

**Monterey County Board of Supervisors
Special Meeting – Legislative Workshop
December 17, 2018**



County Priority Presentations

**Immigration & Census
Housing and Homelessness
Water Infrastructure and Levees
Greenfield Courthouse
Cannabis**

IMMIGRATION & CENSUS

Monterey County strives to support and defend the civil and human rights of all of its residents, including those that are foreign-born. Immigrants comprise over 30% of the total population of Monterey County. The County's immigrant population, including undocumented immigrants, is a critical component of the local labor force, especially for the County's two largest industries – agriculture and hospitality. The contributions of immigrants to the economic, cultural, and social well-being of our community are a source of pride for the County, and the County recognizes the importance of maintaining an environment of trust and safety for immigrants who choose to make Monterey County their home.

Actions by the Board of Supervisors: The Board has an extensive record of taking action to support or oppose federal immigration policies that would significantly affect the County's immigrant community.

2013 Board Resolution: In support of comprehensive immigration reform, including a pathway to citizenship for undocumented immigrants and an updated agricultural visa program.

2017 Board Resolution: Opposing President Trump's executive action on immigration imposing a travel ban to countries with a majority Muslim population.

2017 Board Resolution: Declaring Monterey County a "Welcoming County for Immigrants and Refugees, and Declaring the County a Place of Trust and Safety for Local Immigrants."

2017 Board Resolution: Declaring Monterey County a "Dreamers County," expressing support for the reinstatement of the Deferred Action for Childhood Arrivals (DACA) program, which provided legal status for young undocumented immigrants known as Dreamers.

2017 Board Resolution: Urging the Federal government to extend the Temporary Protected Status (TPS) for 13 nations included in the program, and to establish a pathway to lawful permanent residency for TPS beneficiaries.

2017 Board Letter: To congressional delegation, support the Agricultural Worker Program Act.

2018 Board Resolution: Denouncing the Trump Administration's family separation policy, including holding children in detention centers in excess of 20 days.

2018 Board Letter: To Secretary of Commerce, opposing Department of Justice (DOJ) request to add a question on citizenship to the 2020 Census.

2018 Lawsuit: Monterey County joins other state and local governments across the country in a federal lawsuit that challenges the constitutionality and authority of the U.S. Census Bureau to add a question on citizenship to the 2020 Census.

Board Request

- Support comprehensive immigration reform legislation that addresses the County's labor force needs and provides a path to citizenship for the nation's undocumented immigrant population.
- Support policies that provide permanent legal status and a path to citizenship for Dreamers.
- Support policies that establish effective nonimmigrant visa programs that address the workforce needs of the agriculture and hospitality industries.
- Oppose legislative and executive actions that seek to punish local governments for failure to assist with federal immigration enforcement actions.
- Oppose legislative and executive actions that unlawfully discriminate against immigrants based on their country of origin.
- Support legislative efforts to prevent the U.S. Census Bureau from adding a question on citizenship to the 2020 Census.

IMMIGRATION & CENSUS – Proposed Changes to Public Charge Rule

On October 10, 2018, the U.S. Department of Homeland Security (DHS) proposed a new rule for making “public charge” determinations, making it harder for immigrants to enter the U.S. and to apply for a green card. Public charge is a concept under U.S. immigration law that refers to an immigrant who is likely to become primarily dependent on the government for subsistence. Immigration officials can deny applications for a visa or legal permanent resident status (i.e., a green card) if they determine that the individual is likely to become a public charge. Individuals deemed to be a public charge can be denied a visa or green card, which could lead to their falling out of legal immigration status and becoming deportable.

Under the current rule, the only benefits that count towards the public charge test are cash assistance programs such as Temporary Assistance to Needy Families (TANF) and Supplemental Security Income (SSI), and long-term institutionalization at the government’s expense. The proposed rule expands the list of public benefits that count as negative factors against an immigrant applicant to include: Supplemental Nutrition Assistance Program (food stamps/CalFresh); Medicaid/Medi-Cal (other than emergency medical services and certain disability services provided by schools); Section 8 housing vouchers and Section 8 project-based rental assistance; subsidized housing assistance under the Housing Act of 1937; and Medicare Part D premium and cost sharing subsidies.

Consequences

- If the DHS proposed rule goes into effect, it would broaden the definition of “public charge” and place a heightened risk that vulnerable residents, especially children, will not have adequate access to medical care (i.e.: Medi-Cal) and adequate food resources (i.e.: CalFresh).
- Based on estimates that one in four children has an immigrant parent, the proposed rule could have significant consequences. Immigrant families may be faced with an impossible choice: continue using public benefit programs that enable them to stay healthy and stable but risk jeopardizing their immigration application, or forgo vital services like preventive care and food assistance. The Fiscal Policy Institute estimates the public charge proposed rule would extend to 24 million people in the U.S., including 9 million children.
- In Monterey County, staff providing community benefits have shared experiences regarding interactions with customers requesting to have their benefits terminated or applications withdrawn specifically due to concerns with the proposed rule change. Customers are sharing heightened levels of fear and advisement from legal representation as reasons why they no longer desire to receive services such as Medi-Cal, CalFresh and CalWORKs.
- While it is difficult to estimate all of the economic impacts should the proposed changes be implemented, Monterey County residents receive approximately \$75 million in CalFresh benefits to supplement their nutrition budgets. A 10% reduction in enrollment for just this program could result in a \$7.5 million reduction in federal funds for Monterey County’s economy.

Board Request

- Strongly urge the Department of Homeland Security to withdraw this proposal and support legislative efforts to block the rule from going into effect.
- Oppose any changes or policies that add additional programs to the assessment for visa or green card applications or make receiving qualified benefits more difficult.
- Advance policies that strengthen, rather than undermine, health and nutrition programs that impact children’s healthy development.

Public Benefits Included in Proposed Public Charge Rule

CURRENT



- SSI*
- CalWORKS/ TANF*
- Cash assistance programs*
- Public assistance for long-term institutional care*

*Benefits included in current rule (per inadmissibility and Deportability on Public Charge Grounds, 1999)

PROPOSED ADDITIONS



- CalFresh (SNAP)
- Medicaid/Medi-Cal
- Medicare Part D
- Low-Income Subsidy Program



- Section 8 (Housing Voucher & Rental Assistance programs)
- Subsidized Public Housing



Economic Ripple Effect

-\$718 million to -\$1.67 billion = Reduction in federal benefits due to chilling effect under proposed public charge rule



Estimated economic effects

-7,600 to -17,700 = lost jobs
-\$1.2 to -2.8 billion = lost economic output
-\$65 to -151 million = lost state/ local tax revenue

Modeled using IMPLAN, an industry-standard input-output economic modeling software package

Disenrollment Assumptions:
 15%, 25%, 35%

Rationale: Studies of welfare reform—The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) - show immigrant disenrollment from public benefits, even when qualified, due to confusion and fear, range of 15%-35% disenrollment for all non-citizen immigrants & mixed-family children, up to 60% for refugees.



IMMIGRATION & CENSUS – 2020 Census

The U.S. Constitution mandates that the federal government conduct a decennial census. Census data is used to determine federal funding levels to states for a variety of critical programs including health care, social services, transportation, public safety, and more. Based on 2010 Census data, California receives over \$76 billion dollars for more than 70 programs. Locally, an inadequate Census count in 2020 would greatly disadvantage the County's ability to serve vulnerable residents who rely on federal programs.

Challenges in Obtaining an Accurate Census Count in Monterey County

Hard to Count (HTC) Communities: County HTC communities are well-documented by the U.S. Census Bureau, with an estimated 35% of the population living in HTC neighborhoods comprised of populations historically missed in the census at disproportionately high rates (e.g.: people of color, young children, immigrants, and renters). According to a recent report by the Public Policy Institute of California, Monterey County has the highest percentage of noncitizens of any California county, 21.7%.

Citizenship Question: The 2020 Census will include a question about citizenship, which could deter immigrants regardless of status or deter entire households who may have family members of varied documentation status from participation. The County joined the State of New York and other government entities from around the country in litigation against the U.S. Department of Commerce and the U.S. Census Bureau regarding inclusion of the citizenship question. The trial concluded on November 27, 2018, and the parties are awaiting a decision from the U.S. District Judge who heard the case. Despite multiple attempts by the U.S. Department of Commerce to procedurally derail the litigation, so far, the U.S. the Supreme Court has declined to stay the proceedings or weigh in on the substance of the case. Whatever the outcome of the trial, we anticipate the case will be appealed to the Second Circuit Court of Appeals and further on to the Supreme Court.

Digital Census: The federal government is relying more heavily of digital resources for the 2020 Census. This could create issues for rural households without, or with unreliable, internet connectivity.

Language Barriers: The online and telephone Census will be provided in English and 12 other languages, while the paper form will be in English and Spanish only. This creates a challenge in Monterey County where English, Spanish, Tagalog, Arabic, and indigenous languages from the Oaxacan region of Mexico are spoken – increasing the need to focus outreach efforts in linguistically and culturally relevant materials.

Data Security: While significant steps are taken to protect the privacy of data collected, doubt may remain among some participants about personal information being used for non-census related purposes or access by other agencies, such as law enforcement.

Board Request

- The County is seeking additional funding to ensure a complete Census count. State funding for this effort of \$401,996 is insufficient. Without adequate distribution of funding for Census outreach and other activities, the County is at significant risk for an undercount of its population.
- Monterey County has formed a Complete Count Committee (CCC) which includes a broad spectrum of government and community leaders from education, business, healthcare, and other community organizations. These trusted voices are working to develop and implement a 2020 Census awareness campaign based upon their knowledge of the local community to encourage response and ensure a complete count.

HOUSING & HOMELESSNESS - *Housing*

Available housing is integral to the health and well-being of County residents and an important element for social equity and economic development. It is critical that people have the option to live near their workplace, particularly those workers most essential to the local economy (e.g. teachers, emergency service workers, nurses), many of whom find that housing is priced beyond their reach. When people can afford to live close to their jobs, entire communities reap the benefits. Commute times and traffic congestion ease, neighborhoods are more diverse and provide the opportunity for families to live and grow in one place, and economies strengthen by helping employers attract and retain essential workers.

Employer Sponsored Housing

A unique need the County is facing is development of employer sponsored housing for migrant or seasonal agricultural workers. Agriculture is the County's largest economic sector generating \$8.1 billion annually, and employing over 91,000 people in industries tied to agriculture in 2016. Approximately 18,300 of these workers are migrant or seasonal, which creates an extreme housing shortage and overcrowding. Migrant workers either have legal status to live and work in the U.S., or are sponsored by their employer under the H2A visa program. H2A visa holders account for about 25% of the migrant workforce. Employers who utilize the H2A visa program must provide free housing for their employees.

Since farm labor contractors no longer control the land where their workers tend the fields they have been forced to look at alternatives for housing their employees. To meet this demand, farm labor contractors have: purchased a 27-unit apartment complex in Soledad and evicted the current tenants; leased or purchased at least 22 single family homes in Salinas (based on code enforcement actions in 2018), displacing the current tenants and putting an average of 10-people into single family homes; and contracted for all the rooms in at least 23 hotels/motels throughout the County, removing these rooms from the inventory available to provide temporary housing for the homeless.

Two local employers, Tanimura and Antle in 2016, and the Nunes Company in 2018, have reduced the impact of their migrant workforce on the local housing market by constructing employer sponsored housing. These two developments can house up to 1,400 employees. These companies, and others, have indicated their interest in building more employer sponsored housing if suitable sites can be found and regulatory barriers removed or reduced.

One such barrier faced when developing these projects is school impact fees. Under the California Education Code, local school districts are authorized to charge school impact fees on all new development. Fees are set by the California Government Code and assessed based on commercial/industrial or residential development. Employer sponsored housing does not fit neatly into either of these categories, so these developers have had to negotiate appropriate fees with individual school districts since none of these workers are accompanied by school-age children.

Board Request

- Support efforts to increase the supply of affordable workforce housing and to provide permanent funding to encourage and facilitate affordable housing production to meet County needs.
- To encourage development of employer sponsored housing the County supports changes to the California Education Code Section 17620 to either: 1) exempt employer sponsored housing for unaccompanied migrant or seasonal employees from payment of school impact fees; or 2) specify that school districts, in these circumstances, assess employer sponsored housing at the commercial development rate, and only for habitable square footage.

HOUSING & HOMELESSNESS – Funding for Homeless Services & Projects

Every two years during the last two weeks of January, communities across the country conduct comprehensive counts of the local population experiencing homelessness. The most current census data was collected in 2017 and found there were 2,837 individuals experiencing homelessness in Monterey County. This represents an increase of 23% from 2015 and is the largest number recorded in the past 10 years. Of these 2,837 individuals experiencing homelessness, only 26% were sheltered and 74% unsheltered.

The population at the Salinas Winter Warming Shelter has averaged 23 men, 25 women and 28 children each night in recent months. This high level of utilization, even before the inclement weather season started, demonstrates the high level of community need for homeless services.

Consequences

Insufficient shelter beds available to meet the needs of the community result in high numbers of unsheltered individuals and families living on the streets and in environments not meant for human habitation.

In the inclement weather season, the consequences of being unsheltered become especially dangerous. The National Coalition for the Homeless estimates that 700 people on the streets die of hypothermia every year in the United States.

Project Status

With the recent announcement of available funding through the Homeless Emergency Aid Program (HEAP), plans are underway to apply for funding to construct a full-service emergency homeless shelter in a joint proposal between the County of Monterey and the City of Salinas. Discussions are also underway for the development of an emergency homeless shelter to be located on the Monterey Peninsula.

Additionally, proposals that support operations of services such as the temporary winter warming shelter and overnight safe parking program are being developed for the Homeless Emergency Aid Program (HEAP) funds.

Board Request

- Advocate and make accessible on-going funding that would support services and operations that would utilize the new facility and maintain high quality services that assist homeless individuals and families navigate the continuum of care.
- Educate the new administration that homelessness is not just an urban issue and encourage the adoption of solutions and financial commitments that address the issue in all California communities.
- Ensure counties, as the social service providers, are at the forefront of all solutions addressing homelessness.

MONTEREY COUNTY 2017 HOMELESS CENSUS & SURVEY COMPREHENSIVE REPORT



WATER INFRASTRUCTURE & LEVEES

Interlake Tunnel and San Antonio Spillway Modification Project

The proposed Interlake Tunnel and San Antonio Spillway Modification Project has two major components:

- A gravity flow water conveyance tunnel approximately 12,000 feet long connecting Nacimiento and San Antonio Reservoirs in San Luis Obispo and Monterey counties, respectively; and
- Modifications to the San Antonio Spillway that will raise the spillway a maximum of 7 feet.

The tunnel connection provides the conveyance means to transfer water from Nacimiento to San Antonio reservoir to reduce the amount of flood control releases from Nacimiento. The spillway raise at San Antonio increases the storage capacity within that reservoir allowing for increased conservation releases benefitting the Salinas Valley and Monterey County. This beneficial project is advancing through the design, environmental clearance and regulatory approval process on a schedule to have CEQA approval and regulatory permits by September 2019. A Proposition 218 election is tentatively scheduled for November 2019 to seek benefiting property owner's approval for increased property taxes to provide permanent financing for construction and operation and maintenance of the project.

Funding:

Funding for the development work has been partially by a loan from Monterey County (approximately \$3 million) and through a \$10 million grant from the State of California administered by Division of Water Resources (DWR). Approximately 43% of the grant funds have been expended through August 2018 with remaining funds narrowly budgeted to complete the development activities in advance of the Proposition 218 election. There are no additional funds identified for delays or added costs during the balance of the development effort.

Capital Budget and Source of Funds:

Current Total Capital Budget: Unknown – Pending option evaluation decision scheduled for late December 2018.

Significant measures are required to identify additional sources of funding to reduce the burden on property tax payers and to increase the feasibility of a successful Proposition 218 election.

Additional Costs:

The San Antonio Dam spillway chute has been deemed by California Division of Safety of Dams (DSOD) to need major repair or replacement, the cost of which has not yet been included in any analysis. The repair or replacement of the chute will likely be required before the Interlake Tunnel will be allowed to operate by DSOD. The chute repair/replacement costs can be shared with San Luis Obispo County (approximately 40%).

Estimate for chute repair/replacement: \$25 - \$35 million (preliminary)

Board Request

- The project costs have increased due to State requirements. It is recommended that additional funding from the State be sought to reduce the burden on the Monterey County taxpayers and enhance the viability of a successful Proposition 218 election.
- Project elements that justify State funding participation are identified as follows:

Description	Added Cost	Reason	Justification for State Funding
Fish screens and tunnel intake requirements	\$14.6 million (included in current capital budget)	California Department of Fish and Wildlife enforcement of the Fish and Game Code prohibiting the removal of white bass from Nacimiento Reservoir.	The added fish screen requirements are a result of previous State action to plant the predator White Bass in the Nacimiento Reservoir. Accordingly, the State should fund the incremental cost to incorporate fish screens at the tunnel intake in Nacimiento Reservoir.
San Antonio Chute Repair	\$25 - \$35 million	The Oroville Dam spillway failure has caused increased scrutiny by DSOD on spillway chutes and the result assessment for major repair or replacement of the San Antonio Dam spillway chute.	There is no identified funding for the chute repair. Adding the costs of chute repair/replacement to the capital costs of the tunnel project will likely jeopardize a successful Prop 218 election. Without a means to fund the repair/replacement of the chute, the tunnel project may not be feasible due to DSOD's operational jurisdiction over the tunnel.

WATER INFRASTRUCTURE & LEVEES

Pajaro River Flood Risk Reduction Project (PRFRRP)

Santa Cruz & Monterey Counties, California

Background

- The project was first authorized by the Flood Control Act of 1944, the project was completed in 1949, and the levees were first breached by a major storm in 1955.
- A 1963 report by the U.S. Army Corps of Engineers concluded that the levee system was “inadequate,” and the 1966 Federal Flood Control Act authorized a new project for the Pajaro River.
- Floods in 1995 caused more than \$95 million in damage and two people lost their lives, with additional damage in 1997 and 1998 and displacement of hundreds of residents. Levees nearly broke again in the federally-declared storm disasters of January-February 2017.

Consequences of Federal Inaction

- Levels of flood protection along the Pajaro River system are among the lowest of any federal flood control project in California. Recent (2016) Corps analysis shows the levees provide only 5- year protection along the Pajaro River and 7-year protection along two Pajaro tributaries. Poor levee strength further reduces this expected performance.
- Among the areas most impacted by the project are the economically-disadvantaged City of Watsonville in Santa Cruz County and Town of Pajaro in Monterey County, where per capita income is less than half the state and national average.
- The project also impacts some of the most productive farmland in the world; agriculture is a \$750 million per year industry in the Pajaro Valley. The Watsonville-Salinas agricultural region produces twice as many strawberries as any other area in California, and California produces nearly 80% of the nation’s strawberries. Strawberries are California’s fourth highest-grossing agricultural commodity, producing \$3.1 billion in annual revenue.

Project Status

- The FY 2019 Corp of Engineers Work Plan did not include funding to continue work in the Preconstruction Engineering and Design (PED) phase of the Pajaro River Flood Risk Reduction Project (PRFRRP).
- Lack of comfort with a risk informed decision to defer the Project's Hydrology and Hydraulics recalculation, and a low Benefit Cost Ratio (BCR), likely affected federal funding decision.
- The project is currently in the feasibility study stage, which – barring delays – is scheduled to be completed in March 2019. Funding is available to complete the Director's Report as scheduled.
- Flood Control District 7 and the Agency, the projects Non-Federal Sponsors, are in the process of securing a Program Management consultant to support the federal project.
- Proposition 1E Grant funding is still available to the PRFRRP. The Grant's sunset date extended from November 2019 to June 2021.

Board Request

- Support the counties’ efforts to identify and secure federal funding for the project, including addressing concerns with the budgetary impact of the Corps of Engineers’ calculation of benefit to cost ratio on lower income communities.

PROJECT DESCRIPTION

Level of Protection

Urban area: 100-Year Storm (90% Confidence).
Agricultural area: 25-year Storm (90% Confidence).

Federal Authorization

Flood Control Act of 1966, Director's Report anticipated March 2019

EXISTING LEVEES

Levees Built

U.S. Army Corps, 1949; 17.5 miles (12.5 miles Pajaro River + 5 miles Salsipuedes Creek)

Existing Level of Protection

All Areas: 8-Year Storm (90% Confidence)



PROJECT OBJECTIVES

Protect the lives, homes and livelihoods of our agriculturally-based community.

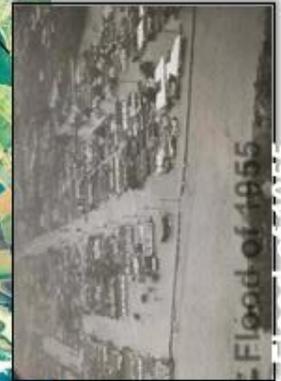
Provide 100-year storm level of flood protection to the City of Watsonville and the Town of Pajaro.

Provide \$300 million in benefits to an economically challenged area.

Minimize the taking of agricultural lands along the Pajaro River and tributary streams.

Provide a vegetated corridor and low flow design to enhance riparian habitat and fish passage.

Develop maintenance programs that will both sustain the project design capacity and meet the needs of environmental resource agencies.



Flood of 1955



Flood of 1995



Flood of 1997



GREENFIELD COURTHOUSE

The 2018-19 State Budget included funding for the top ten Judicial Branch Courthouse Construction Program projects. The Budget also tasked the Judicial Council with developing updated project evaluation criteria, and re-evaluating all of the remaining projects in the Construction Program. The Judicial Council ranking list includes the “New South Monterey County Courthouse,” or Greenfield Courthouse project, as number 24 out of 27. The project is one of ten on the “indefinitely-delayed” list due to a lack of State funding. The project scope and cost estimate that the original ranking was based on, have changed significantly.

This project is an important priority for the County, as our community members face extreme access-to-justice issues, with the next closest courthouse being located on the other side of our large county boundaries. For residents of South Monterey County that could mean a 1.5 hour drive each way (3 hours total) to the Aguajito Courthouse in Monterey that handles all civil and family law cases, including obtaining temporary restraining orders.

The City of Greenfield and the County of Monterey, in collaboration with the Courts, have been working diligently to come up with ways to fund a portion of the project locally, lower the overall cost of the project, and position the project for construction in a timely manner. For example, the City plans on using the Los Banos Courthouse prototype, which will help lower the cost of constructing the facility. Through these collaborative efforts, the overall project cost has been reduced from the original estimate of \$49 million, to \$33 million. In addition, the



LOS BANOS COURTHOUSE

City has committed to providing matching funds that will cover a significant portion of the overall project costs. Once full funding is secured, the project is positioned to begin construction quickly and is shovel ready.

The Judicial Council’s Court Facility Committee is beginning to reevaluate their project criteria and use that updated criteria to re-rank all remaining court projects (there are about 130 court projects in total). The County met with the Judicial Council to encourage the use of data such as the project being located in a disadvantaged community, increasing access to justice, and providing a local match. The Judicial Council anticipates all of these criteria will be used in the reevaluation of the project list. The Court Facilities Committee will be required to report the new criteria and the updated project list to the Legislature by December 2019.

Board Request

- Support efforts to authorize and secure funding to establish the Greenfield Courthouse.



CANNABIS

The mission of the Monterey County Cannabis Program is to provide a local framework for successful leadership and management of commercial cannabis through coordination and collaboration with multiple County departments, state agencies, and local governments to address taxation, regulation, policy, enforcement, education and protection of the health, environment, and safety of our communities. There are outstanding federal and state policy issues that need to be addressed in order for the County's Program to be successful.

Federal

Banking

The conflict between federal and state law over marijuana use severely limits the cannabis industry's ability to access banking services in California. In California, the cannabis industry is estimated to generate over \$6 billion in revenues by 2020, raising serious questions about whether an industry of that size can operate in a safe and sound manner without access to the federal banking system.

As the industry continues to grow, the County is increasingly concerned with the large amounts of cash that cannabis businesses are required to store on site and the risk it poses for violent crime. Monterey County has collected approximately \$17.6 million in tax revenue during the period of FY 2016-2018. The County also is concerned that its tax assessment, collection and audit functions will be needlessly complicated in a "cash only" environment, and the potential revenue loss could negatively affect other County programs. A new federal policy is needed to permit financial institutions to serve the cannabis industry in accordance with state law. The County supports legislation that creates a safe harbor for individuals and entities from federal marijuana laws if they act in compliance with state law.

Legalization

Legislation was introduced in the 115th Congress to amend the federal Controlled Substances Act to exempt state-legal marijuana activity from its provisions. The bill, known as the Strengthening the Tenth Amendment Entrusting States (STATES) Act, would also protect banks and credit unions that work with legal cannabis businesses. The County supports this type of limited legalization that allows each state to determine how best to address commercial cannabis activity within its own borders.

State

Inclusion of Cannabis and Hemp in Agricultural Commissioner Crop Reports

This year, the County of Monterey sponsored SB 1459 (Cannella), which would have given counties the option of including cannabis production in their agriculture commissioners' crop reports. The bill ended up being amended to address a much more time sensitive cannabis related issue, regarding licensing, that was very beneficial to the County's cannabis industry.

Monterey County has the potential to cultivate approximately 8 million square feet of legal cannabis. To date, the County has received 95 cannabis land use applications for approximately 3.2 million square feet of canopy. The square footages are associated with land use permit maximums and do not reflect actual square footage cultivated. An estimate for FY 2017-18 is 817,336 square feet of reported, taxable cultivation not including Nursery. According to Marijuana Business Daily, Monterey County is ranked 3rd in the state for cannabis cultivation behind Santa Barbara and Humboldt counties.

The County strongly supports legitimizing cannabis cultivation as a contribution to the agricultural industry and allowing for cannabis to be included in the state's annual crop report. Highlighting the significance of the crop and related production data into the crop reports will also help Monterey and other counties promote this agricultural portfolio to investors seeking to back responsible operations through direct financial support. In addition, normalizing cannabis as a true agricultural product will encourage unlicensed growers to come forward and become legitimate, permitted and tax-paying businesses. The County requests that a Monterey state legislator commit to carrying this proposal.

Funding for Enforcement

The County of Monterey needs adequate revenue to adequately handle cannabis related enforcement actions. Funding could be used for training, equipment, peace officers and code enforcement salaries, and county counsel to enforce liens or other penalties for unlicensed activity and consumer education on the difference between licensed operators and illegal operators.

In FY 2018-19, the Sheriff Office led nine search warrant services extracting approximately 45,000 pounds of illegal cannabis. The Board of Supervisors recently approved additional Program staffing to assist with the development of a robust, enforcement/compliance effort. California Department of Food and Agriculture (CDFA) and California Department of Public Health (CDPH) Enforcement inspections are providing support to the County; however, there does not appear to be sufficient resources in staff and money to harness the illegal activity.

The 2018-19 State Budget included funding for a Department of Justice's proposal related to cannabis-related enforcement from the General Fund. This funding is intended to combat the illegal cannabis market by protecting against intrastate and interstate diversion activity by criminal organizations; however, funding was not given directly to local enforcement agencies. The County of Monterey supports additional state funding provided directly to local law enforcement agency for cannabis related enforcement activities.

Board Request

- Support efforts to change Federal regulations which restrict the use of federally insured banks for cannabis revenues.
- Support legalization efforts that allow each state to determine how best to address commercial cannabis activity within their borders, and to declassify cannabis as a Schedule I drug.
- Seeking sponsor for legislation to allow inclusion of cannabis and hemp in Agricultural Commissioner Crop Reports.
- Support additional funding for local law enforcement agencies to aid in enforcement activities.