



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2018-01155

August 28, 2018

Consent Item 08

Title: (Pass for Publication) Ordinance Amending Various Sections of Chapter 5.68 of the City Code, Relating to Food Vending Vehicles

Location: Citywide

Recommendation: 1) Review an Ordinance amending various sections of Chapter 5.68 of the Sacramento City Code, relating to Food Vending Vehicles to include trailers and bicycles; and 2) pass for publication the Ordinance title as required by Sacramento City Charter § 32 (c), with the Ordinance to be considered for adoption on September 13, 2018.

Contact: Tessa St. John, Program Manager, (916) 808-4847; Brad Wasson, Revenue Manager, (916) 808-5844, Department of Finance

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Comparable City Regulations
- 3-Ordinance (Redline)
- 4-Ordinance (Clean)

Description/Analysis

Issue Detail: On January 1, 2017, Councilmember Hansen requested the expansion of Chapter 5.68 to allow for a wider variety of food vehicle vendors, including those that operate from trailers. A working group, including staff from the Sacramento County ("County") Environmental Management Division and internal City departments, conducted research and explored options regarding food vending. Staff conducted research on programs in other jurisdictions and outreach efforts, including four informational public meetings, multiple neighborhood association meetings, phone calls, and letters with stakeholders including the California Restaurant Association and SactoMofo. On June 26, 2018, staff presented a proposal to the Law and Legislation (L&L) Committee that included expanding the definition of food vending vehicle to include trailers. The L&L Committee directed staff to proceed to Council with an ordinance amending the City Code to allow trailers and provide for bicycles with operations that are similar to food vending vehicles to be permitted as food vending vehicles.

Business owners currently host food trailers on their properties and entrepreneurs have found a food trailer to be a more economical starting point compared to a truck. Innovative business operators have modified cargo bicycles to vend food using trailers to sell cookies, ice cream, and coffee. Food vending trailers will be held to the same standards as existing food vending vehicles and bicycles with food vending vehicle operations will be held to the same standards to the extent they apply to the nature of a bicycle. All food vending mobile units will be required to obtain a health permit from the County.

Bicycle vendors, operating from areas other than a sidewalk will be required to operate in compliance the City's Food Vending Vehicle regulations, prohibited from vending in a way that obstructs sidewalks or streets or is in violation of Sacramento City Code Chapter 10.36 regulating stopping, standing, and parking, and required to ensure vending is occurring only in a manner to increase customer safety. In addition, bicycles that wish to vend from the sidewalk will be subject to the City's Outdoor Vending regulations under Chapter 5.88. Staff is currently working on a proposal to expand Chapter 5.88 to provide additional opportunities for outdoor vending.

Accordingly, staff recommends that Council pass for publication the proposed Ordinance title in accordance with Section 32(c) of the City Code and forward the Ordinance to the proposed date for consideration of adoption.

Policy Considerations: The City's current food vending vehicle permitting program limits vending solely to trucks (Sacramento City Code Chapter 5.68). However, throughout the community, business owners are vending from a wider variety of mobile units. Staff's analysis

of comparable cities in California identified only two other cities limiting the mobile food definition to trucks (Attachment 2). The City's current food vending vehicle permit program has resulted in over 100 food trucks being permitted with minimal complaints and the same regulations will apply to trailers. The expansion of the program's 'food vending vehicle' definition to include bicycles operating like food vending vehicles makes some pieces of the code inapplicable (e.g., auto insurance, driver's license). The proposed Ordinance includes amendments and new language to address these impacts.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act ("CEQA"): This action is not a "project" subject to the CEQA because it involves administrative matters and will not result in new physical development, direct changes to the physical environment, and any reasonably foreseeable indirect physical change in the environment (CEQA Guidelines section 15378(b)(5)).

Sustainability: Not applicable.

Commission/Committee Action: On June 26, 2018, the L&L Committee voted to amend Chapter 5.68 to add the regulation of trailers and bicycles as food vending vehicles and forwarded the proposed Ordinance to Council for consideration.

Rationale for Recommendation: Food vending vehicles are vibrant additions to the community, providing innovative, economical business opportunities and expanded options for consumers. Food vending vehicles, in a variety of forms, are frequently used at local businesses that do not have food service and can result in increased pedestrian activity and spillover economic benefits to surrounding businesses. Permitting additional types of food vending mobile units will increase these benefits, while protecting the health and safety of the Sacramento community and customers by establishing clear requirements and regulations. Currently, food vending trailers and bicycles are not required to be permitted under any other City program, which could lead to public health and safety concerns if left unregulated. Expanding the definition to include trailers will open the door for semi-permanent, community marketplaces built around food trailers, a model that has successfully revived commerce in other cities, for example the Mercado project in Portland, Oregon, and can work as a business incubator for food entrepreneurs. Allowing bicycle vendors bolsters inventive, green small businesses and aligns with the City's goal to be bicycle-friendly.

Financial Considerations: Permit fees will be reassessed for the different food vending vehicle permits and established to ensure that staff time included in the implementation of the program and the enforcement of the code is offset.

Local Business Enterprise (LBE): Not applicable.

Attachment 2 - Comparable City Regulations

City	Trailers permitted?	Bicycle vendors permitted?	Regulations/Notes
Los Angeles	Yes	No.	
San Diego	No trailers allowed.	Yes.	- Food trucks require a permit only for operation on private property - Pushcarts are "moveable, wheeled, non-motorized vehicles used by vendors for the sale of food or beverage products..." - Carts are limited to a fixed location.
San Jose	Yes	Yes	- Regulations are split into "stationary" or "peddler" categories. - Stationary includes any "vending facility" - Peddler includes "mobile unit:...vehicle, truck, trailer, cart, wagon, bicycle, dray, conveyance or structure on wheels not permanently fixed to a permanent foundation"
San Francisco	Yes	Yes	- "Trucks/trailers" are treated by the same regulations
Fresno	Yes	Yes	- Mobile vendor vehicle means "truck, push-cart, bicycle, hand-cart, van, wagon, automobile, car, stand, table, or any other apparatus or device used by mobile vendors to sell their food, drinks or merchandise."
Long Beach	Yes	Yes	- Food vehicles are "any vehicle, including an unhitched trailer..." - Permitted as a peddler, limited areas, residential districts and special events
Sacramento	No	No	- Trailers and bicycles are not permitted; food vending vehicles limited to trucks.
Oakland	Yes	Yes	- "'Pushcart' is a type of non-motorized food vending facility that, because of its small size and operable wheels, can be easily moved by a single person during operation. This definition may also include a food vending facility integrated into, or pulled by a bicycle or tricycle."
Bakersfield	No.	Yes	- A bicycle is permitted as a pushcart

ORDINANCE NO.

Adopted by the Sacramento City Council

[Date Adopted]

AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 5.68 OF THE SACRAMENTO CITY CODE, RELATING TO FOOD VENDING VEHICLES

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 5.68.010 of the Sacramento City Code is amended to read as follows:

5.68.010 Definitions.

As used in this chapter, the following definitions apply:

“Bicycle” has the same meaning as in California Vehicle Code section 231.

“Director” means the city’s director of finance, or designee.

“Drive” means to operate and control the direction and speed of a vehicle.

“Driver permit” means a food vending vehicle driver permit.

“Food vending vehicle” ~~includes means~~ any ~~motor~~ vehicle (e.g., truck or trailer) or bicycle from which a vendor displays, offers for sale, or sells any type of food or beverage ~~is sold or offered for sale~~ directly to any consumer; ~~provided, however, that “food vending vehicle” does not include a vehicle that only delivers food or beverage products ordered by home delivery customers.~~

“Heavy commercial and industrial zoning districts” means C-4, M-1, M-1S, M-2, M-2, MRD, and MIP zoning districts as established pursuant to ~~T~~title 17.

“Operate a food vending vehicle” means to drive, occupy, or otherwise use a food vending vehicle, ~~to sell, offer to sell, or display for sale, any type of food or beverage.~~

“Property permit” means a food vending vehicle property permit.

“Residential zoning districts” means RE, R-1, R-1A, R-1B, R-2, R-2A, R-2B, R-3, R-3A, and RO zoning districts as established pursuant to ~~T~~title 17.

“Trailer” has the same meaning as in California Vehicle Code section 630.

“Vehicle” has the same meaning as in California Vehicle Code section 670.

“Vehicle permit” means a food vending vehicle permit.

“Vehicle permit decal” means a city food vending vehicle permit decal.

“Vendor” means any person who operates a food vending vehicle.

SECTION 2.

Section 5.68.020 is added to the Sacramento City Code to read as follows:

5.68.020 Bicycles operating as food vehicle trucks.

- A. Every person operating a bicycle as a food vending vehicle is subject to the provisions of this chapter, excepting those provisions which by their very nature can have no application to a bicycle.
- B. No person shall to stop, stand, or park a bicycle, operated as a food vending vehicle, in a manner that is prohibited of a vehicle under chapter 10.36.

SECTION 3.

A. Subsection A of section 5.68.050 of the Sacramento City Code is amended to read as follows:

- A. No person shall operate a food vending vehicle unless the vehicle permit decal, ~~as provided by the director,~~ is displayed on the vehicle window in a manner specified by the director.

B. Except as amended by subsection A above, all provisions of section 5.68.050 remain unchanged and in full effect.

SECTION 4.

Section 5.68.060 of the Sacramento City Code is amended to read as follows:

- A. ~~During the term of a food vending vehicle permit issued pursuant to this chapter, the~~Every permittee ~~or owner(s) of a food vending vehicle authorized by the permit~~ shall, at their own expense, maintain in full force and effect at no cost to the city a commercial comprehensive auto and general liability insurance.

including products and completed operation coverage, during the term of the vehicle permit policy:

1. In an amount not less than one million dollars (~~(\$1,000,000)~~) single limit per occurrence; and
2. Issued by an admitted insurer or insurers as defined by the California Insurance Code; and
3. Providing that the city, its officers, employees, and agents are named as additional insureds under the policy; and
4. Covering all losses and damages as specified in section 5.68.070; and
5. Stipulating that the policy will operate as **the** primary insurance and that no other insurance effected by the city or other named insured will be called on to contribute to a loss covered thereunder; and
6. Providing that no cancellation, change in coverage or expiration by the insurance company or the insured shall occur during the term of the vehicle permit, without thirty (30) days' written notice to the director prior to the effective date of such cancellation or change in coverage.

B. Permittees operating a vehicle, truck, or trailer as a food vending vehicle shall maintain in full force and effect comprehensive auto liability insurance in accordance with subsection A above.

BC. In the event of a cancellation, expiration, or change of insurance coverage resulting in noncompliance with subsection A or B of this section, the permittee shall notify the city of the cancellation, expiration, or change within three business days after its effective date by submitting a written notice to the director. The giving of notice as provided herein shall not stay the automatic suspension of the permit pursuant to section 5.68.220.

D. No person shall operate a food vending vehicle without insurance coverage in effect as required by this section.

SECTION 5.

Section 5.68.380 is added to the Sacramento City Code to read as follows:

5.68.380 Customer queueing.

Permittees shall operate in a manner that does not require or encourage customers to interfere with or obstruct sidewalks or streets.

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“Director” means the city’s director of finance, or designee.

“Drive” means to operate and control the direction and speed of a vehicle.

“Driver permit” means a food vending vehicle driver permit.

“Food vending vehicle” means any vehicle (e.g., truck or trailer) or bicycle from which a vendor displays, offers for sale, or sells food or beverages directly to a consumer.

“Heavy commercial and industrial zoning districts” means C-4, M-1, M-1S, M-2, M-2, MRD, and MIP zoning districts as established pursuant to title 17.

“Operate a food vending vehicle” means to drive, occupy, or otherwise use a food vending vehicle.

“Property permit” means a food vending vehicle property permit issued pursuant to the provisions of this chapter.

“Residential zoning districts” means RE, R-1, R-1A, R-1B, R-2, R-2A, R-2B, R-3, R-3A, and RO zoning districts as established pursuant to title 17.

“Trailer” has the same meaning as in California Vehicle Code section 630.

“Vehicle” has the same meaning as in California Vehicle Code section 670.

“Vehicle permit” means a food vending vehicle permit issued pursuant to the provisions

of this chapter.

“Vehicle permit decal” means a city food vending vehicle permit decal.

“Vendor” means any person who operates a food vending vehicle.

SECTION 2.

Section 5.68.020 is added to the Sacramento City Code to read as follows:

5.68.020 Bicycles operating as food vending vehicles.

- A. Every person operating a bicycle as a food vending vehicle is subject to the provisions of this chapter, excepting those provisions which by their very nature can have no application to a bicycle.
- B. No person shall stop, stand, or park a bicycle operated as a food vending vehicle, in a manner that is prohibited of a vehicle under chapter 10.36.

SECTION 3.

A. Subsection A of section 5.68.050 of the Sacramento City Code is amended to read as follows:

- A. No person shall operate a food vending vehicle unless the vehicle permit decal is displayed in a manner specified by the director.
- B. Except as amended by subsection A above, all provisions of section 5.68.050 remain unchanged and in full effect.

SECTION 4.

Section 5.68.060 of the Sacramento City Code is amended to read as follows:

- A. Every permittee shall, at their own expense, maintain in full force and effect commercial and general liability insurance, including products and completed operation coverage, during the term of the vehicle permit:
 - 1. In an amount not less than \$1,000,000.00 single limit per occurrence;

2. Issued by an admitted insurer or insurers as defined by the California Insurance Code;
 3. Providing that the city, its officers, employees and agents are named as additional insureds under the policy;
 4. Covering all losses and damages as specified in section 5.68.070;
 5. Stipulating that the policy will operate as the primary insurance and that no other insurance effected by the city or other named insured will be called on to contribute to a loss covered thereunder; and
 6. Providing that no cancellation, change in coverage or expiration by the insurance company or the insured shall occur during the term of the vehicle permit, without 30 days' written notice to the director prior to the effective date of such cancellation or change in coverage.
- B. Permittees operating a vehicle, truck, or trailer as a food vending vehicle shall maintain in full force and effect comprehensive auto liability insurance in accordance with subsection A above.
- C. In the event of a cancellation, expiration, or change of insurance coverage resulting in noncompliance with subsection A or B, the permittee shall notify the city of the cancellation, expiration, or change within three business days after its effective date by submitting a written notice to the director. The giving of notice as provided herein shall not stay the automatic suspension of the permit pursuant to section 5.68.220.
- D. No person shall operate a food vending vehicle without insurance coverage in effect as required by this section.

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