

# California Sidewalk Vendor Relief Fund Proposal

## SUMMARY

The California Sidewalk Vendor Relief Fund would be established with an allocation of \$50 million from this year's state budget to support California's sidewalk vendors whose businesses have been impacted by the COVID-19 pandemic and have been unable to access existing state resources, including financial relief for small businesses. This funding would be allocated by GO-Biz to local governments, in partnership with CBOs, across California in regions with a high concentration of sidewalk vendors and with existing infrastructure to support the efficient distribution of these grants. For example, the funding to Los Angeles County would utilize the existing infrastructure, resources, and lessons learned from the City's distribution of COVID-19 relief to vendors in the county in November 2020. This proposal to support deeply impacted sidewalk vendors with dedicated state funding aligns with the State's equitable recovery efforts.

## BACKGROUND

Sidewalk vendors are an integral part of the economy and cultural fabric across our state. In the Los Angeles region alone, there are an estimated 50,000 vendors who, on average, generate \$228 a week or \$11,308 a year in revenue.<sup>1</sup> Sidewalk vendors incurred a 50% reduction in sales during the pandemic, severely impacting their ability, often as primary breadwinners, to pay for rent, groceries, and other basic necessities for their families.<sup>2</sup>

Unfortunately, sidewalk vendors have been largely left out of local, state, and federal relief due to their immigration status, lack of formal business documentation, and/or the highly complex application processes that are predominantly online and, often, primarily in English. For example, the \$2.5 billion California COVID-19 Relief Grant Program, which launched on December 30, 2020, was not accessible to the vast majority of vendors due to various factors. In order to qualify, businesses had to present documents such as their 2019 tax returns (or 2019 1099 forms) and copies of official business filings with the state or local municipality (for example, articles of incorporation, a certificate of organization, or a government-issued business license). Applicants were also required to provide specific forms of government-issued photo ID. Because many sidewalk vendors are undocumented and are participating in an informal economy, much of this documentation is difficult to obtain. Moreover, many vendors do not have access to online systems and programs needed to submit the application online.

Local governments have made efforts to address some of these accessibility issues that prevent sidewalk vendors from securing COVID-19 relief. As an example, the Los Angeles City Council allocated \$2 million specifically to permitted sidewalk vendors via the LA Regional COVID Fund in November 2020. While this program has been largely celebrated by vendors and their advocates, the seven-day application window and the requirement that applicants be permitted produced challenges that have informed our recommendations for this program. Most recently, Mayor Garcetti's budget has proposed allocating \$500,000 towards assisting sidewalk food vendors with the purchase of expensive food carts and increased the amount of funding to provide outreach, education, and technical support to sidewalk vendors.

---

<sup>1</sup> Numbers adjusted for 2021. <https://economicrt.org/wp-content/uploads/2015/12/LA-Street-Vendor-Report-final-12-16-2015.pdf>.

<sup>2</sup> <https://abc7.com/street-vendors-los-angeles-covid-downturn/6141041/>;  
<https://www.foodandwine.com/news/la-street-vendors-on-the-toll-of-the-pandemic>.

## **PROPOSAL**

Create a \$50 million statewide sidewalk vendor relief fund administered by Go-Biz. Go-Biz would allocate funding to local governments, in partnership with CBOs, in regions of California with a large population of sidewalk vendors. A total of \$25 million would be allocated to the City of Los Angeles to subgrant to the LA Regional COVID Fund, which will oversee the management, outreach, vetting, and distribution of grants across LA County. The other \$25 million would be administered by GoBiz to make grants to local governments, in partnership with CBOs, to provide services across the rest of the state.

This funding would be used in the following ways:

- Provide a grant of \$5,000 to vendors who have been impacted by COVID-19. Local governments would have flexibility to increase the grant award depending on local conditions. Applicants must be permitted or able to show that they are in the process of acquiring a permit under their local municipality or, if no local permitting structure exists, demonstrate operation of a sidewalk vending business, presently or immediately prior to the pandemic. Applicants who are permitted to vend would be prioritized. Funds can be used to purchase new certified equipment (including a cart), invest in working capital, acquire/renew permits, and/or pay business debt accrued due to the pandemic.
- Require that applicants are currently working or have worked as sidewalk vendors immediately prior to the pandemic and generate less than \$50,000 in revenue annually. Recognizing that some vendors may not have traditional, formal documentation such as financial statements or tax returns, alternative documents will be accepted to confirm the existence of the business, including a letter from a CBO that can “attest” to the entrepreneur’s business.
- Provide a maximum set aside of 10% from each local government allocation to administer the fund and to provide outreach and technical support to help vendors apply for relief.
- Offers an application window of at least four weeks in order to give greater opportunity for outreach and to give sufficient time to access technical assistance to apply.
- Vendors who have not previously received a local government grant or a grant from the California Small Business COVID-19 Relief Grant Program will be prioritized.