



CITY OF LOS ANGELES  
SMALL BUSINESS COMMISSION



Wednesday, February 17th, 2021 10:00-12:00 pm

1. **CALL TO ORDER / ROLL CALL**

**Small Business Commissioners (5):** Mott Smith, Jesse Torres, Charles Lew, Gail Lara, Roslyn Simpson

**City of Los Angeles Representatives:** Fred Jackson, Jacqueline Rodriguez, Vanessa Willis Kwesi Hanciles

The meeting was called to order by Commissioner Smith.

2. **Approval of Meeting Minutes**

Commissioner Torres identified an error in the meeting minutes from October 28<sup>th</sup>, 2020. In line item (d) the acronym for the Los Angeles Economic Development Corporation is LAEDC and was misrepresented with LAECD. Mrs. Rodriguez comments that the change will be made.

Approved by Commissioner Torres. Seconded by Commissioner Simpson.

3. **Public Comment**

No Public Comment.

4. **Temporary Protection of Commercial Tenants Ordinance**

Chris Espinoza with the Office of Chief Legislative Analyst provided information about commercial tenant protection. The County of Los Angeles instituted a temporary eviction ordinance on commercial tenants, if you have 9 or fewer employees you get up to 12 months to pay back any owed rents and if you have 10 and 100 employees you have 6 months to pay back any owed rents. To take advantage of the County's ordinance business must provide financial documentation of hardship. The City of Los Angeles, they have adopted the ordinance from the County, however, it does not require any financial documentation and has applied this ordinance to commercial tenants with up to 500 employees. The ordinance that provides more protection for a commercial tenant will be the ordinance of preference. This ordinance ends on March 31<sup>st</sup>, 2021, and if not extended by the state, that will be the starting date for any deferment of owed rents.

Commissioner Lew expresses his concern for the number of employees decreasing during the pandemic therefore he inquires at what date is the number of employees being considered for qualification. Mr. Espinoza indicated that the evaluation date for eligibility is March 1<sup>st</sup>, 2020. Commissioner Lew further questions if these ordinances will nullify other agreements that landlords have with tenants and in turn cause further discrepancies in landlords collecting owed fees. Mr. Espinoza acknowledges that it will be a challenge to decipher what will be paid back or owed besides rents though judgment will also be on a situational basis though the state has encouraged landlords and tenants to work out their agreements for the reimbursement of owed rents.

Commissioner Lara asked how the City of Los Angeles believes tenants will be able to pay back the owed rents since they haven't generated the revenue. In addition, she poses the question of how many of the commercial owners have received relief from any government entities that would allow them to forgive the owed fees from some of their tenants. Mr. Espinoza provides feedback on the relief that was available for landlords and tenants that would allow them to settle debts or any back pay that may be

owed. He also introduces the understanding that federal funds will be used to help low-income families with rent payments. There are currently no more loans or funds available for small businesses.

Commissioner Simpson asks the group if COVID-19 is being used as “force majeure” in courts of law as the circumstances due to the pandemic have interrupted business everywhere. With this directly correlating to leases that were already established and new leases moving forward. Commissioner Lew provides further context on “force majeure” and the use of it in legal disputes.

Commissioner Simpson questions if businesses that received relief are going to be held to the same standards as businesses that didn't receive any type of relief during the moratorium. Mr. Espinoza explains that a decision will be determined by a judge, but he agrees that those scenarios should ultimately be taken into consideration. Commissioner Torres adds further insight on the health of small businesses currently and recommends that the Los Angeles County Department of Consumer Business Affairs consider unpaid rent as an eligible expense that can be forgiven or covered by a grant.

Commissioner Smith questions if oral lease agreements will be honored by this ordinance. Mr. Espinoza confirms that oral leases will still need to be honored or paid back. Commissioner Smith inquires how the Small Business Commission can assist with efforts to educate Los Angeles's business community about this information. Mr. Espinoza acknowledges that comments made by the commission help provide further insight for future county decisions regarding small businesses. Mrs. Rodriguez further expands on how spreading this information to the BusinessSource centers will equip businesses with the knowledge needed to navigate through lease agreements successfully.

## **5. Introduction of Economic Workforce and Development Assistant General Manager**

Economic Workforce and Development Assistant General Manager Fred Jackson introduced himself to the Small Business Commission. Provides insight on his background and offers his services to the commission.

## **6. Elections**

Commissioner Smith handles Mrs. Rodriguez control of the meeting. Mrs. Rodriguez introduces the positions that are up for election. Nominations were held in the last meeting. Commission Jackson was nominated for Chair and Commissioner Smith for Vice Chair

- a. Commissioner Jackson receives 5 votes for Board Chair (Commissioner Smith, Torres, Lew, Simpson and Lara vote in favor of Commissioner Jackson)
- b. Commissioner Smith receives 4 votes for Vice-Chair (Commissioner Torres, Lew, Simpson and Lara vote in favor of Commissioner Smith)

## **7. Food and Beverage Report**

Vanessa Willis from EWDD introduces the Food and Beverage Report. She explains the purpose of the report and what departments collaborated with EWDD during discussions to come up with streamlined processes that will work for both the businesses and the city departments. Thirty of the recommendations were approved by the Mayor's office and adopted by City Council.

Commissioner Lew inquires if the City of Los Angeles will work with the State of California to rectify the decline of conditional use permits that expired during the moratorium. Mrs. Willis provides insight on the fact that City Council will be sending a resolution to support amendments for state codes. Commissioner Smith explains that he believes that the CUB's have not been expanded yet but there is a city planning ordinance that has been drafted that will extend the CUB's. Commissioner Lew then possesses how this information will be communicated to the actual owners of these CUB's. Mrs.

Rodriguez confirms that the office of finance will include this information in their monthly newsletter and EWDD will work with the planning department to send out a newsletter or some form of communication to anyone that has a CUB currently. Any other methods of delivery will be communicated at the next small business commission meeting.

Commissioner Simpson comments that restaurants that rely on Inside dining to provide a specific experience are suffering more so than businesses that don't rely on that dining experience. Restaurants that focus on product and delivery services are thriving during this unprecedented time. Commissioner Lara provides commentary on businesses that she recognizes are thriving in her area even in the pandemic. Relates these success stories to proper pivoting. Commissioner Smith further comments on these success stories and provides statistics to support the purpose of the Food and Beverage report which is to keep businesses that sell these items in business and operating efficiently.

Commissioner Simpson motions to move the Food and Beverage Report discussion item to an action item. Commissioner Lara seconds.

Commissioner Simpson makes a motion to draft a letter containing language that conveys the urgency of the ordinance and highlighting the need for economic relief. Seconded by Commissioner Torres

## **8. Small Business Survey**

Mrs. Rodriguez gave an of the Small Business Commission Survey's preliminary results.

Mr. Hanciles provides statistics outlining the preliminary results of the survey that will be redistributed to receive a larger number of responses. The results from the survey will be presented in the next meeting to provide the Small Business Commission with insight for the focus of the workplan.

Commissioner Simpson expresses her concern for the lack of participation from the business community and how she believes that the majority of restaurants that aren't thriving have bars associated with their brand adding to her theory of restaurants that operate based on experience not being able to offer that key component are suffering.

Commissioner Lara inquires on the actual email opening rate of the small business survey. Mr. Hanciles provides statistics as to the opening rate of the survey.

Commissioner Torres suggests connecting with Roberto Martinez in concerns to generating more responses and other partners such LASBC, LA Chamber, LAEDC, etc., and using their social media platforms to further distribute the survey. Mrs. Rodriguez confirms we will be connecting with those parties and making a further push towards circulating the survey.

Commissioner Smith inquires on if the survey results can tell us what each business's revenue was in 2020 and 2019. Mr. Hanciles explains that that information is available for each business but was too much information to be depicted individually in a graph. Commissioner Smith then asks what the survey asks regarding the business's employee count to determine the employee impact that covid-19 has had on these businesses. Mr. Hanciles explains that the survey just verifies the employer's current employee count. Commissioner Smith inquires if there is an incentive to business owners for filling out the survey. Mrs. Rodriguez explains the benefit of the survey results in terms of giving EWDD the knowledge and information to be able to directly help businesses with what they have noted that they need.

## **ADJOURNMENT**

February 17<sup>th</sup>, 2021 11:54 AM