



# Board Agenda Item 62

DATE: June 18, 2024

TO: Board of Supervisors

SUBMITTED BY: David Luchini, RN, PHN, Director, Department of Public Health

SUBJECT: Retroactive Intent to Apply and Grant Agreement with the California Conference of Directors of Environmental Health

RECOMMENDED ACTION(S):

- 1. Retroactively approve and authorize the Department of Public Health's previous submittal of a letter of intent to apply to the California Conference of Directors of Environmental Health for Microenterprise Home Kitchen Operations grant funds;**
- 2. Approve and authorize the Chairman to execute an Agreement with the California Conference of Directors of Environmental Health for the Microenterprise Home Kitchen Operations Grant effective June 30, 2024 through May 31, 2025, total not to exceed \$155,452; and**
- 3. Approve and authorize the Director of the Department of Public Health, or designee, to be the signatory on behalf of the Board of Supervisors on associated grant agreement documents, expenditure forms and reports.**

Approval of the first recommended action will authorize the retroactive submission of a letter of intent to apply to the California Conference of Directors of Environmental Health (CCDEH) for grant funds to evaluate the feasibility allowing Microenterprise Home Kitchen Operations (MEHKO) to operate in the County. It should be noted that the Department of Public Health (Department) learned of this grant opportunity on November 29, 2023. To meet the deadline to submit the letter of intent to apply on January 16, 2024, it was submitted on January 16, 2024 contingent upon your Board's approval.

Approval of the second recommended action will allow the County, through its Department of Public Health, to utilize the MEHKO grant funding to fund the resources needed to monitor legislative action, conduct research, and survey other California counties who have authorized MEHKO regarding their policies and procedures.

Approval of the third recommended action will allow the Department of Public Health Director, or designee, to submit required grant items and reports, excluding budget or contract amendments, on behalf of the County. This item is countywide.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. If the Board does not approve the recommended actions, the County will not be able to utilize awarded CCDEH grant funds to assess MEHKO operation in the County.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The grant award will provide \$155,452 from June 30, 2024 through May 31, 2025. The grant is non-competitive, and the County is not required to provide matching funds. Sufficient appropriations and estimated revenues will be included in the Department's Org 5620 FY 2024-25 Recommended Budget.

DISCUSSION:

On September 18, 2018, Governor Jerry Brown signed Assembly Bill (AB) 626, which took effect January 1, 2019. AB 626 amended the California Health and Safety Code to include MEHKOs as a new type of retail food facility that's operated by a resident in their private dwelling where food is stored, handled, prepared, and potentially served to consumers. The bill also established requirements for internet food service intermediary (IFSI) entities, which facilitate the sale of home cooked consumables through an internet or mobile platform. MEHKO operators may use IFSIs to advertise and sell their food. IFSIs are required to obtain a registration from the California Department of Public Health - Food and Drug Branch prior to advertising or promoting MEHKOs on their internet web site or mobile application.

On October 7, 2019, AB 377 introduced minor changes to AB 626 and granted counties full discretion to authorize MEHKOs within their jurisdiction. Since AB 626 was enacted, there have been several minor changes to MEHKO operations ratified through Senate and Assembly Bills.

On November 29, 2023, the Department received notification from CCDEH regarding the grant opportunity. After internal discussions and with the understanding a subsequent grant application would be released, the Department submitted the letter of intent to apply to CCDEH on January 16, 2024.

On February 15, 2024, CCDEH issued a grant notification award and acceptance of agreement. The Department contacted CCDEH requesting written direction around how the grant funds are to be spent and whether accepting the funding requires the County to adopt a MEHKO ordinance. CCDEH provided a more detailed document on March 12, 2024 with allowable and unallowable costs. The grant funding is to be used for direct support in planning for and/or implementing a MEHKO program, including program development, public outreach, staff training, offsetting permit fees and enforcement. This document further clarified counties are not required to adopt a MEHKO ordinance by accepting and expending the grand funds.

If approved by the Board, the grant will be used to fund program activities and staff salaries and benefits for time spent monitoring proposed and approved legislation, conducting research, gathering information from other counties regarding their experience with MEHKO, addressing inquiries from the public, and compiling data. As funding and time permits, the Department will also hold outreach events to educate the public and/or host community roundtables to solicit stakeholder feedback.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Letter of Intent to Apply  
On file with Clerk - Agreement with CCDEH

CAO ANALYST:

Ronald W. Alexander, Jr.