

MOTION BY SUPERVISOR HILDA L. SOLIS & SUPERVISOR DON KNABE

July 21, 2015

Whether one supports or opposes an increase to the minimum wage, it is clear that such an increase will pose a real and significant challenge to many businesses, especially the small mom-and-pop businesses that make up so much of the economy in the unincorporated areas of Los Angeles County (County). For this reason, we asked that the vote on the minimum wage motion be postponed until the County could determine how it might use its vast resources to support small businesses through this transition, should a wage increase be approved.

In response to our motion, County departments, with the assistance of Halsey Consulting, undertook significant outreach to leading business groups and—critically—to actual business owners in the unincorporated areas of the County. They also surveyed each and every County department to identify how that Department was already helping small businesses and how they could help small businesses. They then analyzed this input and issued a report setting forth their recommendations (see attached).

MOTION

SOLIS _____

RIDLEY-THOMAS _____

KUEHL _____

KNABE _____

ANTONOVICH _____

We first express our deep appreciation to County staff and to Barbara Halsey for their tireless and impressive work in meeting a nearly impossible deadline. For instance, the County deployed 11 staff members to conduct in-person surveys of small businesses in unincorporated communities throughout the County, including East LA, Athens, Willowbrook, Westmont, Harbor Gateway, Lennox, Topanga Canyon, Universal City, Marina del Rey, Rowland Heights, Hacienda Heights, Altadena, Quartz Hill, Antelope Valley, Pear Blossom, Acton, and Charter Oak. County staff also conducted online surveys as well as focus groups convened by leading business organizations in each of the five districts.

The results of their research confirm our hypothesis: that while the County already provides many services for small businesses, there is much much more the County can do. Though the report compiles an exhaustive list of tools the County can use, some of those that we believe will provide the most direct and meaningful support to small businesses include:

- **Tax relief** (e.g. sales tax rebates, use tax rebates, reduction of Utility Users Tax, tax credits for targeted hiring, suspension of business property tax, etc.)
- **Fee waivers** (e.g. waiver of business name renewal fees, annual inspection fees, automatic deferral of development fees until issuance of certificate of occupancy, etc.)
- **Expedited licensing and permitting processes** (e.g. improved staffing at permitting departments, development of online permitting system, streamlining of departments/agencies from which approvals must be

obtained, online filing of business licenses and renewals, etc.).

In order to implement such tools, the report recommends that the County establish a Small Business Initiative (SBI) charged with supporting small businesses through the wage increase transition period. For such an initiative to be of real use to small businesses in the unincorporated areas, it must not only receive significant funding and participation by many County departments and staff, but also be fully developed and ready to deploy by July 1, 2016—a full 12 months ahead of the first minimum wage increase date for small businesses. Marshalling the County's resources to this end will be well worth the cost and effort.

I, THEREFORE MOVE that the Board, contingent upon passage of a minimum wage increase,

1. Establish a Small Business Initiative (SBI) charged with supporting small businesses through the wage increase transition period.
2. Direct the Departments of Consumer and Business Affairs (DCBA), Community and Senior Services, Regional Planning, Public Works, Public Health, and Agriculture; the Offices of the Assessor; the Treasurer Tax Collector; the Community Development Commission and other internal County departments deemed necessary, to develop and implement this initiative.
3. Authorize the DCBA to serve as the Initiative's lead agency and authorize the Director of the DCBA to convene a working committee comprising representatives from participating departments who hold decision-making responsibility within said departments; in addition, the Director should invite the participation of business leaders and prominent business-serving organizations

such as the Los Angeles Chamber of Commerce, the Los Angeles County Business Federation, and others as deemed appropriate by the Director.

4. Direct the SBI working committee, under the leadership of the DCBA Director, to:
 - a. Estimate the costs and/or fiscal impacts associated with each of the tools identified in the attached report (or identified in the future) as well as to develop proposals, including cost estimates, by which the external partners participating in the SBI can use the resources at their disposal to enhance, augment, or supplement these tools.
 - b. Use the information gathered to evaluate and prioritize the proposals and tools and to report back to the Board by January 12, 2016 with a developed plan for funding, launching, and implementing a fully operational SBI by July 1, 2016. The working committee is encouraged to consider (though need not report on) nationwide best practices such as those described in the November 2014 report by the National Association of Counties entitled "Strategies to Bolster Economic Competitiveness-County Leadership in Action."

#

HLS/bp
DK/ni