



September 6, 2023

The Honorable Karen Bass
Mayor of Los Angeles
200 N. Spring St.
Los Angeles, CA 90012

Re: Recommendations for ED4 Implementation

Dear Mayor Bass:

On behalf of the Council of Infill Builders, a statewide organization of real estate professionals committed to improving California through infill development, and the Independent Hospitality Coalition, a regional organization of hospitality operators, advocates and workers, we write to commend your commitment to improving the small business climate in L.A. through initiatives like ED4.

As you know, previous administrations have mounted similar efforts and fallen short, leaving L.A. a notoriously difficult landscape for businesses, particularly those that operate out of storefronts.

Earlier initiatives such as "12-to-2" failed not due to lack of industry input, but because they didn't maintain a sustained, active dialogue with outside stakeholders. Rather than simply gathering preliminary data and retreating to work on solutions in isolation, it is imperative the City keep the lines of communication open and offer small businesses a genuine seat at the decision-making table.

Your administration has an unparalleled opportunity. By learning from past initiatives such as "12-to-2" and adopting proven models from other cities (of which there are many), you can transform L.A. into a place where small businesses flourish, bringing life and vitality to communities, and giving more residents the opportunity to experience economic mobility.

The following outlines our specific recommendations for the Los Angeles Business Steering Committee (LABSC).

1. Engage Small Business at the Table

ED4 should avoid the echo chamber mistake of the “12-to-2” initiative. **We urge you to involve real business owners in the LABSC, seating members of the Small Business Commission on the LABSC** and looping-in big-tent business organizations such as BizFed, the LA Chamber, the Independent Hospitality Coalition, the California Restaurant Association, for example, and others at appropriate times.

2. Minimize “Burn”

Businesses bleed money *daily* on overhead—rent, utilities, payroll and more. Every day they wait for approvals, inspections, utilities activation, etc., eats into their "runway," *i.e.*, the amount of time they can afford to stay alive without being fully operational. It's not unusual even for small restaurants to burn through as much as \$1,000-3,000 *a day* waiting for permission to open.

The number-one thing the City can do to support small business growth is simply to allow them to use startup capital for goods and services, rather than requiring them to burn through their runways on process before they even get to the starting line. Imagine reducing a small business' startup capital requirements by \$180,000 simply by reducing their City process time by 60 days. That is well within our grasp.

L.A. should stop advantaging deep-pocketed corporate interests who can succeed simply by outlasting local enterprises in what has become a regulatory marathon. **We urge you to explicitly quantify how much City processes costs small businesses in terms of burn, and benchmark reforms by how much they reduce burn and increase runway.**

3. Foster a Culture of “Yes”

City Hall should switch its default response to applicants from "no" to "yes" – starting in the mayor's office, all the way to the permit counter. **We urge the City to explicitly start treating permit applications not as burdens but as welcome catalysts for jobs and economic mobility.**

4. Expand Self-Certification Opportunities

More and more cities are offering applicants, contractors and licensed architects and engineers the tools to go straight to permit for certain types of projects, from interior remodels to outdoor dining areas and more. The City of L.A. deployed this model in its wildly successful *Al Fresco* program. And in the context of dwindling staff resources to complete timely plan checks, **it is imperative that we provide self-certification permit pathways that preserve public safety and maximize small business runways.**

5. Build on the “Restaurant Reboot”

The November 9, 2020 “Report Back on Changes to Streamline City Processes Affecting the Food & Beverage Industry” ([Council File 20-0499](#)) – known to many as the “Restaurant Reboot” report – contains key recommendations for city departments to improve their processes at little or no cost. **We strongly urge you to use this report, which was crafted by a public-private working group over multiple months, to fast-forward LABSC's efforts.**

6. Learn from Others

Numerous cities globally have revamped their approval processes to encourage rather than exhaust small businesses. L.A. is unique, but it doesn't need to reinvent the wheel; it just needs to be smart enough to adapt proven models. Let's learn from successes and failures elsewhere and make informed, effective changes here at home.

San Diego has famously created a "Culture of Yes" around housing. Chicago has done the same around jobs. New York, Paris, Barcelona and Montreal have created huge small business boons through "[open streets](#)" and similar projects that prioritize pedestrians and cyclists over drivers. **Don't let L.A. start from scratch. Find the best policies, systems and models from around the world and adapt for our unique community.**

There is much more to discuss and we are happy to share specific details at your request.

You have the keys to make L.A. truly business-friendly. We are excited to make that happen, together.

Sincerely,



Mott Smith, Council of Infill Builders



Eddie Navarrette, Independent Hospitality Coalition

C: Rachel Freeman, Deputy Mayor, Economic Development
Carolyn Hull, General Manager, Economic & Workforce Development Department
Leila Lee, Director, Small Business Policy, Office of Mayor Bass
Su In Lee, Small Business Policy Manager, Office of Mayor Bass
Jenna Karic, Economic Policy Manager, Office of Mayor Bass