

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: April 11, 2024

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No. 23-0002-S104
Assignment No. 24-03-0195

SUBJECT: Resolution (Rodriguez – Soto-Martinez) relative to support for Assembly Bill 2550 (Gabriel)

CLA RECOMMENDATION: Adopt Resolution (Rodriguez – Soto-Martinez) to include in the City's 2023-2024 State Legislative Program SUPPORT for AB 2550 (Gabriel) which would allow small neighborhood restaurants to operate without drinking fountains, allow small businesses to operate without separate gender restrooms and instead allow gender-neutral restrooms, and provide clarity on required protective services for outdoor food preparation.

SUMMARY

Resolution (Rodriguez – Soto-Martinez), introduced on March 15, 2024, states that certain regulatory burdens placed upon small retail businesses by the State have become redundant or unnecessary, such as separate gender bathrooms where a gender-neutral bathroom can otherwise be provided, or the requirement to provide a drinking fountain at a restaurant where water is otherwise served. These regulations generate costly expenses for small retail businesses but do not contribute added benefits to patrons, who can be provided appropriate accommodations with gender-neutral bathrooms and water provided by a restaurant.

Additionally, the Resolution notes that outdated regulatory code can be vague or misleading, which has created confusion and expense for small businesses that provide food at outdoor events.

On February 14, 2024, State Assembly Member Jesse Gabriel introduced AB 2550, which would allow small neighborhood restaurants to operate without drinking fountains, allow small businesses to operate without separate gender restrooms and instead allow gender-neutral restrooms, and provide clarity on required protective services for outdoor food preparation. The Resolution therefore recommends support for AB 2550 (Gabriel).

BACKGROUND

On December 22, 2023, the Los Angeles Times reported that, in 2023 alone, over 65 notable restaurants in the Los Angeles area closed, including Nate 'n Al's and Cupid's Hot Dogs, leading the newspaper to dub 2023 "the year that killed L.A. restaurants." Reasons for closure cited by the owners of these establishments include elevated post-pandemic food prices, untenable rent prices, and businesswide financial struggles.

The City has made a policy of supporting small businesses, with the Economic and Workforce Development Department (EWDD) tasked to provide education and services to the industry. EWDD's Small Business Loan Program, Small Business Rental Assistance Program, and Small Business Credit and Debt Program, among other programs, provide services to help small businesses with onerous expenses. The City's Jobs and Economic Development Incentive (JEDI) Zones and Opportunity Zones programs, among others, yield incentives to help such businesses stay open in vital areas of Los Angeles. Support for AB 2550 (Gabriel) would be consistent with such policy practices.

DEPARTMENTS NOTIFIED

EWDD

BILL STATUS

2/14/24 - Introduced

3/11/24 - Referred to Committee on Health



Alex Whitehead
Analyst

Attachments: Resolution (Rodriguez - Soto-Martinez)

RESOLUTION RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, State, or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council; and

WHEREAS, existing law enforces codes and regulations for small businesses, the full extent of which can create expensive barriers to entry or survival for local entrepreneurs; and

WHEREAS, certain regulatory burdens have become redundant or unnecessary, such as separate gender bathrooms where a gender-neutral bathroom can otherwise be provided, or the requirement to provide a drinking fountain at a restaurant where water is otherwise served; and

WHEREAS, while providing appropriate accommodations for customers should be a required priority for small businesses, these costly regulations do not deliver beneficial services to patrons; and


WHEREAS, outdated regulatory code can be vague and misleading, which has created confusion and expense for small businesses that prepare food at outdoor events; and

WHEREAS, AB 2550 (Gabriel) would alleviate unnecessary regulations for small businesses by allowing small neighborhood restaurants to operate without drinking fountains, allowing small businesses to operate without separate gender restrooms and instead allowing gender-neutral restrooms, and providing clarity on required protective services for outdoor food preparation; and

WHEREAS, support for AB 2550 would potentially save local small businesses tens of thousands of dollars in installation and maintenance services for unnecessary services, and support Angeleno entrepreneurs in our trying economic environment.

NOW, THEREFORE, BE IT RESOLVED, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2023-2024 State Legislative Program SUPPORT for AB 2550 (Gabriel), which would allow small neighborhood restaurants to operate without drinking fountains, allow small businesses to operate without separate gender restrooms and instead allow gender-neutral restrooms, and provide clarity on required protective services for outdoor food preparation

PRESENTED BY


MONICA RODRIGUEZ
Councilmember, 7th District

SECONDED BY:



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