



CITY OF LOS ANGELES
 SMALL BUSINESS COMMISSION
Quarterly Meeting



SEPTEMBER 21, 2023

MEETING TIME
 11:00am -12:30pm

MEETING LOCATION
 GARLAND BUILDING
 1200 W. 7th Street, First Flr Auditorium
 Los Angeles, CA 90012

Parking is available in the structure located behind the building.
 The entrance to the building is located across from the parking structure.

**To RSVP to this meeting, please email caroline.palacios@lacity.org. Please include your full name.*

AGENDA ITEM	ITEM TYPE
<p>I. CALL TO ORDER & ROLL CALL</p> <p>Meeting was called to order at 11:25 pm by Commissioner Smith</p> <p>Commissioners (4)</p> <ul style="list-style-type: none"> ● Mott Smith ● Rosyln Simpson ● Charles Lew ● Jesse Torres <p>City Staff (3)</p> <ul style="list-style-type: none"> ● Robert P. Moore, City Attorney ● Caroline Palacios, Sr. Project Coordinator EWDD ● Alea Pettigrew, Office Trainee, EWDD 	<p>ACTION ITEM</p>
<p>II. PUBLIC COMMENT</p> <p>No public comment</p>	
<p>III. APPROVAL OF THE MINUTES (Link to 8/16 Meeting Minutes)</p> <p>Commissioner Torres moves to approve the 8/16 minutes Commissioner Simpson seconds Unanimous approval, matter passes</p>	<p>ACTION ITEM</p>
<p>IV. EWDD UPDATES</p> <p>Representatives from the Economic & Workforce Development Department (EWDD) will provide updates on current EWDD initiatives and programs.</p> <p>Caroline Palacios, Sr. Project Coordinator, EWDD - Provided brief updates on EWDD's initiatives and programs.</p> <ul style="list-style-type: none"> ● The ED4 division and the EWD department are responding to information requests 	<p>DISCUSSION ITEM POSSIBLE ACTION ITEM</p>

from the Mayor's office regarding the processes that all the departments in the city are undertaking or have anything to do with interacting with small businesses, specifically contractors. As of right now as discussed in the previous meeting the process seems to be focused on internal efficiencies or insufficiencies of some of the processes we have currently that have to do with payment to contractors there's a lot of work being done to access what the processes across all city departments.

- EWDD has been spearheading a lot of the efforts to help think through different innovations in terms of trying to make these processes more efficient. EWDD has already deployed a couple different intra interventions that the Mayor's office has been very responsive to. EWDD will continue to work with the Mayor's office to see if EWDD can expand or scale some of the solutions EWDD developed to other city departments, but basically the Mayor's office biggest concern EWDD is addressing is the time that lapses between when a contractor gets paid.

Caroline Palacios, Sr. Project Coordinator, EWDD- Caroline explained that EWDD will be moving out of the current office space that they are in early next year.

Commissioner Simpson- Is this a lease space?

Caroline Palacios, Sr. Project Coordinator, EWDD- Yes. This is a leased space, EWDD is starting to prepare folks and letting them know that this will start to take up some of EWDD's time due to packing up the office space.

Commissioner Simpson- Where are you going?

Caroline Palacios, Sr. Project Coordinator, EWDD- Right now the plan is to go to the Gas Tower building at 505 Pershing Square and at the same time EWDD will also be doing strategic planning for next year.

Commissioner Smith- I thought we were going to talk about the ED4 participation process.

Caroline Palacios, Sr. Project Coordinator, EWDD- Yes. That's item 6

Commissioner Smith- Is there anything else for us to approve for this item 4?

Caroline Palacios, Sr. Project Coordinator, EWDD- I don't think so, when we get to item 6 we can talk more specifically about the commissioners role as it relates to ED4.

Commissioner Smith- Excellent!

V. UPDATE REGARDING SMALL BUSINESS COMMISSION MEMBERSHIP & STRATEGIC PLANNING DISCUSSION

**DISCUSSION ITEM
POSSIBLE ACTION ITEM**

Representatives from the Economic & Workforce Development Department (EWDD) will provide an update regarding current Small Business Commission membership (if available) as well as propose next steps for the review and possible revision of the Commission's governance document to support its strategic planning process.

Caroline Palacios, Sr. Project Coordinator, EWDD- Currently the Mayor's office is reviewing some recommendations. There are new nominations for a new appointment to the new commission, but there are also conversations happening about what it would take to review the Governance documents of the Small Business Commission. I have been speaking with the City Attorney and the recommendation was to agendized the discussion to discuss possible changes to the document and developing a set of either reccomendations or ideas to evolve the commission. It could involve things like the number of members and the cadence of meetings. I think it would be fair for a sperate discussion where we would have more time to look more in depth at the Governance document to see what's within our power to revise or update and then, am I allowed to ask what would be the next steps after we submit recommendations that can potetially involve revisions to the Governance document.

Robert P. Moore, City Attorney- This is a council created commission so ultimately the Governance document was submitted to council for approval so anything that is requested any modification changes will ultimately have to go through council. Council can adopt or they can reject and they can make their own modifications once it's before them. I think the idea Caroline is saying is do you have any thoughts for the department for the discussion or will it be agendized again. Through that discussion the department will then work on a transmittal that goes to council with a sort of collective recommendations of what we would like, I presume a draft or whatever the changes to the Governance document that would also be submitted and then it would be up to council.

Caroline Palacios, Sr. Project Coordinator, EWDD- Am I allowed to supply the Governance document to the commission to review prior to the next meeting?

Robert P. Moore, City Attorney- Yes.

Commissioner Torres- Is there like adjustments to the Governance document that is coming out a review or is there thoughts already presnted on how the commissions at large might change as far as operations.

Robert P Moore, City Attorney- There are certain appointments from certain council committies, one was the Economic Development and Job Committee which doesn't exist. I'm not sure who was appointed through that committee but should that person wishes to continue there needs to be a process where we can kind of sub in and then there has also been an issue of qurom right now it's 50% plus one so we can't have half of a person that's why it's always been sort of weird. It's seven members. Currently we have six, it's seven, it's three in a half can't have three in a half plus one so it's four in a half, we can't have that, it's got to be five. We can come up with ways to make it a little easier. We wouldn't be able to do away with the "Brown Act " requirements because it is a council created commission, but it's more of the parameters of how this commission operates.

Caroline Palacios, Sr. Project Coordinator, EWDD- The initial plan was for our office to look at the Governance document and to come into the next meeting with a couple of recommendations for the Commission to take a look at. Then if you have your own thoughts on how we might continue to evolve as a commission and then sort of revise, edit togetgher and take the stuff to write a transmittal and submit to council. The next step would be to agendize that conversation for the next quarterly meeting which is in December.

Commissioner Smith- No action required

VI. FOLLOW-UP DISCUSSION PERTAINING TO PRIOR MEETING DISCUSSION REGARDING EXECUTIVE DIRECTIVE 4

The Small Business Commission will have a follow-up discussion pertaining to the items discussed at the previous Special Meeting on 8/16 regarding Executive Directive 4.

Caroline Palacios, Sr. Project Coordinator, EWDD- I will open up the floor to Commissioner Smith for the ED4.

Commissioner Smith- The ED4 process is divided into two sub processes. One is regarding how procurement can work better for small businesses with city contracts and the other one is to make city approvals work better for small businesses. I heard something that concerned me a little bit that the Mayor's office invited multiple offices to get together and talk amongst themselves about how they can do better and I've seen this many times happen and it doesn't do much good to talk to yourself about how to do better for somebody else when you should only talk to the person your trying to do better by. We discussed having a formal representation of small businesses on the working group so there can be an active dialog back and forth. They invited us to basically be that face for small businesses to the ED4 working group. Anyone of us can volunteer, but I'm highly motivated to do it, but I'm interested to see if anyone else is interested. It will basically be a limited scope of several meetings and being

**DISCUSSION ITEM
POSSIBLE ACTION ITEM**

a part of the discussion back and forth. We should also talk about how we as a commission can provide more meaningful input from the larger small business committees.

Commissioner Torres- I love the idea. I think having an official representative from our group and since we are all small businesses it makes sense that we would satisfy the requirement and we do need to have a small business voice, but I can tell you I don't have the time to do that. I will definitely support Mott if he's interested. I will definitely support his participation and his leadership of the commission. Is the city staff receptive to the idea of the commission having an official role or do we need to request it, how does that work?

Commissioner Smith- Yes they are receptive to the idea. They asked us to go do this. I still just have to be totally up front, I still have concerns, but we're going to push it and see how it goes.

Commissioner Simpson- I think if you just put it out there when this is going to occur it's going to be schedule specific for me cause I'm more than happy to jump in.

Commissioner Smith- Do we need a motion to enact this or that's just how we're moving forward

Robert P. Moore, City Attorney- I think the idea is for the commission to nominate a representative but you will want somebody to do a formal nomination and you can also include that the Commission agrees to send a representative to this Mayor's working group.

Commissioner Torres- I would like to make a motion to nominate Mott Smith to represent the LA Small business Commission on the ED4 working group and to also provide an alternate from the commission if he's not able to.

Commissioner Simpson- Seconds the motion

Unanimous approval, motion passes

Commissioner Smith- I'm excited about this and I think we're all gonna keep each other in the loop

Robert P. Moore, City Attorney- I think it's great that there will be involvement. I think these meetings will be open to the public, I don't know

Caroline Palacios, Sr. Project Coordinator, EWDD- The working group?

Commissioner Smith- No I don't think so.

Robert P. Moore, City Attorney- The only thing I would say is it should probably be the representative and if there's an alternate. We don't want to get into the situation with all of you going because then we run into a problem with the "Brown Act".

Commissioner Smith- What's the limit?

Robert P. Moore, City Attorney- It starts getting dicey but if the two of you went the appointed and the alternate we won't get into trouble. We always start cautioning anytime you have more than two.

Commissioner Smith- I was wondering if we can or should agendaize sort of an update on the process for our next meeting as well so we can have a discussion about it.

Caroline Palacios, Sr. Project Coordinator, EWDD- Yes. I was contacted by Su In from the Mayor's office. The reason why they chose not to come today is because they are preparing a progress report, their first progress report since the announcement of ED4 will be coming out mid October so they felt it was more appropriate to come back at the next meeting with updates. I think that would be a good time to start being a little more involved so you can kind of see what they've been doing and it might be a good time to of course correct

as well if there are some issues that you see that don't necessarily align with what you believe the working group should be focusing on. I'm not entirely sure if they will make that progress report, I don't know when they will make it public. I just know that the internal due date is sometime mid October, but I believe the plan is to make it public at some point cause the Executive Directive was announced by the Mayor so once that becomes available we can circulate that as well and that can be agendaized for the next meeting to discuss in addition to if you join a meeting before than we can discuss that as well.

Commissioner Smith- One thing I would love some input on now if it's appropriate to continue on this item of discussion. It's obvious that small businesses that are doing business with the city as vendors have an interest in the first path, the procurement path way. I'm curious what our thoughts are as to who the stakeholders' businesses would be in the second part which would be with permit approvals. It feels like anybody that deals with real estate, anyone with physical presents fits that bill like, restaurants, bars, hotels, hospitality venues. What other category should we be thinking about?

Commissioner Torres- I would actually reach out to the Governor's office. I used to be a small business advocate for the state and we actually had a permit office and we had an amazing employee named Lilian Conros who actually spent a lot of her time helping business owners navigate through the City of LA permit issues. The agency GOBIZ might have a lot to provide as far as input. They actually collect through online form like all the issues any small business owner has; they might have a library of data.

Commissioner Smith- Great advice, any other thoughts on this?

Commissioner Simpson- GOBIZ is actually a good resource because that's where everybody keys into and applies to and registers through.

Commissioner Lew- I don't have any thoughts on that specifically, but I do have something in line with that that's been brought to my attention by multiple restaurants and hospitality concepts regarding conditional use permits and grants. Term grants on the conditional use permits so as to keeping with what you are discussing an inability or complete unsureness of the small business hospitality, restaurants as to where the city's Mayor's office is falling on the conditional use permits and term grants where I think over a 100 perhaps more have expired and are operating in somewhat of a limbo unsure of the position as to the need to go through the entire process from scratch which is simply unattainable and unrealistic for small businesses and restaurants particularly post covid.

Commissioner Simpson- That's exactly what the group or restaurant alliances were saying that were here at the last meeting.

Commissioner Lew- I have subsequently received no less than 5 follow up emails probably that are very well articulated but again very unsure and complete disease of what direction they should take other than spending more money which simply is not in the contract.

Commissioner Smith- If they would ever have to seize operations or alcohol for example one of the things that we learned during our reboot effort was that it literally costs a typical hospitality business between \$1-3,000 a day just to be alive and if it can't be operational \$50,000 occurrence is one thing but 60 days of non operation is somewhat \$16-700,000 of capital that you would have to raise just to be there.

Commissioner Lew- That's a death sentence. Unfortunately in today's economic environment the bigger problem and we all know to be true is the complete uncertainty right now. So arguably people are operating without the ability to legally sell alcohol and of course they are not going to stop selling alcohol so they are walking into their restaurants and hospitality concepts on a daily basis again with uncertainty and consternation as to whether they can conduct the business that's struggling to survive in the first place.

Caroline Palacios, Sr. Project Coordinator, EWDD- Are these expirations do they have anything to do with sort of the provisions during covid to lighten or loosen some of the reservations or the requirements. I think there was a lot of work done. I even think it was

commissioned by the AI Fresco program, but are they expiring because they were sort of limited time provision that was provided by a covid relief program or are they expiring from a prior time.

Commissioner Lew- Yeah. They were grants for 3,5,7, 10 years but many of them have expired during covid

Caroline Palacios, Sr. Project Coordinator, EWDD- Oh I see

Commissioner Lew- And now these individual operators are being faced again with this very odd predicament of technically being non operationally compliant and faced with this enormous fine.

Caroline Palacios, Sr. Project Coordinator, EWDD- I know there was a concern that was raised by the new Deputy Mayor of Economic Development specifically related to matters like this where that there were all these things that happened during covid that helped specifically hospitality restaurants and businesses to stay alive and now it's like what do you do to continue that support, like people do have a lot of uncertainties. I think there is an awareness that might not be related to these specific issues but there is an awareness that there's a lot of businesses that are in limbo as a result of this because they don't know where to go next. I think that would be a great thing to address.

Commissioner Lew- I think if there is any opportunity the interim prior to this being in fact for trade or some kind of contact or incentive with someone at the mayor's office for matters like this which are truly urgent aging with people quite literally operating outside of legal protocol parameters and really they have no choice but to continue do so

Commissioner Smith- One of the things that's missing from our regulations and processes is systems that work for people who are trying to comply with the law, a lot of things are designed to catch people who are trying to and we should have systems that work well for people who are trying to and this is a perfect example of that. Are there other categories that we are aware of that businesses that get permitted from the city that might have bureaucratic hassles, I'm thinking logistic businesses, manufacturing

Commissioner Torres- Manufacturers. like the small manufacturers are going to have the most scrutiny. I was going to echo the restaurant's voice because they have so many issues all at once, the footprint, their space, their hiring, the health permits and I would say manufacturers would have a similar scope or range of issues they would have to deal with. Retail at large probably as well.

Commissioner Smith- Retail often doesn't require special approvals but it certainly can. This is great stuff and the fact that there's a data resource and we don't have to go off our guts it's really wonderful.

Commissioner Torres- There are major entities that work with the same small businesses everyday so like the SBDC centers, GOBIZ it would be interesting to see what are the common questions you're getting or hearing about it would help their work.

C Do we have any database from these SBC's as to what people are asking of any of these challenges.

Caroline Palacios, Sr. Project Coordinator, EWDD- We don't have any database but I'm sure we can probably request it, but we don't access it on a regular basis, but I think we should. There are all these little databases of organizations and networks that we could be better utilizing and leveraging in terms of the information they have. We do have our connection into the business source centers. I think this is where we talk about, this is the hard thing about small businesses when we are using like the federal definition when we are talking about five million dollars or less or the ones walk through the doors of the business source centers which are very very micro small businesses, but the data of information that we've been gathering from the small businesses that we interact with on a daily basis there's a big concern around commercial leases so folks are being priced out of their spaces

<p>specifically like small retail spaces little restaurants, they actually, some people have even said because the city has this huge focusing on housing buildings are being converted into housing they can no longer operate in the spaces that they were or they having a very difficult time finding a new space because it's gotten so expensive so that's something that has been super top of mind for a lot of our brick and mortar small businesses. We do have a legal assistance program that we've partnered with and are counting on were we are providing free legal services to businesses specifically who are dealing with their landlords with renegotiating o their personal lease or lease agreements or having issues with potentially getting evicted that's been quite popular a lot of businesses have access to that program but like with any government program they will eventually run out of funding and they will still have those problems to deal with.</p> <p>Commissioner Torres- The library is often the first place small businesses go to to get their business questions answers to.</p> <p>Commissioner Lew- Do you think that's still the case?</p> <p>Commissioner Torres- Yes, I think that besides Google it would be the library people would go to.</p> <p>Commissioner Lew- Do you think that extends to just for general small business questions, legal permitting including</p> <p>Commissioner Torres- Yes, everything because I remember meeting with their leadership years ago realizing they are probably the number one place to go to get answers.</p> <p>Commissioner Smith- They are the front end of most social services now.</p> <p>Commissioner Torres- I'm excited about this process very optimistic</p>	
<p>VII. ANNOUNCEMENTS</p> <p>Caroline Palacios, Sr. Project Coordinator, EWDD- We are still looking into that idea Commissioner Jackson had to have like an informal meeting</p> <p>Upcoming Scheduled Meeting(s)</p> <ul style="list-style-type: none"> • QUARTER 4: Thursday, Dec 14, 2023 (2nd Thursday) - 11:00-12:30 pm 	<p>DISCUSSION ITEM</p>
<p>VIII. ADJOURNMENT</p> <p>Commissioner Smith- Moved to adjourn the meeting @11:47am</p> <p>Commissioner Torres- Second</p>	<p>ACTION ITEM</p>

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