

File No. 130244

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee

Date: 05/8/2013

Board of Supervisors Meeting

Date: _____

Cmte Board

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Completed by: Victor Young Date May 3, 2013

Completed by: Victor Young Date _____

1 [Health, Business and Tax Regulations Codes - Regulate and Establish Annual Fee - Cottage
2 Foods Operations]

3 **Ordinance amending the Health Code, by adding Section 452.1, to establish a**
4 **procedure for regulating Cottage Food Operations; amending the Business and Tax**
5 **Regulations Code, by adding Section 249.1A, to establish annual fees for Cottage Food**
6 **Operations; and making environmental findings.**

7 NOTE: Additions are *single-underline italics Times New Roman*;
8 deletions are *strike-through italics Times New Roman*.
9 Board amendment additions are double-underlined;
10 Board amendment deletions are ~~strikethrough normal~~.

11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. The Planning Department has determined that the actions contemplated in
13 this ordinance comply with the California Environmental Quality Act (California Public
14 Resources Code Section 21000 et seq.). Said determination is on file with the Clerk of the
15 Board of Supervisors in File No. 130244 and is incorporated herein by reference.

16 Section 2. The San Francisco Health Code is hereby amended by adding Section
17 452.1, to read as follows:

18 **SEC. 452.1 COTTAGE FOOD OPERATIONS.**

19 (a) Definitions. For purposes of this Section:

20 (1) "Cottage food operation" means:

21 (A) an enterprise in a private home that has not more in gross annual sales as
22 follows:

23 for 2013 - \$35,000 or less;

24 for 2014 - \$45,000 or less;

25 for 2015 - \$50,000 or less.

1 Commencing in 2015, and each subsequent year thereafter, the enterprise shall not have more
2 than fifty thousand dollars (\$50,000) in gross annual sales in the calendar year; and

3 (B) is operated by a cottage food operator, and has not more than one full-time
4 equivalent employee, not including the cottage food operator and immediate family or household
5 members of the cottage food operator; and

6 (C) where food products are prepared or packaged for direct and/or indirect
7 sale to the public.

8 (2) "Cottage food operator" means a person who maintains a cottage food operation in
9 his or her private home. Cottage food operators are categorized as follows:

10 (A) Class A cottage food operators may engage only in direct sales of cottage
11 food products to the consumer. A cottage food operation maintained by this
12 category of cottage food operator is known as a Class A cottage food operation.

13 (B) Class B cottage food operators may engage in direct sales and indirect sales
14 of cottage food products. A cottage food operation maintained by this category
15 of cottage food operator is known as a Class B cottage food operation.

16 (3) "Cottage food product" means foods that are not potentially hazardous as
17 determined by the California Department of Public Health ("CDPH"), as set forth in
18 California Health & Safety Code Section 114365.5.

19 (4) "Direct sale" means a transaction between a cottage food operator and a consumer,
20 where the consumer purchases the cottage food product directly from the cottage food
21 operation. Direct sales include, but are not limited to, transactions at holiday bazaars or
22 other temporary events, such as bake sales or food swaps, transactions at farm stands,
23 certified farmers' markets, or through community-supported agriculture subscriptions, and
24 transactions occurring in person in the cottage food operation.

1 (5) "Indirect sale" means an interaction between a cottage food operation, a third-party
2 retailer, and a consumer, where the consumer purchases cottage food products made by the
3 cottage food operation from a third-party retailer that holds a valid permit issued pursuant
4 to California Health & Safety Code Section 114381. Indirect sales include, but are not
5 limited to, sales made to retail shops or to retail food facilities where food may be
6 immediately consumed on the premises.

7 (6) "Registered or permitted area" means that portion of a private home that contains
8 the private home's kitchen used for the preparation, packaging, storage, or handling of
9 cottage food products and related ingredients or equipment or both, and the attached rooms
10 within the home that are used exclusively for storage of said products, ingredients, and/or
11 equipment.

12 (b) Both Class A and Class B cottage food operators must:

13 (1) Complete a food handling/ processing course; and

14 (2) Prepare only foods approved by the CDPH; and

15 (3) Label cottage food products in accordance with state and federal regulations; and

16 (4) Meet the food preparation and sanitation requirements set forth in California Health
17 & Safety Code Section 114365, et seq., or any successor provisions; and

18 (5) Comply with all applicable zoning requirements; and

19 (6) Obtain all necessary business licenses and permits.

20 (c) A Class A cottage food operation shall register annually with the San Francisco
21 Department of Public Health ("Department"), pay the annual registration fee, and certify,
22 under penalty of perjury, that it complies with state law requirements for the operation of
23 such businesses as set forth in the California Retail Food Code, Health & Safety Code
24 Sections 114365, et seq., or any successor provisions, and regulations promulgated by the
25 CDPH.

1 (d) A Class B cottage food operation shall obtain a permit from the Department, which must
2 be renewed annually, and pay the initial application fee and annual permit fees. For the
3 permit to be issued, the Class B cottage food operator shall certify, under penalty of perjury,
4 that it complies with state law requirements for the operation of such businesses as set forth
5 in the California Retail Food Code, Health & Safety Code Sections 114365, et seq., and
6 regulations promulgated by the CDPH. As a condition of the permit being renewed
7 annually, the Class B cottage food operator shall annually make the same certification,
8 under penalty of perjury.

9 (e) The Department may inspect the registered area of a Class A cottage food operation or
10 the permitted area of a Class B food operation only in response to a consumer complaint, or
11 if the Department reasonably suspects that adulterated or unsafe food has been produced, or
12 reasonably suspects that the cottage food operation has violated California food safety laws.

13 (f) Registration as a Class A cottage food operation, or a permit for operation of a Class B
14 cottage food operation, is valid only for the person, location, type of food sales, and
15 distribution activity specified on the registration or permit for the time period specified, and
16 is not transferable.

17 (g) Registration as a Class A cottage food operation, or a permit for a Class B cottage food
18 operation, may be suspended or revoked for violation of state law. For a prospective
19 suspension or revocation, the Director of the San Francisco Department of Public Health
20 ("Director") shall issue a written notice to the cottage food operator specifying the alleged
21 violation(s) and advising the cottage food operator of a right to a hearing. The cottage food
22 operator shall request a hearing, in writing, within 15 calendar days after receipt of the
23 notice. Failure to request a hearing within 15 calendar days, shall be deemed a waiver of
24 the right to a hearing. The hearing shall be held within 15 calendar days of the request for
25 the hearing.

1 (h) If the Director finds an imminent health hazard, unless the hazard is immediately corrected,
2 the Director may temporarily suspend registration as a Class A cottage food operation, or a permit for
3 a Class B cottage food operation, and order the cottage food operation to immediately close. The
4 Director shall issue a written Notice of Violation setting forth the basis for such action, and provide the
5 permit holder or practitioner with the right to a hearing, as set forth in subsection (g), above.

6 Section 3. The San Francisco Business and Tax Regulations Code is hereby amended
7 by adding Section 249.1A, to read as follows:

8 **SEC. 249.1A Cottage Food Operations Fees.**

9 (a) Class A registration \$100

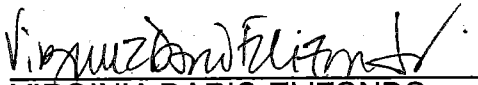
10 (b) Class B

11 (1) Application \$332

12 (2) Annual Permit \$350

13 Section 4. Effective Date. This ordinance shall become effective 30 days from the
14 date of passage.

15
16 APPROVED AS TO FORM:
17 DENNIS J. HERRERA, City Attorney

18 By: 
19 VIRGINIA DARIO ELIZONDO
20 Deputy City Attorney

21 n:\health\as2013\1200380\00832695.doc

LEGISLATIVE DIGEST

[Health, Business and Tax Regulations Code - Cottage Foods]

Ordinance amending the Health Code to establish a procedure for regulating Cottage Food Operations; amending the Business and Tax Regulations Code to establish annual fees for Cottage Food Operations; and making environmental findings.

Existing Law

Existing law exempts private homes from the definition of a food facility, and prohibits food stored or prepared in a private home from being used or offered for sale in a food facility.

Amendments to Current Law

The proposed ordinance updates the San Francisco Health Code to comply with the newly enacted state law cottage food provisions in the California Retail Food Code. The ordinance would regulate a cottage food operation within a private home, by establishing a registration system for Class A operations, and a permit procedure for Class B operations.

Under California Health & Safety Code section 113758, cottage food operations are separated into two classifications: Class A and Class B. Class A operations may engage only in direct sales (a transaction between the cottage food operator and a consumer), while Class B operations may engage in direct and indirect sales (involving a third-party retailer). All cottage food operations must meet specified requirements relating to training, sanitation, preparation, labeling, and permissible types of sales, and would be subject to inspection under certain circumstances.

As required by state law, both Class A and Class B cottage food operators must complete a food handling/processing course, prepare only foods approved by the California Department of Public Health, label cottage food products in accordance with state and federal regulations, meet the food preparation and sanitation requirements set forth in California Health & Safety Code section 114365, *et seq.*, comply with all applicable zoning requirements, and obtain all necessary business licenses and permits.

Additionally, Class A operations shall register annually with the San Francisco Department of Public Health and pay the annual registration fee. Class B operations shall obtain a permit from the San Francisco Department of Public Health, to be renewed annually, and pay the initial application fee and annual permit fees.

All cottage food operations may be suspended or permanently closed for violation of state law.



MEMO

4/26/13

Edwin M. Lee
Mayor
Barbara Garcia MPA
Director of Health
Rajiv Bhatia MD, MPH
Director of Environmental Health

To: Budget and Finance Sub-Committee Committee
From: Cynthia Comerford, Manager of Planning and Fiscal Policy.
Environmental Health, San Francisco Department of Public Health
Re: Cottage Food Operations

The estimated cost for FY13-14 for regulating Cottage Food Operations in San Francisco will be \$26,005. The revenue source to fund this program will come from fees charged to permit and license Cottage Food Operations. The revenue for FY13-14 is estimated to be \$25,860.



Item 1
File 13-0244

Department:
Department of Public Health

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance would add Section 452.1 to the City's Health Code and Section 249.1A to the City's Business and Tax Regulation Code to be consistent with State law and to: (a) allow cottage food operations; (b) designate the Department of Public Health Program on Health, Equity, and Sustainability (DPH) as the permitting and regulatory authority; (c) establish eligibility requirements for cottage food operations; and (d) statutorily set permitting fees.

Key Points

- The Governor signed AB1616, the Cottage Food Operations Act, into law on September 21, 2012. The Cottage Food Operations Act requires local governments to establish programs and fees to regulate cottage food operations effective January 1, 2013.
- Cottage food operations are micro-enterprises that earn less than \$35,000 in revenue in calendar year 2013 and have one or fewer non-familial employees.
- Per the Cottage Food Operations Act, cottage food operations may now sell certain food products, prepared in a home kitchen, either directly (for Class A permits) or indirectly (for Class B permits) to consumers.
- The proposed ordinance would establish a two-tier permit system for cottage food operations depending on whether or not the food items will be sold via third-party vendor and allow DPH to charge \$100 for Class A applications and \$332 for Class B applications. Additionally, Class B permit-holders will pay a \$350 annual permit fee.

Fiscal Impacts

- The DPH estimates that permit fees will generate \$25,860 in revenue in FY 2013-2014.
- The DPH estimates that staff time and overhead costs in FY 2013-14 will be \$26,006, resulting in fee revenues equal to 99.4% of DPH costs. At this point, DPH does not anticipate the need to hire any additional staff.

Recommendation

- Approve proposed ordinance.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

In accordance with Section 2.105 of the City's Charter, any amendments to the City's Health Code and Business and Tax Regulations Code are subject to approval by ordinance of the Board of Supervisors.

Background

The California Retail Food Code requires the California Department of Public Health (CDPH) to regulate health and sanitation standards for retail food facilities. Prior to September 21, 2012, the law did not allow individuals or food retailers to sell or use foods that were prepared in a home kitchen.

Assembly Bill 1616 (the Cottage Food Operations Act) changed these provisions and allows cottage food operators to prepare certain types of food in private homes and then sell certain food items either directly to consumers or to food facilities. Assembly Bill 1616 also:

- Excludes a cottage food operation from specified food processing establishment requirements;
- Requires a cottage food operation to meet specific requirements relating to training, sanitation, preparation, labeling, and permissible types of sales;
- Subjects a cottage food operation to inspections under specific circumstances; and
- Requires a food facility that serves a cottage food product, without its original packaging or labeling, to identify that food product as homemade.

Under Assembly Bill 1616, a "cottage food operation" is an enterprise located in the City that does not generate more than \$35,000 in gross annual sales in the calendar year 2013, is operated by a cottage food operator, and has not more than one full-time equivalent cottage food employee not related to the operator. The gross annual sales threshold increases in 2014 to \$45,000 and then again to \$50,000 in 2015.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would make the City compliant with State law by (1) adding Section 452.1 to the City's Health Code to establish a procedure for regulating cottage food operations; and (2) adding Section 249.1A to the City's Business and Tax Regulations Code to establish annual fees payable by cottage food operators to the DPH for licensure and administration. The proposed ordinance establishes and defines a two-tier cottage food operation system and delegates the regulatory responsibility to the Department of Public Health Program on Health, Equity, and Sustainability (DPH). Cottage food operations will be divided into two groups that include:

“Class A” cottage food operations, which may only sell certain food products directly to consumers at events such as: holiday bazaars; farmer's markets or farm stands including community-supported agriculture subscriptions; and bake sales or food swaps.

“Class B” cottage food operations, which may sell cottage food products both (a) directly to consumers at the same locations as Class A as well as (b) indirectly via third-party retail food facilities such as cafeterias and restaurants.

Operators of both Class A and Class B cottage food operations must complete food-handling and preparation courses and can only sell foods that are CDPH-approved. CDPH makes the list of approved foods available on their website and includes allowable, non-hazardous foods including: baked goods that do not include cream, custard, or meat filling; candy; dried fruit; dried nuts; chocolate-covered dried fruit and nuts; dried pasta; honey and sweet sorghum syrup; herb blends and dried mole paste; dried baking mixes; fruit pies, fruit empanadas, and fruit tamales; jams, jellies, preserves, and fruit butter; nut mixes and nut butters; popcorn; vinegar and mustard; roasted coffee and dried tea; and waffle cones and pizelles. CDPH may expand the list as additional, non-hazardous foods are considered and approved.

Operators of both Class A and Class B cottage food operations must also: (1) obtain all necessary business licenses and permits from the City; (2) comply with local zoning ordinances; and (3) comply with State labeling requirements.

DPH may inspect any cottage food operation. For Class A cottage food operations, DPH may only inspect a cottage food operation after a consumer files a complaint or if DPH has a reasonable suspicion that the cottage food operator has violated the law. Class B cottage food operations will be subject to more rigorous permitting requirements including up to one inspection a year for compliance in addition to any inspections resulting from a complaint or a reasonable suspicion that the cottage food operator has violated the law. The proposed ordinance allows DPH to revoke the license of any cottage food operator that violates food safety laws.

FISCAL IMPACTS

The proposed ordinance would add Section 429.1A to the City’s Business and Tax Regulations Code to set the fees for Class A registration and for Class B applications and permits. Table 1 below shows the proposed fees, the estimated number of applications, and the estimated total annual revenues to be realized by DPH.

Table 1: Proposed Cottage Food Operations Permit Fees

	Fee	Number of Annual Applications	Total Estimated Annual Revenues
Class A Registration	\$100	54	\$5,400
Class B Application	\$332	30	\$9,960
Class B Annual Permit	\$350	30	\$10,500
Total Estimated Annual Revenues			\$25,860

The Class A registration is the least expensive fee since these cottage food operations can only sell their foods directly to consumers. Additionally, Class A cottage food operations will not be

inspected as a part of the application process. Instead, Class A applicants will submit a self-certification checklist testifying that they adhere to all food laws and meet all prerequisites.

Class B permit-holders will pay an annual \$350 permit fee as well as a one-time, \$332 application fee. The application fee will pay for processing, which includes verifying the appropriate business licenses as well as zoning compliance. Because the Class B permit-holders will be inspected annually, the annual registration fee is higher than the Class A registration fees.

Table 2 below summarizes Class A and Class B application and registration fees for various counties in California.

Table 2: Cottage Food Operation Registration and Application Fees

Locality	Class A	Class B
San Francisco	\$100	\$332
Alameda County	150	225
Contra Costa County	95	304
Los Angeles County	65	194
Santa Clara County	219	635
San Mateo County	153	306
Monterey County	65	260
San Joaquin County	125	250
Solano County	96	316
Napa County	119	238
Sonoma County	139	348
Average	\$121	\$310

As shown in Table 3 below, the DPH estimates that staff time and overhead costs in FY 2013-14 will be \$26,006. The estimated annual fee revenues of \$25,860, as shown in Table 1 above, would recover 99.4% of the DPH costs. DPH does not anticipate the need to hire any additional staff at this time to administer the cottage food operations program.

Table 3: Estimated FY 2013-14 Department of Environmental Health Program Costs

Position	
Senior Environmental Health Inspector	\$ 14,265
Senior Clerk	3,219
Overhead and Operating Costs	8,522
Total Costs	\$ 26,006

RECOMMENDATION

Approve the proposed ordinance.

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Planning Department
Environmental Review Officer

FROM: Angela Calvillo, Clerk of the Board

DATE: April 2, 2013

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Budget and Finance Committee

The Board of Supervisors Budget and Finance Committee has received the following, which is being referred to the Planning Department for determination as to whether the proposed legislation and fee increase will impact the environment.

Please provide your findings within 10 days from the date of referral.

File: 130244

Health, Business and Tax Regulations Code - Regulate and Establish Annual Fees - Cottage Food Operations

Please return this cover sheet with the Commission's response to Victor Young, Clerk, Budget and Finance Committee.

c: Monica Pereira, Environmental Planning
Joy Navarrete, Environmental Planning

RESPONSE FROM PLANNING DEPARTMENT - Date: April 4, 2013

No Comment
 Recommendation Attached

*Statutory Exemption
pursuant to CEQA
Guidelines Section 15273.
Rates, Tolls, Fees, and
Charges*

Garnie L. Farrell for
Sarah Jones, Environmental Review Officer



SMALL BUSINESS COMMISSION
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

May 1, 2013

Ms. Angela Calvillo, Clerk of the Board
Board of Supervisors
City Hall room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102-4694

File No. 130244 [Health, Business and Tax Regulations Code - Regulate and Establish Annual Fees - Cottage Food Operations]

Small Business Commission Recommendation: **Approval**

Dear Ms. Calvillo:

On April 22, 2013 the Small Business Commission (SBC) held a hearing on Board of Supervisors File No. 130244 and voted 7-0 to recommend approval.

The Commission supports the adoption of regulations surrounding the Department of Public Health's Cottage Food Operations program and finds that the regulations proposed are consistent with State regulations.

The Commission dutifully reviewed all fees proposed with the program. In comparing fees with other comparable jurisdictions, along with other San Francisco Department of Public Health fees, the SBC finds that the fees are justified and reasonable.

The Commission recommends that the department provide FAQ and application materials related to the program in Spanish and Chinese.

Sincerely,

Regina Dick-Endrizzi
Director, Office of Small Business

Cc: Jason Elliott, Mayor's Office
Richard Lee, Department of Public Health



Edwin M. Lee
Mayor

Barbara A. Garcia, MPA
Director of Health

March 8, 2013

Angela Calvillo, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B Goodlett Place, Room 244
San Francisco, CA 94102-4689

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2013 MAR -8 AM 11:04
Se

Dear Ms. Calvillo:

Attached please find an original and four copies of a proposed ordinance for Board of Supervisors approval, which is intended to conform the San Francisco Health Code and Business and Tax Regulation Code to California Retail Food Code.

The following is a list of accompanying documents (five sets):

- Ordinance amending the Health Code to establish a procedure for regulating Cottage Food Operations; amending the Business and Tax Regulations Code to establish annual fees for Cottage Food Operations; and making environmental findings.
- Legislative Digest for Ordinance amending the Health Code to establish a procedure for regulating Cottage Food Operations; amending the Business and Tax Regulations Code to establish annual fees for Cottage Food Operations; and making environmental findings.

There is no requirement for a special timeline for these items.

The following persons may be contacted regarding this matter: Richard Lee, DPH Director of Environmental Health Regulatory Program at 252-3992 or Jim Soos, DPH Assistant Director of Policy and Planning at 554-2633.

Sincerely,

Barbara A. Garcia, MPA
Director of Health

130244

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BUDGET AND FINANCE SUB-COMMITTEE COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN THAT the Budget and Finance Sub-Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: Wednesday, May 8, 2013

Time: 10:00 a.m.

Location: Legislative Chamber, located at City Hall
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: File No. 130244. Ordinance amending the Health Code, by adding Section 452.1, to establish a procedure for regulating Cottage Food Operations; amending the Business and Tax Regulations Code, by adding Section 249.1A, to establish annual fees for Cottage Food Operations; and making environmental findings.

If the legislation passes, the following fees regarding cottage food operations shall be established:

A cottage food operation is an enterprise in a private home that does not have more in gross annual sales then the following:

2013 - \$35,000 or less;
2014 - \$45,000 or less;
2015, and each subsequent year thereafter - \$50,000 or less.

Cottage food operators shall have no more than one full-time equivalent employee, not including the cottage food operator and immediate family or household members of the cottage food operator.

Cottage food operators shall means a person who maintains a cottage food operation in his/her private home.

Class A: Operators may engage only in direct sales of cottage food products to the consumer.


Class A Registration Fee - \$100

Class B: Operators may engage in direct sales and indirect sales of cottage food product.

Class B Application Fee - \$332

Class B Annual Permit Fee - \$350

In accordance with San Francisco Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made a part of the official public record and shall be brought to the attention of the Members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102. Information relating to the proposed fee is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, May 3, 2013.



Angela Calvillo, Clerk of the Board

DATED: April 26, 2013

POSTED: April 26, 2013

PUBLISHED: April 27, 2013, and May 4, 2013

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Victor Young
S.F. BD OF SUPERVISORS (OFFICIAL NOTICES)
1 DR CARLTON B GOODLETT PL.#244
SAN FRANCISCO, CA 94102

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE

Ad Description: vy Budget Fee Ad - 130244

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO CHRONICLE. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the Clerk of the Board. Publication date(s) for this notice is (are):

04/27/2013 , 05/04/2013

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CNS 2478090

NOTICE OF PUBLIC HEARING BUDGET AND FINANCE SUB-COMMITTEE SAN FRANCISCO BOARD OF SUPERVISORS MAY 8, 2013 - 10:00 A.M. LEGISLATIVE CHAMBER, ROOM 250, CITY HALL 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA 94102

NOTICE IS HEREBY GIVEN THAT the Budget and Finance Sub-Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

File No. 130244. Ordinance amending the Health Code, by adding Section 452.1, to establish a procedure for regulating Cottage Food Operations; amending the Business and Tax Regulations Code, by adding Section 249.1A, to establish annual fees for Cottage Food Operations; and making environmental findings.

If the legislation passes, the following fees regarding cottage food operations shall be established:

A cottage food operation is an enterprise in a private home that does not have more in gross annual sales than the following: 2013- \$35,000 or less; 2014 - \$45,000 or less; 2015, and each subsequent year hereafter - \$ 50,000 or less.

Cottage food operators shall have no more than one full-time equivalent employee, not including the cottage food operator and immediate family or household members of the cottage food operator.

Cottage food operators shall mean a person who maintains a cottage food operation in his/her private home.

Class A: Operators may engage only in direct sales of cottage food products to the consumer.

Class A Registration Fee - \$100

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Class B Application Fee - \$332

Class B Annual Permit Fee - \$350

In accordance with San Francisco Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the Clerk prior to the time the hearing begins. These comments will be made a part of the official public record and shall be brought to the attention of the Members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102. Information relating to the proposed fee is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, May 3, 2013.

Angela Calvillo, Clerk of the Board



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