TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: DIRECTOR OF PUBLIC WORKS
DATE: MAY 21, 2019
SUBJECT: SECOND READING OF ORDINANCE NO. O-2019-03 APPROVING THE REVISED ORANGE COUNTY TAXI ADMINISTRATION PROGRAM ("OCTAP") REGULATIONS AND AMENDING CHAPTER 6.68 OF TITLE 6 OF THE PLACENTIA MUNICIPAL CODE RELATING TO THE REGULATION OF TAXICABS

FISCAL IMPACT: There is no direct fiscal impact to the City’s budget associated with the recommended actions.

SUMMARY:

On May 7, 2019, the City Council unanimously approved the first reading of Ordinance O-2019-03 approving the revised Orange County Taxi Administration Program ("OCTAP") by amending Chapter 6.68 of Title 6 of the Placentia Municipal Code. The recommended actions will approve the second reading and adoption of Ordinance No. O-2019-03 which will take effect 30 days after adoption. In addition, Resolution No. R-2019-XX is presented for Council consideration to incorporate the fines outlined in the new ordinance into the City’s existing fee schedule.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Waive full reading, by title only, and adopt Ordinance No. O-2019-03, An Ordinance of the City Council of the City of Placentia, California, amending Chapter 6.68 of Title 6 of the Placentia Municipal Code relating to the regulation of taxicabs; and

2. Approve Resolution No. R-2019-XX, A Resolution of the City Council of the City of Placentia, California adopting into the existing City fee schedule the revised Orange County Taxi Administration Program ("OCTAP") Administrative Action and Fines Schedule outlined in the revised OCTAP Regulations.
DISCUSSION:

The Orange County Transportation Authority ("OCTA") has administered the OCTAP on behalf of Orange County Cities and the County of Orange since 1998. At that time, OCTAP was created to consolidate the licensing, application, and administrative functions to assist the cities and the County ("member agencies") in meeting the requirements set forth in Government Code Section 53075.5 and Vehicle Code 21100, et seq. The OCTAP Regulations define "taxicab" as excluding vehicles operating as Charter Party Carriers licensed as such by any State agency, including the California Public Utilities Commission ("CPUC"), or any other vehicle operating under the authority of any state agency, including the CPUC. Transportation network companies such as Uber and Lyft operate under the authority of the CPUC and are therefore expressly excluded from the definition of taxicab.

In October 2017, then Governor Brown signed into law new taxi regulations (AB 1069). This new law changed the way taxis were regulated and OCTAP could no longer operate as it once did. In October 2018, the OCTA Board of Directors directed Staff to establish a cooperative agreement with Orange County Cities and the County for the administration of OCTAP from January 1, 2019 through December 31, 2020. On December 3, 2018, the City Administrator approved a Cooperative Agreement with OCTA and the other cities for this program as it was within his administrative approval limit.

Since its inception, OCTAP was designed to be funded entirely through permit and license fees collected from taxi operators and drivers. With the arrival of transportation network companies ("TNC"), such as Uber and Lyft, the marketplace had greatly reduced revenues and thereby created a financially unsustainable condition for OCTAP as currently funded. Following discussion with the Orange County City Manager's Association ("OCCMA"), it was determined that contributions from member agencies would be required for OCTA to continue to administer OCTAP. Due to the continued decline of taxicab permits, the permit fees alone are not enough to sustain the program and therefore external contributions from member agencies were agreed upon using a population-based cost sharing model.

A new OCTAP structure was established, which included the formation of a Steering Committee to develop new taxicab regulations to help level the playing field between TNC service providers and traditional taxis. The OCTAP regulations are intended to define minimum taxicab company, taxicab vehicle, and taxicab driver permitting requirements, establish minimum safety standards for the operation of a taxicab, and consolidate the permitting of taxicab transportation service for the agencies. The OCTAP regulations are then enforced through adoption into each agency's municipal code through a model ordinance so the regulations are uniform throughout the County. Each agency is responsible for enforcing the OCTAP regulations, prosecuting violators, and notifying OCTAP of such occurrences. All policies, procedures, rules and regulations pertaining to taxicab companies, drivers, and vehicles not specifically provided for in the OCTAP regulations remain within the authority and jurisdiction of each agency. At the time of this writing, there are no known taxicab companies operating within the City of Placentia that would require this regulatory oversight.
At its February 5, 2019 meeting, the OCTAP Steering Committee approved new bylaws; adopted new and reduced taxi regulations, a fine schedule, and metered rates; and considered OCTAP permit fees for OCTA Board consideration. The committee unanimously approved all items, including recommending the proposed permit fees to the OCTA Board.

On May 7, 2019, the City Council unanimously approved Ordinance No. O-2019-03 adopting the new OCTAP regulations. This item is presented to the City Council for the second reading and the ordinance will take effect 30 days after adoption. In addition, Resolution No. R-2019-XX is presented to the City Council for its consideration to adopt the administrative action and fines schedule outlined in the revised OCTAP regulations into the City’s existing fee schedule.

Prepared by:

[Signature]

Luis Estevez
Director of Public Works

Reviewed and approved:

[Signature]

Damien R. Arrula
City Administrator

Attachments:
1. Ordinance O-2019-03, Relating to the Regulation of Taxi Cabs