction” must be translated into Spanish.

In addition to the language access concerns, vendors are also receiving inaccurate information regarding their right to have fines reduced based on ability to pay, as provided under state law. Specifically, the online

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<sup>8</sup> 2013-2017 American Community Survey, 5-Year Estimates, “Selected Characteristics of the Native and Foreign-Born Populations,” City of Los Angeles, available at <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>. As a reference point, state law defines a “substantial number of non-English speaking people” as “5 percent or more” of the population the state agency or any of its local offices serve. Gov. Code Section 7296.2.

<sup>9</sup> 2013-2017 American Community Survey, 5-Year Estimates, “Selected Characteristics of the Native and Foreign-Born Populations,” City of Los Angeles, available at <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>; 2013-2017 Community Survey, 5-Year Estimates, “Languages Spoken at Home,” City of Los Angeles, available at <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>.

<sup>10</sup> Gov. Code Sections 7292(b) and 7293.

<sup>11</sup> Gov. Code Sections 7292(b) and 7295.

<sup>12</sup> Gov. Code Section 51039(f)(1).

<sup>13</sup> Gov. Code Sections 7292(b), 7293, 7295.

citation system does not allow a vendor to submit an ability-to-pay application after the appeal deadline, despite their right to do so at any time under state law.<sup>14</sup>

### **Program Compliance Requires Investment in Robust Education, Outreach, and Ancillary Programs.**

Los Angeles sidewalk vendors have been working in the informal economy for multiple decades. As we move towards formalization in this sector, there will be a steep learning curve and a natural apprehension among many workers who are accustomed to exclusion. To overcome these initial obstacles, we need a strong commitment to a robust education and outreach program. As an economic development initiative that can lift people out of poverty and provide a means for a thriving local economy, this program depends on investment in technical assistance, coaching, education and support programs that will uplift the people who have been doing this work for decades and promote onboarding without fear or prohibitive procedures.

The current allocation of only a small fraction of money to education and outreach compared to punitive enforcement is entirely misguided. The City should be prioritizing actions and programs that maximize program compliance. This means making vendors feel welcomed and supported in the potentially difficult and iterative process of fully formalizing their operation. The City should be allocating the enforcement budget not simply to new hiring, but also to the *training* of enforcement officers. The decriminalization and legalization of sidewalk vending creates a fundamental shift in the relationship between vendors and enforcement officers. Enforcement is now about compliance with regulations instead of a complete ban. As a result, enforcement officers will need to adjust long-standing approaches to sidewalk vending regulation and should be trained in cultural fluency, outreach, and the availability of various support systems for vendors seeking to comply with new regulations. Further, enforcement officers should have enough familiarity with the regulations to provide explanations of how vendors can become compliant.

There should also be a substantial investment in the business source centers that have been handling day-to-day case management of vendors trying to comply with the rules. Onboarding a previously informal sector into the formal economy requires wrap-around services outside of the program itself. The business source centers are currently providing that service and should be compensated considering the 50,000 vendors who have to come into compliance with the new rules and regulations. The City needs to be investing in these types of services in order to ensure that these residents are getting the services they need to be compliant with this new program. As stated earlier, many vendors may require case management to obtain the BTRC and the Seller's permit. In some cases, this is the first time these entrepreneurs are writing their names on a government document due to fear and their status in the US. This requires deep sensitivity and personal management - something the city needs to be investing in in order to have a successful program.

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While we are concerned about the challenges outlined above, we are also optimistic that these issues can be solved and that Los Angeles can implement a model sidewalk vending program that is truly inclusive, equitable, and meets the needs of all stakeholders involved. Our organizations are overstretched and underfunded to solve all of these issues by ourselves, many of which involve governmental programs and the creation of culturally fluent procedures. But we remain committed to working in collaboration with City departments to support program implementation in all possible and appropriate ways. As we continue to work with StreetsLA, the business source centers, and other stakeholders, we ask for the Council's support and leadership in ensuring the model program that LA deserves.

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<sup>14</sup> Gov. Code Section 51039(f)(1).

Sincerely,

The LA Street Vendor Campaign



# An Equitable Framework for Sidewalk Vending Compliance

For nearly a decade, The LA Street Vendor Campaign has worked with thousands of vendors, and has supported a variety of vendor-led initiatives to decriminalize sidewalk vending, establish legal permitting programs, and empower vendors as entrepreneurs and community leaders. In the course of this work, we have developed the following five-point framework for equitable sidewalk vending compliance. We encourage the City to consider this framework as follows:

## 1. Education-First.

Any compliance program should lead with education. But education is not a one-way street. In addition to educating vendors about new opportunities and regulations, other community stakeholders and enforcement officers must also be educated about the vending economy and the rights afforded to vendors under new laws.

**Educate vendors.** After years of criminalization that pushed the vending economy ever-deeper into the shadows, there is now a path to formalize sidewalk vending operations in the City. But it would be unreasonable to expect an entire sector to transition from the informal economy to the formal economy overnight. Decades of exclusion, language barriers, and the intersection of criminalization and immigration have caused many vendors to approach legalized vending with trepidation. In order to encourage participation in the new regulatory program, all compliance strategies should be principally focused on empowering vendors to understand: (a) their rights under state and local sidewalk vending laws; (b) the regulations affecting vending operations; (c) the availability of technical assistance and business support; and (d) alternative paths to compliance if current operations do not meet regulatory standards.

**Educate community stakeholders.** Educating other stakeholders on vendors' rights is just as important as educating vendors on the rules they must follow. When brick and mortar businesses, homeowners, residents, and other stakeholders begin to understand that changes to the law now allow vending to occur, there will be fewer calls for service and fewer complaints based on a now-obsolete legal framework. Stakeholders should be educated on the provisions of SB 946 that give vendors the right to operate their business and prohibit regulation based on economic competition or animus. Brick and mortar business owners should also be trained on how sidewalk vending can support their business by purchasing supplies locally, activating commercial corridors, improving safety with eyes on the street, and helping maintain a dynamic and inviting public space. StreetsLA and the business source centers could help coordinate productive collaboration between vendors and brick and mortar businesses.

**Educate enforcement officers.** The decriminalization and legalization of sidewalk vending creates a fundamental shift in the relationship between vendors and enforcement officers. Enforcement is now about compliance with regulations instead of a complete ban. As a result, enforcement officers will need to adjust long-standing approaches to sidewalk vending regulation and should be trained in cultural fluency, outreach, and the availability of various support systems for vendors seeking to comply with new regulations. Further, enforcement officers should have enough familiarity with the regulations to provide explanations of how vendors can become compliant.

## 2. Require cultural fluency.

Bureaucratic processes and enforcement-heavy frameworks are often incompatible with the informal arrangements that sidewalk vendors have developed over many years of economic



exclusion. In addition, many sidewalk vendors are immigrants who may be uneasy interacting with government officials or low-wage workers with a long history of being victim to labor exploitation. In order to support sidewalk vendors complying with new standards, it is important to recognize the many different cultural and experiential contexts that inform how vendors may respond to new regulatory programs. Enforcement officers, outreach workers, inspectors, permit officers – *any* city employee who interfaces with the vendor community – should be trained in cultural fluency and acquire an in-depth understanding of the vending economy, the daily challenges facing vendors who seek to formalize their business, and the history of criminalization and its intersection with immigration and citizenship. The City should invest in curriculum and programming to ensure that sidewalk vending regulation is culturally sensitive, all procedures are accessible and inclusive, and all interactions with City employees are welcoming and respectful.

### **3. Empower vendor leadership.**

Self-regulation and community accountability are far better tools for compliance than a punitive system administered by outsiders. In fact, having been relegated to the shadow economy for decades, many LA City vendors have been practicing self-regulation and community accountability for some time. The City's formal regulatory program will be more successful if it elevates and supports these informal systems instead of abruptly replacing existing arrangements with incompatible penalty structures. In areas that have a higher concentration of vending, the City should empower local vendor leaders or vendor leadership committees to implement vendor-led conflict resolution, mediation, and accountability practices. These vendor-led systems should be given a chance to succeed before escalating to citations or other penalties.

### **4. Prioritize on-boarding, not penalizing.**

A wealth of literature on the informal economy supports the general conclusion that high costs, complex regulatory requirements, and heavy-handed enforcement will hinder efforts to formalize an informal sector. The beginning period of sector formalization is particularly fragile. Depending on how complex or expensive the system is, or how frequent law enforcement interaction is, workers will have to make a choice whether to remain in the informal economy or to take the next steps necessary to formalize their businesses. The more that vendors feel supported and welcomed to participate at the outset of the regulatory program, the more likely they are to invest in program compliance. Especially in the first few years, City enforcement officers should operate primarily as technical assistance providers and liaisons to City services. Direct engagement with non-compliant vendors should focus on finding opportunities and alternative paths to compliance, not administering punishment.

### **5. Use only non-criminal deterrents.**

Any penalties issued for non-compliance should only occur after a robust education initiative, the opportunity to participate in vendor-led accountability programs, and non-penalty formal warnings. If a citation is ultimately issued to a vendor, state law requires that it be a *non-criminal citation* without custodial arrest, along with a procedure to reduce fines and seek alternative disposition. Law enforcement involvement in program compliance is an inefficient use of resources and may undermine, rather than promote program compliance. As a non-criminal compliance program affecting a vulnerable population, sidewalk vending enforcement should not be carried out by the Los Angeles Police Department.