



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:** Set hearing on 2/19/13  
for 3/12/13  
**Placement:** Admin on 2/19/13  
Dept on 3/12/13  
**Estimated Tme:** 15 minutes on 3/12/13  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Takashi M. Wada, MD MPH, Director and Health Officer  
Director Public Health Department  
Contact Info: Lawrence Fay, Jr., Environmental Health Director (346-8463)  
**SUBJECT:** Resolution to Amend Environmental Health Services Fee Schedule to include a Cottage Food Operations Fee

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** N/A

**Recommended Actions:**

That the Board of Supervisors:

- A. Set a public hearing for March 12, 2013 to consider recommendations regarding an Environmental Health Services fee resolution.
- B. Adopt a Resolution at the public hearing on March 12, 2013 to amend fees for Environmental Health Services pursuant to the California Retail Food Code, Health & Safety Code §113700, et seq.
- C. Pursuant to California Environmental Quality Act (CEQA) guidelines, approve the Notice of Exemption from the California Environmental Quality Act of 1970 (CEQA) for the fee resolutions.

**Summary Text:**

This item is on the agenda to request a hearing to consider revisions to Food Facility Fee resolution for services provided by the Public Health Department's (PHD) Environmental Health Services (EHS).

In September 2012, the Governor signed in to law the California Homemade Food Act (AB1616) that establishes a new category of food operation called *Cottage Food Operations*. Cottage Food Operations allow for the preparation and sale of certain non-potentially hazardous, low risk foods from a home kitchen. Regulatory oversight of Cottage Food Operations is greatly simplified compared to most regular

food facilities, however, there are some costs associated with the minimum oversight prescribed in the act for which fees need to be established.

**Background:**

The Food Facility Fee Resolution in Santa Barbara County was last revised in 2009. In 2012, the California Legislature amended the Health and Safety Code to include the California Homemade Food Act which provides statewide standards for the new category of food operation called Cottage Food Operations. This act is intended to foster the creation of small business by allowing the production of certain low risk, non-potentially hazardous foods in a home kitchen.

There are two types of Cottage Food Operations: Class A and Class B. Class A operations are limited to direct sales only, while Class B operations may offer direct sales and/or indirect sales (sales through a third party). Basic standards for Class A and Class B operations are the same with these exceptions:

- Class A operations are not required to obtain a permit. They are required to submit a self-certification checklist and register with the local enforcement agency, complete a food processor course instructed by the California Public Health Department within three months of registering. Class A operations are not subject to initial or routine inspection.<sup>1</sup>
- Class B operations are required to obtain a permit from the local enforcement agency in addition to meeting the requirements of a Class A operation. Class B operations are subject to an initial inspection (required before the permit may be issued) and no more than one inspection per year thereafter.

Because oversight of Cottage Food Operations is a new requirement for PHD, there is no direct experience and data is limited with which to establish fees; however, the workload for Class B operations is expected to be similar to that of other low risk food operations in terms of risk and complexity of operation.

The proposed fees for Cottage Food Operations are as follows:

**Class A Annual Registration**

**No Fee\***

*Note: The approved hourly rate will be applied if the department investigates a complaint regarding a Class A Cottage Food Operation and confirms that a violation exists.*

**Class B Annual Permit**

**\$292\*\***

\*Online registration is required in order to minimize staff handling and costs.

\*\*A surcharge fee may be collected if and when the California Public Health Department establishes such surcharge as is authorized by the Homemade Food Act.

Fees as proposed are in line with adopted fees for benchmark counties as illustrated in the following table:

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<sup>1</sup> An inspection of the registered area of the private home may be made only if the department has reason to suspect, based on a consumer complaint, that adulterated or otherwise unsafe food has been produced or there are other code violations.

Benchmark Counties	Class A Registration	Class B Permit	Hourly Rate
Proposed SB County	\$0	\$292	\$136
Sonoma	\$139	\$348	\$139
Monterey	\$65	\$260	\$119
Tulare	\$175	\$291	\$116
Placer	\$80	\$260	\$160
Solano	\$96	\$316	\$128
San Luis Obispo	\$99	\$198	\$99
Marin	\$108	\$276	\$109
Average	\$95	\$280	\$126

Primary outreach to potential Cottage Food Operators, stakeholders and other interested parties has been by means of the Environmental Health Web site where Frequently Asked Questions (FAQs), plain English guidance, forms and application instructions as well as links to the State Health Department Cottage Food information have been posted. This is in addition to responding directly to individual questions. To date there has been no negative feedback.

**Fiscal and Facilities Impacts:**

Adopting an amended Environmental Health Services retail food facility fee resolution will add two categories and one Class B fee. As discussed above, and with the concurrence of the Auditor-Controller, the Class B fee is set to match the existing Low Risk Fixed Fee because of the similarities in terms of scope of operation and risk. This will be revisited once there is sufficient history and experience with these operations on which to assess the adequacy of the fee. At this time, it is unknown how many Cottage Food Operations will register as Class A or seek a Class B permit, and therefore no estimate for revenue increase can be made. There are no one-time costs associated with starting the California Homemade Food Act.

**Staffing Impacts:**

No increase or decrease in staff would result as a result of adopting the proposed resolution.

**Special Instructions:**

- A. That the Clerk of the Board publish notice of this hearing, per the attached Public Notice, in a newspaper of general circulation in Santa Barbara County 10 days prior to the hearing and again 5 days prior to the hearing.
- B. That the Clerk of the Board return one original adopted resolution and one Minute Order to Public Health by emailing PHDcu@sbcphd.org for pick-up.

Subject: Amending Environmental Health Services Fees for Cottage Food Operations

Agenda Date: Set Hearing 2/19/13; Hearing 3/12/13

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**Attachments:**

- Resolution amending fees for Environmental Health Services pursuant to Health & Safety Code §113700, et seq., California Retail Food Code
- Notice of Public Hearing
- CEQA Exemption

**Authored by:**

Larry Fay, Environmental Health Services Director and Stacy Covarrubias, PHD Cost Analyst