

Title: Motion Opposing Street Vending throughout Los Angeles	Item No.
Meeting Date: September 1, 2015	
Agendized By: Government Affairs Committee	
Contact Person: Mark Redick, Committee Chair	Phone Number:
Committee Vote (if appropriate): Unanimous	
Does this item have a fiscal impact on the Neighborhood Council? Yes ___ No <u>X</u>	
Additional documents attached? Yes ___ No ___	

RECOMMENDATION:

The Government Affairs Committee recommends that the Board oppose the legalization of street/sidewalk vending in all areas of the City of Los Angeles.

BACKGROUND:

Currently, there are an estimated 50,000 illegal street vendors operating within the Los Angeles City limits. These vendors do not pay rent, utilities, taxes, minimum wage nor do they carry liability insurance. Additionally, they compete in many cases with brick and mortar retailers who do pay taxes, insurance and other operating costs as required by law. The allowance of illegal vendors creates an unequal business environment for the brick and mortar businesses that follow the City and County codes and laws.

DISCUSSION:

The Los Angeles City Council is considering legislation that would legalize street vending throughout the City limits. Although some members of the City Council argue that fees could be collected from these vendors-once legalized that would cover the costs of Code Enforcement. That may not be true. For example, the City's Office of Finance failed to collect (for many years) taxes due from downtown parking lot operators (and these were stationary business). Without a mechanism to track the street vendors (and there is not one), it is quite unlikely fees and taxes will be collected from that same City Office.

Brick and Mortar businesses, which must comply with both City and County laws and codes (or they will be shut down) have been placed at a competitive disadvantage in certain parts of the City. While some parts of the City would welcome the street vendors, there are clearly other communities that would not. Residential and School areas are just two examples.

Another issue is code enforcement. Such enforcement would fall squarely onto the shoulders of Los Angeles County. Unfortunately, the County is already extremely understaffed and unable to meet even the current inspection obligations to existing brick and mortar businesses.

FISCAL ANALYSIS:

This would be tough to forecast. If all 50,000 current estimated street vendors, paying \$100.00 per year in fees to the City, would theoretically provide \$5,000,000.00 in new City revenue. That's unlikely. Additionally, Code Enforcement costs could likely exceed any projected "Best Case" revenue collections.

ATTACHMENTS: N/A

MOTION: That the Neighborhood Council

"Oppose any change in the City's current prohibition of all sidewalk vending. Before any change is even considered, a full report about the implementation issues associated with any such ordinance must be available for all Neighborhood Councils to review and comment on.

"While street vending might be desired in some locations, that would clearly not be the case throughout the City, and each of its Council Districts.