

BUDGET & FINANCE

MOTION

The City of Los Angeles took unprecedented steps to combat the spread of COVID19. Nonessential businesses were temporarily shuttered, public spaces were closed, and social distancing protocols encouraged many to work from home. Businesses operating in retail brick and mortar spaces were particularly impacted by the pandemic as they continued to pay rent despite their limited capacity to continue normal operations, all while withstanding significantly less walk-in traffic.

Many private landlords throughout the nation have made sacrifices and strides to provide relief for small businesses. Relief provided to tenants leasing commercial property from the City, however, has been limited to leases made through Proprietary Departments and the El Pueblo de Los Angeles Historical Monument Department. To address the impact the pandemic had on El Pueblo, the City moved to waive rental payments for tenants at the El Pueblo de Los Angeles Historical Monument between April 2020 and June 2021. The City also provided these tenants with a 40% discount on their lease between July 2021 and December 2021.

However, the same relief has not been provided to other small businesses leasing commercial spaces from the City through the General Services Department (GSD). These leases in City properties include those within Downtown Los Angeles City buildings, at the Braude building in the Van Nuys Civic Center, at Department of Transportation parking structures, adjacent to the Police Administration Building, and in the Los Angeles Mall. Tenants provide services and food options to the surrounding civic center workforce as well as for the public visiting and doing business within these City buildings..

The Los Angeles Mall, for instance, was developed in the early 1970's to provide retail and food services for thousands of City, County, and Federal employees, visitors to the Civic Center, jurors, and downtown residents. Since the onset of the pandemic, the Mall saw a large decrease in walk-through traffic as countless government employees worked from home and many government buildings remained closed to the public during the pandemic. Today, more City services are now virtual, meetings are often held virtually, and many employees continue to work remotely, inadvertently impacting the businesses operating at the Mall. Consequently, the pace of economic recovery for these businesses has still not reached pre-Covid levels, preventing many from paying rent payments due from 2020 to 2021, when the pandemic was at its peak. Businesses' failure to pay back-due rent will propel them to close, possibly creating blight and further making City-owned properties uninviting to future tenants and consumers alike.

In accordance with Article 3 Section 7.8 of the City's Charter, with certain exceptions aside, the General Manager of GSD represents the City in the collection of rentals accruing from leases of City-owned properties under the control of the City Government. The General Manager of GSD

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is also empowered, instructed and authorized to negotiate in matters under the General Manager's control for the settlement of obligations, rents, issues and profits due to the City of Los Angeles, and to sign all agreements, releases, receipts, waivers, discharges or other evidence of payment for the City of Los Angeles in connection therewith.

I THEREFORE MOVE that the General Services Department waive rent payments of GSD administered lease contracts due by for-profit, small business commercial tenants leasing property owned by the City of Los Angeles for properties leased between April 1, 2020 and June 30, 2021. Also, I move that the General Services Department reduces eligible rent payments by 40% for aforementioned properties leased between July 1, 2021 and December 31, 2021. Any rent paid prior to the effective date of this motion for the covered periods should be credited towards future rent or overdue payments from before or after the covered period.

I FURTHER MOVE THAT the General Services Department report back with recommendations for further activating LA Mall and supporting its small businesses, including short-term solutions for making LA Mall a more inviting location for events and the public.

PRESENTED BY: 

CURREN D. PRICE, JR.

Councilmember, 9th District

SECONDED BY: 

ORIGINAL