

**ITEM #__ LOCAL MICROENTERPRISE HOME KITCHEN OPERATION PROGRAM
UPDATE AND OPTIONS FOR CONTINUED AUTHORIZATION IN SAN DIEGO COUNTY,
COTTAGE FOOD OPERATION PROGRAM OPTIONS, AND RELATED CEQA
EXEMPTION**

November 8, 2023

The following are options for the County of San Diego Board of Supervisors (Board) to provide direction at the November 8, 2023 meeting on the local Microenterprise Home Kitchen Operation (MEHKO) Program and Cottage Food Operation (CFO) Program Options. This form is only a sample of the potential directives and does not limit deliberation or possible actions. The Board's action on the MEHKO Program (Options 2 through 6) are independent of the action on the CFO Program (Options 7). The CFO Program will not be impacted by authorizing or declining to continue the MEHKO Program. The Board can still take action on Option 7 below related to CFO businesses if the Board opts to choose either Option 2a or 2b.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ACTIONS

1. ☐ Find that the proposed activities are exempt from California Environmental Quality Act (CEQA) as specified under Section 15061(b)(3) of the State CEQA Guidelines, as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect.

LOCAL MICROENTERPRISE HOME KITCHEN OPERATIONS PROGRAM OPTIONS

2. Receive options for authorization of a local Microenterprise Home Kitchen Operation (MEHKO) Program and provide direction on either Option 2a or 2b.
 - a. ☐ **Option 2a – Authorize A MEHKO Program.** Authorize a Microenterprise Home Kitchen Operation Program and introduce the ordinance (first reading): ORDINANCE AUTHORIZING A MICROENTERPRISE HOME KITCHEN OPERATION (MEHKO) PROGRAM THROUGHOUT THE COUNTY OF SAN DIEGO. *(Staff Recommendation)*

OR

- b. ☐ **Option 2b – Decline to Authorize A MEHKO Program.** Decline to Authorize a Microenterprise Home Kitchen Operation Program and introduce the ordinance (first reading): ORDINANCE DECLINING TO AUTHORIZE A MICROENTERPRISE HOME KITCHEN OPERATION (MEHKO) PROGRAM THROUGHOUT THE COUNTY OF SAN DIEGO AND REMOVING PRIOR REFERENCES TO A TEMPORARY MEHKO PROGRAM.

SUMMARY OF MEHKO OPTIONS				
If the Board selects Option 2a to authorize MEHKO Program, the Board can consider providing direction on each Option 3-6				
COTTAGE FOOD Operation (CFO) OPTION	<u>OPTION 3</u> Authorize MEHKO to Sell Food with Carts Staff Recommendation	<u>OPTION 4</u> Authorize MEHKO as Commissary for 2 Carts Staff Recommendation	<u>OPTION 5</u> Increase Number of Meals Allowed for MEHKO Operating a Cart	<u>OPTION 6</u> Increase the Gross Annual Sales Allowed for MEHKO Operating a Cart
	Allows for the sale of non-potentially hazardous food for up to 2 carts operated by a MEHKO, with sales from the cart <u>not</u> counting towards the meal and gross annual sales limits	Allows MEHKO to operate as commissary for up to 2 carts, with sales from the cart <u>counting</u> towards the meal and gross annual sales limits	Increase the number of individual meals a MEHKO operating a cart can prepare and sell from a maximum of 30 meals per day and no more than 90 meals per week, to a higher amount as determined by the Board.	Increase the gross annual sales allowed from \$100,000 to an amount determined by the Board, if operating a cart.
	Allows for the sale of non-potentially hazardous food for up to 2 carts operated by a Cottage Food Operation, with sales from the cart <u>not</u> counting towards the gross annual sales limit of \$150,000, as established by State law.			

3. ☐ **Option 3 – Authorize MEHKO Businesses to Sell Non-Potentially Hazardous Food with Carts.** If the Board selects Option 2a, consider providing direction on Option 3: whether to allow the sale of non-potentially hazardous food or produce for up to two carts operated by a MEHKO, with sales from a cart not counting towards the meal and gross annual sales limitations established in the cart and introduce the ordinance (first reading): ORDINANCE AMENDING THE REGULATORY CODE RELATING TO MICROENTERPRISE HOME KITCHEN OPERATION (MEHKO) PROGRAM THROUGHOUT THE COUNTY OF SAN DIEGO TO ALLOW THE SALE OF NON-POTENTIALLY HAZARDOUS FOOD WITH CARTS. *(Staff Recommendation)*
4. ☐ **Option 4 – Authorize MEHKO Businesses as a Commissary for Carts.** If the Board selects Option 2a, consider providing direction on Option 4: whether to allow MEHKO operators to serve as a commissary for up to two carts operated by the MEHKO, if the business can demonstrate that it is capable of supporting the preparation and storage of the food being sold from the cart and the storage and cleaning of the cart and introduce the ordinance (first reading): ORDINANCE AMENDING THE REGULATORY CODE RELATING TO MICROENTERPRISE HOME KITCHEN OPERATION (MEHKO) PROGRAM THROUGHOUT THE COUNTY OF SAN DIEGO TO ALLOW MEHKO TO SERVE AS A COMMISSARY. *(Staff Recommendation)*
5. ☐ **Option 5 – Increase the Number of Meals Allowed for MEHKO Businesses Operating a Cart.** If the Board selects Option 2a, consider providing direction on Option 5: whether to increase the number of individual meals a MEHKO operating a cart can prepare and sell. According to State law, MEHKO operators can serve a maximum of 30 meals per day and no more than 90 meals per week. The Board has flexibility to set a higher amount of meals per day and meals per week for MEHKO operators with carts.
6. ☐ **Option 6 – Increase the Gross Annual Sales Allowed for MEHKO Businesses Operating a Cart.** If the Board selects Option 2a, consider providing direction on Option 6: whether to increase the amount of gross annual sales that a MEHKO operating a cart can earn from \$100,000 to an amount higher than allowed in State law, to a maximum amount as determined by the Board.

COTTAGE FOOD PROGRAM OPTION

7. ☐ **Option 7 – Authorize CFO Businesses to Sell Non-Potentially Hazardous Food with Carts.** Receive option for the Cottage Food Operation (CFO) Program and consider providing direction regarding on Option 7: whether to allow the sale of non-potentially hazardous food or produce for up to two carts operated by a CFO, with sales from a cart not counting towards the gross annual sales limitations established in State law of \$150,000 and introduce the ordinance (first reading): ORDINANCE AMENDING THE REGULATORY CODE RELATING TO COTTAGE FOOD OPERATION (CFO) PROGRAM THROUGHOUT THE COUNTY OF SAN DIEGO TO ALLOW THE SALE OF NON-POTENTIALLY HAZARDOUS FOOD WITH CARTS. *(Staff Recommendation)*

FISCAL & PROCEDURAL ACTIONS

8. ☐ Waive Board Policy B-29: Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery for MEHKO and CFO permit fees.

DECEMBER 6, 2023 ACTIONS

If, on November 8, 2023, the Board takes actions on the Options above then, on December 6, 2023:

1. ☐ Consider and adopt the ordinance(s) amending the County Code of Regulatory Ordinances (second reading).