

October 10, 2018

Los Angeles City Council
200 N. Spring Street
Los Angeles, CA 90012

Re: Los Angeles Street Vending Permit System - CF 13-1493; 13-1493-S5

Dear Honorable Members:

The LA Street Vendor Campaign (LASVC) writes in response to the recent passage of Senate Bill 946 (SB 946). This letter provides an overview of our analysis of SB 946, and how it supports the work that many of our coalition members have done in partnership with the City Council and other City departments. We also provide our recommendations on how the City can craft a permit system for sidewalk vendors that not only complies with the new state legislation, but establishes Los Angeles as a leader in supporting micro-entrepreneurs and the integration of immigrants into our formal economy.

Background on the LA Street Vendor Campaign

The LASVC is a citywide campaign consisting of various nonprofit organizations, community-based groups, labor unions, and thousands of street vendors who have been working for years to create a thoughtful permit system for sidewalk vendors. For many years, the LASVC has been working in communities all across Los Angeles to engage stakeholders to develop pragmatic, community-centered policy solutions to address the injustices facing low-income entrepreneurs in LA. As a result of this organizing work, thousands of street vendors and supporters are engaged every month through workgroups in various neighborhoods of Los Angeles.

We're grateful for the City Council's recognition of street vendors in 2017, when the City Council voted to decriminalize vending and move a permit process forward. Decriminalization provided much needed protection to street vendors in our city who were being threatened with deportation by President Trump's immigration policies. The City's firm stance against these hateful policies and its vote to develop a legal pathway for street vendors was an important signal to thousands of street vendors that their representatives in the City Council were working for them.

How SB 946 Supports Los Angeles

The introduction of SB 946 by Senator Ricardo Lara was a welcomed addition to the important progress being made in Los Angeles. While street vendors in Los Angeles have been advocating for a legal permit system in their own community, many were getting calls from friends and family in other cities who told stories of heavy fines, criminal charges, and even some cases of deportation solely for street vending. Unfortunately, the vast majority of cities across California had not yet considered decriminalizing street vending and their constituents were suffering.

Senator Lara's bill was an important opportunity to expand the protections that Los Angeles had given to street vendors in 2017 to similar entrepreneurs all across California. In addition to much-needed decriminalization, SB 946 also gives cities flexibility to regulate sidewalk vending activity according to health, safety and welfare concerns. What's more, SB 946 explicitly empowers cities to create permit systems that allows a legal pathway for those vendors that want to integrate into the formal economy (Gov. Code Section 51038(c)(4)).

Since all cities have different needs and operate in unique environments, SB 946 does not dictate how a City should regulate or permit vending - it merely requires that regulations and permit systems be guided by health, safety, or welfare concerns; bias and perceived competition between businesses should not influence how a permit system functions.

Our campaign believes that SB 946 is an important tool that cities, including Los Angeles, can use to create thoughtful and effective permit systems for sidewalk vendors. SB 946 encourages the development of permit systems for sidewalk vendors by providing broad powers to cities on how they create their specific programs.

Recommendations for a Los Angeles Sidewalk Vendor Permit Program

The LASVC believes that Los Angeles should create a permit system for sidewalk vendors. A permit system will help thousands of vendors contribute to our economy, while providing a framework to manage our public right of way in a manner that protects accessibility to brick-and-mortar businesses, pedestrians and other uses. The following recommendations were crafted in partnership with vendors:

- **City Council should develop a permit system for sidewalk vendors** - While SB 946 does not require that cities develop a permit system, it plainly allows it. (Gov. Code Section 51038(c)(4)). We believe that Los Angeles should continue its development of a permit system. A formal permit system will generate much needed revenue that can be re-invested in a responsible enforcement program that further incentivizes vendors who want to comply with the law, as well as education and technical support for vendor applicants. A permit system is necessary to enable the creation of healthy food incentives - a core policy goal of the City from the beginning. A permit system will also help support partnerships between brick and mortar businesses and sidewalk vendors, and help lend legitimacy and economic mobility to low-income microentrepreneurs.
- **Establish permit options** - Los Angeles is home to a diversity of street vendors who add tremendous value to our neighborhoods and our economy. The City Council should create a permit system that recognizes the different modes of street vending by establishing different types of permits for sidewalk vendors. This should include a general *Flexible Location Vending Permit* option for vendors who don't require a pre-determined fixed location; and a *Fixed Location Vending Permit* option for vendors who seek the security of an exclusive designated location. Under this system, all vendors would be required to obtain a permit from the City, but with a choice between the types of permits offered:

- ***A Flexible Location Vending Permit*** - This permit would be available to “Roaming Vendors” (stopping only to complete a transaction - as defined in SB 946), or vendors who are stationary but aren’t able to be tethered to one single location for an entire permit term.¹ The route and/or the location used by a vendor with a Flexible Location Vending Permit would need to adhere to the City’s rules and regulations governing the use of the sidewalk in a manner that protects public safety and health. Vendors with a Flexible Location Vending Permit would also be prohibited from operating in any location that is occupied by a vendor with a valid Fixed Location Vending Permit for that site (see below). Permitted vendors could be required to display a large color-coded permit placard indicating a Flexible Location Vending Permit, alerting enforcement officials that they are permitted but not tethered to a specific location.
- ***A Fixed Location Vending Permit*** - This permit would be available to stationary vendors who request the exclusive right to vend in a pre-selected “fixed” location. The applicant would list the desired location on their permit application, and if granted, the permit would provide the exclusive right to vend at the specified location on the days/times provided in the permit for the duration of the permit term. The designated location would need to meet the City’s rules and regulations for the use of the sidewalk in a manner that protects public safety and health, and the City would be able to deny permits for locations that are deemed unsafe. Of course, Fixed Location Vending Permits could be further allocated within any Special Vending Districts that are created by the rules and regulations. Permitted Vendors could be required to display a large color-coded permit placard indicating a Fixed Location Vending Permit, alerting enforcement officials that they are permitted and have the exclusive right to operate in a specific location.

We are aware of a healthy demand for Fixed Location Vending Permits among street vendors, primarily to provide clarity regarding allowable and assigned locations in highly desirable vending areas. Many vendors are fearful that without a mechanism to allocate certain prime locations to a single permit-holder, there may be greater risk of conflict between vendors, extortion, intentional obstruction of public space to exclude vendors, and unsafe over-concentration. Allowing a Fixed Location Vending Permit *upon request* would provide certainty regarding who is authorized to vend at locations that are self-identified by vendors as being highly desirable. This will help address potential conflict, extortion, and unsafe sidewalk obstruction arising from competition over highly desirable locations. In this respect, granting Fixed Location Permits upon request would fall squarely within the City’s authority under SB 946 to regulate vending location within the right-of-way in a manner that is related to health, safety or welfare concerns.

Moreover, offering the *option* of a Fixed Location or Flexible Location Vending Permit, as proposed above, gives vendors a *choice* to pursue an assigned location or not - it *does not require* a sidewalk vendor to operate in an assigned location. Without imposing any requirement, it would not implicate Section 51038(b)(1) in SB 946 (“A local authority *shall not require*...”).

¹ The City could reasonably choose to further separate permits for Roaming Vending and Flexible Location stationary vending, for a total of three different permit types: (1) Roaming Vending; (2) Flexible Location Stationary Vending; and (3) Fixed Location Stationary Vending. As long as stationary vendors have a choice to request a fixed location, it would not be a requirement, and Government Code Section 51038(b)(1) would be inapplicable.

Offering the option of a Fixed Location or Flexible Location Vending Permit is a win-win-win scenario. First, an overall permit requirement creates the infrastructure necessary for a successful and inclusive citywide program. Second, the ability to request a Fixed Location Vending Permit creates a tool to allocate highly desirable locations in a transparent and predictable manner, which directly addresses the legitimate safety and welfare concerns relating to potential conflict and over-congestion near highly desirable sites, without ever imposing a requirement on vendors (thus, clearly allowed within the parameters of SB 946). And third, enabling the option of Flexible Location Vending Permits reflects the diversity of the vending economy in LA.

These recommendations were vetted by street vendor leaders who have advocated for a legal permit system in Los Angeles and who will be the most impacted by the City Council's decisions on sidewalk vending. Senate Bill 946 fully allows for the adoption of these ideas in Los Angeles. We appreciate the Council's careful consideration of these recommendations.

Sincerely,

Los Angeles Street Vendor Campaign

cc: Felipe Valladolid Chavez
Marisa Alcaraz
Jesse Leon