



# Contracts with Cart Manufacturers and Sidewalk to Success Update

**June 11, 2024**

# Sidewalk Vending Ordinance Background

- In 2018, the State of California passed **Senate Bill 946 (SB 946) "The Safe Sidewalk Vending Act"**, which took effect on January 1, 2019.
- SB 946's intent was to decriminalize sidewalk vending and it established parameters for the local regulation of sidewalk vendors.
- On January 23, 2024, **City Council approved a new sidewalk vending ordinance**, which went into effect on February 26, 2024.
- The ordinance was designed after extensive research and community feedback to create a clear path for sidewalk vendors, while protecting public health, safety, and ADA access.



# Focus on Education



- The focus during these first several months after the ordinance went into effect has been on **educating vendors** on the updated requirements and operational rules.
- **An educational campaign was launched** to be in effect for several months before enforcement of the ordinance rules take place per Council's direction to reduce barriers of entry.
- Enforcement is anticipated to begin in summer and the City **will continue to take an education-first approach** whenever possible.
- **Existing State Health and Safety Codes** have continued to be enforced to protect health of community.

# Outreach and Engagement Updates

- **10 in-person educational sessions:** occurred every Thursday from April 18 to May 16, with two sessions each day.
  - Afternoon: 1:00 pm – 2:00 pm & Evening: 6:30 pm – 7:30 pm
  - 85 attendees
- **6 virtual education sessions:** occurred bi-weekly, starting in March.
  - Afternoon: 1:00 pm – 2:00 pm
  - 115 attendees with over 75 questions answered
- **60** participants attended **2 educational workshops:** DTLBA & Centro Cha.
- 81 vendors have been engaged **in the field at their operational site.**
- **63 business license applications** received: 18 merchandise & 45 food.
- 5 Business Licenses with Sidewalk Vending Permits **issued.**
- Vendors have been receptive to the educational outreach and information provided.
- Vendors have noted challenges with procuring/managing carts as well as completing insurance requirements

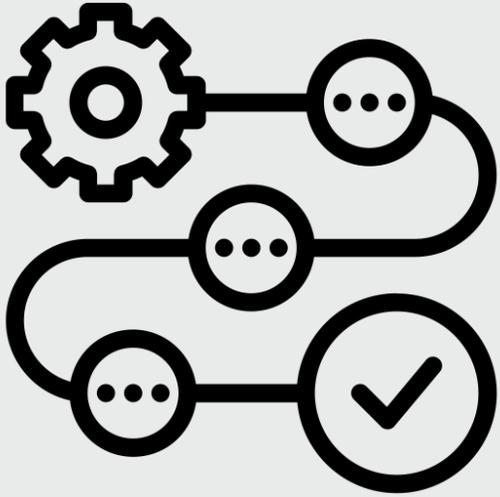


# Sidewalk to Success Program

- On February 26, the City launched its "**Sidewalk to Success**" **Program** to help ease the financial burden for small businesses in the 1st year of the Sidewalk Vending Ordinance.
- **The first phase:** Covers the cost of the required business license and health permit fees and provides reimbursements for insurance costs in the first year.
- **The second phase:** Provides up to 40 free food vending carts to eligible participants. The actual type and number of carts distributed will depend on demand, program participation, and funding.



# Why a Cart Phase of the Sidewalk to Success Program?



- Health Department has conducted substantial research to understand the landscape of the industry.
- Staff have learned that meeting the requirements of the California Health and Safety Code related to carts have been a major hurdle for local food vendors.
- Food vendors spend significant time and money to gain health approvals for carts to pass a plan check.
- The 2nd Phase of the Sidewalk to Success Program looks to capitalize on pre-approved carts and reduce this barrier to entry.

# Cart Requirements from State (Prepackaged Foods)

Requirements	Less than 25 sq/ft of prepackaged food/drinks or whole produce	Greater than 25 sq/ft of prepackaged non-potentially hazardous food/drinks or whole produce	Prepackaged potentially hazardous food
Health Permit	No *	Yes	Yes
Plan Check	No	Yes	Yes
Hand Sink	No	No	No
Mechanical Refrigeration	No	No	Yes **
MEHKO Allowed as Commissary ***	N/A	N/A	N/A
CFO B Allowed as a Commissary ****	N/A	Yes	No
Approved CMFO storage locations other than permitted commissaries	N/A	Yes	Yes

\* If no plan check/health permit is required, please check with your local city jurisdiction to determine if other permits are required.

\*\* Mechanical refrigeration not required if handling only prepackaged ready-to-eat foods (such as ice cream),

\*\*\* Check with local city jurisdiction to determine Micro Home Enterprise Kitchens are currently permitted.

\*\*\*\* Cottage Food Operation only permitted to be used as commissary for prepackaged, non-potentially hazardous food.

# Cart Requirements from State (Unpackaged Foods)

Requirements	Not handling raw meats, raw poultry, or raw fish	Handling raw meats, raw poultry, or raw fish
Health Permit	Yes	Yes
Plan Check	Yes	Yes
Hand Sink	Yes	Yes
Warewashing Sink	No	Yes
Water Heater	No	Yes
Mechanical Refrigeration for Potentially Hazardous Foods	Yes	Yes
Commissary Required	Yes	Yes

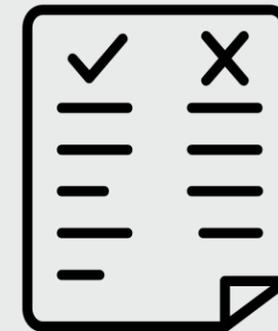
# Limited Food Preparation – Dos and Don'ts

## Dos

- Heating, frying, baking, roasting, popping, shaving of ice, blending, steaming, or boiling of hot dogs, or assembly of non-prepackaged foods.
- Dispensing and portioning of non-potentially hazardous food or dispensing and portioning for immediate service to a customer of food that has been temperature controlled until immediately prior to portioning or dispensing.
- Holding, portioning, and dispensing of any foods that are prepared for satellite food service by the onsite permanent food facility or prepackaged by another approved source.
- Holding, portioning and dispensing of any foods that are prepared by a catering operation.
- Slicing and chopping of non-potentially hazardous food or produce that has been washed at an approved facility or slicing and chopping of food on a heated cooking surface during the cooking process.
- Cooking and seasoning to order.
- Juicing or preparing beverages that are for immediate service, in response to an individual consumer order, that do not contain frozen milk products
- Hot and cold holding of food that has been prepared at an approved permanent food facility
- Reheating of food that has been previously prepared at an approved permanent food facility and held at temperatures required by this chapter.

## Don'ts

- Slicing and chopping of potentially hazardous food, other than produce, unless it is on the heated cooking surface.
- Thawing
- Cooling of cooked, potentially hazardous food
- Grinding raw ingredients or potentially hazardous food
- Washing of foods
- Cooking of potentially hazardous foods for later use.
- Handling, manufacturing, freezing, processing, or packaging of milk, milk products, or products resembling milk products under Division 15 of the Food and Ag. Code.



# Cart Manufacturers Landscape

- Staff research into cart manufacturers found that **industry is young with limited options** for procuring ready-made compact mobile food vending equipment that meet the requirements of the California Health and Safety Code.
- There is often an **extended lead time for cart manufacturers to produce a cart**, ranging from 1-2 months or longer.
- Available **inventory for ready-made carts is limited** with other health jurisdictions planning to purchase pre-approved carts.
- Such **marketplace competition** may reduce the already small pool of available carts or lengthen the time it takes to order/receive carts.
- Fortunately, all jurisdictions in California are held to the same requirements of the Health Code, which means **any cart that has been pre-approved by another jurisdiction can pass Long Beach's requirements as well.**
- The City does not develop cart specifications and is looking for a manufacturer to produce pre-approved carts.



# Contract with Cart Manufacturers to Support this 2nd Phase

- Public Request for Information (RFI) confirmed staff's research regarding the limited availability of manufacturers with pre-approved carts.
- **Authorization is requested to enter into contract with Central Commissary Inc. and Revolution Carts** for furnishing and delivering specific compact mobile food carts – the only two that could deliver carts that have been previously approved by a health jurisdiction as meeting the Health and Safety Code.

Cart Type*	Vendor	Price/Cart
Fruit - w/cooler	Central Commissary	\$ 12,679
Grill - No raw meat	Central Commissary	\$ 16,538
Tamale	Revolution Carts	\$ 9,769

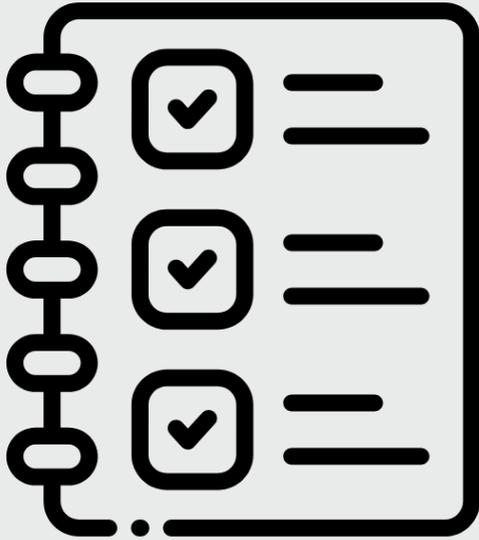
\*In addition to these carts included in the contract, the City could also procure prepackaged ice cream carts under administrative authority, estimated at \$3,771/cart

# Overview of 2nd Phase - Carts

- 2nd Phase (Carts) expected to launch Summer 2024 with additional information to be made available once final details are established.
- With today's contract approval, available carts in the program will be Fruit (with cooler), Grilled Foods (no raw meats), Tamales, and Ice Cream Carts.
- Applicants must meet all core eligibility requirements before receiving a cart, including must be located/operating within the boundaries of Long Beach, and must be a small/micro business with no more than one cart operation.
- Applicants will be divided into two tiers once the program launches: Tier 1 for applicants located in CDBG area and Tier 2 for applicants in Long Beach. The program will be open first to Tier 1 applicants for 3 months before expanding to Tier 2.
- Program will be based on first-come, first-serve, and while funding and supplies last.



# Approach for Cart Procurement



- Applicants must be nearly complete in the health permit application process and other requirements (business license, insurance coverage) to be eligible for a cart.
- Once at this stage, the City will order carts that have been pre-approved by a Health jurisdiction.
- This method results in longer wait-times to receive carts compared to an approach where carts are pre-purchased and stored in advance. However, it reduces risk of procuring carts for vendors who may not complete the necessary steps or procuring cart types that vendors do not want.
- Some risk remains that an applicant may not complete the required documents to be fully permitted after a cart has been ordered, but this approach works to minimize that risk, and the cart could be made available to another applicant.

# Funding for Sidewalk to Success – Long Beach Recovery Act



- **Initial funding of \$247,042 was allocated** to support waivers for fees and the purchase Health-approved food carts.
  - Noted in Nov. 3, 2023, Memo on the potential Sidewalk Vending Ordinance; the Ordinance hearings on Nov 14, 2023 and Jan. 16, 2024; and in the Budget Adjustment Letter on Dec. 19, 2023 (\$174K for fees and other support, \$73,042 for carts).
  - The funding was designated to come from LBRA program "Immigrant Support Services and Street Vendor Support" later renamed to "Sidewalk to Success (Street Vendor Support)."
- **Additional funding of \$475,000** added to the cart program as reported in March 15, 2024, Memo on Long Beach Recovery Act Program Changes.
- **In total - \$722,042 has been allocated to Sidewalk to Success** through the Long Beach Recovery Act:
  - \$174,000 to cover costs of fees, insurance, and Business Navigator support
  - \$548,042 for Health approved food carts

# Larger Long Beach Recovery Act Support for Businesses

- Funds for Sidewalk to Success are part of a larger effort the City has engaged in over the past few years to support businesses and economic recovery.
- **\$6.2 million in CARES Act funding has supported 719 businesses**, including funding to Business Improvement Districts (BIDs) to strengthen small businesses and attract customers, outdoor dining grants, and business support.
- **Over \$19.7 million of Long Beach Recovery Act Funds have been allocated to economic recovery programming**, including:
  - Approximately \$12 million in direct business grants
  - \$450,000 for customer activation programs such as ShopLB
  - \$600,000 for inclusive business support
  - An additional \$1.2 million to support Business Improvement Districts



# Next Steps



- Staff will finalize the details of the 2nd phase (carts) of the Sidewalk to Success Program.
- Program anticipated to launch Summer of 2024.
- Staff will continue to engage with vendors and businesses for education around the Sidewalk Vending Ordinance.
- Enforcement of the ordinance is anticipated to start in summer.
- Staff will return to Council with an update on the Sidewalk Vending Ordinance implementation and Sidewalk to Success Program in the fall.

A nighttime photograph of a city skyline reflected in water. The buildings are illuminated with warm yellow and white lights, and palm trees are visible in the foreground. The water is dark, creating a clear reflection of the city lights.

**Thank you!**

**Grace H. Yoon, Deputy City Manager**

**Judeth Luong, Manager of Environmental Health**

**Tara Mortensen, Manager of Business Relations**