



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Health
Department No.: 041
For Agenda Of: May 14, 2024
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: 4/5ths

TO: Board of Supervisors
FROM: Department Mouhanad Hammami, Director,
Director(s) Public Health Department (805) 681-5102
Contact Info: Lars Seifert, Division Chief (805) 681-4934
SUBJECT: **Assembly Bill 178 Local Government Microenterprise Home Kitchen Operation Grant Funding Allocation**

County Counsel Concurrence

As to form: Yes

Other Concurrence: CEO Budget

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Director of Public Health, or designee, to make certifications and to accept a grant funding allocation award of \$44,548.47 in Assembly Bill (AB) 178 Local Government Microenterprise Home Kitchen Operation Assistance Program funding through the California Conference of Directors of Environmental Health for the period of June 30, 2024 through May 31, 2025 (Attachment A);
- b) Approve a temporary waiver of Microenterprise Home Kitchen Operation initial plan review fees, application plus hourly fees, for Environmental Justice (EJ) communities within the unincorporated county (as defined in Gov. Code § 65302, subd. (h)(4)(A)) for the period of June 30, 2024 through May 31, 2025;
- c) Approve budget revision BJE 0009655 (Attachment B) in the amount of \$44,549 for the unanticipated revenue from the California Conference of Directors of Environmental Health to be designated for use in FY 2024-2025 for the Microenterprise Home Kitchen Operation program; and
- d) Determine that the recommended actions are not a “Project” with the meaning of the California Environmental Quality Act (“CEQA”) and are exempt per CEQA Guideline section 15378(b)(4), since the recommended actions are the creation of governmental funding mechanisms or other

government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

This item is on the Agenda to request authorization for the Director of Public Health, or designee, to accept an allocation of \$44,548.47 from the California Conference of Directors of Environmental Health, a 501(c)(3) non-profit organization, administering AB 178 Local Government Microenterprise Home Kitchen Operation (MEHKO) Assistance Program funds on behalf of the California Workforce Development Board to qualifying local environmental health agencies. The funding will be used for direct staffing support to implement Santa Barbara County's MEHKO program established by your Board on May 11, 2021, including program resource development, public outreach, and local enforcement on unpermitted food sales to ensure fair business practices exist in Santa Barbara County for brick-and-mortar restaurants and mobile food trucks. A portion of the funding will also be used for a temporary waiver of plan review fees from June 30, 2024 through May 31, 2025 in Environmental Justice (EJ) communities within the unincorporated county to facilitate the start-up of home kitchen operations in areas with limited local food options.

Background:

The Budget Act of 2022 (AB 178) for State in Fiscal Year 2022-23 included eight million dollars to establish and administer a Microenterprise Home Kitchen Operation (MEHKO) grant program. The grant program reserves three million dollars to assist local health departments and city code enforcement agencies recover costs associated with the development of permitting processes and enforcement activities. The remaining funds are to be dispersed through competitive grants for non-profit organizations to perform community outreach about MEHKO opportunities and to provide direct financial support for home cooks to comply with food safety requirements.

The local government MEHKO grant program is being administered by the California Conference of Directors of Environmental Health, a 501(c)(3) non-profit organization, administering the funds on behalf of the California Workforce Development Board to qualifying local environmental health agencies. Santa Barbara County has been awarded a grant funding allocation of \$44,548.47 based on the County having a program established by your Board on May 11, 2021, and based on the number of permitted retail food facilities and MEHKO operations in the county. As of December 2023, a total of 24 MEHKO operations have been permitted in Santa Barbara County, providing individuals an opportunity to establish a limited food business within a private home kitchen.

Approval of the recommended actions would provide Santa Barbara County the opportunity to use the one-time grant funding allocation in FY 2024-25 to support the local MEHKO program in the following two significant ways:

1. The allocation will provide a one-time salary offset for approximately 0.25 FTE of a budgeted 1.0 FTE Environmental Health Specialist position in FY 2024-25 for local enforcement on unpermitted food sales to ensure fair business practices exist in Santa Barbara County for brick-and-mortar restaurants and mobile food trucks; and
2. The establishment of a one-time fee waiver for initial plan review fees in Environmental Justice communities within the unincorporated county (as defined in Gov. Code § 65302, subd. (h)(4)(A)), which includes Casmalia, Cuyama, New Cuyama, Ventucopa, Garey, Sisquoc, Los Alamos, and

Isla Vista. A waiver of initial plan review fees (i.e. \$255 plus hourly charges of \$161/hour) between June 30, 2024 and May 31, 2025 is intended to facilitate the start-up of home kitchen operations in unincorporated areas with limited local food options.

Once the MEHKO grant funding allocation is expended and/or the grant term has expired, the Public Health Department will return to your Board to consider any extension of these activities.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other: CCDEH			\$ 44,548.47
Total	\$ -	\$ -	\$ 44,548.47

Approving and authorizing the acceptance of this grant funding will allow the Department to receive the \$44,548.47 grant advance and designate it for use in FY 2024-25 for the MEHKO permitting and inspection program. It is estimated that \$10,000 would be used for waiving the initial plan and hourly fees in the Environmental Justice communities within the unincorporated county. The remaining estimated portion of \$34,548 would be used for salary offset for directed outreach to unpermitted food operators. Since this grant is not in the FY 2024-2025 Recommended Budget, a Budget Revision will be prepared after the fiscal year begins and submitted to the Board for approval.

Special Instructions:

Please execute one (1) Minute Order for pick up by the department. Please email the PHD Contracts Unit at PHDGROUPContractsUnit@sbcphd.org when available for pick up.

Attachments:

- A. MEHKO AB 178 Grant Award Agreement
- B. Budget Journal Entry – BJE (#0009655)

Authored by:

Lars Seifert, Environmental Health Services Director