



# City of Huntington Beach

**File #:** 19-411

**MEETING DATE:** 4/15/2019

## REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Fred A. Wilson, City Manager

**PREPARED BY:** Gilbert Garcia, Chief Financial Officer

**Subject:**

**Adopt Resolution No. 2019-18, "A Resolution Of The City Council Of The City Of Huntington Beach Establishing A Fee For A Sidewalk Vendor Permit By Amending Resolution Nos. 2016-59, As Amended By Resolution Nos. 2017-46, 2018-01, 2018-29, 2018-48, 2018-55, And 2019-07, Which Established A Consolidated Comprehensive Citywide Master Fee And Charges Schedule (Supplemental Fee Resolution No. 9)"**

**Statement of Issue:**

The City Council previously adopted Emergency Ordinance No. 4177, effective through May 23, 2019, to regulate Sidewalk Vending. The Emergency Ordinance followed the enactment of Senate Bill ("SB") 946, adding Government Code Sections 51036-51039, which impose limits on how local authorities regulate sidewalk vending. SB 946 took effect on January 1, 2019.

The purpose of Resolution No. 2019-18 is to establish a new Sidewalk Vending Permit Fee to administer the Sidewalk Vending and Regulatory Program pursuant to the Sidewalk Vending Ordinance.

**Financial Impact:**

The City will receive additional revenue from sidewalk vending business license and permit fees as a result of the adoption of a new Sidewalk Vending Permit Fee. Although unknown at this time, the revenue received by the City each year will depend on the volume of applications.

**Recommended Action:**

**Adopt Resolution No. 2019-18, "A Resolution Of The City Council Of The City Of Huntington Beach Establishing A Fee For A Sidewalk Vendor Permit By Amending Resolution Nos. 2016-59, As Amended By Resolution Nos. 2017-46, 2018-01, 2018-29, 2018-48, 2018-55, And 2019-07, Which Established A Consolidated Comprehensive Citywide Master Fee And Charges Schedule (Supplemental Fee Resolution No. 9)."**

**Alternative Action(s):**

Do not approve and direct staff accordingly.

**Analysis:**

On January 22, 2019, the City Council adopted Emergency Ordinance No. 4177, effective through May 23, 2019, to regulate Sidewalk Vending. Ordinance No. 4179 proposes to readopt permanently into the Municipal Code the Temporary Regulations previously enacted, and is scheduled to be considered for adoption on April 1, 2019. Pursuant to the Sidewalk Vending Ordinance, staff recommends the establishment of a Sidewalk Vending Permit Fee to recover the costs associated with permitting sidewalk vending businesses. The recommended Sidewalk Vending Permit Fee covers the costs of reviewing, processing and issuing documents related to the Sidewalk Vending Permit. This process includes, but is not limited to, the following steps:

- Verifying that the vendor has obtained a business license and has provided proof of a valid seller's permit with a listed address of Huntington Beach or Sunset Beach
- Reviewing documents related to proof of liability insurance that meets the City's minimum requirements
- Reviewing documents to ensure that food vendors have obtained all applicable State and County permits
- Completing a background check for each person who will be conducting sidewalk vending activities
- Issuing applicable permit documents

Based on a formal fee study that was completed in conformance with Proposition 26, staff estimates that the cost to issue a typical permit is \$268. This cost includes staff time from Finance, Police and Human Resources/Risk Management. The table below provides a breakdown of the costs:

Department/Division	Fully Burdened Hourly Rate	Hours	Cost
Finance	\$131	1.40	\$183
Police, Non-Sworn	\$103	0.50	52
Risk Management	\$131	0.25	33
<b>Total</b>			<b>\$268</b>

Below is a comparison of sidewalk vending fees in comparable cities:

City	Fee
City of Newport Beach	\$155
City of Manhattan Beach	\$195
City of Santa Ana	\$225
City of Garden Grove	\$150-\$175
City of Beverly Hills	\$322

Staff recommends that City Council approve the establishment of a Sidewalk Vending Permit Fee, in the amount of \$268, which represents 100% cost recovery to process and issue the permit.

**Environmental Status:**

Not applicable

**Strategic Plan Goal:**

Improve quality of life

Strengthen long-term financial and economic sustainability

Enhance and maintain City service delivery

**Attachment(s):**

1. Resolution No. 2019-18 “A Resolution of the City Council of the City of Huntington Beach creating a new Sidewalk Vending Permit Fee to administer the Sidewalk Vending and Regulatory Program, and incorporating the new fee into the Consolidated Comprehensive Citywide Master Fee and Charges Schedule as established by Resolution No. 2016-59, and amended by Resolution Nos. 2017-46, 2018-01, 2018-29, 2018-48, 2018-55, and 2019-07.”