

County of Monterey

Government Center- Monterey Room
168 W. Alisal St., 2nd Floor
Salinas, CA 93901



Meeting Agenda - Final

Special Meeting

Supervisor Chris Lopez - District 3

Supervisor Kate Daniels- District 5

Wednesday, October 22, 2025

1:00 PM

Join via Zoom at <https://montereycty.zoom.us/j/97745425402> or in person at: 168 W. Alisal St., 2nd Floor, Salinas CA-Monterey Room; or 1011 Broadway St, Suite C, King City, CA 93930 – Dist. 3 Office.

Cannabis Committee

Supervisor Chris Lopez will appear by video conference on this date at: 1011 Broadway St, Suite C, King City, CA 93930. Consistent with Government Code Section 54953, an agenda will be posted at this location, and it will be accessible by the public.

Participation in meetings:

Members of the public may participate in Committee meetings in two (2) ways:

1. You may attend the meeting in person at 168 W. Alisal Street, 2nd Floor, Salinas CA 93901 – Government Center Building, Monterey Room; or, 1011 Broadway St, Suite C, King City, CA 93930 – District 3 Office.

2. You may participate via Zoom at: <https://montereycty.zoom.us/j/97745425402>

If you do not have access to a computer, you may call into the meeting and participate by calling the following number: 1-669-900-6833 and entering the following meeting ID 977 4542 5402.

If you choose not to attend the Cannabis Committee meeting but desire to make a public comment on a specific agenda item, please submit your comment via email by 5:00 p.m. on Tuesday, October 21, 2025. Please submit your comment to Araceli Baltierra at BaltierraA@countyofmonterey.gov and your comment will be placed into the record at the meeting.

If you are watching the live stream of the Cannabis Committee meeting and wish to make either a general public comment or to comment on a specific agenda item as it is being heard, please select the “raise hand” option on the Zoom screen, and your microphone will be unmuted so you can speak. To select the “raise hand” option, click on the ‘participants’ icon at the bottom of your Zoom screen, then click the “raise hand” icon next to your name.

Participación en reuniones:

Los miembros del público pueden participar en las reuniones del Comité de (2) maneras:

1. Puede asistir a la reunión en persona en 168 W. Alisal Street, Segundo Piso, Salinas, CA 93901 - Centro de Gobierno del Condado de Monterey, Monterey Room; o, 1011 Broadway Street, Suite C, King City, CA 93930 – Oficina del Distrito 3; o, 1200 Aguajito Rd Monterey CA 93940 - Oficina del Distrito 5; o,

2. Puede participar a través de Zoom en: <https://montereycty.zoom.us/j/97745425402>.

Si no tiene acceso a una computadora, puede llamar a la reunión y participar llamando al siguiente

número: 1-669-900-6833 e ingresando la siguiente identificación de la reunión: 977 4542 5402.

Si decide no asistir a la reunión del Comité de Cannabis, pero desea hacer un comentario, envíelo antes del Martes, Octubre 21, 2025, 5pm, a Araceli Baltierra, por correo electrónico a: BaltierraA@countyofmonterey.gov y su comentario se incluirá en el registro de la reunión.

Si está viendo la retransmisión en directo de la reunión del Comité de Cannabis y desea hacer un comentario público general o comentar un punto específico del orden del día mientras se escucha, seleccione la opción "levantar la mano" en la pantalla de Zoom, y su micrófono se silenciará para que pueda hablar. Para seleccionar la opción "levantar la mano", haga clic en el icono de "participantes" que encontrará en la parte inferior de la pantalla de Zoom y, a continuación, haga clic en el icono "levantar la mano" que encontrará junto a su nombre.

TENGA EN CUENTA: SI TODOS LOS MIEMBROS DE LA JUNTA ESTÁN PRESENTES EN PERSONA, LA PARTICIPACIÓN DEL PÚBLICO POR ZOOM ES ÚNICAMENTE POR CONVENIENCIA Y NO ES REQUERIDA POR LA LEY. SI LA ALIMENTACIÓN DE ZOOM SE PIERDE POR CUALQUIER MOTIVO, LA REUNIÓN PUEDE PAUSARSE MIENTRAS SE INTENTA UNA SOLUCIÓN, PERO LA REUNIÓN PUEDE CONTINUAR A DISCRECIÓN DEL PRESIDENTE.

PLEASE NOTE: IF ALL BOARD MEMBERS ARE PRESENT IN PERSON, PUBLIC PARTICIPATION BY ZOOM IS FOR CONVENIENCE ONLY AND IS NOT REQUIRED BY LAW. IF THE ZOOM FEED IS LOST FOR ANY REASON, THE MEETING MAY BE PAUSED WHILE A FIX IS ATTEMPTED BUT THE MEETING MAY CONTINUE AT THE DISCRETION OF THE CHAIRPERSON.

NOTE: All agenda titles related to numbered items are live web links. Click on the title to be directed to corresponding Committee Report.

PUBLIC COMMENT: Members of the public may address comments to the Committee concerning each agenda item. Timing of the public comment shall be at the discretion of the Chair.

Call to Order

Additions and Corrections

Continuance of Closed Session to be held at the conclusion of the Board's Regular Agenda, or at any other time during the course of the meeting announced by the Chairperson of the Board.

Public Comment Period

This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee.

Approval of Action Minutes

1. Consider approval of action minutes from the July 31, 2025, Cannabis Committee meeting.

Attachments: [July 31, 2025 Cannabis Committee Minutes](#)

Regular Agenda

2.
 - a. Receive a presentation related to developing an ordinance to allow Cannabis Lounges as an allowed land use; and
 - b. Direct staff to conduct public outreach activities in relation to developing a Cannabis Lounge ordinance for the coastal and non-coastal areas of Monterey County.

Presenter: Mike Novo, Management Specialist, Housing and Community Development

Attachments: [Board Report](#)
[Attachment A - Santa Cruz County Cannabis Lounge Ordinance - redline](#)
[Cannabis Lounges Powerpoint HCD](#)

3. Receive an Auditor-Controller Office memoranda update on commercial cannabis business tax collections and payment plan.

Presenter: Kevin Tweedy, Accounting Auditor III

Attachments: [Cannabis Committee ACO Memo October 2025](#)

4. Receive memoranda update on the Cannabis Program budget, and performance measures.

Presenter: Michelle House, Cannabis Program Manager

Attachments: [Cannabis Committee Memo 10 22 2025](#)

Adjournment

The next regularly scheduled meeting is December 4, 2025 in the Monterey Room and via Zoom.

Committee Members: Supervisor Chris Lopez, Chair; Supervisor Kate Daniels, Vice-Chair.

Committee Staff: Nick Chiulos, Chief Assistant County Administrative Officer; Robert Brayer, Deputy County Counsel; and Araceli Baltierra, Committee Secretary.

- Copies of staff reports or other written documentation relating to items referenced on this agenda and/or submitted after distribution of the agenda packet are on file and available for public inspection at the County Administrative Office, County of Monterey Government Center, 168 West Alisal Street, 3rd Floor, Salinas CA 93901.
- Meetings of the Board of Supervisors Cannabis Committee are accessible to individuals with disabilities. The Administration Building and Monterey Conference Room are wheelchair accessible. Please contact the County of Monterey Civil Rights Office at 831-755-5117 if you need assistance or accommodations to participate in a public meeting or if you need the agenda and public documents modified as required by Section 202 of the Americans with Disabilities Act.
- The following services are available when requests are made by 5:00 p.m. of the Friday before this noted meeting: American Sign Language interpreters during a meeting, large print agenda or minutes in alternative format.
- If you require the assistance of an interpreter, please contact the Senior Secretary in the County Administrative Office at 831-755-5419. Every effort will be made to accommodate requests for translation assistance. Requests should be made as soon as possible, and at a minimum 24 hours in advance of any meeting.
- Si usted requiere la asistencia de un intérprete, por favor comuníquese con la oficina de Administración localizada en el Centro de Gobierno del Condado de Monterey, (County of Monterey Government Center), 168 W. Alisal St., Tercer Piso, Salinas - o por teléfono llamar al 831-755-5419. La secretaria hará el esfuerzo para acomodar los pedidos de asistencia de un intérprete. Los pedidos se deberán hacer lo más pronto posible, y a lo mínimo 24 horas de anticipo de cualquier junta.



County of Monterey

Item No.1

Board Report

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

Legistar File Number: MIN 25-072

October 22, 2025

Introduced: 10/14/2025

Current Status: Agenda Ready

Version: 1

Matter Type: Minutes

Consider approval of action minutes from the July 31, 2025, Cannabis Committee meeting.

County of Monterey

Government Center- Monterey Room
168 W. Alisal St., 2nd Floor
Salinas, CA 93901



CANNABIS PROGRAM
COUNTY OF MONTEREY

Meeting Minutes - Draft

Special Meeting

Supervisor Chris Lopez - District 3

Supervisor Kate Daniels- District 5

Thursday, July 31, 2025

2:00 PM

Join via Zoom at <https://montereycty.zoom.us/j/94962194033> or in person at: 168 W. Alisal St., 2nd Floor, Salinas CA-Monterey Room; or 1011 Broadway St, Suite C, King City, CA 93930 – Dist. 3 Office; or 1200 Aguajito Rd, Monterey CA 93940 – District 5 Office

Cannabis Program

NOTE: All agenda titles related to numbered items are live web links. Click on the title to be directed to corresponding Committee Report.

PUBLIC COMMENT: Members of the public may address comments to the Committee concerning each agenda item. Timing of the public comment shall be at the discretion of the Chair.

Call to Order

The meeting was called to order at 2:04pm.

Additions and Corrections

There were no additions or corrections.

Public Comment Period

John Cummings, Tyler Everett, Eloise Shim, Colin Disheroon, Oliver Bates, Robert Roach, and Katherine Thomas.

Approval of Action Minutes

1. Consider approval of action minutes from the March 06, 2025, Cannabis Committee meeting.

The Board of Supervisors Cannabis Committee Minutes from March 06, 2025, were approved by consensus.

Regular Agenda

2. Receive an Auditor-Controller Office memoranda update on commercial cannabis business tax collections and payment plan.

Presenter: Kevin Tweedy, Accounting Auditor III

Report deemed as received.

3. Receive memoranda update on Cannabis Program budget, Department of Cannabis Control Local Jurisdiction Grant, and performance measures.

Presenter: Michelle House, Cannabis Program Manager

Report deemed as received.

Adjournment

The meeting was adjourned at 3:06pm.



County of Monterey

Item No.2

Board Report

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

Legistar File Number: 25-761

October 22, 2025

Introduced: 10/15/2025

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Receive a presentation related to developing an ordinance to allow Cannabis Lounges as an allowed land use; and
- b. Direct staff to conduct public outreach activities in relation to developing a Cannabis Lounge ordinance for the coastal and non-coastal areas of Monterey County.

Presenter: Mike Novo, Management Specialist, Housing and Community Development

RECOMMENDATION:

It is recommended that the Board of Supervisors Cannabis Committee:

- a. Receive a presentation related to developing an ordinance to allow Cannabis Lounges as an allowed land use; and
- b. Direct staff to conduct public outreach activities in relation to developing a Cannabis Lounge ordinance for the coastal and non-coastal areas of Monterey County.

SUMMARY:

County staff is considering an ordinance that will allow all existing cannabis retailers to also include a cannabis “lounge” (consumption) on site if they can meet all the requirements in the ordinance. The focus on those requirements would be ventilation, ensuring a safe environment for employees and customers, and ensuring that odor control is addressed. The ordinance would require a ministerial permit through the Cannabis Program annual permit (MCC 7.90.040) and renewal process. A discretionary (planning) permit option is being discussed to potentially allow outdoor cannabis lounges where the circumstances warrant and would also be required if additional parcels are necessary to establish a cannabis lounge associated with an existing dispensary.

DISCUSSION:

Monterey County Code Framework for Retail Cannabis Uses

The County of Monterey adopted ordinances that regulate commercial cannabis activities in the unincorporated area. The County Code definitions state that the terms “Dispensary,” “Retailer” and “Retail Facility” have the same meaning for the purpose of implementing the regulations.

The non-coastal area regulations are found in Chapter 21.67 at the following webpage:

https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT21ZO_CH21.67COCAAC

The coastal zone regulations are found in Chapter 20.67 at the following webpage:

https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT20COZO_CH20.67COCAAC>).

Retail cannabis is specifically regulated as a land use in Monterey County Code sections 20.67.040 (coastal zone) and 21.67.040 (non-coastal areas). The county code allows retail uses in certain zoning districts and establishes requirements to ensure compatibility with other land uses in the vicinity. Retail uses are also called a dispensary and are allowed in only four specific zoning districts. The inland area allows dispensaries in the Light Commercial and Heavy Commercial zoning districts with Administrative Permits; the coastal zone allows dispensaries in the Moss Landing Commercial and Coastal General Commercial zoning districts with Coastal Development Permits.

The zoning regulations establish required findings that must be made to approve a discretionary permit for cannabis retail facilities. Included in those findings are a requirement that establishes distance “buffers” from certain land uses and from other cannabis retail facilities:

“The retail facility will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority, and the retail facility will not be located within one thousand five hundred (1,500) feet of another retail facility.”

The following Specific Findings are required to approve a commercial cannabis retailer use (excerpt from non-coastal regulations):

1. The retailer, as proposed has demonstrated that it can and will comply with all the requirements of the state and County to operate a cannabis retail facility.
2. The retail facility will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority, and the retail facility will not be located within one thousand five hundred (1,500) feet of another retail facility.
3. The retailer, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
4. The retailer includes adequate measures that minimize, to the extent feasible, nuisances to the immediate neighborhood and community including minimizing the detection of odor from offsite, minimizing the effects of loitering, providing adequate security measures, and not exceeding the permit's limits on hours of operation.
5. The retailer will provide adequate measures that address the federal enforcement priorities for cannabis activities including providing for restrictions on drugged driving, restricting access to minors, prohibiting use or possession of firearms for security purposes at the premises, and ensuring that cannabis and cannabis products are supplied from permitted and licensed sources.

Each existing Cannabis Retailer has met, or a proposal to establish a new retail location will have to meet, significant requirements to allow them to be approved for a location. These include the provisions identified in the findings, above, and the regulations section of the ordinance, including providing on-site security, ensuring product safety, and labeling requirements. In addition, the zoning ordinance requires a very specific list of Conditions of Approval be placed on each discretionary permit issued for cannabis retail facilities, including physical inspections and inspections of records, compliance with other portions of the County Code (including Chapter 7.90), compliance with state and local permits, and limiting the hours of operation.

In addition to the zoning regulations, the County Code includes regulations to control cannabis businesses, including retail uses, in Chapter 7.90, Commercial Cannabis Permits. This chapter, together with Chapters 7.02

https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT7BUTALIRE_CH7.02BULI, 20.67

https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT20COZO_CH20.67COCAAC, 21.67

https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT21ZO_CH21.67COCAAC, 20.69

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https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT21ZO_CH21.69OUCOCACUPIPR of the Monterey County Code, require necessary licenses and land use entitlements for all commercial cannabis operations, and is intended to establish criteria for issuing local permits pursuant to the Medicinal and Adult-Use of Cannabis Regulatory and Safety Act and to establish an effective regulatory and enforcement system consistent with the guidance issued by the United States Department of Justice. Chapter 7.90 requires that any commercial cannabis activity obtain a commercial cannabis business license through the Cannabis Program office, as well as obtain a land use entitlement pursuant to the applicable zoning ordinance. The chapter includes information on the procedures for applying, renewing, or modifying a commercial cannabis business permit, and guidance on circumstances for denying a permit. This section of County Code also lays out operational requirements, procedures for suspension or revocation of permits, and enforcement procedures.

Geographic Information System Information

The County's website includes a Geographic Information System interface that graphically depicts where dispensaries can be located pursuant to regulations established in the Monterey County Code. The County's Geographic Information System has a layer called "Commercial Cannabis Zoning" at <https://montereyco.maps.arcgis.com/apps/webappviewer/index.html?id=7e547350530340bdaaa5458039adb9d0>. In looking at this resource, the public can identify which areas/zoning districts allow commercial retail cannabis uses, and the layer also includes the setback (buffer) requirements to other land uses identified by the county code to be potentially incompatible uses (schools, child care centers, youth centers, playgrounds, or a drug recovery facility).

Existing Retail Facilities

The following facilities have been approved and are operating as Retail Cannabis facilities in the unincorporated area:

Facility Name	Planning Permit File Number	Location	Type
Smoke Stacks (East of Eden)	PLN170300	Moss Landing	Dispensary
One Plant (Higher Level)	PLN170093	Castroville	Dispensary
Big Sur Canna Botanicals	PLN160803-AMD1	Carmel	Dispensary
White Fire (East of Eden)	PLN170481	Prunedale	Dispensary
Synchronicity Holistic	PLN160807	Carmel	Dispensary
Cali Love	PLN190008	Salinas(North County)	Dispensary
Santa Cruz Naturals	PLN170145	Pajaro	Dispensary
One Plant	PLN170478	Salinas	Dispensary

Proposed Concept

County staff is considering developing an ordinance that will allow all existing cannabis retailers to also include a cannabis “lounge” (consumption) on site if they can meet all the ordinance requirements. The focus on those requirements would be ventilation to ensure a safe environment for employees and customers as well as ensuring that odor control is addressed. The lounge would be required to obtain a ministerial permit, which would be processed through the Cannabis Program annual permit and renewal process (MCC 7.90.040).

No additional discretionary (planning) permit would be required. The reason is that a retail site has a lot of location restrictions, as described above, to ensure they are not located close to sensitive receptors/uses. The property would have earlier gone through a discretionary permit process to establish the retail use. Any retail cannabis location that has already been through that process has been thoroughly analyzed to ensure it meets code requirements for land use compatibility, property capacity for the use (zoning, parcel size, parking), and operational limitations required by the code and permit’s conditions of approval.

The Cannabis Lounge ordinance would be crafted to ensure that the proposed lounge facility meets all health codes and building code requirements for ventilation/air exchange. That effort is important to protect the public health, including the health of cannabis retailer employees, from smoke and its adverse effects. The ordinance is expected to also include operational requirements that would ensure that employees’ health is protected.

Staff is considering two scenarios for outreach and discussion where a discretionary permit would be required. One scenario is to potentially allow outdoor lounge use if the location can demonstrate that emissions can be controlled, or the property is in an area where odors and smoke would not affect adjacent land uses. In addition, if an existing retail facility needs to expand to other property to accommodate a lounge, that would be an intensification of use that likely would also trigger a discretionary permit. Staff is initially considering that these circumstances should require a discretionary permit so that all the factors can be adequately

analyzed, and the permit could be denied if land use compatibility cannot be demonstrated for that set of circumstances.

Santa Cruz County recently adopted a set of regulations (attached) that allows consumption on site. Concerns raised through that process included an increased risk of impaired driving, proximity to school routes, the condition of road infrastructure, and the potential for youth exposure. Many of these issues are addressed in the current Monterey County Code by establishing setbacks to sensitive land uses, such as schools and child care centers. Proximity to school routes is not addressed within our current regulations. Impaired driving concerns and youth exposure are legitimate concerns that require education and enforcement capabilities; our County's existing regulations address these topics and would continue to apply to any cannabis lounge activities.

Cannabis retailers identified the potential market demand, the unique experience of a consumption lounge, and educational opportunities by providing on-site consumption, as well as a potential enhancement of product value. In discussions with current retailers, they look at lounges as an opportunity to provide education on responsible use of cannabis.

Staff is not recommending a pilot program approach for cannabis lounges. Adding a lounge facility will take significant investment, particularly related to a ventilation system, and a pilot program likely would not provide sufficient time to recover the cost of such an investment from lounge operations.

OTHER AGENCY INVOLVEMENT:

The Board of Supervisors directed that staff conduct research and outreach to develop a cannabis lounge ordinance in 2024. Staff with the Monterey County Health Department, Housing and Community Development, Cannabis Program, County Counsel, Fire Departments and Sheriff's Office have discussed some draft ordinance concepts prior to this presentation to the Cannabis Committee. County staff met with industry representatives on October 20, 2025, to inform them of current staff efforts, at their regularly scheduled Cannabis Industry Meeting <https://calendar.countyofmonterey.gov/lists/2166/4466100>.

Staff is recommending that community outreach begin with the concepts currently proposed or as further shaped through the Board of Supervisors Cannabis Committee discussions.

FINANCING:

Staff time to develop the draft ordinance is included in the Fiscal Year 2024-25 Adopted Budget for HCD, Appropriation Unit HCD002, Unit 8543.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

Mark a check to the related Board of Supervisors Strategic Plan Goals:

- ☐ Well-Being and Quality of Life
- ☐ Sustainable Infrastructure for the Present and Future
- ☒ Safe and Resilient Communities
- ☒ Diverse and Thriving Economy

As stated in Monterey County Code section 7.90, “it is the intent of the County of Monterey to have a strong and effective regulatory and enforcement system with regard to cannabis that addresses threats to public safety, health and other law enforcement interests through robust controls and procedures that are effective in practice, and that comply with state law and federal guidelines.” Allowing cannabis lounges would encourage business expansion to allow commercial consumption uses within the unincorporated area while staying within the intent outlined above.

Prepared by: Mike Novo, Management Specialist, 755-5176

Approved by: Craig Spencer, Director of Housing and Community Development, 755-5233

Attachments:

Attachment A - Santa Cruz County Cannabis Lounge Ordinance (redline version)

cc: Cannabis Interested Parties Distribution List; Michele House, Cannabis Program; Dr. Edward Moreno, Health Department; Christabelle Zarraga, Health Department; Marni Flagg, Health Department; Elaine Narciso, Health Department; Kelly Donlon, County Counsel; Reed Gallogly, County Counsel; Nicholas Kennedy, Sheriff; Frank Espinoza, CAL FIRE; Joel Mendoza, North County Fire Protection District; Scott Anderson, Monterey County Regional Fire District; Rick Magno, Monterey County Regional Fire District; Craig Spencer, HCD; Melanie Beretti, HCD Sarah Wikle, HCD; Mike Novo, HCD; File



County of Monterey

Item No.

Board Report

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

Legistar File Number: 25-761

October 22, 2025

Introduced: 10/15/2025

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Receive a presentation related to developing an ordinance to allow Cannabis Lounges as an allowed land use; and
- b. Direct staff to conduct public outreach activities in relation to developing a Cannabis Lounge ordinance for the coastal and non-coastal areas of Monterey County.

RECOMMENDATION:

It is recommended that the Board of Supervisors Cannabis Committee:

- a. Receive a presentation related to developing an ordinance to allow Cannabis Lounges as an allowed land use; and
- b. Direct staff to conduct public outreach activities in relation to developing a Cannabis Lounge ordinance for the coastal and non-coastal areas of Monterey County.

SUMMARY:

County staff is considering an ordinance that will allow all existing cannabis retailers to also include a cannabis “lounge” (consumption) on site if they can meet all the requirements in the ordinance. The focus on those requirements would be ventilation, ensuring a safe environment for employees and customers, and ensuring that odor control is addressed. The ordinance would require a ministerial permit through the Cannabis Program annual permit (MCC 7.90.040) and renewal process. A discretionary (planning) permit option is being discussed to potentially allow outdoor cannabis lounges where the circumstances warrant and would also be required if additional parcels are necessary to establish a cannabis lounge associated with an existing dispensary.

DISCUSSION:

Monterey County Code Framework for Retail Cannabis Uses

The County of Monterey adopted ordinances that regulate commercial cannabis activities in the unincorporated area. The County Code definitions state that the terms “Dispensary,” “Retailer” and “Retail Facility” have the same meaning for the purpose of implementing the regulations.

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The coastal zone regulations are found in Chapter 20.67 at the following webpage:

https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT20ZO_CH20.67COCAAC

[nodeId=TIT20COZO_CH20.67COCAAC>\).](#)

Retail cannabis is specifically regulated as a land use in Monterey County Code sections 20.67.040 (coastal zone) and 21.67.040 (non-coastal areas). The county code allows retail uses in certain zoning districts and establishes requirements to ensure compatibility with other land uses in the vicinity. Retail uses are also called a dispensary and are allowed in only four specific zoning districts. The inland area allows dispensaries in the Light Commercial and Heavy Commercial zoning districts with Administrative Permits; the coastal zone allows dispensaries in the Moss Landing Commercial and Coastal General Commercial zoning districts with Coastal Development Permits.

The zoning regulations establish required findings that must be made to approve a discretionary permit for cannabis retail facilities. Included in those findings are a requirement that establishes distance “buffers” from certain land uses and from other cannabis retail facilities:

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The following Specific Findings are required to approve a commercial cannabis retailer use (excerpt from non-coastal regulations):

1. The retailer, as proposed has demonstrated that it can and will comply with all the requirements of the state and County to operate a cannabis retail facility.
2. The retail facility will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority, and the retail facility will not be located within one thousand five hundred (1,500) feet of another retail facility.
3. The retailer, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
4. The retailer includes adequate measures that minimize, to the extent feasible, nuisances to the immediate neighborhood and community including minimizing the detection of odor from offsite, minimizing the effects of loitering, providing adequate security measures, and not exceeding the permit's limits on hours of operation.
5. The retailer will provide adequate measures that address the federal enforcement priorities for cannabis activities including providing for restrictions on drugged driving, restricting access to minors, prohibiting use or possession of firearms for security purposes at the premises, and ensuring that cannabis and cannabis products are supplied from permitted and licensed sources.

Each existing Cannabis Retailer has met, or a proposal to establish a new retail location will have to meet, significant requirements to allow them to be approved for a location. These include the provisions identified in the findings, above, and the regulations section of the ordinance, including

providing on-site security, ensuring product safety, and labeling requirements. In addition, the zoning ordinance requires a very specific list of Conditions of Approval be placed on each discretionary permit issued for cannabis retail facilities, including physical inspections and inspections of records, compliance with other portions of the County Code (including Chapter 7.90), compliance with state and local permits, and limiting the hours of operation.

In addition to the zoning regulations, the County Code includes regulations to control cannabis businesses, including retail uses, in Chapter 7.90, Commercial Cannabis Permits. This chapter, together with Chapters 7.02

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https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT20COZO_CH20.67COCAAC, 21.67

https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT21ZO_CH21.67COCAAC, 20.69

https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT20COZO_CH20.69OUCOCACUPIPR, and 21.69

https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT21ZO_CH21.69OUCOCACUPIPR of the Monterey County Code, require necessary

licenses and land use entitlements for all commercial cannabis operations, and is intended to establish criteria for issuing local permits pursuant to the Medicinal and Adult-Use of Cannabis Regulatory and Safety Act and to establish an effective regulatory and enforcement system consistent with the guidance issued by the United States Department of Justice. Chapter 7.90 requires that any commercial cannabis activity obtain a commercial cannabis business license through the Cannabis Program office, as well as obtain a land use entitlement pursuant to the applicable zoning ordinance. The chapter includes information on the procedures for applying, renewing, or modifying a commercial cannabis business permit, and guidance on circumstances for denying a permit. This section of County Code also lays out operational requirements, procedures for suspension or revocation of permits, and enforcement procedures.

Geographic Information System Information

The County's website includes a Geographic Information System interface that graphically depicts where dispensaries can be located pursuant to regulations established in the Monterey County Code. The County's Geographic Information System has a layer called "Commercial Cannabis Zoning" at

[https://montereyco.maps.arcgis.com/apps/webappviewer/index.html?](https://montereyco.maps.arcgis.com/apps/webappviewer/index.html?id=7e547350530340bdaa5458039adb9d0)

[id=7e547350530340bdaa5458039adb9d0](https://montereyco.maps.arcgis.com/apps/webappviewer/index.html?id=7e547350530340bdaa5458039adb9d0). In looking at this resource, the public can identify which areas/zoning districts allow commercial retail cannabis uses, and the layer also includes the setback (buffer) requirements to other land uses identified by the county code to be potentially incompatible uses (schools, child care centers, youth centers, playgrounds, or a drug recovery facility).

Existing Retail Facilities

The following facilities have been approved and are operating as Retail Cannabis facilities in the unincorporated area:

Facility Name	Planning Permit File Number	Location	Type
Smoke Stacks (East of Eden)	PLN170300	Moss Landing	Dispensary
One Plant (Higher Level)	PLN170093	Castroville	Dispensary
Big Sur Canna Botanicals	PLN160803-AMD1	Carmel	Dispensary
White Fire (East of Eden)	PLN170481	Prunedale	Dispensary
Synchronicity Holistic	PLN160807	Carmel	Dispensary
Cali Love	PLN190008	Salinas(North County)	Dispensary
Santa Cruz Naturals	PLN170145	Pajaro	Dispensary
One Plant	PLN170478	Salinas	Dispensary

Proposed Concept

County staff is considering developing an ordinance that will allow all existing cannabis retailers to also include a cannabis “lounge” (consumption) on site if they can meet all the ordinance requirements. The focus on those requirements would be ventilation to ensure a safe environment for employees and customers as well as ensuring that odor control is addressed. The lounge would be required to obtain a ministerial permit, which would be processed through the Cannabis Program annual permit and renewal process (MCC 7.90.040).

No additional discretionary (planning) permit would be required. The reason is that a retail site has a lot of location restrictions, as described above, to ensure they are not located close to sensitive receptors/uses. The property would have earlier gone through a discretionary permit process to establish the retail use. Any retail cannabis location that has already been through that process has been thoroughly analyzed to ensure it meets code requirements for land use compatibility, property capacity for the use (zoning, parcel size, parking), and operational limitations required by the code and permit’s conditions of approval.

The Cannabis Lounge ordinance would be crafted to ensure that the proposed lounge facility meets all health codes and building code requirements for ventilation/air exchange. That effort is important to protect the public health, including the health of cannabis retailer employees, from smoke and its adverse effects. The ordinance is expected to also include operational requirements that would ensure that employees’ health is protected.

Staff is considering two scenarios for outreach and discussion where a discretionary permit would be required. One scenario is to potentially allow outdoor lounge use if the location can demonstrate that emissions can be controlled, or the property is in an area where odors and smoke would not affect adjacent land uses. In addition, if an existing retail facility needs to expand to other property to accommodate a lounge, that would be an intensification of use that likely would also trigger a discretionary permit. Staff is initially considering that these circumstances should require a discretionary permit so that all the factors can be adequately analyzed, and the permit could be denied if land use compatibility cannot be demonstrated for that set of circumstances.

Santa Cruz County recently adopted a set of regulations (attached) that allows consumption on site. Concerns raised through that process included an increased risk of impaired driving, proximity to school routes, the condition of road infrastructure, and the potential for youth exposure. Many of these issues are addressed in the current Monterey County Code by establishing setbacks to sensitive land uses, such as schools and child care centers. Proximity to school routes is not addressed within our current regulations. Impaired driving concerns and youth exposure are legitimate concerns that require education and enforcement capabilities; our County's existing regulations address these topics and would continue to apply to any cannabis lounge activities.

Cannabis retailers identified the potential market demand, the unique experience of a consumption lounge, and educational opportunities by providing on-site consumption, as well as a potential enhancement of product value. In discussions with current retailers, they look at lounges as an opportunity to provide education on responsible use of cannabis.

Staff is not recommending a pilot program approach for cannabis lounges. Adding a lounge facility will take significant investment, particularly related to a ventilation system, and a pilot program likely would not provide sufficient time to recover the cost of such an investment from lounge operations.

OTHER AGENCY INVOLVEMENT:

The Board of Supervisors directed that staff conduct research and outreach to develop a cannabis lounge ordinance in 2024. Staff with the Monterey County Health Department, Housing and Community Development, Cannabis Program, County Counsel, Fire Departments and Sheriff's Office have discussed some draft ordinance concepts prior to this presentation to the Cannabis Committee. County staff met with industry representatives on October 20, 2025, to inform them of current staff efforts, at their regularly scheduled Cannabis Industry Meeting <https://calendar.countyofmonterey.gov/lists/2166/4466100>.

Staff is recommending that community outreach begin with the concepts currently proposed or as further shaped through the Board of Supervisors Cannabis Committee discussions.

FINANCING:

Staff time to develop the draft ordinance is included in the Fiscal Year 2024-25 Adopted Budget for HCD, Appropriation Unit HCD002, Unit 8543.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

Mark a check to the related Board of Supervisors Strategic Plan Goals:

- ☐ Well-Being and Quality of Life
- ☐ Sustainable Infrastructure for the Present and Future
- ☒ Safe and Resilient Communities
- ☒ Diverse and Thriving Economy

As stated in Monterey County Code section 7.90, "it is the intent of the County of Monterey to have a strong and effective regulatory and enforcement system with regard to cannabis that addresses threats to public safety, health and other law enforcement interests through robust controls and procedures

that are effective in practice, and that comply with state law and federal guidelines.” Allowing cannabis lounges would encourage business expansion to allow commercial consumption uses within the unincorporated area while staying within the intent outlined above.

Prepared by: Mike Novo, Management Specialist, 755-5176

Approved by: Craig Spencer, Director of Housing and Community Development, 755-5233

Attachments:

Attachment A - Santa Cruz County Cannabis Lounge Ordinance (redline version)

cc: Cannabis Interested Parties Distribution List; Michele House, Cannabis Program; Dr. Edward Moreno, Health Department; Christabelle Zarraga, Health Department; Marni Flagg, Health Department; Elaine Narciso, Health Department; Kelly Donlon, County Counsel; Reed Gallogly, County Counsel; Nicholas Kennedy, Sheriff; Frank Espinoza, CAL FIRE; Joel Mendoza, North County Fire Protection District; Scott Anderson, Monterey County Regional Fire District; Rick Magno, Monterey County Regional Fire District; Craig Spencer, HCD; Melanie Beretti, HCD Sarah Wikle, HCD; Mike Novo, HCD; File

Attachment A

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7.130.030 Definitions.

As used in this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

(A) “Applicant” means the person or entity submitting an application for a license under this chapter.

(B) “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, as defined under Business and Professions Code Section [26001](#)(e), as may be amended.

(C) “Cannabis Consumption” means smoking, eating, drinking, chewing, applying topically or otherwise ingesting cannabis and/or cannabis products.

~~(DE)~~ “Cannabis plant” means any mature or immature cannabis plant, or any cannabis seedling, unless otherwise specifically provided herein.

~~(ED)~~ “Cannabis products” means plant material that has been transformed, through a manufacture process whether by mechanical means and/or using solvents, into concentrated cannabis, or cannabis tinctures, edibles, drinks, topical salves, lotions or other materials containing cannabis or concentrated cannabis and other ingredients.

~~(FE)~~ “CRL program” means the cannabis retail licensing program created by this chapter.

~~(GF)~~ “Cultivation” or “cultivate” means the planting, growing, developing, propagating, harvesting, drying, processing, or storage of one or more cannabis plants or any part thereof in any location, indoor or outdoor, including within a fully enclosed and secure building.

(H) “Designated cannabis smoking area” means a designated area where ingestion of inhalable cannabis products, purchased from the licensee, may occur on the premises of the licensee.

(I) “Designated cannabis smoking area ventilation system” means a ventilation system capable of removing all detectable odors, smoke and by-products of combustion.

~~(JG)~~ “License” means the written evidence of permission given by the Licensing Official for a licensee to operate a retail business. “License” does not mean “permit” within the meaning of the Permit Streamlining Act, and a license does not constitute a permit that runs with the land on which a retail business sits.

~~(KH)~~ “Licensee” means the person or entity holding a valid license to operate a retail business under this chapter.

~~(LI)~~ “Licensing Official” means the official appointed by the County Administrative Officer who is responsible for implementing the provisions of this chapter.

~~(MJ)~~ “Manager” means any person to whom a retail business has delegated discretionary powers to organize, direct, carry on or control its operations. Authority to control one or more of the following functions shall be prima facie evidence that such a person is a manager of the business: (1) to disburse funds of the business other than for the receipt of regularly replaced items of stock; or (2) to make, or participate in making, policy decisions relative to operations of the business.

~~(NK)~~ “Owner” or “owners” means any of the following: all persons or entities holding a financial interest in a retail business. For purposes of this definition, the term “financial interest” does not include a security interest, lien, or encumbrance on property.

(1) A person with an aggregate ownership interest of 10 percent or more in the applicant applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.

(2) The chief executive officer of a nonprofit or other entity.

(3) A member of the board of directors of a nonprofit.

(4) An individual who will be participating in the direction, control, or management of the person applying for a license.

~~(OL)~~ “Parcel” means that unit of land assigned a unique assessor’s parcel number by the County Assessor, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area.

~~(PM)~~ “Park” means any playground, hiking or riding trail, recreational area, beach, community center or building, historic structure or facility, owned, managed or controlled by any public entity.

~~(QN)~~ “Retail business” or “retailer,” for the purposes of this chapter, means a fixed brick-and-mortar storefront located within the unincorporated area of Santa Cruz County that sells cannabis

and cannabis products to retail consumers. “Retail business” or “retailer” does not include the following:

- (1) Any location during only that time reasonably required for a primary caregiver to distribute, deliver, dispense, or give away cannabis to a qualified patient or person with an identification card who has designated the individual as a primary caregiver, for the personal medical use of the qualified patient or person with an identification card, in accordance with California Health and Safety Code Sections [11362.5](#) and [11362.7](#) et seq.;
- (2) The location of any clinic licensed pursuant to Chapter 1 (commencing with Section 1200), a health care facility licensed pursuant to Chapter 2 (commencing with Section 1250), a residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 (commencing with Section 1568.01), a residential care facility for the elderly licensed pursuant to Chapter 3.2 (commencing with Section 1569), a hospice, or a home health agency licensed pursuant to Chapter 8 (commencing with Section 1725), all of Division 2 of the California Health and Safety Code where: (a) a qualified patient or person with an identification card receives medical care or supportive services, or both, from the clinic, facility, hospice, or home health agency, and (b) the owner or operator, or one of not more than three employees designated by the owner or operator, of the clinic, facility, hospice, or home health agency has been designated as a primary caregiver pursuant to California Health and Safety Code Section [11362.7\(d\)](#) by that qualified patient or person with an identification card; or
- (3) A cultivation site granted an exemption by the Planning Director pursuant to SCCC [13.10.670\(G\)](#) as enacted by Ordinance No. 5090 (now repealed), so long as the area subject to cultivation is not expanded or enlarged beyond what existed at that location on January 1, 2012.

(~~R~~Θ) “School” means any licensed preschool or any public or private school providing instruction in kindergarten or grades one to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

(~~S~~P) “Vehicle” means a device by which any person or property may be propelled, moved, or drawn upon a street, sidewalk or waterway, including but not limited to a device moved exclusively by human power.

(TQ) The following words or phrases when used in this section shall be construed as defined in California Health and Safety Code Section [11362.7](#): “identification card”; “person with an identification card”; “primary caregiver”; and “qualified patient.”

7.130.110 License required.

(C) Amending a License.

(1) Licensees may submit an application to amend an existing license at any time, on a form promulgated by the Licensing Official for that purpose. Applications to amend a license will be reviewed by the Licensing Official in a manner consistent with the review of original and renewal license applications. Amendments must be submitted prior to any changes occurring in ownership, corporate structure, business activities, or physical modifications to the premises.

(2) Applicants seeking an amended license must include with their application a monetary deposit, to be determined by the Licensing Official or their designee, based on an estimate of the hours the Licensing Official will need to review the application and perform any necessary inspections. Additional deposits or payments shall be made as determined necessary by the Licensing Official in order to recover costs associated with processing the application.

(3) Requests by a licensee to change locations to a new parcel will be addressed by the Licensing Official on a case-by-case basis, considering all the requirements of this chapter. However, licensees shall not be allowed to move to a new parcel unless the new parcel meets all the requirements of this chapter.

(4) Requests by a licensee to include cannabis consumption on an existing retail site or adjoining parcel will be addressed by the Licensing Official on a case-by-case basis, considering all requirements of this chapter. Cannabis consumption licensing amendments shall include a designated cannabis smoking area ventilation system plan that has been designed by a licensed mechanical engineer. The designated cannabis smoking area ventilation system plan must include:

(a) An explanation of how the ventilation system will be capable of removing all detectable odors, smoke and by-products of combustion. The designated cannabis smoking area ventilation plan shall include a statement signed and dated by the person who prepared it, certifying that in their professional judgement the ventilation system proposed will be capable of achieving the protection from particulate matter (PM 2.5)

equivalent to that associated with MERV 11 filtration (as defined by American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standard 52.2) and that the designated cannabis smoking area will remain under negative pressure, at all times, while in use. The Cannabis Licensing Official or County of Santa Cruz Chief Building Official may specify additional or alternative protective equivalents as technology and research dictate. This ventilation plan ~~proposal~~ shall ~~must~~ include information to address the following:

- (1) Air exchanges rates for the designated cannabis smoking area.
- (2) Air exchange rates for common areas within the licensee's building.
- (3) Filter type and odor control measures for the designated cannabis smoking area.
- (4) Location of air intakes and exhaust outlets (exhaust outlets located the maximum distance possible from any residential or commercial building, and no less than 15 feet). Exhaust outlets shall comply with California Mechanical Code section 502.2.2 - "Other Product Conveying Outlets" termination requirements.
- (5) If negative pressure will be maintained only in the designated cannabis smoking area.
- (6) Area or areas of the licensee's building that are not served by enhanced ventilation.
- (7) Area or areas of the licensee's building where smoking or vaping will occur.
- (8) If applicable, location of Z-ducts, trickle vents or similar unfiltered air system used for the licensee's building.
- (9) Percentage of total square footage, for customer use, of the licensee's building that will be used for vaping or smoking of cannabis in the designated cannabis smoking area.
- (10) Designated cannabis smoking area does not share space with employee work area. (Yes/No).
- (11) Maximum occupant load for the designated cannabis smoking area.

(b) The licensee shall demonstrate to the Licensing Official that the following standards have been met prior to approval by the Cannabis Licensing Official:

(1) The designated cannabis smoking area shall be located in a non-work area where licensee's employees are not required to enter as a condition of their employment.

(2) The designated cannabis smoking area shall have signage to designate smoking areas. The licensee shall specify the locations where such signage shall be installed.

(3) The designated cannabis smoking area shall have a separate heating, ventilation and air-conditioning (HVAC) system such that none of the air in the designated smoking area will be recirculated into other parts of the licensee's building.

(4) The designated cannabis smoking area shall be completely separated from the remainder of the licensee's premises by solid partitions or glazing without openings other than doors. All doors to the designated cannabis smoking area must be installed with a gasket to provide a seal where the door meets the stop.

(5) The designated cannabis smoking area ventilation system shall exhaust 100% of the air directly to the outside through a filtration system that, at a minimum, eliminates all detectable odor, smoke and by-product of combustion so as to prevent any and all public nuisances.

(6) The designated cannabis smoking area shall remain under negative pressure and shall have a 10% differential, in relation to the other spaces inside of the licensee's building.

(7) The designated cannabis smoking area shall be equipped with a ventilation system that provides 60 cubic feet per minute (cfm) of supply air per smoker.

(8) The designated cannabis smoking area shall not be directly accessible from the primary outside entrance to the licensee's building, and shall not be visible from the fronting street or store front.

(9) The designated cannabis smoking area's ventilation system and all mechanical equipment shall be designed to assure compliance with all requirements of SCCC 8.30 (Noise).

(10) The designated cannabis smoking area's ventilation system shall be designed to comply with California Mechanical Code section 505.0 - "Product-Conveying Systems" requirements.

(c) The designated cannabis smoking area ventilation plan shall include a description of the Operations and Maintenance plan for the ventilation system and methods for recordkeeping to ensure that the Operations and Maintenance Plan is followed. A current Operations and Maintenance manual must be kept on-site and provided to all managers, building engineers and building owners. The manual shall be reviewed annually by the licensee and updated by the licensee as appropriate. The manual shall include:

(1) A provision that inoperability of the designated cannabis smoking area's ventilation system shall result in immediate closure of the designated cannabis smoking area.

(2) The approved designated cannabis smoking area ventilation system installed shall be properly maintained and documented as stated in the Operations and Maintenance manual following standard practices, and as specified by the design engineer.

(3) Documentation of the installation and/or maintenance of the designated cannabis smoking area ventilation system shall be preserved for a minimum of five years after such installation or maintenance.

(d) The Cannabis Licensing Official shall review the designated cannabis smoking area ventilation plan and may require additional modification or justification prior to approval. Approval by the Cannabis Licensing Official must be granted prior to the application for a building permit. The Cannabis Licensing Official's action on the designated cannabis smoking area ventilation system plan shall be one of the following:

(1) Approve without further revision; or

(2) Require corrections, additions, and/or modifications which will allow the applicant to revise according to the Cannabis Licensing Official's specific comments and resubmit; or

(3) Reject.

(D) Required Statements on Licenses. All licenses issued by the Licensing Official shall contain the following statements, displayed prominently on the license itself:

- (1) A warning that operators, employees, and members of cannabis businesses may be subject to prosecution under Federal laws; and
- (2) An acknowledgment that, by accepting the license and operating a retail business, the applicant and owners of the business have released the County from any and all liability for monetary damages related to or arising from the application for a license, the issuance of the license, the enforcement of the conditions of the license, or the revocation of the license; and
- (3) Any other statements deemed necessary by the Licensing Official.

(E) Restrictions Relating to the Issuance of a License.

- (1) No license may be issued to operate a retail business unless the retail business is located in a zone district designated as PA (Professional and Administrative Offices), C-1 (Neighborhood Commercial), C-2 (Community Commercial), C-4 (Commercial Services), or CT (Tourist Commercial) by the Santa Cruz County Zoning Ordinance.
- (2) No license may be issued to operate a retail business located within 600 feet from (a) a school; (b) another cannabis retail business; or (c) an alcohol or drug treatment facility. This restriction may be waived by the Licensing Official if findings are made that the general public benefit would outweigh concerns regarding intensity of use, land use compatibility, and public health and safety. If this restriction is waived, public notice and an opportunity to appeal the waiver will be provided as delineated in subsections (E)(5), (6), and (7) of this section. The distance specified in this subsection shall be the horizontal distance measured in a straight line from the property line of the school or other retail business to the closest property line of the lot containing the retail business under review, without regard to intervening structures. The distance requirements set forth in this subsection shall not apply to those licensed health care and other facilities identified in

California Health and Safety Code Section [11362.7](#)(d)(1); or a retail business that is in violation of the distance requirement of this subsection as a result of the establishment of a conflicting use (a school or other retail business) after the date on which the State Board of Equalization issued a seller's permit to the retail business for its location.

(3) No license may be issued to operate a retail business within 300 feet of any parcel zoned RA (Single-Family Residential and Agriculture); RR (Single-Family Residential, Rural); R-1 (Single-Family Residential, Urban/Rural); RB (Single-Family Residential, Oceanfront/Urban); or RM (Multiple-Family Residential). This restriction may be waived by the Licensing Official if findings are made that the general public benefit would outweigh concerns regarding intensity of use, land use compatibility, and public health and safety. If this restriction is waived, public notice and an opportunity to appeal the waiver will be provided as delineated in subsections (E)(5), (6), and (7) of this section. The distance specified in this section shall be the horizontal distance measured in a straight line from the property line of the residentially zoned property to the closest property line of the lot on which the retail business is to be located. This prohibition shall not apply to retailers operating in a location occupied on January 1, 2016.

(4) In the instance an applicant requests a waiver, as defined in subsections (E)(2) and (3) of this section, the Supervisor of the affected district shall be notified prior to a determination by the Licensing Official.

(5) Upon approval of a waiver by the Licensing Official, the following public notice procedures are required:

(a) The County shall mail a notice, in the form of a postcard or letter to the applicant and to all property owners within 600 feet of the exterior boundaries of the subject property, as well as to all lawful occupants of properties within 100 feet of the subject property, including the lawful occupants of the subject property; and

(b) The applicant shall post a notice on the subject property in a conspicuous place at least 14 calendar days prior to the end of the appeal period.

(6) Contents of the waiver notice shall include:

(a) Location of the proposed project;

(b) Name of the applicant and owner;

- (c) Description of the proposed project and waiver requested;
- (d) Process to obtain additional information;
- (e) Description of appeal procedures; and
- (f) Final date on which an appeal will be accepted.

(7) Appeal Procedures.

- (a) Who May Appeal. Any person whose interests are adversely affected by approval of a waiver may submit a notice of appeal.
- (b) Appeal Period. The period to appeal a waiver determination shall be 21 calendar days from the date public notices are mailed pursuant to subsection (E)(5)(a) of this section.
- (c) Contents of a Notice of Appeal. Appeals can be made by submitting a notice of appeal, which shall be a signed writing submitted to the Cannabis Licensing Office at the address provided and by the date listed on the public notice. The notice of appeal shall identify the proposed project and proposed waiver, shall provide the identity and contact information of the appellant, and shall set forth a concise statement of the reasons appellant believes the proposed waiver is unjustified or inappropriate.
- (d) Effect of Notice of Appeal. The submission of the notice of appeal shall have the effect of staying the issuance of a cannabis business license until such time as final action has been taken on the appeal.
- (e) Appeal Hearing. An administrative hearing officer shall review any appeal(s) made on a waiver. The hearing officer shall consider the notice of appeal, the proposed waiver, the cannabis business license application, and any other relevant documents or written information provided by the Licensing Official, applicant, or appellant. The administrative hearing officer shall review the matter de novo and render a written decision within 30 days. The decision shall be final.

(F) Restrictions on the Mobile Delivery of Cannabis.

(1) Holders of a State retail license, which are located within the County of Santa Cruz, may deliver cannabis to consumers via mobile delivery to the consumer's premises, subject to the provisions of this section.

(2) Licensees engaging in mobile deliveries shall keep complete and appropriate financial records enabling audit of all transactions accomplished via mobile delivery, and shall be able to distinguish between, and account for, sales between the categories of on-site sales versus mobile delivery sales for accounting purposes.

(3) Licensees that engage in mobile deliveries are prohibited from having any advertisement of their business or services on their delivery vehicles.

(G) Restrictions on Retail Sales for Onsite Consumption. Retailers are prohibited from selling ingestible products, which can be orally consumed, with a serving size in excess of 10 mg of THC.

(HG) Grounds for License Revocation. Grounds for revocation of a license include, but are not limited to, any of the following:

(1) Retailers remaining open and/or operating between the hours of 10:00 p.m. and 8:00 a.m.

(2) Allowing alcohol or cannabis to be consumed at the premises of a retail business ("premises," for purposes of this subsection, includes any area used for parking any vehicle).

(3) Allowing a minor unaccompanied by a parent or legal guardian to enter a retail business.

(4) Allowing a person less than 21 years of age to transport, distribute, deliver, dispense, or give away cannabis on behalf of the business.

(5) Allowing cannabis to be visible from the exterior of a retail business or a cannabis delivery vehicle.

(6) Illuminating any portion of a retail business between the hours of 10:00 p.m. and 8:00 a.m. by lighting that is visible from the exterior of the premises, except such lighting as is reasonably utilized for the security of the premises.

(7) Failure by an applicant or owner of a retail business to successfully pass the background check required by the Licensing Official, including but not limited to successfully passing the LiveScan background check conducted annually before the submission of an application for an original or renewal license.

A failed LiveScan is a LiveScan report that includes any felony conviction within the past 10 years and/or reflects that the applicant or owner is currently on parole or probation related to a felony conviction. Felony convictions for cannabis-related offenses prior to January 1, 2016, will not result in a failed LiveScan, unless the offense involved sales to a minor.

(8) Providing an on-site location for physicians or medical professionals to write recommendations for medical cannabis.

(9) Failing to provide litter and graffiti removal services for a licensee's business premises on a daily basis.

(10) Failure to provide adequate security precautions at all times, including, but not limited to, dedicated security personnel present during a retailer's hours of operation.

(11) Violation of County signage regulations (see ~~Chapter~~ [SCCC 13.10](#) ~~SCCC~~), the placement or use of any roadside billboard to advertise any aspect of a cannabis business or cannabis products, or the placement or use of any sign that includes pricing of cannabis, details regarding specific cannabis products, or cannabis photography or graphics related to the cannabis plant, cannabis products, or cannabis paraphernalia.

(12) Three or more citations for violation of ~~Chapter~~ [SCCC 8.30](#) ~~SCCC~~ (Noise) within a single year.

(13) Possession, storage, or use of any firearm at a retailer or in association with the delivery of cannabis.

(14) Violation of any of the restrictions relating to the issuance of a license or the mobile delivery of cannabis as set forth in this chapter.

(15) Violation of any Santa Cruz County Code provision related to the cultivation of cannabis, including but not limited to any provision in ~~Chapter~~ [SCCC 7.128](#) ~~SCCC~~.

(16) Failure to cooperate with a financial audit by the County of Santa Cruz of any and all aspects of the licensee’s business, including but not limited to on-site inspection and review of financial transactions, sales records, payroll and employee records, purchase orders, overhead expense records, shipping logs, receiving logs, waste disposal logs, bank statements, credit card processing statements, inventory records, tax records, lease agreements, supplier lists, supplier agreements, policies and procedures, and examination of all financial books and records held by the licensee in the normal course of business.

(17) Failure to timely remit the taxes required to be paid under ~~Chapter SCCC~~ 4.06 SCCC (Cannabis Business Tax).

(18) Violation of any Santa Cruz County Code provision or State law related to the extraction of cannabis oils, resins, or other compounds from cannabis plants.

(19) Violation of any Santa Cruz County Code provision or State law related to the cannabis business activity, including any provision of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”).

(20) Violation of any administrative rule or regulation promulgated by the Licensing Official.

(21) Failure to maintain a State-issued license authorizing the retail sale of cannabis.

(H) Denial or Revocation of License; Remedies.

(1) The Licensing Official may deny an application for an original or renewal license, or revoke an original or renewal license, for any of the following reasons:

(a) Discovery of untrue statements submitted on a license application.

(b) Revocation or suspension of any State license required to sell cannabis.

(c) Previous violation by the applicant of any provision of the Santa Cruz County Code or State law related to selling cannabis, or related to the cultivation, transportation, extraction, or manufacture of cannabis or cannabis products.

(d) Operation of a retail business in a manner contrary to any of the conditions set forth in subsection (E) (Restrictions Relating to the Issuance of a License), subsection

(F) (Restrictions on the Mobile Delivery of Cannabis), or subsection (G) (Grounds for License Revocation) of this section.

(e) The applicant or owner failed their last annual LiveScan background check.

(f) The creation or maintenance of a public nuisance.

(2) The Licensing Official's denial of a license application or revocation of a license is a final action that is not subject to any further administrative remedy. The only legal remedy available to appeal the Licensing Official's action is to file a petition for writ of mandate in the superior court under California Code of Civil Procedure Section [1085](#).

(3) If an application for an original or renewal license is denied, or if a license is revoked, all operations associated with the retailer shall cease immediately, subject to the following exception:

If the applicant or operator is currently operating a retail business, and the applicant or operator files a petition with the superior court challenging the Licensing Official's denial or revocation decision within 30 days of the date the decision is issued, the applicant or operator may continue to operate the retail business for 90 days from the date the Licensing Official's decision was issued. Any retail business operations that occur after the 90 days has elapsed may only be conducted with a valid local license.

(4) Under no circumstances shall a cause of action for monetary damages be allowed against the County of Santa Cruz, the Licensing Official, or any County employee as a result of a denial or a revocation of a license.

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Cannabis Lounge Ordinance Presentation

Cannabis Committee
October 22, 2025



Background Information

- Cannabis Regulation—Retail Allowed
 - County Code-Zoning, Permitting and Licensing
 - Land Use Compatibility
 - Findings Required
- Board of Supervisors Direction
- Outreach to Industry
- Discuss Concepts with County Staff
- Cannabis Committee



Commercial Cannabis Website

Interactive Map Showing

- Zoning Districts
 - All Cannabis Uses
 - Retail Districts
 - Light Commercial, Heavy Commercial
 - Moss Landing Commercial, Coastal General Commercial
- Buffers for Cannabis Retail Zoned Areas
- Sites for Schools, Child Care, Youth Center, Playground, Drug Recovery Facility
- Web Address is
<https://montereyco.maps.arcgis.com/apps/webappviewer/index.html?id=7e547350530340bdaaa5458039adb9d0>



Proposed Ordinance Concept

- Allow Cannabis Lounge Use as an Allowed Use
 - Cannabis Retailer
 - Ministerial Permit Through Cannabis Program
 - Rigorous Review For Retail Permit
- Need To Meet Requirements
 - Ventilation
 - Construction to Building Code
- Allow Cannabis Lounge Use Upon Obtaining a Discretionary Permit
 - Need to expand the property to accommodate the lounge use
 - Seek Outdoor Cannabis Lounge



Santa Cruz County Regulations

- Allow Cannabis Lounge Use as an Allowed Use
 - Cannabis Retailer
 - Employee Protection
 - Ventilation
 - Separate Area and Access Controls
 - Construction to Building Code
- Public Concerns
 - Impaired Driving
 - Road Conditions
 - Youth Exposure
 - Proximity to School Routes



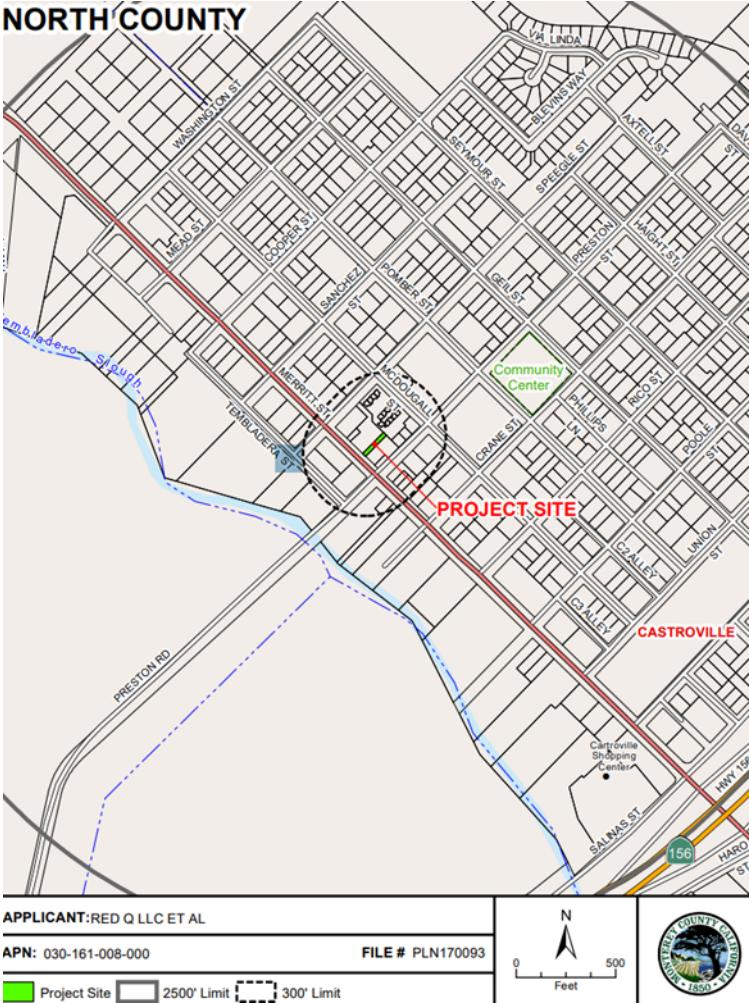
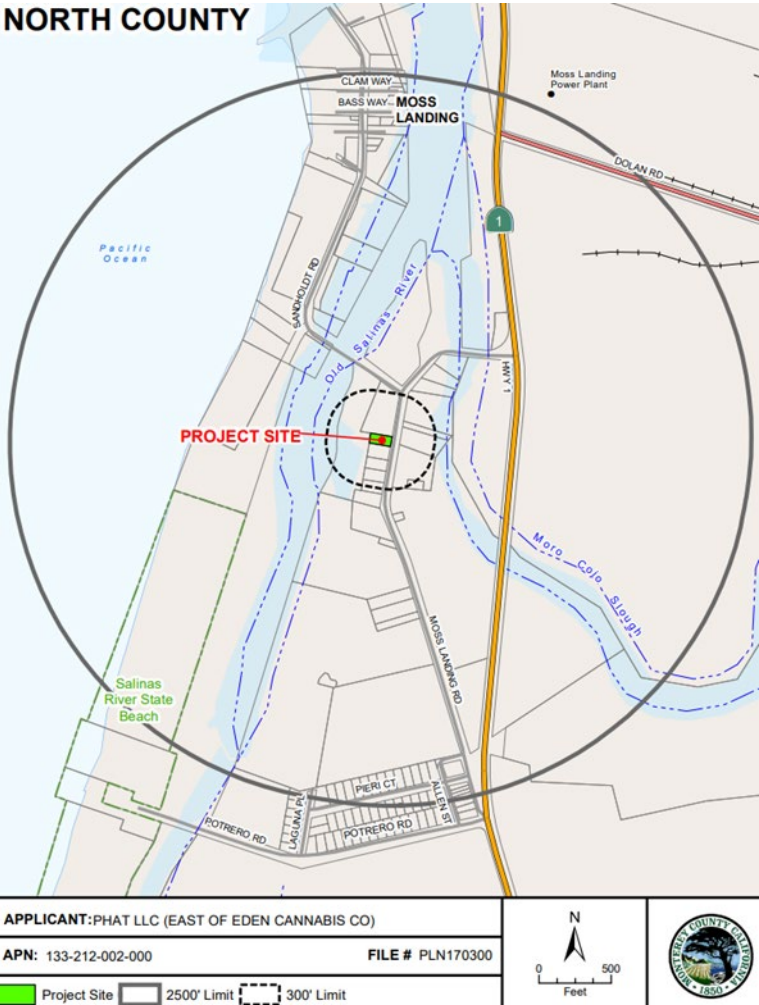
Commercial Cannabis Retail Locations

Eight Approved and Operating

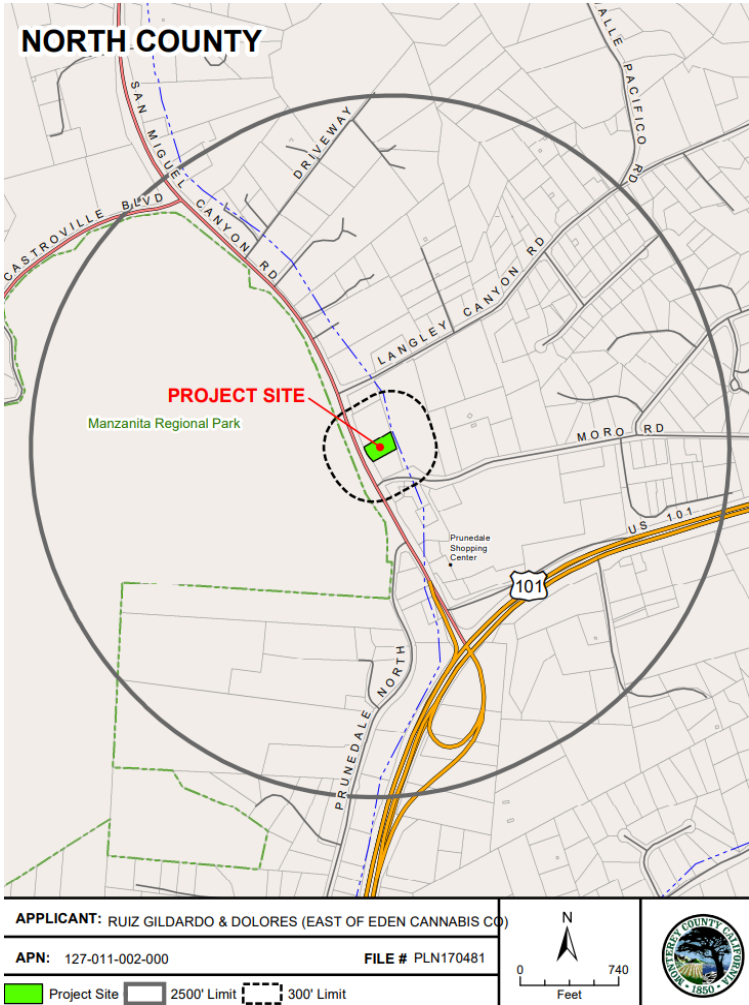
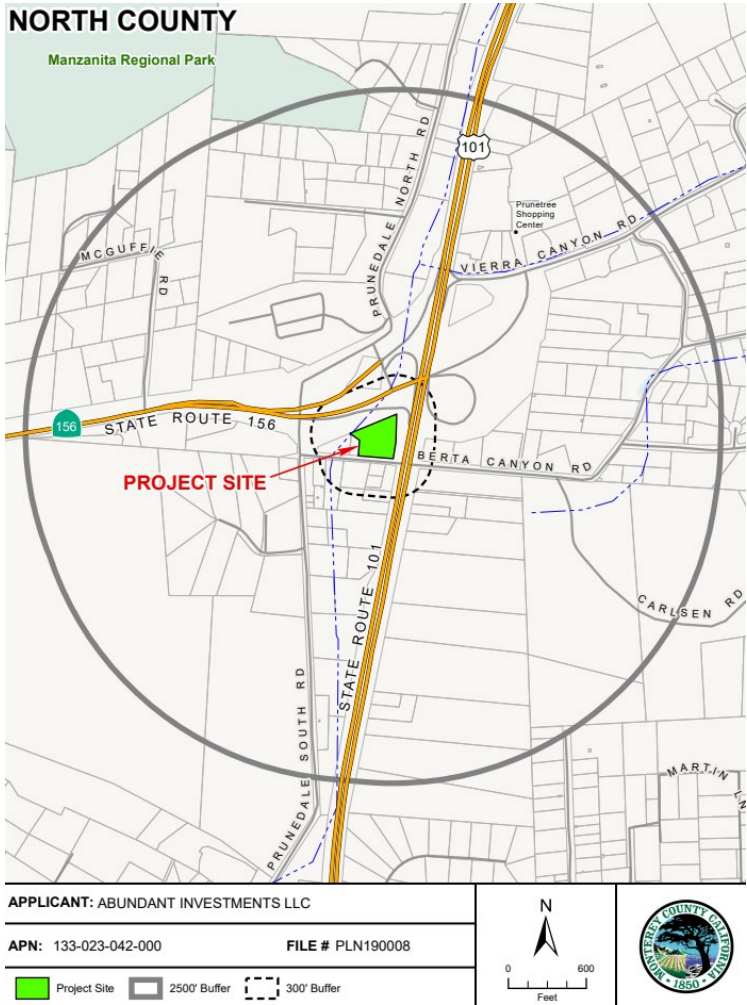
Facility Name	Location	Type
Smoke Stacks (East of Eden)	Moss Landing	Dispensary
One Plant (Higher Level)	Castroville	Dispensary
Big Sur Canna Botanicals	Carmel	Dispensary
White Fire (East of Eden)	Prunedale	Dispensary
Synchronicity Holistic	Carmel	Dispensary
Cali Love	Salinas (North County)	Dispensary
Santa Cruz Naturals	Pajaro	Dispensary
One Plant	Salinas (North County)	Dispensary



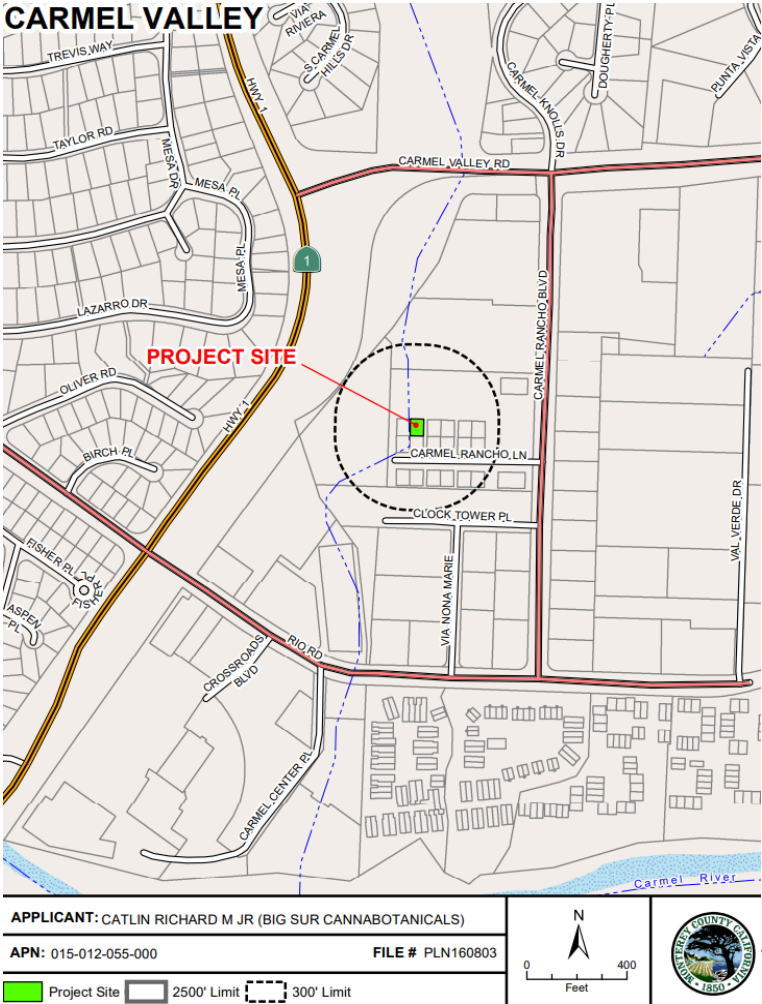
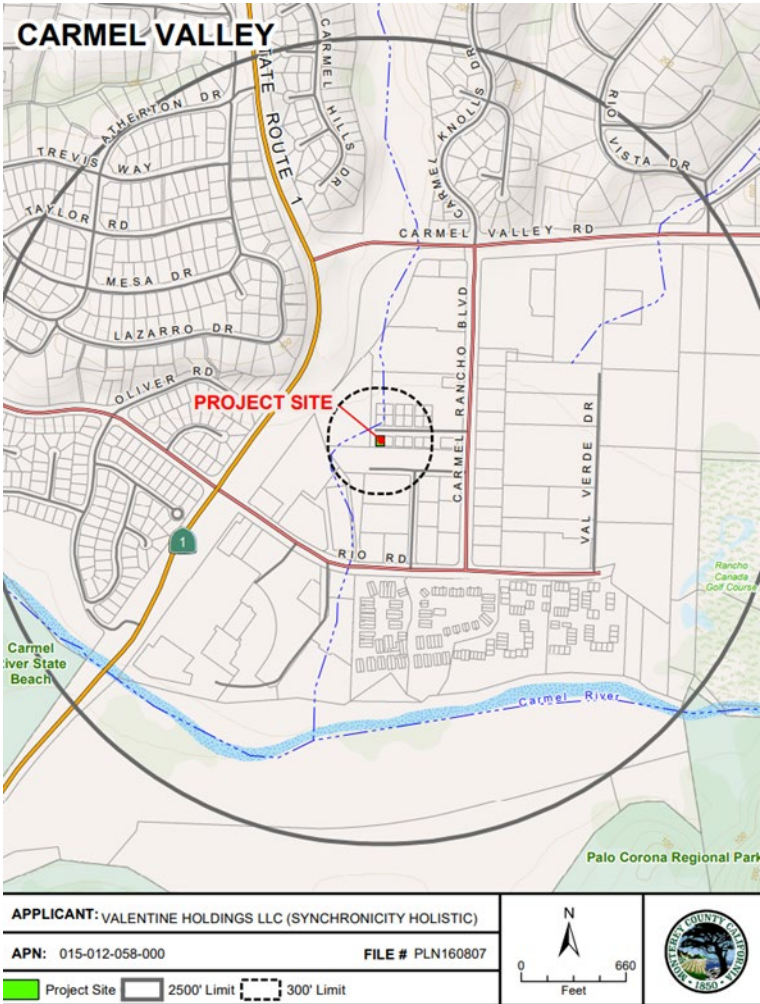
Cannabis Retail Locations



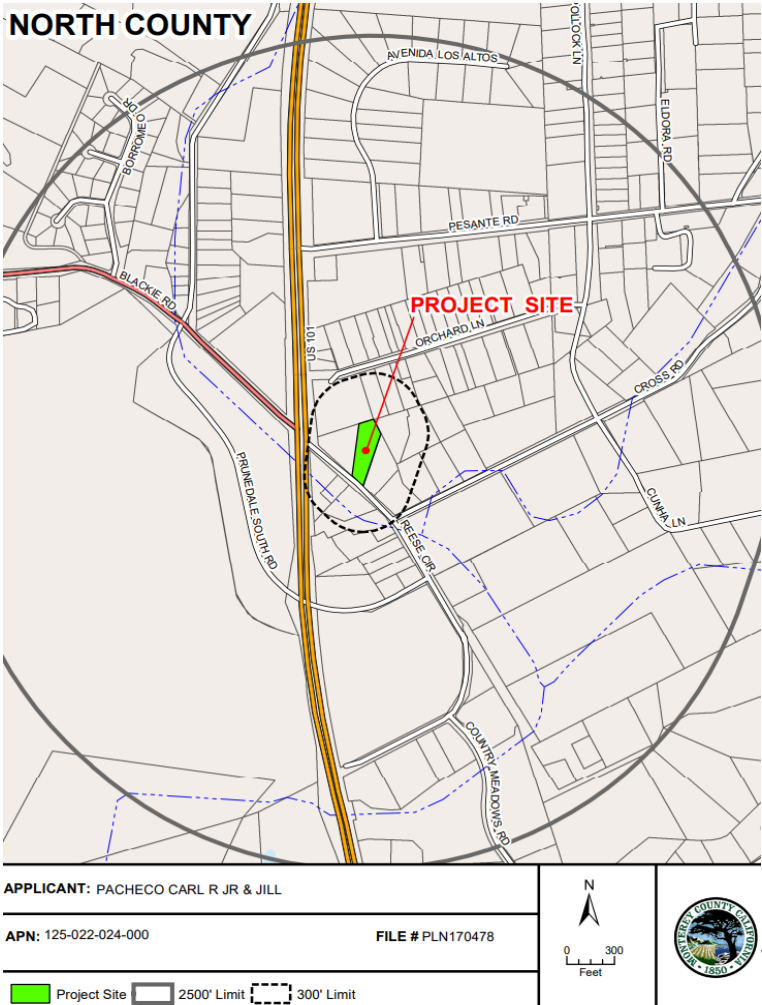
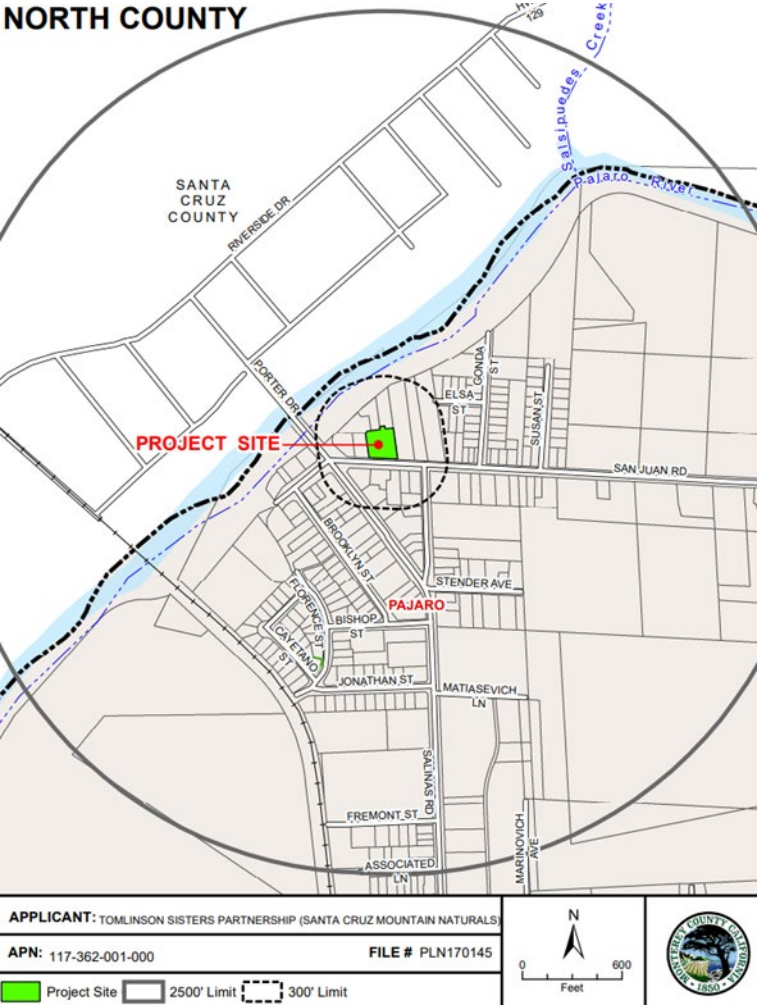
Cannabis Retail Locations



Cannabis Retail Locations



Cannabis Retail Locations



Key Policy Areas that Require Discussion

- Land Use Compatibility
- Safe Indoor Environment
- Safe Operational Regulations
- Discretionary Permit Options



Public Outreach

Options

- Land Use Advisory Committees
- Planning Commission Workshops
- Community Workshops
- Industry Outreach



Recommendation

- a. Receive a presentation related to developing an ordinance to allow Cannabis Lounges as an allowed land use; and
- b. Direct staff to conduct public outreach activities in relation to developing a Cannabis Lounge ordinance for the coastal and non-coastal areas of Monterey County.





County of Monterey

Item No.3

Board Report

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

Legistar File Number: 25-750

October 22, 2025

Introduced: 10/14/2025

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

Receive an Auditor-Controller Office memoranda update on commercial cannabis business tax collections and payment plan.

Presenter: Kevin Tweedy, Accounting Auditor III

COUNTY OF MONTEREY



AUDITOR - CONTROLLER

(831) 755-5040 • FAX (831) 755-5098 • P.O. BOX 390 • SALINAS, CALIFORNIA 93902

Rupa Shah, CPA
AUDITOR-CONTROLLER

TO: Monterey County Cannabis Committee

FROM: Kevin Tweedy, Accountant Auditor III

Date: October 22, 2025

RE: Update on Commercial Cannabis Tax Revenues

The purpose of this memorandum is to update the Monterey County Cannabis Committee on the amount of cannabis tax revenues collected year to date in fiscal year 2025-26.

MONTH	AMOUNT COLLECTED
July	360,154
August	572,071
September	33,458
Total Amount Collected in FY 2025-26 (As of 10/7/2025)	\$ 965,683

BREAKDOWN OF COLLECTIONS	COLLECTED
For Fiscal Year 2024-2025	932,225
For Fiscal Year 2025-2026	33,458
Total by Year	\$ 965,683

BREAKDOWN BY TYPE	COLLECTED
Dispensary	143,342
Indoor/Mixed Light Cultivation	540,052
Manufacturing	410
Nursery	208,460
Outdoor Cultivation	73,420
Total by Type	\$ 965,683

Note 1: The ACO has implemented additional accounting elements to breakdown the collection amounts by respective fiscal years and be able to provide the Cannabis Committee and the Board of Supervisors with the information as reported in this report. The ACO does not have access to operator details and relies on the Treasurer-Tax Collector's Office to provide information on delinquent operators. As of October 6, 2025, the Treasurer-Tax Collector's Office has reported a small number of delinquent business accounts. To maintain confidentiality of taxpayer information we are unable to disclose the specific amounts or the number of accounts.



County of Monterey

Item No.4

Board Report

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

Legistar File Number: 25-751

October 22, 2025

Introduced: 10/14/2025

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

Receive memoranda update on the Cannabis Program budget, and performance measures.

Presenter: Michelle House, Cannabis Program Manager



County of Monterey

ADMINISTRATIVE OFFICE

Sonia M. De La Rosa

COUNTY ADMINISTRATIVE OFFICER

168 West Alisal St. 3rd Floor

Salinas, CA 93901

831 755 5115

cao-admin@countyofmonterey.gov

October 20, 2025

To: Board of Supervisors Cannabis Committee
Fr: Michelle House, Cannabis Program Manager
cc: Nicholas E. Chiulos, Chief Assistant County Administrative Officer

Re: Cannabis Program Budget, Local Jurisdiction Grant, and Performance Measures

Cannabis Program Budget and Performance Measures

Cannabis Program Budget

A. Program Taxes (Priority, Goal D):

Fiscal year (FY) 2024-2025

The Board approved 14.15 positions at a cost of \$3.4 million across seven departments to be used for cannabis related work with most departments spending eighty percent or more of their cannabis program allocation. The County received \$259,948 in other non-tax related revenues. These revenues include items such as, direct fees for cannabis business licenses, permits, and building permit fees that are collected by the receiving department at their own discretion.

The County of Monterey Cannabis Program (Program) estimated 4 million would be collected in cannabis tax dollars during FY 2024-2025. Cannabis business tax revenue collected in FY 2024-2025 was 3.9 million dollars. The revenue is based on cultivation and nursery square footage declared on annual or provisional cannabis business permits (CBP). All declared canopy must fall at or below the square footage shown on the CBP as measured during compliance inspections to ensure these limits are not exceeded.

The square footage for cannabis nursery and cultivation has slowly decreased since the economic downturn of 2021. This issue has strained an industry that has taken protective measures, such as scaling down cannabis operations. In addition to scaling down operations, several farms have moved to outdoor licenses to save money. Outdoor licenses (grown without lights) save money in two ways; 1) decrease cannabis tax payments from \$1.46 to \$0.71 per square feet and 2) decrease in the cost of monthly power bills.

Cultivation cannabis tax revenue is billed annually and collected quarterly; however, canopy footage may be modified up to two times during the annual term of the CBP. Because of this fluctuation, cultivation tax revenue is reported as a projected annualized figure that assumes each business will remain operational and will not modify square footage up or down for the remainder of the fiscal year.

Formal payment plans for unpaid cannabis business tax installments are complete as of FY 2024-2025. The fiscal year 2021-2022 payment plan was paid off by 11 participants and 21 defaulted and/or ceased operations. The fiscal year 2022-2023 payment plan was paid off by 27 participants that ended December of 2023.

Fiscal year FY 2025-2026

The Board approved 12.65 positions at a cost of \$3.35 million across seven departments to be used for cannabis related work. The Program had estimated 3.5 million would be collected during FY 2025-2026. Due to farm closures, the program anticipates a sharp decrease in cannabis tax revenue. More information will be shared during the December Cannabis Committee meeting.

The Treasurer - Tax Collector is currently collecting quarter one taxes for FY 25-26 due by October 31, 2025. The table below reflects the breakdown of taxes collected July1, 2025 through October 7, 2025.

Tax	Amount
FY 24-25	\$932,225
FY 25-26	\$33,458
Total	\$988,244

Performance Measures

A. Facilitate Provisional to Annual Cannabis Business Permits (Priority, Goal A):

Since the July 31, 2025, Cannabis Committee meeting, three provisional permittees have moved to an annual CBP. Of the total active cannabis business operators, four cultivators still hold a provisional CBP. The Program is working with 10 potential cannabis business applicants. Currently, there are 51 active commercial cannabis business operators (8 dispensaries and 43 cultivators).

B. Cannabis Land Use Permits (Priority, Goal B):

No cannabis land use permits have been approved for FY 25-26. The Program is working with one South County landowner to gain approval for our first outdoor commercial cannabis cultivator.

C. Enforce Unlicensed Cannabis Activity (Priority, Goal B)

The County of Monterey Marijuana Eradication Team (COMMET) provides the Program with information to update the Cannabis Committee on outcomes of search warrant and abatement activities. COMMET has no data for calendar year (CY) 2025.

Type	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
Number of Cannabis Plants	32,888	18,602	97,703	1,220	130	0
Cannabis Processed (lbs.)	5,476	1,716	38,430	506	352	0
Gross Weight Abated (tons)	19.2	10.2	68.1	2.8	0.176	0
Firearms	105	97	24	1	16	0
Currency	\$28,146	\$104,700	\$5,500	\$0	\$13,538	\$0.0
Explosive Material (lbs.)	0	0	25	0	0	0

Meth (lbs.)	0	0	1	0	0.073	0
Cocaine (lbs.)	0	0	0	0.03	0.039	0
Clandestine Lab	2	5	0	0	0	0
Wholesale Market Value	\$38,364,000	\$20,303,000	\$68,066,500	\$2,834,635	\$241,433	\$0.0

D. Conduct Quarterly Compliance Inspection (Priority, Goal C)

Inspectors from Housing and Community Development will enforce county code and work directly with regional fire districts, and the industry to ensure compliance with local and state law and building and/or fire code requirements.

Fiscal Year	FY 25-26, Q1	FY 25-26, Q2	FY 25-26, Q3	FY 25-26, Q4
Quarterly Inspections	100%			

E. Issuing of a Cannabis Business Permit (Grand Jury Report):

The Program will issue a Cannabis Business Permit (CBP) within three business days of the operator satisfying requirements from Housing and Community Development, Health Department, and respective Regional Fire Districts. The Program strives to maintain a service level of 100 percent.

Fiscal Year	FY 25-26, Q1	FY 25-26, Q2	FY 25-26, Q3	FY 25-26, Q4
Service Level	100%			

F. Renewing of a CBP (Grand Jury Report):

The Program will renew a CBP within three business days of the operator satisfying requirements from Housing and Community Development, Health Department, and respective Regional Fire Districts. The Program strives to maintain a service level of 100 percent.

Fiscal Year	FY 25-26, Q1	FY 25-26, Q2	FY 25-26, Q3	FY 25-26, Q4
Service Level	100%			