

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SAN BERNARDINO  
AND RECORD OF ACTION**

May 4, 2021

**FROM**

**ANDREW GOLDFRACH, Interim Director, Department of Public Health**

**SUBJECT**

Fee Deferral and Reimbursement of Health Permits Issued by Environmental Health Services for Identified Facilities Severely Impacted by the Coronavirus 2019 Pandemic

**RECOMMENDATION(S)**

1. — Authorize the Department of Public Health, Division of Environmental Health Services to defer health permit fees and extend permit expiration dates until September 30, 2021, for identified facilities severely impacted by the Coronavirus 2019 pandemic.

2. ~~Authorize the Department of Public Health, Division of Environmental Health Services to apply to recoup revenue, through the American Rescue Plan Act Funds, for fees foregone in Fiscal Year 2020-21 and 2021-22 as a result of extending health permit expiration dates.~~  
(Presenter: Andrew Goldfrach, Interim Director, 387-9146)

Formatted: Normal, No bullets or numbering

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**FINANCIAL IMPACT**

The deferment of health permit fees and extending expiration dates until September 30, 2021 will result in lost revenue for the Department of Public Health, Division of Environmental Health Services (EHS). EHS will coordinate with the County Administrative Office for revenue recovery options and permit expiration dates will be reinstated on October 1, 2021. It is the department's intention to apply for American Rescue Plan Act Funds from the United States Treasury in the amount not to exceed of \$5,000,000. In the event that American Rescue Plan Act Funds cannot be utilized, permit expiration dates will be reinstated on October 1, 2021, and in the absence of any cost recovery options, EHS may seek Board of Supervisors' (Board) approval for Discretionary General Funding (Net County Cost) to offset the foregone fee revenue through a separate Board Agenda Item.

**BACKGROUND INFORMATION**

California Retail Food Code Sections 114381, 114387 and 114390, state food facilities must obtain a health permit to operate. San Bernardino County Code Section 33.0102 gives enforcement authority to EHS to enforce the California Health and Safety Code provisions pertaining to Environmental Health and other relevant sections of State law. EHS has issued approximately 21,000 permits, and inspects facilities where food is prepared, eaten, sold or stored, as well as public swimming pools and spas, including those at gymnasiums, to ensure they are in compliance with health and safety codes and are authorized to charge fees sufficient to cover actual expenses of administering and enforcing.

San Bernardino County Code Section 16.0213B authorizes fees collected for inspection permits for facilities such as restaurants, movie theaters, bars, gym and health center swimming pools, body art, massage clinics and organized camps. EHS has incurred significant revenue loss from approximately 8,000 permits severely impacted by the Coronavirus 2019 (COVID-19) pandemic.

Permit expiration dates for these facilities will be extended until September 30, 2021. Criteria for eligibility include business operations that were modified or suspended during the COVID-19 pandemic, which include but are not limited to: restaurants that were required to close their indoor dining operations; movie theaters, bars, body art (tattoo) facilities, massage clinics, organized camps and indoor pool/spas at gym/health centers that were required to close; and to include other business operations that were identified by the Acting Health Officer and the Governor's order.

In an effort to protect the public from any possible spread of COVID-19, the Acting Health Officer and Governor ordered the cancellation of all gatherings of any number starting March 17, 2020, which resulted in a financial and operational impact.

On March 24, 2020 (Item No. 67), the Board approved the extension of permit expiration dates for facilities effected by the Acting Health Officer order for a time equal to that of the duration of the order. On May 23, 2020, the State approved San Bernardino County's COVID-19 Variance and Attestation Form, modifying the Stay-At-Home order and proceeding into Stage 2 of the California Roadmap. This approval allowed businesses within Stage 2 to reopen with modifications. With businesses reopening, EHS began inspecting reopened facilities to ensure compliance with Health and Safety regulations and additional modifications related to COVID-19.

On June 23, 2020 (Item No. 66), the Board approved the reinstatement of permit expiration dates for facilities effected by the order issued by the Acting Health Officer and the Governor due to the COVID-19 pandemic. Commencing July 1, 2020, EHS reinstated permit expiration dates for facilities that reopened. The expiration dates of affected permits were extended over the past thirteen months, with the ability to defer payment, if necessary, an additional 60 days without penalties.

The Blueprint for a Safer Economy dated April 2, 2021, authorizes jurisdictions in the Orange Tier to open indoor pools. Organized camps are authorized to open with modifications effective June 1, 2021. With this recent update, EHS continues the permit extensions for both permit categories and any other facilities that may remain closed. Although permit extensions have provided some relief, the impact to small and specialized business sectors continues. EHS did not recover the lost fees in Fiscal Year 2019-20 and will not recover the lost fees in Fiscal Year 2020-21 if assistance is not provided.

Approval of this item will allow EHS to defer and reimburse fees for identified businesses severely impacted by the COVID-19 pandemic. ~~Should the United States Treasury allow American Rescue Plan Act funds to be used for the reimbursement of these permit fees, EHS will seek reimbursement for lost revenue.~~

#### **PROCUREMENT**

NA

#### **REVIEW BY OTHERS**

This item has been reviewed by Human Services Contracts (Jennifer Mulhall-Daudel, Contracts Manager, 388-0241) on April 12, 2021; County Counsel (Adam Ebright, Deputy County Counsel, 387-5455) on April 9, 2021; Finance (Paul Garcia, Administrative Analyst, 386-8392) on April 12, 2021; and County Finance and Administration (Tanya Bratton, Deputy Executive Officer, 388-0332) on April 13, 2021.