

MOTION BY SUPERVISORS HILDA L. SOLIS

September 10, 2024

AND HOLLY J. MITCHELL

**Authorize the Department of Economic Opportunity to Accept Funds from the City of Los Angeles and Execute a Memorandum of Understanding to Procure Sidewalk Vending Carts on Behalf of the City**

With the passage of Senate Bill 946, which decriminalized sidewalk vending in California and established guidelines for local regulations to legalize and support the sidewalk vending economy, the County of Los Angeles began to take steps towards establishing a path for Sidewalk Vendors to formally operate their business in the Unincorporated Areas of the County. In September 2020, the Board of Supervisors directed the Department of Consumer and Business Affairs (DCBA) to develop a Sidewalk Vending Ordinance to register vendors. This directive was transferred to the Department of Economic Opportunity (DEO) upon its creation in July of 2022. That same year, in September 2022, Governor Newsom signed SB 972 to help vendors acquire a Public Health Permit by making modifications to the California Retail Food Code (CRFC) relevant to the preparation and sale of food by sidewalk vendors and

MOTION

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other compact mobile food operators, including revisions to specific equipment requirements to facilitate the procurement of carts by vendors. The new law became effective on January 1, 2023.

The County's Sidewalk Vending Ordinance (SVO), which reflected the regulations set forth by both SB946 and SB972, was adopted on February 6, 2024, and became effective on August 4, 2024. The SVO applies to unincorporated areas of L.A. County. On February 6, the Board also adopted the Compact Mobile Food Operations (CMFO) Program, which became effective March 6, 2024 (countywide excluding Pasadena, Long Beach, and Vernon) to allow food operators to get the help they need to attain a Health Permit from the County.

Despite all efforts, significant financial barriers exist for low-income micro-entrepreneurs seeking to vend prepped and/or prepared food in accordance with regulatory requirements, including expensive fees to prepare food at commissaries and the high cost of purchasing health-compliant vending carts. The Board approved an allocation of \$2.5 million of America Rescue Plan Act (ARPA) Funding to support the procurement of carts.

Similarly, Los Angeles City, which launched its Sidewalk Vending Program, is also looking to help sidewalk vendors formalize their business. As such, the City Council has approved various initiatives to support local sidewalk vendors, including funding for outreach and education, technical assistance, and capital to acquire vending carts needed to obtain proper food vending permits. This effort includes actions to work collaboratively with the County of Los Angeles Department of Economic Opportunity (DEO) to launch the purchase and distribution of vending carts to eligible vendors using

a regional approach to leverage resources and carry out the program more effectively.

In recognition of the economic benefits sidewalk vending provides to immigrant and low-income communities and the overall health of our local economy, and because the boundaries lines between the City of Los Angeles and the Los Angeles County Unincorporated areas are often blurred for most vendors, it is beneficial for the County to support the City in its procurement and distribution of sidewalk vending carts.

**WE, THEREFORE, MOVE** that the Board of Supervisors:

- 1) Authorize the Department of Economic Opportunity to accept ARPA funding from the City of Los Angeles in the total amount of \$1,662,625 and execute a Memorandum of Understanding (MOU) with the City's Economic and Workforce Development Department (EWDD) for the manufacturing, permitting, compliance monitoring, and distribution of vending carts for sidewalk vendors whereby the County will use 10% to 15% to cover its administrative costs; and
- 2) Authorize the Director of the Department of Economic Opportunity, or her designee, to execute, on behalf of the County, any contracts and actions necessary to amend, create, or extend any programs funded by this funding to achieve the goals of the Sidewalk Vending Program's Cart Distribution.

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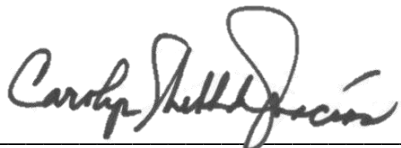
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**TRANSMITTAL**

TO Economic and Workforce Development Department	DATE 08/30/2024	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT

**REQUEST FOR AUTHORITY TO ENTER INTO CONTRACTS FOR THE  
SIDEWALK VENDING CART PROGRAM**

Approved, ED3 Waived, and Transmitted for further processing.



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MAYOR  
(Carolyn Webb de Macias for)

# CITY OF LOS ANGELES

CALIFORNIA

CAROLYN M. HULL  
GENERAL MANAGER



KAREN BASS  
MAYOR

## ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT

444 S FLOWER STREET, 14TH FLOOR  
LOS ANGELES, CA 90071

August 14, 2024

Council File: 13-1493-S15/21-0691

Council District: All

Contact Person & Phone Number:

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The Honorable Karen Bass  
Mayor, City of Los Angeles  
Room 303, City Hall

Attention: Heleen Ramirez, Legislative Coordinator

### **TRANSMITTAL: REQUEST FOR AUTHORITY TO ENTER INTO CONTRACTS FOR THE SIDEWALK VENDING CART PROGRAM**

The General Manager of the Economic and Workforce Development Department (EWDD) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration.

#### **SUMMARY**

Sidewalk vending plays a critical role in the City's economy and culture. As such, the City Council has approved various initiatives aimed at supporting local sidewalk vendors, including funding for outreach and education, technical assistance, and capital to acquire vending carts needed to obtain proper food vending permits.

EWDD respectfully requests authority to continue the previously authorized recommendations to execute contract agreements to carry out Council's direction of implementing the Sidewalk Vending Cart Program and technical assistance services using the allocated resources Council Files (21-0691, 22-0600, and 24-05000).

Through the Sidewalk Vending Cart Program, EWDD will partner with experienced sub-recipients that will provide critical technical assistance to existing and prospective eligible, for-profit sidewalk vendors operating in the City of Los Angeles. EWDD is recommending Initiating Change in Our Neighborhoods Community Development Corporation (ICON CDC) because they procured under the BusinessSource Center federal program and their expertise in serving vendors; the added funding will help augment resources for sidewalk vendors citywide, services are expected to commence in September 2024.

Furthermore, EWDD will continue to work collaboratively with the County of Los Angeles, Department of Economic Opportunity (DEO) to launch the purchase and distribution of vending carts to eligible vendors using a regional approach to leverage resources and carry out the program more effectively.

## **RECOMMENDATIONS**

The General Manager of the Economic and Workforce Development Department (EWDD), or designee, respectfully requests that the City Council, subject to the approval of the Mayor as required:

1. AUTHORIZE EWDD to implement the Sidewalk Vending Cart Program, in collaboration with the County of Los Angeles, Department of Economic Opportunity (DEO).
2. AUTHORIZE the General Manager of EWDD, or designee, to negotiate and execute a Memorandum of Understanding (MOU) with the County of Los Angeles, Department of Economic Opportunity (DEO) in the amount up to one million six hundred sixty-two thousand six hundred twenty-five dollars (\$1,662,625) for the manufacturing, permitting, compliance monitoring, and distribution of vending carts for sidewalk vendors, subject to the review and approval of the City Attorney as to form.
3. AUTHORIZE the General Manager of EWDD, or designee, to negotiate and execute a sole source contract with Initiating Change in Our Neighborhoods Community Development Corporation (ICON CDC) in the amount of \$500,000 for a one-year contract term (12) months, commencing September 2024 to conduct outreach to sidewalk vendors; educate vendors on business topics including SB 972; provide technical assistance for permits; and help vendors understand and apply for permits; subject to the review and approval of the City Attorney as to form, and compliance with City contracting requirements.
4. AUTHORIZE the General Manager of EWDD, or designee, to prepare Controller instructions and/or make technical adjustments that may be required and are consistent with this action, subject to the approval of the CAO, and authorize the Controller to implement these instructions.

**BACKGROUND**

Changes in regulations over the last several years have impacted the sidewalk vending industry in significant ways. On September 17, 2018, former Governor Jerry Brown signed Senate Bill 946, which decriminalized sidewalk vending in California and allowed local authorities to adopt non-criminal laws to protect public health, safety and welfare. In line with this new regulatory framework, the City updated its e Sidewalk and Parks Vending Program on January 1, 2020, which allows the sale of food and merchandise, subject to the rules and regulations set by the Department of Public Works, Bureau of Street Services and the Department of Recreation and Parks. The City demonstrated its commitment to supporting the sidewalk vending industry by allocating general funds to Streets LA for the education of sidewalk vendors on the new sidewalk vending rules that took effect January 1, 2020.

To further advance the goals of the new regulation, in August 2021, the Mayor’s Fund Los Angeles contracted with BusinessSource Centers (BSCs) to provide technical assistance to vendors through the Los Angeles City Sidewalk Vending Technical Assistance Program. The BSCs, including ICON CDC, successfully worked with Sidewalk Vendors. Outreach challenges were mitigated by meeting vendors at their place of business; assisting with permit applications onsite with portable equipment; communicating with vendors in their native languages; and enlisting advocates as intermediaries.

Through these initiatives, City Council has authorized EWDD to implement the Sidewalk Vending Cart Program and allocated resources as follows:

Funding Source	Amount	Activity	Authority
CDBG Program Year 50	\$480,750	Purchase of vending carts	CF 24-0500
American Rescue Plan Act (ARPA)	\$1,181,875	Purchase of vending carts	CF 21-0691
General Funds	\$500,000	Outreach, education and technical assistance	CF 22-0600

EWDD recommends engaging ICON CDC to implement the outreach and technical assistance components of the City’s Sidewalk Vending Cart Program. ICON CDC has an excellent track record as a BusinessSource provider, extensive knowledge of sidewalk vending regulations and experience with technical and financial assistance to sidewalk vendors. In addition, ICON CDC receives funding from the Social Entrepreneurs for Economic Development (SEED) grant through the California Employment Training Panel (ETP) to support the entrepreneurship of immigrants and limited English proficient (LEP) individuals who face significant employment barriers. ICON CDC has successfully leveraged SEED funds to assist sidewalk vendors in the City through technical assistance and funds to purchase carts. Furthermore, working with ICON CDC will help the City align itself with

the County of Los Angeles' efforts to build capacity and streamline the cart permit approval process. In the next few months, the County DEO will procure cart manufacturers to deploy carts to vendors. The City plans to leverage these contracts and will use ICON CDC to have a cohort of vendors ready to accept these carts. ICON is an established BusinessSource Center already doing this type of work and will be rendering services citywide.

In Table 1 below you will find an outline of the program and the importance of partnership and regional approach expanding collaboration to include ICON CDC, County of Los Angeles Department of Economic Opportunity (DEO), and City of Los Angeles BusinessSource Centers.



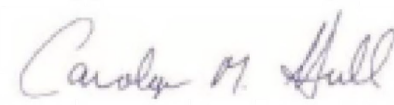
<b>TABLE 1 SIDEWALK VENDING CART PROGRAM</b>	
<b>Activity</b>	<b>Description</b>
<b>Outreach to Promote Sidewalk Vending Program</b>	<ul style="list-style-type: none"> <li>● Craft a culturally and linguistically appropriate community outreach and implementation plan. Use the most effective methods of disseminating information to the target population, including use of written materials, social media, and other forms of community engagement.</li> <li>● Develop a flexible schedule and use outreach methods that meet the needs of the vendors such as but not limited to meeting vendors at their place of business and using technology to apply for permits on-site.</li> </ul>
<b>Training development &amp; implementation</b>	<ul style="list-style-type: none"> <li>● Nuts and bolts of how to start, build, or maintain a vending business in the City of L.A.</li> <li>● Business Courses, Compliance with Business Regulatory Requirements, Marketing/social media, Cash Flow Management, Access to Capital, Payment &amp; Financial Solutions. Referrals to Credit Counseling and Legal Services available.</li> <li>● Topics will include Vending-specific training such as Commissary options.</li> </ul>
<b>Provision of Technical Assistance for Permits</b>	<ul style="list-style-type: none"> <li>● Translation services, assistance with understanding application requirements; identification of required documentation; and on-site and off-site application support.</li> <li>● Understanding and applying for permits including but not limited to: <ul style="list-style-type: none"> <li>○ Los Angeles Business Tax Registration Certificate (BTRC)</li> <li>○ Seller's Permit</li> <li>○ Food Handler's Permit</li> <li>○ Streets LA Vending Permit</li> <li>○ LA County, Department of Public Health Vending Permit</li> </ul> </li> </ul>
<b>Vending Carts</b>	<ul style="list-style-type: none"> <li>● LA Regional Online Application Portal with eligibility requirements, equity distribution, weighted factors, and compliance.</li> <li>● Purchase of four different vending approved carts (Fruit Carts, Hot Holding Carts, Grill and Aux Carts, Integrated Carts), includes warranty and discounted parts for up to 3 years of issuance.</li> <li>● Distribution of up to 150 carts to the selected eligible vendors.</li> <li>● provide technical support assistance with carts and permits costs</li> </ul>

## **FISCAL IMPACT STATEMENT**

Recommendations in this report will have no negative impact on the City General Fund, as proposed programs will be funded with American Recovery Plan Act (ARPA) funds, Community Development Block Grant (CDBG), and the previous transfer of FY 2021-2022 Unappropriated Balance funds from Streets LA.

## **CONCLUSION**

While the City has been deliberate in advancing sidewalk vending efforts through changes in regulatory framework and fee reductions, further advancement of these programs and policies can be achieved through the Sidewalk Vending Cart Program. The Sidewalk Vending Carts Program will fill an important need by providing technical assistance to the vendors and help them obtain approved carts created by the establishment of new regulations in our City during this critical turning point in the industry



CAROLYN M. HULL  
General Manager

CMH:FJ:DH:RP:FC