

Correspondence Received

			The following individu	als submitted comments on agenda item:
Agenda #	Relate To	Position	Name	Comments
Agenda #	Relate To	Position Favor	Name AmyLinda Nevarez	My name is AmyLinda Nevarez with SAJE and I live in District #2. I am submitting a public comment in strong support of Item 2 today. In my neighborhood, we see many vacant buildings out of use where small businesses can thrive and are unable to. Where there were once businesses are now abandoned buildings and we deserve to be able to shop and do business in our own communities rather than travel for miles to the nearest open shops. Small businesses and non-profits deserve a chance to exist with strong commercial tenant protections so that they can thrive and contribute to our communities. I am writing to ask the Board to pass the motion before you that will strengthen protections for small commercial tenants and establish anti-displacement measures to safeguard small businesses and small nonprofits across LA County. We must pass this motion today because it will: - Establish commercial tenant relocation assistance policies - Create a Legacy Business Registry Program to stabilize long term small businesses and nonprofits
				Develop a model commercial lease with fair terms for small commercial tenants Identify what minimum health and safety standards are applicable to commercial tenancies and ensure whether they are being enforced. Examine whether the County can adopt additional legal protections for small commercial tenants related to price gouging and unfair competition. This motion is critical to ensure we protect our small commercial and community corridors from the threat of predatory leasing practices, ward against their displacement, and create an inclusive economy that benefits all Angelenos.
			Efrain Escobedo	Small nonprofit organizations in LA County are performing amazing community benefit work. Unfortunately, due to lack of full cost funding, they are extremely vulnerable to increased rent and displacement. To not explore greater protections will not only impact these organizations but the communities they serve. Center for Nonprofit Management supports this motion.
			Elizabeth Hamilton	I am writing to ask the Board to pass the motion before you that will strengthen protections for small commercial tenants and establish anti-displacement measures to safeguard small businesses and small nonprofits across LA County.

MEMBERS OF THE BOARD

HILDA L. SOLIS HOLLY J. MITCHELL LINDSEY P. HORVATH JANICE HAHN KATHRYN BARGER

As of: 7/10/2024 4:00:07 PM



Correspondence Received

			The following individu	als submitted comments on agenda item:
Agenda #	Relate To	Position	Name	Comments
2.		Favor	Favian Gonzalez	My name is Favian Gonzalez with SAJE and I live in District #2. I am submitting a public comment in strong support of Item 2 today. I have seen a significant change in mom and pop busisnesses leave in this community. I believe that small businesses are vital for this local economy. I am writing to ask the Board to pass the motion before you that will strengthen protections for small commercial tenants and establish anti-displacement measures to safeguard small businesses and small nonprofits across LA County. We must pass this motion today because it will: - Establish commercial tenant relocation assistance policies - Create a Legacy Business Registry Program to stabilize long term small businesses and nonprofits - Develop a model commercial lease with fair terms for small commercial tenants - Identify what minimum health and safety standards are applicable to commercial tenancies and ensure whether they are being enforced Examine whether the County can adopt additional legal protections for small commercial tenants related to price gouging and unfair competition.
			Hector Espinoza	- This motion is critical to ensure we protect our small commercial and community corridors from the threat of predatory leasing practices, ward against their displacement, and create an inclusive economy that benefits all Angelenos.
			Jahselyn Medina	My name is Jahselyn Medina, and I am currently interning for Strategic Actions for a Just Economy or SAJE, which is a non-profit organization located in South Los Angeles, and I am speaking in support of Item 2 today. Through my work with SAJE, I have been able to connect with small business owners, through personal outreach, such as canvassing. The conversations that I have had with commercial tenants have revealed their frustrations and concerns. Much of their concern is towards the unexpected increases in rent, but most importantly the lack of awareness of resources that are available for commercial tenants to alleviate the financial burden, ultimately supporting the longevity of their small business within their community. I am here today to ask the Board to pass the motion before you that will strengthen support for small commercial tenants and establish anti-displacement measures to safeguard small businesses and small non-profits across LA County. We must pass this motion today because it will examine whether the County can adopt additional legal protections for small commercial tenants related to price gouging and unfair competition. This motion is critical to ensure we protect our small commercial and community corridors from the threat of predatory leasing practices, ward against their displacement, and create an inclusive economy that benefits all Angelenos. Thank you.

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MEMBERS OF THE BOARD



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			The following individu	als submitted comments on agenda item:
Agenda #	Relate To	Position	Name	Comments
2.		Favor	Jun Ampig	My name is Jun with SAJE and I live in District #2. I am submitting a public comment in strong support of Item 2 today.
				Every time we see an influx of capital in an area, gentrification follows. While we often talk about residential displacement, we rarely address the plight of small businesses. They face eviction without protections or rights. It's time to stand up for small business owners and ensure they have the protections they deserve.
				I am writing to ask the Board to pass the motion before you that will strengthen protections for small commercial tenants and establish anti-displacement measures to safeguard small businesses and small nonprofits across LA County. We must pass this motion today because it will:
				 Establish commercial tenant relocation assistance policies Create a Legacy Business Registry Program to stabilize long term small businesses and nonprofits Develop a model commercial lease with fair terms for small commercial tenants Identify what minimum health and safety standards are applicable to commercial tenancies and ensure whether they are being enforced. Examine whether the County can adopt additional legal protections for small commercial tenants related to price gouging and unfair competition. This motion is critical to ensure we protect our small commercial and community corridors from the threat of predatory leasing practices, ward against their displacement, and create an inclusive economy that benefits all Angelenos.
			Juntos Florence- Firestone N Together	We support this motion that strengthens support for small commercial tenants and establishes anti-displacement measures to safeguard small businesses and small non-profits across LA County. We believe this is a good first step to protect small businesses from displacement/gentrification. We participated in the effort for the Metro Area Plan's Historic Resources Survey for Florence-Firestone and have identified many beloved small businesses that are legacy businesses in Florence-Firestone, and, as such, are an important part of our community identity and important to residents. Regarding the Legacy Business Registry Program part of the motion, we recommend that the motion be more explicit in its definition of Legacy Businesses. As part of that definition, we recommend legacy businesses be businesses that have been in operation for 20 years and suggest that the language mirror the City of LA's Legacy business program. We also recommend coordination with the Dept. of Planning on their recommendations from the Metro Area Plan on Legacy Businesses so that there isn't duplication of efforts. Thank you.

As of: 7/10/2024 4:00:07 PM

MEMBERS OF THE BOARD



Correspondence Received

			The following individu	als submitted comments on agenda item:
Agenda #	Relate To	Position	Name	Comments
2.		Favor	Kyle Nelson	My name is Kyle Nelson with SAJE and I live in District #3. I am submitting a public comment in strong support of Item 2 today. I am writing to ask the Board to pass the motion before you that will strengthen protections for small commercial tenants and establish anti-displacement measures to safeguard small businesses and small nonprofits across LA County. We must pass this motion today because it will: - Establish commercial tenant relocation assistance policies - Create a Legacy Business Registry Program to stabilize long term small businesses and nonprofits - Develop a model commercial lease with fair terms for small commercial tenants - Identify what minimum health and safety standards are applicable to commercial tenancies and ensure whether they are being enforced Examine whether the County can adopt additional legal protections for small commercial tenants related to price gouging and unfair competition This motion is critical to ensure we protect our small commercial and community corridors from the threat of predatory leasing practices, ward against their displacement, and create an inclusive economy that benefits all Angelenos. Thank you.

MEMBERS OF THE BOARD



Correspondence Received

			The following individu	als submitted comments on agenda item:
Agenda #	Relate To	Position	Name	Comments
Agenda #	Relate To	Position		Comments My name is Lorena Martinez and I am with SAJE and I live in District #8. I am submitting a public comment in strong support of Item 2 today. Spanish comment as a small business owner in Douth LA: Estamos pasando tiempos difíciles por la falta de control de renta y derechos y protecciones más fuertes como inquilinos comerciales. Mi familia fue afectada tengo 14 años con el negocio del que en mantenido a mis hijos y ahora por la falta de ordenanza me veré en la necesidad de cerrar mi pequeño negocio. Levanto mi voz por todos mis compañeros afectados en zona sur centro, somos11 arrendatarios comerciales que un incremento de renta 200% afechados en la forma de ser probablemente desplazados y pido a nombre de cada uno de ellos aprueben el artículo número dos que nos daria alivió a los pequeñas empresas que nos ayudan a tener oportunidades de empleo para sostener a nuestras familias. I am writing to ask the Board to pass the motion before you that will strengthen protections for small commercial tenants and establish antidisplacement measures to safeguard small businesses and small nonprofits across LA County. We must pass this motion today because it will: - Establish commercial tenant relocation assistance policies - Create a Legacy Business Registry Program to stabilize long term small businesses and nonprofits - Develop a model commercial lease with fair terms for small commercial tenants - Identify what minimum health and safety standards are applicable to commercial tenancies and ensure whether they are being enforced Examine whether the County can adopt additional legal protections for small commercial tenants related to price gouging and unfair competition.
				 Examine whether the County can adopt additional legal protections for small commercial tenants related to price gouging and unfair competition. This motion is critical to ensure we protect our small commercial and community corridors from the threat of predatory leasing practices, ward against their displacement, and create an inclusive economy that benefits all Angelenos.
				Thank you.

MEMBERS OF THE BOARD



Correspondence Received

			The following individu	als submitted comments on agenda item:
Agenda #	Relate To	Position	Name	Comments
2.		Favor	Maanya Medapa	I am writing to express my strong support for Agenda Item 2. Small businesses and nonprofits are the backbone of our local economy, serving as cultural anchors and vital community resources. However, they face significant challenges due to rising rents, gentrification, and displacement. The proposed measures under Agenda Item 2 are crucial to safeguard these essential entities and promote a thriving, inclusive community. By setting a rent increase threshold that triggers relocation expenses, the County can protect these businesses from unsustainable rent hikes and ensure they have the stability needed to continue their operations. Agenda Item 2 represents a comprehensive and forward-thinking approach to supporting small businesses and nonprofits in Los Angeles County. By enacting these measures, the Board of Supervisors will help preserve the unique cultural fabric of our neighborhoods, promote economic stability, and foster a more inclusive and resilient community. I strongly urge the Board to approve this motion and take these critical steps to protect our local businesses and nonprofits.

MEMBERS OF THE BOARD



Correspondence Received

			The following individu	als submitted comments on agenda item:
Agenda #	Relate To	Position	Name	Comments
2.		Favor	Maria Patino Gutierrez	My name is Maria Patiño Gutierrez and I am with SAJE and I live in District 1. I am submitting a public comment in strong support of Item 2 today. I am writing to ask the Board to pass the motion before you that will strengthen protections for small commercial tenants and establish antidisplacement measures to safeguard small businesses and small nonprofits across LA County. We must pass this motion today because it will: - Establish commercial tenant relocation assistance policies - Create a Legacy Business Registry Program to stabilize long term small businesses and nonprofits - Develop a model commercial lease with fair terms for small commercial tenants - Identify what minimum health and safety standards are applicable to commercial tenancies and ensure whether they are being enforced Examine whether the County can adopt additional legal protections for small commercial tenants related to price gouging and unfair competition This motion is critical to ensure we protect our small commercial and community corridors from the threat of predatory leasing practices, ward against their displacement, and create an inclusive economy that benefits all Angelenos. The neighborhood in East LA that I grew up in has been completely transformed and changed due to the lack of protections for small businesses. I remember growing up going to small local businesses to purchase our essentials, however slowly those businesses are long gone. We have to make strong policy changes in order to allow small businesses to survive in our community.

MEMBERS OF THE BOARD



Correspondence Received

			The following individu	als submitted comments on agenda item:
Agenda #	Relate To	Position	Name	Comments
2.		Favor	Maya Donnelly	My name is Maya Donnelly with SAJE and I live in District #1. I am submitting a public comment in strong support of Item 2 today. Working at SAJE in South Central, I have seen first hand how small businesses have suffered because of rapidly increasing rents and predatory leasing practices. Businesses everywhere here are closed down or have been abandoned. It is imperative our city works to protect people and families from losing their livelihood. I am writing to ask the Board to pass the motion before you that will strengthen protections for small commercial tenants and establish anti-displacement measures to safeguard small businesses and small nonprofits across LA County. We must pass this motion today because it will: - Establish commercial tenant relocation assistance policies - Create a Legacy Business Registry Program to stabilize long term small businesses and nonprofits - Develop a model commercial lease with fair terms for small commercial tenants - Identify what minimum health and safety standards are applicable to commercial tenancies and ensure whether they are being enforced Examine whether the County can adopt additional legal protections for small commercial tenants related to price gouging and unfair competition This motion is critical to ensure we protect our small commercial and community corridors from the threat of predatory leasing practices, ward against their displacement, and create an inclusive economy that benefits all Angelenos.

MEMBERS OF THE BOARD



Correspondence Received

			The following individu	als submitted comments on agenda item:
Agenda #	Relate To	Position	Name	Comments
2.		Favor	Nadia Segura	Bet Tzedek launched its Small Business Development (SBD) Project in 2016 to strengthen the economic base of underserved communities by providing free legal education and services to low-to-moderate income small business owners and entrepreneurs, with a focus on women, disabled, Veteran, immigrant, limited English speaking, LGBTQ, and BIPOC business owners. The profound impact of the COVID-19 pandemic on small businesses, particularly those owned by BIPOC individuals, has been nothing short of devastating. In Los Angeles County, where over 93% of businesses have 20 or fewer employees, the negative repercussions of COVID-19 have disproportionately impacted BIPOC-owned small businesses. One of the major issues small businesses face is the lack of equality when negotiating lease agreements. Bet Tzedek Legal Services supports the recommendation submitted by Supervisors Mitchell and Solis to authorize the Director of Economic Opportunity to negotiate, execute and amend, as necessary, an agreement with a consultant to perform an economic analysis of commercial rents throughout the County and develop a commercial lease with fair terms for small commercial tenants, This will have great benefit in the small businesses in the LA County and will ensure that businesses are successful and sustainable so they can continue contributing to economic development and job growth in LA County.
			Norma Ibarra	My name is INSERT NAME with SAJE and I live in District #2. I am submitting a public comment in strong support of Item 2 today.

MEMBERS OF THE BOARD



Correspondence Received

			The following individu	als submitted comments on agenda item:
Agenda #	Relate To	Position	Name	Comments
2.		Favor	Pablo Estupinan	My name is Pablo Estupinan with SAJE and I live in District #2. I am submitting public comment in strong support of Item 2 today. Growing up, my family had a small business for 14 years. We sold men's clothes and it allowed my family to thrive economically. I also worked at the store during high school and my first year of community college. Because of local development and gentrification, the landlord increased our rent from \$3,000 a month to \$6,000. We had no choice but to close down the business that helped sustain my family and allowed us to save money to buy a townhome in 2006. I am writing to ask the Board to pass the motion before you that will strengthen protections for small commercial tenants and establish anti-displacement measures to safeguard small businesses and small nonprofits across LA County. We must pass this motion today because it will: - Establish commercial tenant relocation assistance policies - Create a Legacy Business Registry Program to stabilize long term small businesses and nonprofits - Develop a model commercial lease with fair terms for small commercial tenants - Identify what minimum health and safety standards are applicable to commercial tenancies and ensure whether they are being enforced. - Examine whether the County can adopt additional legal protections for small commercial tenants related to price gouging and unfair competition. - This motion is critical to ensure we protect our small commercial and community corridors from the threat of predatory leasing practices, ward against their displacement, and create an inclusive economy that benefits all Angelenos.
			Ritu Mahajan	

As of: 7/10/2024 4:00:07 PM

MEMBERS OF THE BOARD



Correspondence Received

2.	Favor	Rosalind Sagara Silvia Marroquin	Dear Board of Supervisors: On behalf of the Los Angeles Conservancy, I am writing to express support for Item #2. In 2019, the Conservancy launched a Legacy Business Initiative to raise awareness and supports for longtime businesses in Los Angeles County. While legacy businesses are critically important to our region's heritage and economy, they remain vulnerable due to soaring rents, predatory leasing practices, development pressures, lack of succession plans, and the effects of the pandemic. We ask you to support the motion by Supervisors Mitchell and Solis to strengthen supports for small businesses and nonprofits in Los Angeles County, including but not limited to establishing a legacy business registry program and commercial tenant protections. Legacy businesses help define our neighborhoods—provide Angelenos with a sense of place, pride, and belonging. We must act now to support and avoid displacing our small longtime community-serving businesses. Thank you. I am writing to ask the Board to pass the motion before you that will strengthen protections for small commercial tenants and establish anti-displacement measures to safeguard small businesses and small nonprofits across LA County. We must pass this motion today because it will: - Establish commercial tenant relocation assistance policies - Create a Legacy Business Registry Program to stabilize long term small businesses and nonprofits - Develop a model commercial lease with fair terms for small commercial tenants - Identify what minimum health and safety standards are applicable to commercial tenancies and ensure whether they are being enforced Examine whether the County can adopt additional legal protections for small commercial tenants related to price gouging and unfair competition This motion is critical to ensure we protect our small commercial and community corridors from the threat of predatory leasing practices, ward against their displacement, and create an inclusive economy that benefits all Angelenos.
		steph shaw	
	Oppose	Blake Perez	
		Jose Cornejo	
		Skyler D Wonnacott	
		Victor Reyes	
		Wilson Chris	
	Other	Stiben J Mijango	
	Item Tota	26	

As of: 7/10/2024 4:00:07 PM

MEMBERS OF THE BOARD

	Grand Total		
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As of: 7/10/2024 4:00:07 PM



July 5, 2024

Los Angeles County Board of Supervisors Los Angeles County Chief Executive Office 500 W Temple Street Los Angeles, CA 90012

RE: Ensuring Economic Protections for Small Businesses and Nonprofits in Los Angeles County

Bet Tzedek launched its Small Business Development (SBD) Project in 2016 to strengthen the economic base of underserved communities by providing free legal education and services to low-to-moderate income small business owners and entrepreneurs, with a focus on women, disabled, Veteran, immigrant, limited English speaking, LGBTQ, and BIPOC business owners.

The profound impact of the COVID-19 pandemic on small businesses, particularly those owned by BIPOC individuals, has been nothing short of devastating. In Los Angeles County, where over 93% of businesses have 20 or fewer employees, the negative repercussions of COVID-19 have disproportionately impacted BIPOC-owned small businesses.

One of the major issues small businesses face is the lack of equality when negotiating lease agreements. Bet Tzedek Legal Services supports the recommendation submitted by Supervisors Mitchell and Solis to ensure economic protections for small businesses and nonprofits in Los Angeles County. These protections will have great benefit in the small business community in the Los Angeles County and will ensure that businesses are successful and sustainable so they can continue contributing to economic development and job growth in LA County.

Sincerely,

Nadia S. Segura Nadia Segura Narvaez

Director, Small Business Development Program



Re: Ensuring Economic Protections for Small Business and Nonprofits in Los Angeles County

Dear Board of Supervisors:

Public Counsel is writing in strong support of Item #2, the motion to explore economic protections for small business and nonprofits in Los Angeles County.

Founded in 1970, Public Counsel is a nonprofit public interest law firm dedicated to advancing civil rights and racial and economic justice, as well as to amplifying the power of our clients through comprehensive legal advocacy. Public Counsel's Community Development Project (CDP) strives to build healthy, inclusive, economically stable communities through the delivery of pro bono legal services to community-based coalitions, nonprofits, and small businesses in Los Angeles County. CDP also supports community led advocacy groups and community based organizations in their efforts to advance housing, racial, and economic justice and build power in low-income communities and communities of color.

Public Counsel advances economic opportunity by providing one-on-one legal support to low-income business owners and nonprofits serving low-income communities, supporting inclusive entrepreneurship, and combating the criminalization of poverty. Public Counsel's small business clients are all low-income and most serve and employ individuals from underserved communities in Los Angeles. More than half are owned by people of color.

Through the LA Regional Small Business Legal Aid Program, Public Counsel has assisted numerous small businesses battling rising rents, inflation, and gentrification. According to a report by Rise Economy, a survey of nonprofits working with thousands of small business owners in California found that 86% of respondents reported that small businesses often (54%) or sometimes (32%) face displacement. Rent increases, unclear and unfair lease terms, as well as exorbitant added fees make it extremely difficult to find and stay in commercial space.

As commercial tenants, small businesses and nonprofits have far fewer protections than residential tenants. Under current law, commercial tenants are only afforded 30 days' notice of rent increases and termination of their tenancies. For example, our recent client's 40 year tenancy is being terminated with 30 days' notice and another long-term

¹ Stein, Kevin (Rise Economy, formerly the California Reinvestment Coalition) "<u>Disrupting Displacement Financing in Oakland and Beyond Report</u>" (June 2018).

tenant was just issued a two-hundred percent rent increase with 30 days' notice. These short windows often preclude a business or small nonprofit from remaining in their existing location or relocating within the same community, leading to preventable business closures and the loss of critical community based and culturally significant goods and services in low-income and immigrant communities across California.

During the height of the pandemic, state and local emergency commercial eviction protections and federal grants provided much needed support to small businesses and nonprofits. Now that these protections and grants have largely expired, small businesses and small community-serving nonprofits are more vulnerable than ever as they continue to recover from the effects of the pandemic and respond to gentrification and corporate acquisition of our commercial property stock.

We implore the County to explore feasible commercial tenant protections in order to ensure our small businesses and nonprofits can keep their doors open, continuing to function as economic generators and providing essential goods and services to local communities.

Sincerely,

Ritu Mahajan Public Counsel

Directing Attorney, Community Development Project

rmahajan@publiccounsel.org



July 8, 2024

Chair Horvath and Supervisors Los Angeles County Board of Supervisors 500 W. Temple St. Room 383 Los Angeles, Ca 90012

RE: Board Item #2 - Commercial Tenant Protections Ordinance/SB 1103 (Menjivar) - Oppose

Dear Chair Horvath and Supervisors,

On behalf of the Los Angeles County Business Federation (BizFed), a grassroots alliance of more than 240 diverse business groups mobilizing 410,000 employers with 5 million employees in Southern California, we urge you to oppose Item #2 that seeks to implement lease mandates among other crippling provisions aimed at small businesses.

Like SB 1103 (Menjivar), this motion seeks to disrupt the commercial leasing landscape by imposing requirements detrimental to both small business and nonprofit sectors that this bill aims to protect. It proposes unnecessary constraints that could stifle the flexibility and mutual benefit inherent in commercial leasing.

However, Item #2 appears to go further than SB 1103 (Menjivar) by requiring relocation assistance to be paid by property owners, establishing new minimum health and safety standards for commercial tenancies, and investigating price gouging and unfair competition in leases.

Commercial leases are typically designed for long-term engagements, usually spanning five to ten years, allowing both landlords and tenants to amortize the investments required to establish a viable business presence. This long-term approach is fundamental to the economics of commercial real estate, ensuring stability and predictability for both parties involved.

This motion will have negative consequences for the very companies LA County is trying to protect. For these reasons, we urge you to oppose Item #2 and not move forward with this motion. If you have any questions, please don't hesitate to contact our Senior Advocacy Manager Chris Wilson at (562) 201-6034.

Sincerely

Fran Inman BizFed 2024 Chair Majestic Realty David Fleming BizFed Founding Chair

Sand W Blemry

Tracy Hernandez BizFed Founding CEO IMPOWER, Inc. David Englin BizFed President

BizFed Association Members

Action Apartment Association Advanced Medical Technology Association Alhambra Chamber

American Beverage Association Antelope Valley Chamber formerly Lancaster Chamber of Commerce

Apartment Association of Greater Los Angeles Apartment Association of Orange County

Apartment Association, CA Southern Cities, Inc . Arcadia Association of Realtors

AREAA North Los Angeles SFV SCV Armenian American Business Association Armenian Trade & Labor Association

Arts District Los Angeles **ASCM Inland Empire Chapter**

Asian American Advertising Federation- 3AF Associated Builders & Contractors SoCal (ABC SoCal)

Associated General Contractors
Association of Independent Commercial
Producers

AV Edge California Azusa Chambei Bell Chamber Beverly Hills Bar Association

Beverly Hills Chamber

BioCom

Black Business Association

BNI4SUCCESS

Boyle Heights Chamber of Commerce

Bridge Compton Org Building Industry Association - LA/Ventura Counties

Building Industry Association of Southern California

Building Industry Association- Baldyview Building Owners & Managers Association of Greater Los Angeles Burbank Association of Realtors

Burbank Chamber of Commerce

Business and Industry Council for Emergency Planning and Preparedness

Business Resource Group Calabasas Chamber of Commerce

CalAsian Chamber

CalChamber

California Apartment Association- Los Angeles

California Asphalt Pavement Association

California Bankers Association **California Business Properties**

California Business Roundtable

California Cleaners Association

California Contract Cities Association

California Fashion Association

California Fuels & Convenience Alliance-Formerly California Independent Oil Marketers Association (CIOMA)

California Gaming Association **California Grocers Association** California Hispanic Chamber

California Hotel & Lodging Association

California Independent Petroleum Association

California Life Sciences Association California Manufacturers & Technology

Association
California Metals Coalition

California Natural Gas Producers Association

California Restaurant Association California Retailers Association California Self Storage Association California Small Business Alliance

California Society of CPAs - Los Angeles Chapter

California Trucking Association Carson Chamber of Commerce

Carson Dominguez Employers Alliance Central City Association

Century City Chamber of Commerce

Chatsworth Porter Ranch Chamber of Commerce

Citrus Valley Association of Realtors Civil Justice Association of California CJAC

Claremont Chamber of Commerce Commerce Business Council formerly Commercial Industrial Council/Chamber of Commerce

Community Foundation of the Valleys

Compton Chamber of Commerce Compton Community Development Corporation Compton Entertainment Chamber of Commerce

Construction Industry Air Quality Coalition

Construction Industry Coalition on Water Quality Council of Infill Builders

Crenshaw Chamber of Commerce **Culver City Chamber of Commerce Downey Chamber of Commerce**

Downtown Center Business Improvement District Downtown Long Beach Alliance

DTLA Chamber of Commerce El Monte/South El Monte Chamber **El Segundo Chamber of Commerce Employers Group**

Energy Independence Now EIN
Engineering Contractor's Association
EXP The Opportunity Engine

FastLink DTLA

Filipino American Chamber of Commerce Friends of Hollywood Central Park

FuturePorts Gardena Valley Chamber

Gateway to LA

Glendale Association of Realtors Glendale Chamber

Glendora Chamber

Greater Antelope Valley AOR

Greater Bakersfield Chamber of Commerce Greater Coachella Valley Chamber of Commerce

Greater Downey Association of REALTORS Greater Lakewood Chamber of Commerce

Greater Leimert Park Crenshaw Corridor BID Greater Los Angeles African American Chamber

Greater Los Angeles Association of Realtors Greater Los Angeles New Car Dealers Association

Greater San Fernando Valley Chamber

Harbor Association of Industry and Commerce

Harbor Trucking Association

Historic Core BID of Downtown Los Angeles **Hollywood Chamber**

Hospital Association of Southern California

Hotel Association of Los Angeles

ICBWA- International Cannabis Women Business Association

Independent Cities Association Independent Hospitality Coalition

Industrial Environmental Association

Industry Business Council

Inglewood Board of Realtors
Inland Empire Economic Partnership

Irwindale Chamber of Commerce

Kombucha Brewers International

La Cañada Flintridge Chamber

LA County Medical Association

LA Fashion District BID

LA South Chamber of Commerce

Larchmont Boulevard Association Latin Business Association

Latino Food Industry Association

Latino Restaurant Association

LAX Coastal Area Chamber

Licensed Adult Residential Care Association-LARCA

Long Beach Area Chamber

Long Beach Economic Partnership

Long Beach Major Arts Consortium

Los Angeles Area Chamber

Los Angeles Economic Development Center

Los Angeles Gateway Chamber of Commerce

Los Angeles Latino Chamber

Los Angeles LGBTQ Chamber of Commerce

Los Angeles Parking Association

Los Angeles Regional Food Bank Los Angeles World Affairs Council/Town Hall Los

MADIA Tech Launch **Malibu Chamber of Commerce**

Manhattan Beach Chamber of Commerce

Marina Del Rey Lessees Association Marketplace Industry Association

Monrovia Chamber

Motion Picture Association of America, Inc.

MoveLA

MultiCultural Business Alliance

NAIOP Southern California Chapter

National Association of Minority Contractors

National Association of Theatre Owners CA/Nevada

National Association of Women Business Owners National Association of Women Business Owners - LA

National Association of Women Business Owners-California

National Federation of Independent Business Owners California

National Hookah

National Latina Business Women's Association Norweigian American Chamber of Commerce

Orange County Business Council **Orange County Hispanic Chamber of Commerce**

Pacific Merchant Shipping Association Panorama City Chamber of Commerce

Paramount Chamber of Commerce

Pasadena Chamber

Pasadena Foothills Association of Realtors **PGA Pharmaceutical Care Management Association**

Pico Rivera Chamber of Commerce

Pomona Chamber

Rancho Southeast REALTORS

ReadyNation California

Recording Industry Association of America Regional CAL Black Chamber, SVF Regional Hispanic Chambers San Dimas Chamber of Commerce

San Gabriel Valley Economic Partnership

San Pedro Peninsula Chamber of Commerce

Santa Clarita Valley Chamber

Santa Clarita Valley Economic Development Corp.
Santa Monica Chamber of Commerce

Secure Water Alliance

Sherman Oaks Chamber

South Bay Association of Chambers

South Bay Association of Chambers
South Bay Association of Realtors
South Gate Chamber of Commerce

South Pasadena Chamber of Commerce

Southern California Contractors Association Southern California Golf Association

Southern California Grantmakers

Southern California Leadership Council

Southern California Minority Suppliers Development Council Inc. Southern California Water Coalition

Southland Regional Association of Realtors

Specialty Equipment Market Association

Sportfishing Association of California Structural Engineers Association of Southern California

Sunland/Tujunga Chamber

Sunset Strip Business Improvement District

Swiss American Chamber of Commerce

Thai American Chamber of Commerce The LA Coalition for the Economy & Jobs

The Los Angeles Taxpayers Association The Two Hundred for Homeownership

Torrance Area Chamber

Tri-Counties Association of Realtors

United Chambers - San Fernando Valley & Region

United States-Mexico Chamber Unmanned Autonomous Vehicle Systems Association

Urban Business Council US Green Building Council

US Resiliency Council

Valley Economic Alliance, The

Valley Industry & Commerce Association Venice Chamber of Commerce

Vermont Slauson Economic Development Corporation Veterans in Business

Vietnamese American Chamber

Warner Center Association **West Hollywood Chamber**

West Hollywood Design District West Los Angeles Chamber

West San Gabriel Valley Association of Realtors

West Valley/Warner Center Chamber

Westchester BID **Western Electrical Contractors Association**

Western Manufactured Housing Association

Western Propane Gas Association

Western States Petroleum Association **Westside Council of Chambers**

Westwood Community Council Whittier Chamber of Commerce Wilmington Chamber **World Trade Center**





July 8, 2024

Honorable Lindsey P. Horvath, Chair Los Angeles County Board of Supervisors 500 West Temple Street Los Angeles, CA 90012

Re: 07-09-2024 Meeting – Oppose Agenda Item 2 – Commercial Leases

Dear Chair Horvath,

We strongly oppose the motion introduced by Supervisors Holly J. Mitchell and Hilda L. Solis, which aims to implement various restrictions on leases for small businesses and nonprofits in Los Angeles County. While the intent of this motion is commendable, its implementation will cause significant harm to small and minority-owned businesses by inadvertently imposing stricter hurdles when property owners review creditworthiness and viability assessments.

NAIOP SoCal, the leading nonprofit association for owners and investors of office, industrial, retail and mixed-use real estate, has highlighted several concerns that resonate with the challenges faced by small businesses. NAIOP SoCal advocates for a vibrant and inclusive commercial real estate community, including small business owners who are integral to our local economy.

The proposed motion, while having good intentions, introduces measures that could disproportionately impact small and minority business owners. Our concerns with the proposed motion include the following:

- Fundamental Differences Between Commercial and Residential Leases: Commercial leases are business-to-business contracts negotiated between sophisticated parties. Imposing residential-style protections on these leases disrupts established business practices and fails to consider the unique dynamics of commercial real estate.
- Relocation Expenses: Mandating relocation expenses for landlords when rent increases reach a certain threshold imposes unsustainable financial burdens. Small property owners, already operating on thin margins, may be forced to raise rents preemptively, ultimately reducing available commercial spaces and increasing costs for tenants. Property owners should not be mandated to "foot the bill' for tenants to relocate.
- Increased Scrutiny on Creditworthiness and Viability: Small and minority-owned businesses, which often face systemic barriers in accessing credit and financial services, may find it even more challenging to meet these stringent requirements. This could result in fewer opportunities for such businesses to secure and maintain affordable commercial spaces. Property owners will need to carefully assess tenants' ability to pay and the potential for commercial leases to repay tenant improvement costs.

- Barrier to Entry for New Small and Minority-Owned Businesses: The implementation of new leasing terms and conditions, including mandatory relocation expenses, the development of a "model lease," and health and safety standards, could create additional entry barriers for new small and minority-owned businesses. These businesses already struggle with higher initial costs and limited access to capital, and the proposed motion could exacerbate these challenges.
- **Development of a Model Lease**: The motion directs the Department of Economic Opportunity to work with County Counsel and various organizations to develop a "model lease" with fair terms for small commercial tenants. While the intent is to standardize lease terms, a one-size-fits-all "model lease" will not account for the unique circumstances and needs of individual landlords and tenants. Further, such lack of flexibility can deter landlords from entering into leases with small businesses, thus reducing the availability of commercial spaces and harming the very businesses the motion aims to protect.

It is crucial for the Board of Supervisors to carefully consider the broader implications of this motion on all small businesses, particularly those owned by minorities. Instead of imposing additional regulatory burdens, the County should focus on providing targeted support to small and minority-owned businesses through grants, low-interest loans and technical assistance programs.

I urge you and the Board to oppose the proposed motion and work towards developing solutions that genuinely support and uplift small and minority-owned businesses without imposing undue hardships. Collaborative efforts with organizations like NAIOP SoCal and other stakeholders, including on County's proposed economic analysis of commercial rents, can help create policies that promote equitable growth and development for all businesses in Los Angeles County.

Thank you for your attention to this important matter. I look forward to the Board's thoughtful reconsideration of this motion and the development of more inclusive and supportive policies for our diverse business community. If you have any questions, please contact Jose Cornejo at jose@cornejost.com or 818.486.3322.

Sincerely,

Timothy Jemal CEO

Timey Jan

NAIOP SoCal



July 8, 2024

The Honorable Chair Horvath & Supervisors County of Los Angeles 500 West Temple Street Los Angeles, CA, 90012

SUBJECT: Board of Supervisors Agenda #2: Commercial Leaseholders Regulation - OPPOSE

Dear County Board of Supervisors,

The Valley Industry & Commerce Association (VICA), representing a broad business community in Los Angeles County, opposes the proposed ordinance on leasehold regulations. Our concerns center on the ordinance's ambiguous terms and the undue complexities it imposes on contractual relationships between tenants and property providers.

This ordinance introduces a layer of regulatory oversight that lacks clear standards, thereby creating significant uncertainty for property owners. Such ambiguity can lead to varied interpretations and inconsistent enforcement, which could destabilize the commercial real estate market—essential for economic development and job creation in our region.

Moreover, by overriding established contractual agreements, this proposal threatens the fundamental principles of free enterprise and contractual autonomy. The potential for increased litigation, higher operational costs, and diminished availability of commercial properties could deter investment in our local economy, impacting the very businesses and nonprofits the ordinance aims to protect.

The National Association of Realtors indicates that commercial property investments have declined by up to 30% in regions with similar regulatory impositions, underscoring the adverse economic impacts such policies as proposed by the Board can have. This proposed ordinance risks replicating these negative outcomes in Los Angeles County, potentially stifling our economic recovery and growth.

It's for these reasons that VICA strongly advises against the enactment of this ordinance. We urge the Board of Supervisors to consider alternative approaches that do not disrupt the market dynamics and respect the established legal frameworks governing commercial leases.

Sincerely,

Stuart Waldman VICA President



July 8, 2024

The Honorable Lindsey Horvath, Chair Los Angeles County Board of Supervisors 500 W Temple St Los Angeles, CA 90012

Subject: July 9, 2024, Item 2 - Motion by Supervisors Holly J. Mitchell and Hilda L. Solis – Lease Mandates for Small Businesses – OPPOSE

Dear Chair Horvath and Honorable Supervisors,

I write on behalf of the Building Owners and Managers Association Greater Los Angeles (BOMA/GLA), representing over 135 million square feet of commercial office space throughout Los Angeles County, to comment on the motion being brought forward by Supervisor Mitchell and Supervisor Solis.

We respectfully **oppose** the motion being considered as one that misses the mark on helping small businesses stay in place. The motion introduces vague language that places additional burdens on those properties that are leased to small businesses.

The unsustainable financial and regulatory burdens introduced by this motion will disproportionally impact small and minority-owned businesses and drive out smaller property owners from the market. Ultimately harming local communities and creating the opposite effect from the intention of this motion.

Negative Impacts on Small Businesses

The motion fails to recognize that often property owners themselves constitute a small business. And often it is these small business landlords that lease to other small businesses. If they are required to pay relocation expenses, you have small businesses subsidizing other small businesses. It's not a sustainable model for community investment.

Further, by categorizing small businesses as a separate class of tenants with additional requirements for working with them, you will make property owners more wary of taking a risk leasing to them.

Mandating relocation expenses for landlords when rent increases reach a certain threshold imposes unsustainable financial burdens. Small property owners, already operating on thin margins, may be forced to raise rents preemptively to cover potential relocation expenses.



Placing additional costs and regulations on landlords will not help small businesses and may even reduce the number of available spaces that can meet the needs of these businesses. Smaller building owners are more likely to exit the market and allow new ownership to move in, triggering a property tax increase from reassessment and forcing rents at the location to be higher just to meet the higher tax costs.

By making it financially unfeasible for landlords to maintain and offer commercial spaces, the motion threatens to create a market where only larger, well-funded entities can survive, undermining the local small business ecosystem.

Alternative Approach

To better understand why small businesses are struggling in the county, there should be a more comprehensive economic study. It's not just a landlord-tenant relationship that determines if a business remains within the community. Key areas of focus should include:

- **Current Commercial Rental Rates for Small Businesses:** Analyze the trends and current state of commercial rental rates and their impact on small businesses.
- **Zoning and Land Use Regulations:** Effects of zoning changes and land use restrictions on commercial property development and utilization.
- **Taxation Policies:** Analysis of property tax increases and their financial burden on property owners and small businesses.
- **Building Codes and Safety Regulations:** Compliance costs associated with meeting new building codes and safety standards.
- **Environmental Regulations:** Impact of environmental mandates on the cost and feasibility of maintaining and developing commercial properties.
- Economic Impact of COVID-19 Policies: Long-term effects of COVID-19 related policies, such as eviction moratoriums and emergency regulations, on commercial property owners and tenants.
- **Inflation:** Evaluation of how rising costs across the board affect property management and small business sustainability.
- **Minimum Wage Increases:** Impact of minimum wage hikes on small businesses' ability to afford commercial rent.
- **Electrification and Decarbonization Policies:** Costs associated with complying with new energy efficiency and decarbonization mandates.
- **Permitting Costs:** Analysis of the financial and time burdens imposed by current permitting processes.
- **Crime Rates:** Impact of local crime on the viability and security costs for small businesses.



We recognize and agree that more needs to be done to help businesses remain in LA County and remain in buildings. But to place the burden on other small businesses to subsidize these efforts is the wrong approach.

We respectfully oppose this motion and ask the Board of Supervisors to consider alternative policies to support businesses after completing a comprehensive economic study.

Respectfully,

Blake Perez

Director of Government and Public Affairs

BOMA Greater Los Angeles

Ph: 213-629-2662 ext. 111 | Email: <u>bperez@bomagla.org</u>



















July 10, 2024

The Honorable Lindsey Horvath President, Los Angeles County Board of Supervisors 500 W Temple St Los Angeles, CA 90012

RE: Agenda Item 2- Commercial Leases/Tenancy Protections - Motion by Supervisors Holly J. Mitchell and Hilda L. Solis - Ensuring Economic Protections for Small Businesses and Nonprofits - OPPOSE

Dear President Horvath:

On behalf of the organizations listed above, we express our strong opposition to the motion introduced by Supervisors Holly J. Mitchell and Hilda L. Solis on July 9, 2024. While intended to protect small businesses and nonprofits, this motion introduces vague regulations and mandates that would disproportionately harm small and minority-owned businesses by imposing unsustainable financial burdens, increasing administrative complexity, and reducing the availability of affordable commercial spaces. The resulting negative impact on the local economy and community diversity cannot be overstated.

Fundamental Differences Between Commercial and Residential Leases: Commercial leases are business-to-business contracts negotiated between sophisticated parties. Imposing residential-style protections on these leases disrupts established business practices and fails to consider the unique dynamics of commercial real estate. Additionally, these mandates would also apply to City, County, and state-owned properties, significantly complicating property management and financial planning for public entities. Unlike residential leases, which cater to individual tenants, commercial leases involve complex negotiations reflecting the specific needs and conditions of businesses. These businesses often engage legal representation to ensure lease terms align with their operational requirements. Applying residential tenant protections to these sophisticated, negotiated agreements is both inappropriate and detrimental to the commercial real estate market.

Relocation Expenses: One of the most concerning aspects of this motion is the proposed policy framework for commercial tenant relocation assistance. Mandating relocation expenses for landlords when rent increases reach a certain threshold imposes unsustainable financial burdens. Small property owners, already operating on thin margins, may be forced to raise rents preemptively to cover potential relocation expenses. This policy disproportionately impacts minority-owned businesses, which are often more vulnerable to financial instability and rely heavily on affordable commercial spaces to operate and grow. These businesses play a crucial role in fostering economic diversity and community vitality, yet they stand to suffer the most from policies that increase operational costs and reduce space availability.

Vague Regulations and Administrative Burdens: The motion directs the Department of Economic Opportunity (DEO) to conduct an economic analysis of commercial rents and recommend a policy framework for commercial tenant relocation assistance. While understanding rent dynamics is essential, the vague nature of these proposed regulations creates significant administrative burdens for property owners. Small property owners face increased compliance costs and legal risks, which could drive many out of the market, reducing the availability of affordable commercial spaces. The lack of clarity on implementation details and thresholds adds uncertainty and could lead to inconsistent application and enforcement, further complicating property management and financial planning. Minority-owned businesses, which frequently operate with limited resources, would be particularly disadvantaged by these unclear regulations and potential legal complexities.

Development of a Model Lease: The motion directs DEO to collaborate with various organizations to develop a "model lease" with fair terms for small commercial tenants. While the intent is to standardize lease terms, a one-size-fits-all model lease may not account for the unique circumstances and needs of individual landlords and tenants. This lack of flexibility can deter landlords from entering into leases with small businesses, reducing the availability of commercial spaces and harming the very businesses the motion aims to protect. The commercial leasing market relies on flexibility and negotiation to meet the diverse needs of businesses. A standardized model lease may simplify certain aspects but at the cost of failing to address specific operational needs and financial conditions unique to each business.

Impact on Local Economy: Burdening landlords with additional costs and administrative requirements risks reducing investment in commercial properties. This could lead to business closures, reduced economic activity, and harm to the very communities the motion aims to protect. Minority-owned businesses, essential to the diversity and vibrancy of our local economy, would suffer disproportionately from reduced commercial space availability and increased rents. By making it financially unfeasible for landlords to maintain and offer commercial spaces, the motion threatens to create a market where only larger, well-funded entities can survive, undermining the local small business ecosystem.

Economic Study Recommendations: To truly understand the impact of this motion, the economic study should include a comprehensive evaluation of existing regulations and mandates at the city, county, and state levels that have affected property owners and small businesses. Key areas of focus should include:

- Current Commercial Rental Rates for Small Businesses: Analyze the trends and current state of commercial rental
 rates and their impact on small businesses.
- Zoning and Land Use Regulations: Effects of zoning changes and land use restrictions on commercial property development and utilization.
- Taxation Policies: Analysis of property tax increases and their financial burden on property owners and small businesses.
- Building Codes and Safety Regulations: Compliance costs associated with meeting new building codes and safety standards.
- Environmental Regulations: Impact of environmental mandates on the cost and feasibility of maintaining and developing commercial properties.
- **Economic Impact of COVID-19 Policies:** Long-term effects of COVID-19 related policies, such as eviction moratoriums and emergency regulations, on commercial property owners and tenants.
- **Inflation:** Evaluation of how rising costs across the board affect property management and small business sustainability.
- Minimum Wage Increases: Impact of minimum wage hikes on small businesses' ability to afford commercial rent.
- Electrification and Decarbonization Policies: Costs associated with complying with new energy efficiency and decarbonization mandates.
- Permitting Costs: Analysis of the financial and time burdens imposed by current permitting processes.
- Crime Rates: Impact of local crime on the viability and security costs for small businesses.

Despite its intentions, this motion's lack of understanding of commercial leasing nuances and the operational realities of small property owners may harm the growth and viability of small businesses and nonprofits, especially those owned by minorities. By imposing vague regulations, relocation expenses, increasing administrative burdens, and driving up costs, this motion threatens to destabilize the very businesses and communities it aims to support. We strongly urge you to reconsider and vote "no" on this motion.

For more details on our position, please contact Skyler Wonnacott at California Business Properties Association (CBPA) at (916) 960-3951 or swonnacott@cbpa.com.



523 West Sixth Street, Suite 826 Los Angeles, CA 90014

213 623 2489 OFFICE 213 623 3909 FAX

laconservancy.org

July 9, 2024

Sent Electronically

Los Angeles County Board of Supervisors Los Angeles County Chief Executive Office 500 W. Temple Street Los Angeles, CA 90012

RE: Support Item #2 - Ensuring Economic Protections for Small Businesses and Nonprofits in Los Angeles County

Dear Board of Supervisors:

On behalf of the Los Angeles Conservancy, I am writing to express support for Item #2. In 2019, the Conservancy launched a Legacy Business Initiative to raise awareness and supports for longtime businesses in Los Angeles County. While legacy businesses are critically important to our region's heritage and economy, they remain vulnerable due to soaring rents, predatory leasing practices, development pressures, lack of succession plans, and the effects of the pandemic.

We ask you to support the motion by Supervisors Mitchell and Solis to strengthen supports for small businesses and nonprofits in Los Angeles County, including but not limited to establishing a legacy business registry program and commercial tenant protections. Legacy businesses help define our neighborhoods —provide Angelenos with a sense of place, pride, and belonging. We must act now to support and avoid displacing our small longtime community-serving businesses.

About the Los Angeles Conservancy:

The Los Angeles Conservancy is the largest local historic preservation organization in the United States, with nearly 5,000 members throughout the Los Angeles area. Established in 1978, the Conservancy works to preserve and revitalize the significant architectural and cultural heritage of Los Angeles County through advocacy and education.

Please do not hesitate to contact me at (213) 430-4211 or rsagara@laconservancy.org should you have any questions or concerns.

Sincerely,

M. Rosalind Sagara

Neighborhood Outreach Manager

