

Racial Equity Analysis for Significant Board Items

Board Item Date: October 22, 2024

Board Item Name: Amendment to the Sonoma County Code to Authorize Microenterprise Home Kitchen Operations (MEHKO)

Racial Equity Tool Overview:

This tool provides guidance for conducting a racial equity analysis of a program, policy, project, budget or other county work. The intent of conducting a racial equity analysis is to:

- proactively seek to eliminate racial inequities and advance equity;
- identify clear goals, objectives, and measurable outcomes;
- engage community in decision-making processes;
- identify who will benefit or be burdened by a given decision;
- develop mechanisms for successful implementation and evaluation of impact

The Racial Equity Toolkit includes a discussion and reflection on the following areas:

I. Proposal: What is your proposal and the desired results/outcomes?

- a. What is the policy, program, practice or budget decision under consideration?

Adopt a resolution reading the title of, waiving further reading of, and introducing for adoption an ordinance amending Chapter 14 of the Sonoma County Code to conditionally authorize Microenterprise Home Kitchen Operations; and further determining that the ordinance amendment is exempt from the California Environmental Quality Act.

- b. What are the desired results and outcomes?

Adoption of a Microenterprise Home Kitchen Operation ordinance and subsequent implementation of the program, which will allow for the home preparation and sales of prepared meal, limited to no more than 30 meals per day, 90 meals per week and \$100,000 in revenue.

- c. What does the proposal have the ability to impact?

The proposal provides opportunities for disadvantaged persons wishing to start up a home-based food business with fewer restrictions and a lower barrier to entry. MEHKOs increase community access to healthy food by offering cultural and regional foods that may not be available locally. Implementation of this program will provide a path forward for many small-scale businesses already operating by lowering the barriers to entering into a home-based food business and increasing food safety practices.

II. Data: What is the data? What does the data tell us?

- a. Will the proposal have impacts in specific geographic areas (neighborhoods, areas, or regions)? What are the racial demographics of those living in the area?

Although, this program would be applicable to all areas within the unincorporated county and cities, many people living in underserved Spanish speaking communities have expressed an interest in this program. Therefore, the benefit to underserved communities may be greater.

- b. What does population level data, including quantitative and qualitative data, tell you about

existing racial inequities? What does it tell you about root causes or factors influencing racial inequities?

The cost of starting up a food business is high and many people wishing to enter this business either simply can't move forward with business plans or find a way to conduct a small-scale business without benefit of permit and licenses.

- c. What performance level data do you have available for your proposal? This should include data associated with existing programs or policies?

Fifteen jurisdictions have opted into the MEHKO program (Riverside, Santa Barbara, San Diego, Solano, San Mateo, San Benito, Santa Clara, Alameda, Amador, Imperial, Sierra, Monterey, Lake, Contra Costa and the City of Berkeley). About 350 – 400 MEHKO permits have been issued and primarily businesses operate as delivery or take out businesses. Across the State, many of the permits issued have been located in underserved communities, serving cultural foods and specialties.

- d. Are there data gaps? What additional data would be helpful in analyzing the proposal? If so, how can you obtain better data?

Economic Development Board and Cook's Alliance may have better data available in relation to demographics. Since the program is offered countywide it is difficult to specify areas where it will take place, but the overall intent of the program is to provide additional business and food resources in underserved communities and also communities where food resources may be limited.

Santa Clara County has a relatively large number of existing MEHKO facilities and is looking into seeing if they can provide some demographic data.

III. Community Engagement: How have communities been engaged? Are there opportunities to expand engagement?

- a. Who are the most affected community members who are concerned with or have experience related to this proposal? How have you involved these community members in the development of this proposal?

The regulations governing this program set a process where if the County is to opt into the program via an ordinance all cities also are included. In 2021, outreach was conducted to all cities and the County received written comments from the following jurisdictions: Town of Windsor, City of Rohnert Park, City of Cotati, City of Sebastopol, City of Santa Rosa and the City of Petaluma. In general, the cities were supportive of the program's goals but positions on whether the County should opt in were mixed. The Board asked to revisit the item at a later date once there was more available information from other local programs.

In early 2024, Sonoma County received \$138,015.04 in Grant Funds for FY 2023/2024 and 2024/2025 to assist with costs associated with development of a MEHKO program, including program development, public outreach, offsetting permit fees, and enforcement. This grant funding does not require the implementation of a program.

Following this grant award, a presentation was provided at the City Manager's meeting and subsequently presentations have been scheduled for individual City Counsel meetings to determine support for the program.

To date, the program has been presented to the City of Cotati and Sonoma and both are supportive of moving ahead with implementation of the program. Additional meetings are scheduled for late August and September.

- b. What has your engagement process told you about the burdens or benefits for different groups?

We are seeing an overall support for the program from the cities with recommendations coming forward about the implementation of the program, enforcement, and outreach.

Support for the Spanish speaking communities has been strong with many entrepreneurs looking to enter into a new food business and seeking a way to start earning early revenues with minimal start up costs.

Sonoma Food Services and Cook's Alliance have reached out to us and are in support of the program. Both organizations offer education about the food industry and have special services such as the Cook's Academy that is an 8-week course about how to start up a MEHKO business that provides \$3,000 start-up funding for entrepreneurs and also college credit.

- c. What has your engagement process told you about the factors that produce or perpetuate racial inequity related to this proposal?

The engagement process has informed the need for bilingual (Spanish speaking) outreach into the community about how to start an entry level food business. Unfortunately, Sonoma County is currently encountering a large amount of unauthorized food vendors setting up in parking lots after hours and on weekends to sell foods. These businesses detract from the established businesses and do not have benefit of any health and safety oversight. This program provides a lower cost solution to move forward with a new food business that benefits the community.

This MEHKO program is designed to provide opportunity for BIPOC and underserved communities. This program ties in with the Latinx Hub, a County sponsored website for Spanish speaking people looking to enter into a food business. This site will guide them through the process and establish available resources and points of contact across the many County and City agencies. Once the Spanish speaking website and resources are created the project will be expanded into English and other languages.

A request for a bilingual Environmental Health Customer Service Liaison will be included into this item, which will facilitate entrepreneurs entering the food industry in Sonoma County who often possess remarkable culinary skills but are unfamiliar with the regulatory landscape governing food businesses. They may arrive at Environmental Health after engaging with other agencies, seeking answers to queries regarding business licenses or while finalizing a building lease, unaware of the essential steps required for compliance and ultimate success. With each food business operation presenting unique requirements, navigating the permitting process can be daunting without expert guidance.

The Customer Service Liaison position will serve as a crucial link between aspiring food business owners and regulatory authorities. Possessing comprehensive knowledge of Sonoma County's regulatory framework, this liaison will act as the initial point of contact for individuals venturing into the food industry. Their responsibilities will encompass clarifying the myriad options and processes associated with initiating a food business, tailored to the specific needs, location, and operation type of each enterprise. This role will entail coordinating with other pertinent agencies such as Permit Sonoma, Auditor Controller, Economic Development Board (EDB), Community

Development, and City departments.

IV. *Analysis and Strategies: What are your strategies for advancing racial equity*

- a. Given what you have learned from research and stakeholder involvement, how will your recommended action increase or decrease racial equity? Who would benefit from or be burdened by your action?

All community members would have the opportunity to benefit from the opportunity of this program, but outreach and community action groups have focused efforts into providing opportunities in communities where the needs are increased and are providing bilingual and multi-agency resources to assist in the permitting process.

- b. What are potential unintended consequences? What are the ways in which your action could be modified to enhance positive impacts or reduce negative impacts?

Good neighbor practices have been a concern with the possibility of increased noise, nuisance, and parking complaints. As part of the implementation, outreach and approval processes, good neighbor practices as well as best management practices will be discussed and provided to anyone interested in starting MEHKO business. Coordinated code enforcement will also be put into practice in the case of noncompliance with education about health and safety and best management practices emphasized prior to enforcement.

- c. Are there complementary strategies that you can implement? What are ways in which existing partnerships could be strengthened to maximize impact in the community? How will you partner with stakeholders for long-term positive change?

The addition of an Environmental Health Customer Service Liaison, the Latinx Hub, Cook's Academy and other opportunities provided through community groups, all structured with a similar goal of serving the community and facilitating the successful implementation of a MEHKO business.

- d. Are the impacts aligned with your community outcomes defined in Step 1?

Yes, the primary focus is to provide opportunity for MEHKOS and define a clear path to permitting and business entrepreneurial success.

V. *Implementation: What is your plan for implementation?*

The Board item is set for a draft ordinance to go before the Board on October 8th. Our goal would be to have the program available by January 1, 2025. Between October and December, the following items will be completed:

- A second reading of the item would also include information about proposed fees and/or the waiving of fees to be approved by the Board.
- Development of an Environmental Health website with resources and contacts
- Development of an FAQ document
- Development of a BMP document
- Development of application, workflows, fees and permitting
- Outreach workshops through our community partners such as EDB, Los Cien, Sonoma Feeding, Cook's Alliance and others.

- Explore outreach opportunities on Spanish speaking radio
- Set up a path to success document that includes the different agency requirements, city business license requirements, good neighbor policies and other practices to ensure the success of new MEHKOs
- Establish communication models with local cities to share information about MEHKOs in the city, menus, plans and requirements.

VI. *Accountability and Communication: How will you ensure accountability, communicate, and evaluate results?*

- a. How will impacts be documented and evaluated? Are you achieving the anticipated outcomes? Are you having an impact in the community?

DHS will partner with EDB to document success stories, collect data and identify needs. Surveys will be conducted about unpermitted vendor complaints to see if having this pathway forward has minimized some of the compliance and related health and safety issues.

An analysis for the fee setting will be conducted and new fees brought forward in FY 24/25 to establish true cost fees and also ask for Board subsidy for these programs.

- b. What are your messages and communication strategies that will help advance racial equity?
- Lower cost to entry, reduced requirements for food safety and opportunities to try out an entrepreneurial food business with a small associated risk.
- c. How will you continue to partner and deepen relationships with communities to make sure your work to advance racial equity is working and sustainable for the long-haul?

DHS and EDB will continue to partner with cities and gather data and provide educational workshops to those looking to enter into the food industry. The new EH Customer Service Liaison position will be responsible for the following activities:

- Develop and implement policies and procedures to address customer service needs.
- Provide front counter assistance to disseminate information and guide individuals through the permitting process.
- Create educational materials focused on food safety and regulatory compliance.
- Cultivate positive relationships with external resources to streamline communication and enhance operational efficiency.
- Interact with clients via phone and email, offering exceptional customer service to resolve queries and navigate permitting obstacles.
- Conduct ongoing customer service training for Environmental Health staff.