



## Groundbreaking Settlement in No Vending Zones Litigation Impacts Street Vending Rules in Other Localities

In July 2024, Plaintiffs Community Power Collective, Inclusive Action for the City, East LA Community Corporation and two individual street vendors settled their lawsuit against the City of Los Angeles (the “City”) based on the City’s unlawful no-vending zones. This alert describes how the lawsuit and settlement impacts street vending rules in other localities. It is intended for cities, counties, and other stakeholders.

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**SB 946.** On September 17, 2018, Senate Bill 946 (SB 946) was signed by Governor Brown. SB 946 legalized and decriminalized sidewalk vending state-wide. The law mandates local jurisdictions to support and facilitate sidewalk vending. The stated intent of the legislation is to:

- Create entrepreneurial and economic development opportunities for immigrant and low-income communities;
- Increase access to desired goods, such as culturally significant food and merchandise;
- Contribute to a safe and dynamic public space;
- Promote the safety and welfare of the public by encouraging local authorities to support and properly regulate sidewalk vending; and
- Halt criminal punishments for sidewalk vending, and permit only administrative fines for violations of sidewalk vending law.

Notably, SB 946:

- Requires local sidewalk vending regulations to comply with SB 946 and prohibits cities from imposing sidewalk vending restrictions “within specific parts of the public right of way,” or within specific neighborhoods or areas.
- Prohibits cities from limiting the total number of vendors operating within their jurisdiction unless doing so is directly related to “**objective health, safety or welfare concerns.**”
- Authorizes cities to adopt time, place and manner restrictions for sidewalk vending, provided those restrictions are directly related to “objective health, safety or welfare concerns.” Health, safety, and welfare concerns do not include economic protectionism to prioritize brick-and-mortar business interests over street vending businesses.

**Background on the No-Vending Zones Litigation.** Vendor Plaintiffs Merlin Alvarado and Ruth Monrroy, along with three nonprofit organizations, Community Power Collective, Inclusive Action for the City, and East LA Community Corporation, filed a lawsuit against the City of Los Angeles in late 2022. The Plaintiffs argued that the City’s vending restrictions – including its seven

blanket no-vending zones, and restrictions against vending near schools, farmers' markets, swap meets, and special events – violate SB 946. In a preliminary ruling, LA Superior Court Judge James Chalfant stated that the City did not “provide any meaningful analysis of no-vending zones” and had “not shown that it imposed restrictions directly related to objective health, safety, or welfare concerns.”

In February 2024, in response to the lawsuit, the largest city in California, Los Angeles, voted to eliminate its seven no-vending zones at the Hollywood Walk of Fame, Universal Studios, El Pueblo de Los Angeles Historical Monument, Crypto.com Arena (formerly Staples Center)/LA Live, Dodger Stadium and Elysian Park, the Hollywood Bowl, and LA Coliseum.

**Settlement.** The settlement rescinded the City's remaining unlawful vending bans, including excessive distancing requirements from schools, farmers' markets, swap meets, and special events. As part of the settlement, the City has also agreed to cancel all unlawful vending citations issued for vending in no-vending zones and near the areas mentioned above, and refund vendors who paid fines associated with the unlawful vending citations. This amounts to hundreds of canceled citations and thousands of dollars that street vendors no longer owe for operating their businesses.

**Impact on other localities.** The lawsuit and settlement make it clear that arbitrary and unjustified bans preventing vendors from operating in pedestrian-friendly areas are not legal. Per SB 946, vending restrictions must be related to *evidence-based* objective health, safety, or welfare concerns and cannot be based on economic animus. Cities may not prioritize brick-and-mortar business interests over street vending business interests. Blanket no-vending zones without evidence-based justification are illegal, and are susceptible to lawsuits similar to this one. While the no-vending zones in Los Angeles covered large areas where vending was prohibited, localities should also ensure that distance requirements for vendors from other businesses, events, or landmarks, do not create constructive no vending zones. Local ordinances with onerous permitting requirements that are not applied to similarly situated businesses, such as background checks and extensive insurance policies, may also be subject to litigation.

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Public Counsel and Western Center on Law & Poverty along with co-counsel from Arnold & Porter represented the Plaintiffs in the litigation referenced in this alert. Public Counsel and Western Center on Law & Poverty have been part of the campaign to legalize and decriminalize street vending and have provided technical assistance to community based organizations and local elected officials on street vending regulations across the state. For more information on this alert, please contact Ritu Mahajan at [rmahajan@publiccounsel.org](mailto:rmahajan@publiccounsel.org).