



# Microenterprise Home Kitchen Operations MEHKO



October 22, 2024

# Microenterprise Home Kitchen Operation

## AB 626, AB 377, AB 1325

- A Microenterprise Home Kitchen Operation (MEHKO) is a small-scale restaurant (dine-in or take-out) operated by a resident in a private home.
- Assembly Bills 626 (2018), 377 (2019) and 1325 (2023) establish the regulations for MEHKOs through California Health and Safety Code (CalCode).
- The County may “opt in” by ordinance or resolution, which allows permitting of MEHKOs within both the unincorporated County and in the cities.

- MEHKOs provide home-based business opportunities for those with limited access to capital and lower the barriers for entry to disadvantaged persons wishing to start a food related business.
- MEHKOs increase community access to healthy food, offering cultural and regional foods that may not be available locally.
- The Legislature also found that many of these small-scale businesses already exist, and less restrictive regulation will provide better food safety oversight.



# MEHKO Requirements

- Operator must be a resident of the private home operating as a MEHKO and hold a food safety manager certification.
- The MEHKO must be the primary residence. Second homes, vacation homes and motor homes do not qualify.
- If the residence is leased or rented, the property owner will be required to approve the use.
- No more than one employee may work in the facility in addition to family and household members.
- Any individual working in the MEHKO must obtain a food handler card.

# MEHKO Requirements (cont.)

- Food must be prepared, cooked and served the same day.
- Food preparation must occur in the kitchen of the residence with no auxiliary kitchens added.
- No outdoor signage is allowed.
- Sales limited to no more than 30 meals per day or 90 meals per week with gross annual sales limited to \$100,000 annually.
- Meals can be consumed on site, picked up or delivered through an employee or intermediary registered with CDPH. Third party delivery services, catering, resale and sales from food trucks or carts are prohibited.

# Health and Safety Code Limitations

- Environmental Health can conduct no more than one routine inspection per year, with additional inspections being allowed only to investigate a complaint or suspected health hazard.
- MEHKOs are exempted from several health and safety requirements that apply to other restaurants:
  - A dedicated handwashing sink is not required in the kitchen area
  - Separate dishwashing/preparation sinks are not required
  - Ventilation and hoods are not required to meet restaurant fire and safety standards
  - ADA requirements are not applicable

# Zoning, Land Use and Permitting

- The decision to opt in will also apply automatically within the city limits. (Health & Safety Code § 114367) If the county opts in, the cities may not opt out.
- MEHKOs are automatically by right uses in residential occupancies for the purposes of zoning and cannot be further regulated by local zoning or building regulations.
- A health permit and local business license, if applicable, is required.
- The law allows for the enforcement of noise and nuisance ordinances.



# Regulatory Authority

## **Environmental Health:**

- One routine inspection in a 12-month period. Must be scheduled with the operators at a time convenient to them. Additional scheduled inspections in response to a complaint or an emergency
- Exempt from placarding/grading system
- Permit to be renewed annually

## **Partner Agencies (Code Enforcement, City, Police and Fire, etc.):**

- Signage, Noise, Nuisances (excessive crowding, traffic, parking issues, garbage overflow, etc.)



# AB 178 MEHKO Assistance Grant

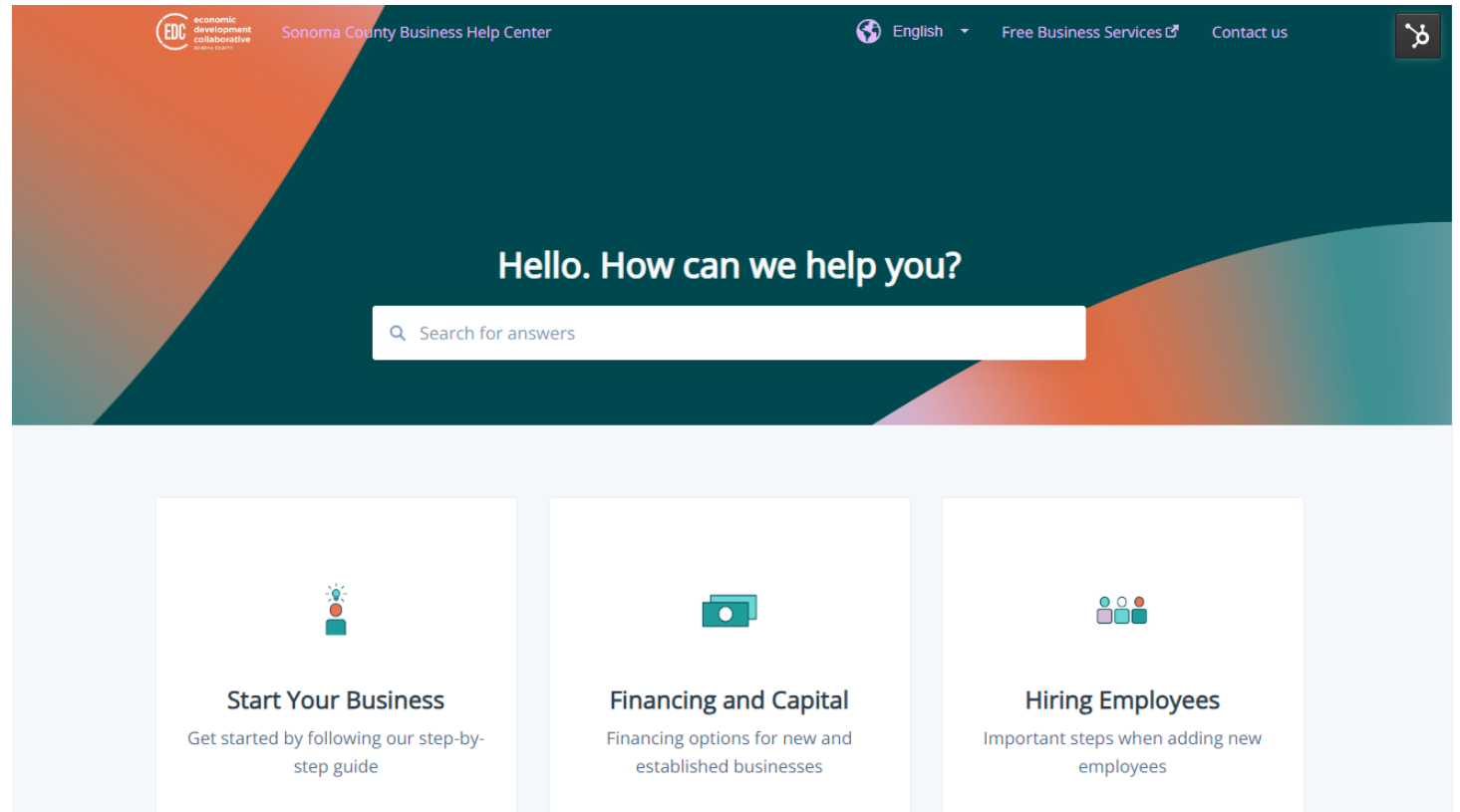
- Sonoma County received \$138,015.04 in Grant Funds for FY 2023/2024 and 2024/2025 to assist with costs associated with development of a MEHKO program, including program development, public outreach, offsetting permit fees, and enforcement. This grant funding does not require the implementation of a program, and funds must be expended by May 31, 2025.
- According to the grant letters of intent the following jurisdictional information is available:
  - 15 jurisdictions have opted into the MEHKO program (Riverside, Santa Barbara, San Diego, Solano, San Mateo, San Benito, Santa Clara, Alameda, Amador, Imperial, Sierra, Monterey, Contra Costa, Lake and the City of Berkeley).
  - 16 jurisdictions are currently considering a MEHKO program (City of Vernon, Mariposa, Inyo, Trinity, Tehama, Mendocino, Nevada, Marin, Santa Cruz, City of Long Beach, Sonoma, Fresno, Los Angeles, Mono, Humboldt and El Dorado).

# Customer Service Liaison

- Bilingual position to assist those seeking to enter a food business and provide resources they need to ensure its success.
- Will work in conjunction with other county agencies to ensure the best pathways are chosen and available resources are known.
- Securing external funding for this position is essential to prevent increased permit costs, ensuring equity in access to resources for new businesses.

# Sonoma County Business Help Center

- An online database of information and resources for business owners across industries and at varying stages whether they're looking to start a new business, expand operations or move locations to support business entity compliance and understanding in regulations.
- Content will include the identification and outline of pathways for home businesses, mobile businesses, community events, and brick and mortar businesses as it relates to the food industry and beyond.



# City Outreach

- June 20, 2024 - City Managers Meeting
- August 13, 2024 - Cotati City Council
- August 21, 2024 - Sonoma City Council
- August 27, 2024 – Rohnert Park City Council
- September 12, 2024 - City Mayors Board of Directors
- September 16, 2024 – Petaluma City Council

# Policy Options/Considerations

1. Opt into the MEHKO statute via the proposed ordinance, allowing MEHKOs in any residence, except for those areas where they are prohibited by the city or county general plans.
2. Rather than opting into the MEHKO statute currently, or in addition to doing so under Option 1, direct Permit Sonoma and the Department of Health Services to return with a proposed general plan amendment and environmental review document to facilitate opting into the MEHKO statute more broadly.
3. Do not opt into the MEHKO statute via the proposed ordinance.

# Recommended Actions

- A) Consider and potentially adopt a Resolution introducing, reading the title of, and waiving further reading of an “Ordinance of the Board of Supervisors of the County of Sonoma, State of California, 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” (First Read)
- B) Adopt a Resolution authorizing budgetary adjustments in the amount of \$138,015 to the fiscal year 2024-2025 adopted budget to reflect revenues and expenditures associated with the Micro-Enterprise Home Kitchen Operations Program awarded to the Sonoma County Department of Health Services. (4/5 Vote Required)

# Questions