



SUPPLEMENTAL AGENDA ITEM AGENDA STAFF REPORT

Control: 26001871

MEETING DATE: 09/29/2026
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): Board of Supervisors
SUBMITTING AGENCY/DEPARTMENT: Chair Chaffee and Supervisor Sarmiento
DEPARTMENT CONTACT PERSON(S): Yasie Goebel, 714-834-3220
Carlos Valenzuela, 714-834-3220
SUBJECT: Addition of Supplemental Item to the September 29, 2026 Board of Supervisors Meeting Agenda

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
N/A	Not Required	DISCUSSION
		3 Votes Board Majority

RECOMMENDED ACTION(S):

1. Direct the County of Orange Health Care Agency to work with the Auditor-Controller, or designee, on a fee study to determine the financial impacts to the County for the establishment and administration of a county MEHKO Program.
2. Direct the Health Care Agency to present the findings of the proposed fee study to the Board of Supervisors upon its completion.

Summary:

Chairman Doug Chaffee and Supervisor Vicente Sarmiento requests the office of the Auditor Controller and the Health Care Agency to conduct a fee study on the costs associated with establishing and administering a county Micro Enterprise Home Kitchen Operation (MEHKO) Program.

A MEHKO Program in the County of Orange may foster economic opportunity, stimulate economic development via entrepreneurship, and reduce the startup costs for residents interested in starting a retail food business. A MEHKO Program can also provide additional revenue for the County through the collection of sales tax from permitted MEHKO operators.

Developing and implementing a MEHKO Program in the County of Orange may help bring some existing home cooks and small food entrepreneurs into the formal

BACKGROUND INFORMATION:

The California Retail Food Code (CRFC), codified in California Health and Safety Code section 113700 et seq., establishes uniform health and sanitation standards for retail food facilities for regulation by the California Department of Public Health, and requires local enforcement agencies to enforce these provisions. In the County of Orange, the local enforcement agency is the Health Care Agency.

In 2019, California's Assembly Bill (AB) 626 amended the CRFC to add a new food facility category called Micro Enterprise Home Kitchen Operation (MEHKO), which allows local home cooks and small food entrepreneurs, who meet all the requirements, to legally prepare and serve meals to consumers from their home kitchens.

In 2023, AB 1325 further amended Health and Safety Code section 113825, modifying the MEHKO's requirements by increasing the gross annual sales limit to \$100,000, as adjusted annually for inflation based on the California Consumer Price Index, and increasing the limit for number of meals served weekly to no more than 90, with an existing limit of no more than 30 meals served per day.

Subject to additional approval, a MEHKO Program permit holder may also use their location as a commissary for an existing licensed Compact Mobile Food Operation (CMFO). During the last couple of years, the County of Orange has experienced a shortage of available licensed commissary facilities. Use of these facilities is a requirement to possess a valid Environmental Health Permit for a CMFO or a Mobile Food Facility.

Under Health and Safety Code section 114367, the governing body of a city or county must pass an ordinance or resolution to adopt a MEHKO Program.

The counties of San Diego, Riverside, Los Angeles, Santa Barbara, Alameda, and Santa Clara have all established MEHKO Programs in their respective counties.

Purpose of Funding:

The fee study will help the Board of Supervisors consider any financial impacts resulting from the establishment and administration of a MEHKO Program in Orange County.

N/A