



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 22-965

October 25, 2022

Introduced: 10/7/2022

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Receive a report on proposed budget amendments to the Department of Cannabis Control Local Jurisdiction Assistance Grant Award.
- b. Provide direction to staff as appropriate.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a report on proposed budget amendments to the Department of Cannabis Control Local Jurisdiction Assistance Grant Award.
- b. Provide direction to staff as appropriate.

SUMMARY/DISCUSSION:

The Cannabis Program (Program) informed the Board of Supervisors Cannabis Committee (Committee) and the Board of Supervisors (Board) of the Department of Cannabis Control (DCC) Local Jurisdiction Assistance Grant (LJAG) opportunity on July 21, 2021 and October 12, 2021 respectively. Through the LJAG, the DCC intends to provide grant funding to local jurisdictions to assist local commercial cannabis operators with transitioning from provisional to annual state licensure. The Program submitted an LJAG application on November 10, 2021 and received notification on December 24, 2021 for an award amount of \$1,737,025 to be expended from January 1, 2022 through June 30, 2025. In January 2022, the Board adopted a resolution authorizing the County Administrative Officer to execute a grant agreement with the DCC.

In August 2022, staff presented proposed amendments to Chapters 20.69 and 21.69 of Monterey County Code (MCC), which pertain to the Outdoor Commercial Cannabis Cultivation Pilot Program (Pilot). Staff recommended to remove the requirement for proof of prior cultivation, as this would expand the pool of eligible applicants, however the Board did not agree to this recommendation. Instead, it directed staff to return to the Board with recommended amendments to the LJAG budget. Staff recommends the following amended LJAG budget as follows:

- Increase Accela Automation improvements to \$100,000.
 - Staff is completing the Cannabis Business Permit module and has discovered reporting requirements need improvement.
 - Ordinance work related to MCC Ordinances Titles 20.67, 21.67, 20.69, 21.69, and Chapter 7.90 will continue with an outside consultant.
 - Staff has removed the consultant function to assist with the implementation of the

Go-Biz and LJAG grants as it was unsuccessful in identifying an appropriate temporary staff person.

- The remaining dollars will be adjusted to the passthrough funding for operators who hold a provisional state license and desire to transition to annual licensure.

Staff have conferred with Housing and Community Development to reallocate the grant budget according to Attachment A.

OTHER AGENCY INVOLVEMENT:

Housing and Community Development was involved in the preparation of this report.

FINANCING:

Monterey County's Cannabis Program is funded in County Administrative Office - Department 1050, Intergovernmental and Legislative Affairs Division - Unit 8533, Cannabis. Approval of this recommendation will not result in additional general fund contributions.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Monterey County Cannabis Program addresses each of the Strategic Initiative Policy Areas that promote the growth of a responsible and legal Monterey County cannabis industry.

Mark a check to the related Board of Supervisors Strategic Initiatives:

- X Economic Development
- X Administration
- X Health & Human Services
- X Infrastructure
- X Public Safety

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Approved by: Nicholas E. Chiulos, Assistant CAO, x 5145

Attachments:

- A. Proposed Amendments to Local Jurisdiction Assistance Grant Program Budget