CITY COUNCIL AGENDA REPORT

City of Anaheim
CITY MANAGER’S OFFICE

DATE: FEBRUARY 13, 2024
FROM: CITY MANAGER’S OFFICE

SUBJECT: AMENDMENT TO CHAPTER 4.52 (PEDDLERS AND SOLICITORS) OF THE ANAHEIM MUNICIPAL CODE RELATED TO SIDEWALK VENDORS, AND AN UPDATE ON SIDEWALK VENDING ENFORCEMENT

ATTACHMENT (Y/N): YES ITEM # 23

GOVERNMENT CODE § 84308 APPLIES: NO

RECOMMENDATION:

That the City Council:

1. By Motion, determine that the proposed actions are not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the State CEQA Guidelines because they will not result in a direct or reasonably foreseeable indirect physical change in the environment and are not a “project,” as that term is defined in Section 15378 of the State CEQA Guidelines; and

2. By Ordinance, amending Chapter 4.52 (Peddlers and Solicitors) of the Anaheim Municipal Code related to sidewalk vendors.

DISCUSSION:

In 2018, the State of California adopted Senate Bill (SB) 946, also known as the Safe Sidewalk Vending Act, which decriminalized sidewalk vending in California, while allowing cities to adopt laws to protect public health, safety, and welfare. In November 2018, the city adopted a sidewalk vending ordinance in compliance with Senate Bill (SB) 946. The ordinance includes standards regarding the permitted location of street vendors, street vendor conduct, permit and license procedures and requirements, sanitation standards, and required compliance with federal, state, and local laws such as the Americans with Disabilities Act.

Since the adoption of SB 946, there has been a significant increase in unpermitted sidewalk vending in the City. Despite the creation of a low-cost permit ($172 total for business license and vendor permit), only five or so flower vendors have obtained...
permits since 2018. No food vendors have obtained sidewalk vendor permits. This is primarily because food vendors are required to obtain Orange County Health Care Agency approval before obtaining a city-issued sidewalk vendor permit. The majority of food vendors are unable to meet County Health standards. Vendors are also required to obtain a California Seller’s Permit from the California Department of Tax and Fee Administration. Many vendors operate cash-only businesses and do not have a Seller’s Permit, which is required of all businesses in California.

Sidewalk vending in the City occurs primarily in the following forms:

1) Large-scale sidewalk food vendors, often referred to as “taco stands”: These unpermitted vendors typically set up commercial-style cooking operations at major intersections and arterial streets citywide. They operate primarily in evening and nighttime hours multiple nights per week, often at the same location. These vendors typically sell products (tacos, burritos, etc.) that are cooked and prepared on-site for immediate consumption and operate similar to a restaurant. They rely on propane and/or generators for power; may have multiple employees at a given location, and are often part of larger, out-of-town companies that may operate at multiple locations.

2) Food carts at large event centers, often referred to as “hot dog carts”: These unpermitted vendors operate small-scale, mobile, propane-powered food carts, primarily at large sporting and concert events. Also typical are vendors selling drinks, including sometimes alcoholic beverages, from drink coolers at, or near, the premises of the City’s large sporting and concert venues, such as Angels Stadium and Honda Center.

3) Sidewalk food, goods and merchandise vendors in The Anaheim Resort, referred to as “Resort vendors”: These unpermitted vendors sell food, water, and merchandise on arterial streets, such as Harbor Boulevard and Katella Avenue in The Anaheim Resort. These vendors typically operate from small, mobile carts, coolers, or ground displays, and include fruit and snack vendors.

4) Small-scale sidewalk food and merchandise vendors, referred to as “fruit and flower vendors”. These largely unpermitted vendors operate small-scale, roaming carts or stands that sell foods and goods such as fruits, flowers, or ice cream. Locations vary citywide and include major intersections, freeway off-ramps, parks, and within various residential neighborhoods. The majority of these vendors do not have sidewalk vending permits.

5) Small goods and services providers, referred to as “phone vendors”. These unpermitted vendors typically located on sidewalks near big box retailers and/or major intersections and bus stops who offer Lifeline/government-subsidized phone services and devices. These vendors typically operate during daytime hours and are characterized by small shade structures and tables for paperwork transactions.

On May 16, 2023, City and Orange County Health Care Agency staff provided a Council presentation on sidewalk food vendors in Anaheim. The presentation provided an overview of state laws, the legal pathway for food vendors, a description of the city’s partnership with the county on enforcement, and the impacts of sidewalk vending on public health, safety and welfare, including:
• Lack of proper food handling/preparation and storage, proper food temperature control, food sourcing, and unsanitary conditions
• Obstruction of public right of ways in violation of the Americans with Disabilities Act;
• Unsafe pedestrian congestion on sidewalks and walkways;
• Accumulation of trash and debris on sidewalks, streets, and gutters and entering storm drains;
• Grease and residue on sidewalks resulting in potential ‘slip and fall’ incidents;
• Disposal of fats, oils, and grease into storm drains;
• Aggressive behavior and resistance to enforcement by vendors and customers.

Enforcement Efforts

Over the past year, the City has taken a number of steps to further address unpermitted sidewalk vending. Code Enforcement has increased pro-active enforcement patrols from approximately two nights per week to an average of six nights per week. Coordinated enforcement patrols with County Health inspectors have increased from approximately two nights per month to twice per week. Code Enforcement has also increased enforcement patrols in The Anaheim Resort and partnered with the City’s sports and concert venues on strategic enforcement initiatives. These efforts resulted in an increase in administrative citations from 141 citations issued in 2022 to 423 citations in 2023. In addition, in partnership with Orange County Health inspectors, staff confiscated the food and/or equipment of 112 vendors in 2022 and 174 vendors in 2023.

Enforcement efforts have primarily focused on large-scale sidewalk food vendors that operate citywide, food carts at large event centers, and sidewalk food, goods, and merchandise vendors in The Anaheim Resort. Enforcement efforts are focused on these types of vendors because of their greater impacts to the public health, safety, and welfare of the community.

In addition to increased code enforcement efforts, staff also conducted educational and informational outreach to vendors regarding pathways to compliance and collaborated with the State Department of Tax & Fee Administration to investigate vendors operating without a required state seller's permit. Staff has also engaged with the Orange County Human Trafficking Taskforce to share stories of potential labor trafficking of vendors, as well as initiated a multi-city collaboration with neighboring cities to develop and share best practices.

Proposed Code Amendment

In response to increased vending activities in the city, staff has been monitoring and researching sidewalk vending ordinances and best practices in jurisdictions throughout the state, including Orange, Fontana, San Diego, Santa Cruz, and County of Los Angeles. The proposed ordinance, as provided in Attachment 1 (Ordinance) to this report, includes the following key components:

• Expand and update operational standards for sidewalk vendors, including:
  ▪ Prohibit use of shade structures that unduly obstruct the right-of-way
  ▪ Prohibit vending to occupants of motorized vehicles in operation
  ▪ Require the maintenance of free movement of pedestrians and vehicles
  ▪ Prohibit signs other than those affixed to a Vending Display Device
  ▪ Require trash receptacles and cleaning of vendor area within 25 feet
  ▪ Require proper disposal of fats, oils, greases
- Prohibit the attachment of vending devices and equipment to, or interference with, any city infrastructure (lampposts, traffic signals, benches, bus shelters, etc.)
- Expand the authority of Code Enforcement Officers (“Community Preservation Officers”) to impound Vendor’s Vending Display Devices, food and equipment, if: 1) abandoned on public property; 2) operated in violation of the municipal code; or, 3) is creating an imminent and substantial safety or environmental hazard.
- Reduce barriers to obtaining a Sidewalk Vendor’s Permit by eliminating requirements in the application process related to applicant background information, such as former residences and places of business, and list of any convictions in the last five years.
- Update “Definitions” for clarity and add a definition for “Vending Display Device”
- Update and clarify terms for improved understanding and internal consistency

Supplemental Code Enforcement Staffing

The Code Enforcement Division has made adjustments to work schedules and reprioritized assignments to respond to the increase in sidewalk vending. However, supplemental resources will likely be necessary to sustain on-going enforcement efforts. For example, enforcement of street vending regulations at the city’s sports venues like Angel Stadium and Honda Center require concentrated, but intermittent enforcement capacity. Staff believes these types of enforcement efforts could be addressed by securing additional contract code enforcement services. Contracted code enforcement officers may also be beneficial to assist with enforcement capabilities at various city events, including parades, festivals, and school graduations.

A Request for Proposals (RFP) for contract code enforcement staff is currently being prepared by staff for future consideration by City Council. Funding for any contract code enforcement services would be considered as part of the upcoming FY2024/2025 budget. Staff will work with the city’s partners at our large sports and entertainment venues regarding the cost associated with supplemental code enforcement services.

The proposed amendments to the Anaheim Municipal Code are just one of many steps in the city's on-going efforts to address health and safety concerns linked to sidewalk vending. The city is also actively engaged in efforts intended to assist sidewalk vendors in their entrepreneurial endeavors by helping them acquire necessary permits and licenses. As part of these efforts, a dedicated webpage on sidewalk vending has been developed to enhance the city website navigation, making the permitting process clearer and more accessible. This webpage also serves to raise awareness about the city's support for businesses, including sidewalk vendors, showcasing programs like Emprendedor@s and the Business Assistance Program (“BAP”), which provides valuable assistance and guidance to entrepreneurial businesses.

**IMPACT ON BUDGET:**

Funding for existing enforcement efforts and the processing of this code amendment are included in the FY 2023/24 General Fund Budget. Funding for future supplemental Code Enforcement staffing will be considered as part of the FY 2024/25 budget.
Respectfully submitted,

Ted White  
Deputy City Manager/Director of Planning & Building

**Attachments:**  
1. Ordinance  
2. Redline Ordinance