

RMP Expansion Proposal

By Naomi Maisel,
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Who We Are

[La Cocina](#) is a non-profit business incubator that works with women of color and immigrant women to grow and formalize food businesses. We are opening the country's [first women-led foodhall](#) this summer in the Tenderloin neighborhood of San Francisco, which faces numerous challenges of unemployment, homelessness, and open-air dealing.

In an effort to make our foodhall more accessible to our Tenderloin neighbors, we began looking into the CA [Restaurant Meals Program \(RMP\)](#) with the hope of getting our food hall approved to take EBT for food payments. Throughout this process we became aware of challenges that affect the accessibility of the RMP for small, low-income restaurant owners.

Currently as the legislation stands, foodhalls are not allowed to apply as a single entity, and each individual vendor is required to apply themselves. This adds additional burdens on vendors and makes it less likely for them to get on board, especially considering the limiting eligibility requirements on the application. I, alongside other foodhalls and activists in the sector, would like to propose **the following 3 changes to the legislation**:

3 Proposals

ASK 1

- Add foodhalls to the list of applicable vendors who may apply
 - *The following slides are dedicated to Proposal #1

ASK 2

- Allow folks to apply either with a SSN **or** an ITIN, or not require personal identification at all

ASK 3

- Reinststate the rule previous to the 2014 Farm Bill that provided free EBT terminals to restaurants offering this service (see [Agricultural Act of 2014, Sec. 4002](#))

Proposal #1

What

In line with our mission to provide delicious and affordable food to the residents of San Francisco's Tenderloin neighborhood, La Cocina's Municipal Marketplace hopes to be approved as a vendor under the Restaurant Meals Program (RMP) within CalFresh.

Who

With over 30,000 residents, the Tenderloin is one of the most densely populated neighborhoods in SF, as well as one of the city's most ethnically diverse areas. It is also burdened by some of the highest poverty rates of any SF neighborhoods, and 9% unemployment, which is double that of California and national rates. Additionally, about 70% of Tenderloin housing is Single Room Occupancy, with only 39% having access to a stove.

In 2013, 33% of RMP recipients resided in the Tenderloin, SOMA, and Polk Gulch neighborhoods. That said, 40% of recipients did not report zip codes, many assumed to be experiencing homelessness.⁽¹⁾ As almost half of SF's homeless population lives in District 6, it is likely that the percentage of RMP recipients living in the Tenderloin is closer to 75%.⁽²⁾

1. <https://www.sfdph.org/dph/files/mtgsGrps/FoodSecTaskFrc/docs/FSTFRestaurantMealsProgramReport.pdf>
2. http://hsh.sfgov.org/wp-content/uploads/2019HIRDReport_SanFrancisco_FinalDraft.pdf

Why

That said, the Tenderloin hosts only 3 RMP-authorized retailers, with an additional 6 on its periphery, 5 of which serve only pizza or fast food. A La Cocina RMP would add 7 additional vendors, each offering warm meals from a variety of cultures, flavors and nutrients that more fully represent the diversity within the Tenderloin. This includes Algerian (Halal), Senegalese, Creole, Salvadorian, Mexican and Nepalese cuisines. We have received support from our local HSA office, as well as numerous residents and non-profits within the Tenderloin.

Additionally, based on 2013 numbers, we expect an est. \$2,000 in revenue per month with the added RMP approval, which will further support the family-run businesses of the Marketplace.

CalFresh Restaurant Meals Program

If you are elderly, disabled, or homeless, you can use your CalFresh EBT card to buy prepared food at these restaurants in the Restaurant Meals Program. Ask a CalFresh worker to code your EBT card for restaurant meals in San Francisco.

Local Restaurants

Himalayan Pizza + Momo 288 Golden Gate Ave. 94102	Z Soul Café 295 Eddy St. 94102	Milan Pizza 606 Geary St. 94102	Emo's Café 201A Turk St. 94102	Chico's Pizza 468 Ellis St. 94102
NY Pizza Kitchen 127 Eddy St. 94102 [NEW!]	Chico's Pizza 131 6th St. 94103	Supremo Pizza 87 6th St. 94103	Falafelland 133 6th St. 94103	A2 Café 1111 8th St. 94107
Irving Pizza 928 Geary St. 94109	Los Hermanos 868A Geary St. 94109	Luna's Coffee House 1101 Potrero Ave. 94110	Sweet Chinito 3100 Mission St. 94110	
Chico's Grill 3771 Mission St. 94110	King Lee's Chinese 1426 Fillmore St. 94115 [NEW!]	Golden City Inn 5131 3rd St. 94124		

Subway

147 Mason St. 94102	77 Van Ness Ave. 94102	376 Larkin St. 94102	187 6th St. 94103	2001 Van Ness Ave. 94109
5 Embarcadero Ctr. 94111	2375 Market St. 94114	1500 Fillmore St. 94115	5650 Geary Blvd. 94121	1501 Sloat Blvd. 94132
500 Parnassus Ave. 94143				5508 Gene Friend Way 94158

Domino's Pizza

876 Geary Blvd. 94109	320 Bayshore Blvd. 94124
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Carl's Jr.

1 Hallide Plaza 94102

Burger King

1690 Valencia St. 94110	3900 Geary Blvd. 94118
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Pollo Campero

2740 Mission St. 94110

KFC/Taco Bell

200 Duboce Ave. 94103	691 Eddy St. 94109	4285 Mission St. 94112
1150 Taraval St. 94116	4150 Geary Blvd. 94118	

Pizza Hut

728 Geary St. 94109
3349 Mission St. 94110

www.sfhhsa.org/services/health-food/cal-fresh/using-cal-fresh-benefits/cal-fresh-restaurant-meals-program

Effective: October 1, 2020

How - Option A

The RMP application provides a few options for indicating which “Meal Service Type” we fall into, however none of the listed choices align with our goal of applying as the non-profit owner of a foodhall that will host multiple (7) for-profit vendors. It is integral to La Cocina’s mission to reduce barriers faced by low-income entrepreneurs, which is why we are pursuing a more non-traditional route in submitting 1 application as a single vendor under La Cocina. Within this design, the RMP would be awarded to “La Cocina”. While each vendor will have their own POS system to process EBT, all EBT funds will be directed to La Cocina, which will pay out profits to each vendor at the end of the workday, similar to Market Match.

This option puts the least burden on our vendors, all of whom are low-income family-run restaurants managed by women of color and immigrant women. La Cocina will dedicate a full-time staff member to the management and operation of the RMP system, including any compliance training and reporting. This option is also more dignified for our customers, who will be able to purchase their meals in the same manner as everyone else.

USDA Supplemental Nutrition Assistance Program Application for Meal Services		FOR USDA USE ONLY FNS Number: Date Authorized: Authorization Initials: Sponsor Type: County Code:	
Part 1 - Meal Service Types Directions: Review the descriptions below and check the meal service type that describes the meal service. You may only check one box (one meal service type) per application.			
Private For-Profit Restaurant means private for-profit establishments that contract with an appropriate State or local agency to offer meals at concessional prices to homeless individuals, elderly persons and their spouses or supplemental security income (SSI) recipients and their spouses.	Private For-Profit Restaurant <input type="checkbox"/> Franchise Yes <input type="checkbox"/> No <input type="checkbox"/>		
Drug and/or Alcohol Treatment Program means any drug addiction or alcoholic treatment and rehabilitation program conducted by a private nonprofit organization or institution, or a publicly operated community mental health center, that is operating under part B of Title XIX of the Public Health Service Act (42 U.S.C. 300x et. seq.).	Private Nonprofit Organization/Institution <input type="checkbox"/> Publicly Operated Organization/Institution <input type="checkbox"/>		
Meal Delivery Service or Private For-Profit Meal Delivery Service means a public or a private organization that prepares and delivers meals to elderly persons and their spouses and/or to the physically or mentally handicapped and persons otherwise disabled, and their spouses if they are unable to adequately prepare all of their meals.	Public Meal Delivery <input type="checkbox"/> Private For-Profit Meal Delivery <input type="checkbox"/> Private Nonprofit Meal Delivery <input type="checkbox"/>		
Communal Dining Facility means a public or private nonprofit establishment that prepares and serves meals for elderly persons and their spouses or for SSI recipients and their spouses.	Public Communal Facility <input type="checkbox"/> Private Nonprofit Communal Facility <input type="checkbox"/>		
Homeless Meal Provider means a public or private nonprofit establishment (e.g., soup kitchen, temporary shelter), approved by an appropriate State or local agency, that feeds homeless persons. If the site receives donated food items from USDA, the site must also purchase and serve other food.	Public Establishment <input type="checkbox"/> Private Nonprofit Establishment <input type="checkbox"/>		
Shelter for Battered Women and Children means a public or private nonprofit residential facility that serves meals or provides food to battered women and children. If such a facility serves other individuals, part of the facility must be set aside on a long-term basis to serve battered women and children.	Public Facility <input type="checkbox"/> Private Nonprofit Facility <input type="checkbox"/>		
Group Living Arrangement means a public or private nonprofit residential setting that serves no more than 16 residents and that is certified by the appropriate State agency(ies) in accordance with 1616(e) of the Social Security Act or standards determined by USDA to be comparable.	Public Facility <input type="checkbox"/> Private Nonprofit Facility <input type="checkbox"/>		
Private For-Profit Senior Citizens' Center or Residential Building means a facility that prepares and serves meals to elderly or SSI recipients. Participating residential buildings must be occupied primarily by elderly or SSI recipients.	Senior Citizens Center <input type="checkbox"/> Residential Building <input type="checkbox"/>		
You need to complete a separate FNS-252-2 application for each type of meal service you operate.			

How - Option B

Should Option A not be feasible, Option B mimics the Market Match structure at farmers markets. Like Option A, La Cocina would submit one application and the RMP would be awarded to “La Cocina” as the owner. La Cocina would have one POS system to process EBT, which would be set up in a dedicated space/booth at the Marketplace and staffed by a dedicated employee. Like Market Match, RMP recipients would swipe their card at our POS and receive tokens that they can then use at our individual vendor kiosks.

This option still avoids the burden of having the vendors apply and manage their RMP approval, however it adds an extreme financial burden on La Cocina in having to pay for a full-time staff member to provide tokens and manage our POS.

How - Option C

This final design is the most traditional. Within this option, we would have each vendor (7 total) apply for RMP as a for-profit business owner. Assuming all are awarded the RMP approval, each vendor would have their own POS system to process EBT and would be responsible and liable for all RMP compliance.

This option puts a heavy burden on our entrepreneurs, many of whom are already taking a risk in starting their first brick and mortar location. This option will likely discourage many, if not all, of our vendors from applying, due to the overwhelming application process and difficulty with technical terms in non-native languages.

Burden Breakdown

	Option A	Option B	Option C
POS required	7 Combo (reg + EBT) or 7 reg and 7 EBT	1 EBT + 7 reg	7 Combo (reg + EBT) or 7 reg and 7 EBT
Additional LC Staff Cost	\$0	~\$50,000/yr (assuming \$20/hr, 6 days/week 9hrs/day)	\$0
Additional Vendor Staff Cost	\$0	\$0	~\$5,000/yr (20 hr up front, & 4/week).
Additional Vendor Equipment Cost**	\$125 + (\$85*12 months) = \$1,145/yr	\$0	\$125 + (\$85*12 months) = \$1,145/yr
Burden to Entrepreneur	Low	Low	High
Burden to La Cocina	Low	High	Medium

**Based on GoEBT pricing

Additional Concerns

If Proposal #1 is met, businesses inside foodhalls would not be met with the challenges of proposals #2 and #3. That said, these issues remain a barrier to small businesses around the country and should also be considered for legislative upgrades in an effort to expand RMP.

ASK 1

- *Add foodhalls to the list of applicable vendors who may apply*
 - *(see Part 1 on the attached application form, and b) attached Brief explaining how this could work)*

ASK 2

- Allow folks to apply either with a SSN or an ITIN, or not require it at all ideally
 - (see Part 4 on the attached application form)

ASK 3

- Reinstatement of the rule previous to the 2014 Farm Bill that provided free EBT terminals to restaurants offering this service (see [Agricultural Act of 2014, Sec. 4002](#))
 - For context, currently GoEBT charges \$125 per terminal for an initial set up fee and then \$75/month, equalling \$1,025 in the first year and \$900 each consecutive year as a burden to small businesses just for offering EBT.

Proposal 2: Change personal identification requirements

Although we don't have an exact count, immigration experts have estimated that 8 - 10 % of undocumented people in America are legal entrepreneurs. ^(1, 2) This means this subset of immigrants owns hundreds of thousands of U.S. businesses. ⁽³⁾

Only requiring FEIN would still ensure that businesses are legally operating and within the system.

Alternatively, ITIN numbers are a legitimate way to track individuals without causing as intense fear of backlash.

Part 4 - Ownership Information			
Directions: Complete this section only if you are a private for-profit restaurant, private for-profit meal delivery service, or private for-profit senior citizens center or residential building.			
Form of Ownership:			
<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Privately-held corporation <input type="checkbox"/> Limited Liability Company			
<input type="checkbox"/> Publicly-owned Corporation (if you check this, skip to Part 6)			
Enter primary owner(s) or corporate officer(s) if one or more people or a private for-profit corporation owns the meal service. In community property states, the spouse's information must also be entered. Community property states are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, the state of Washington, and Wisconsin. Print names as they appear on the social security card.			
Name (First, Middle, Last):		Title:	
Date of Birth:	Social Security Number:	E-mail (optional):	
Home Address:			
City:		State:	Zip:
Name (First, Middle, Last):		Title:	
Date of Birth:	Social Security Number:	E-mail (optional):	
Home Address:			
City:		State:	Zip:
Name (First, Middle, Last):		Title:	
Date of Birth:	Social Security Number:	E-mail (optional):	
Home Address:			
City:		State:	Zip:

- 1) <http://america.aljazeera.com/watch/shows/real-money-with-alivelshi/articles/2014/3/27/undocumented-entrepreneursnosocialsecuritynumberowningabusiness.html>
- 2) https://money.cnn.com/magazines/psb/fsb_archive/2005/07/01/8265279/
- 3) <https://www.pewresearch.org/fact-tank/2020/08/20/key-findings-about-u-s-immigrants/>

Proposal 3: Remove financial burden for retailers offering EBT

It can cost a business up to \$1,145 for year one, and \$1,020 each subsequent year, to own and operate EBT POS hardware.

Up until 2014 the federal government covered EBT POS costs for RMP approved retailers, until the Agricultural Act of 2014 shifted that burden onto the retailers themselves (see image to the right).

The financial burden ultimately serves to undermine the RMP program and prohibit more engagement by restaurateurs. This is especially limiting for small business owners.

*these numbers are based on updated prices from GoEBT, a national EBT POS retailer: <https://www.goebt.com>

H.R.2642 - Agricultural Act of 2014

113th Congress (2013-2014)

LAW

Hide Overview X

Sponsor: [Rep. Lucas, Frank D. \[R-OK-3\]](#) (Introduced 07/10/2013)
Committees: House - Agriculture
Committee Reports: [H. Rept. 113-333 \(Conference Report\)](#)
Committee Prints: [H.Prt. 113-35](#)
Latest Action: 02/07/2014 Became Public Law No: 113-79. ([TXT](#) | [PDF](#)) ([All Actions](#))
Roll Call Votes: There have been [8 roll call votes](#)

Tracker:

Introduced > Passed House > Passed Senate > Resolving Differences > To President > Became Law

Title IV: Nutrition - Subtitle A: Supplemental Nutrition Assistance Program - (Sec. 4001) Amends the Food and Nutrition Act of 2008 to prohibit the payment of a deposit fee in excess of any state fee reimbursement to recipients of supplemental nutrition assistance (SNAP, formerly known as the food stamp program) for the return of empty bottles and cans used to contain food purchased with SNAP benefits.

(Sec. 4002) Requires participating retail food stores to: (1) offer perishable goods in at least three staple food categories, and (2) provide adequate electronic benefit transfer (EBT) service.

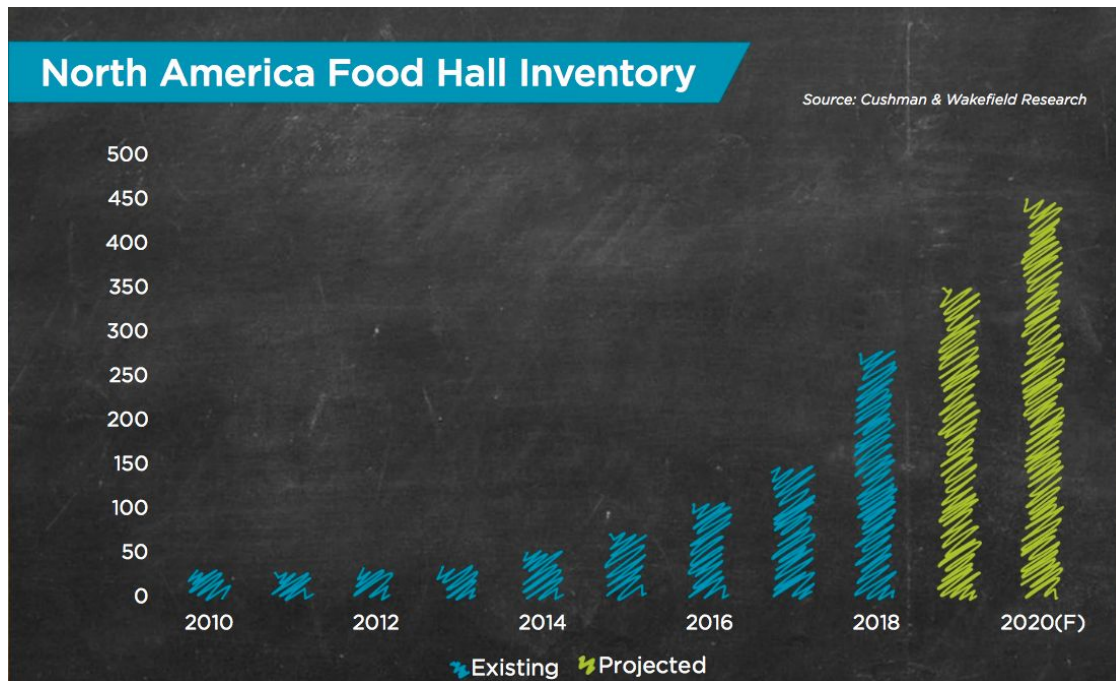
Requires participating retail food stores (including restaurants participating in a state option restaurant program intended to serve the elderly, disabled, and homeless), with certain exceptions, to pay 100% of the costs of acquiring and arranging for the implementation of EBT point-of-sale equipment and supplies. Exempts from such requirement farmers' markets and other direct-to-consumer markets, military commissaries, nonprofit food buying cooperatives, and certain establishments, organizations, programs, or group living arrangements.

Prohibits a state from issuing manual vouchers unless the Secretary determines that they are necessary.

Requires parties providing EBT transfer services to maintain a unique terminal identification number through the SNAP routing system.

Scope

Foodhalls are increasing in popularity in the U.S.,⁽¹⁾ and are an innovative model that addresses overly competitive rent for small businesses via shared risk and shared costs, as such contributing to anti-gentrification development and increased workforce development opportunities for small business owners.



1) <https://cushwake.cld.bz/Food-Halls-3-0-The-Evolution-Continues/7/#zoom=z>

Impact

- Other non-profit managed foodhalls in CA and around the country (e.g. [Ashland Market](#) in Oakland, [Thai Town Marketplace](#) in Los Angeles, [Salt City Market](#) in New York, [Hot Bread Kitchen](#) in New York.)
- Farmers markets that serve hot meals (e.g. [Heart of the City Farmers Market](#) in San Francisco, CA)
- CBOs and nonprofit organizations (e.g. Community Benefit Districts, nonprofit organizations managing SROs, etc.)
- Local residents who qualify for RMP



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