



CANNABIS PROGRAM
MONTEREY COUNTY

Board of Supervisors
May 17, 2022

Background of Organizational Study

Board Referral 2012.12

- Submitted in July 2021 to address insignificant progress towards local authorizations.
- Proposed actions to resolve:
 - Examine processes for cannabis-related permit review and compliance inspections.
 - Temporarily reassign staff to report directly to the Cannabis Program Manager.

Citygate Associates, LLC

- Previously conducted review of the Resource Management Agency in July 2020.
- Retained to conduct organizational review of current Cannabis Program in mid-2021.
- Work began in September and the findings were presented to the Board in March 2022.

Response to the Presentation of Findings

Board Direction to Staff

- Seek input on Citygate recommendations from Cannabis Committee (Committee).
 - Presented the Cannabis Program and Housing and Community Development response to the Committee on April 7, 2022.
 - Committee directed staff to return to the full Board with recommendations.

HCD/Program Response: SMART Goals



Specific

It must be specified who will perform the goal, what will be done, when and where it will be completed, and why it is being done.



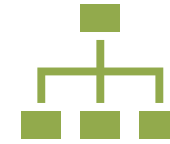
Measurable

The result needs to be measured using an indicator of quantity or volume, quality, time, and/or cost, and the tools to measure that are available.



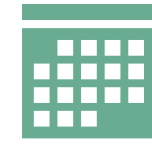
Achievable

The organization must have the resources and capabilities to achieve the performance goal.



Relevant

The goal must fit into one or more overall strategic objectives of the organization.



Timely

A specific schedule is needed with dates for achieving the performance goal.

Cannabis Program SMART Goals and Service Levels

SMART Goal #1: Issuing a (CBP)

The Cannabis Program will issue a CBP within 3 business days of the Operator submitting a complete CBP Initial Application and satisfying departmental requirements, in addition to the Property Owner receiving a fully cleared Land Use Entitlement.

Service level: 100%

SMART Goal #2: Renewing a CBP

The Cannabis Program will renew CBPs within 3 business days of the Operator submitting a complete CBP Renewal Application and satisfying departmental requirements.

Service level: 100%

Cannabis Program SMART Goals and Service Levels

SMART Goal #3: Providing local using the Provisional Cannabis Business Permit (PCBP)

By August 1, 2022, up to 100 Operators who have not obtained a CBP will be issued a Provisional CBP under Good Standing criteria expiring one year from its issuance date.

Service level: 100%

Draft SMART Goal #4: Providing renewal of the PCBP

Only those that have completed critical requirements and/or made significant progress to complete will be issued a one-time renewal of the PCBP expiring January 1, 2024 for Class A Permittees and January 1, 2026 for Class B Permittees.

Number of active operators who have completed critical requirements issued a renewed PCBP by TBD.

Service level: TBD

HCD Key Performance Measures and Service Levels

Key Performance Measure #1: Building permit plan check

Housing and Community Development will complete the review of plans submitted with building permits within 6-8 weeks.

Service level: 100%

Key Performance Measure #2: Environmental Services permit plan review

Environmental Services permit plan review completed within 6 to 8 week.

Service level: 100%

HCD Key Performance Measures and Service Levels

Key Performance Measure #3: Engineering Services permit plan review

Engineering Services permit plan review completed within 6-to-8-week timelines.

Service level: 100%

Key Performance Measure #4: Construction permit inspections

Housing and Community Development will complete construction permit inspections within one working day of the request.

Service level: 100%

HCD/Program Response: Agree and Implement

Citygate Recommendation	Proposed Implementation Timeline
#2	HRD to complete base wage study before July 2022
#4	Ongoing from Citygate report on RMA
#5	July 2022, if standalone ordinance adopted
#7	Enhancements to Accela Automation underway
#8	Meetings with cannabis staff have resumed
#9	As needed basis
#10	Met with departmental finance managers to discuss cost tracking
#11	Staff to coordinate with Auditor-Controller analyst before July 2023
#12	Staff to assist other departments with time study before July 2023
#13	Meet with Budget Office and finance managers before July 2022
#14	Cannabis Memo has been modified, with ongoing revisions
#15	Staff believes they can implement in advance of July 2023
#16	Staff believes they can implement in advance of July 2023

HCD/Program Response: Disagree and Defer

Citygate Recommendation	Proposed Deferral Timeline
#1	January 2024 after large licensees obtain state annual licenses
#3	January 2024 after large licensees obtain state annual licenses
#6	January 2024 after large licensees obtain state annual licenses

HCD/Program Response: Proposed Alternative Enhancements

No. 1: Establish a Provisional Cannabis Business Permit (PCBP) through standalone ordinance

- Issue a PCBP to current operators, which will expire 6 months from issuance.
- PCBP renewals subject to one-year term, which will expire on December 31, 2023.
 - Must have completed all critical county requirements:
 - Payment of TRA 1
 - Public water and septic systems
 - Hazardous material requirements.
- Local land use permits that have not had any progress within 6 months will be recommended for denial without prejudice.
- PCBPs will not be offered to any business operator that is not currently operating.
 - These operators will be afforded all other enhancements, if approved.

HCD/Program Response: Proposed Alternative Enhancements

No. 2: Cannabis Committee recommended and supported augmentation request

This will enable work to expedite permits with Rincon and CSG to continue.

No. 3: Continue meeting with applicants that have incomplete land use permit applications

Prioritize applications in accordance with provisional sunseting timelines of SB 160:

Category	Pending PLNs	Pending CNBs	Percent operational today
A Large Licenses	32	42	83%
B Small/Equity	23	40	88%
Retail	3	2	78%
All other	9	18	81%

HCD/Program Response: Proposed Alternative Enhancements

No. 4: Develop SMART goals and procedures to regularly track and report outcomes
HCD/Program will develop performance measures and service-level commitments and report outcomes regularly to the Cannabis Committee.

Program staff will take over research assignments from inspection staff to assist applicants in progressing their planning, building, and environmental health permits.

The compliance inspection process has been revised to be less punctual and more reactive to requests and complaints.

HCD/Program Response: Proposed Alternative Enhancements

No. 5: Begin meetings to review incomplete items with CNB applicants

Staff will build upon the existing process for meeting with applicants with incomplete items and work with individual Operators to set target dates for completion.

Staff will continue to facilitate small industry focus groups, which were found to be valuable by the industry and staff alike in providing information to review requirements and modify where reasonable and allowable to continually improve upon processes.

HCD/Program Response: Long Term Solutions to Backlogs

1. Make the permit process crystal clear using standard operating procedures, guidelines or Fact Sheets available to the public.
2. Implement or expand on digital permitting systems.
 - a. Accela Automation has been updated with a digital permit system and the Program is currently working to automate and create a digital permit process for the CNB
3. Track progress of open permits through analysis.
 - a. The SMART goals and Key Performance Measures is the initial process to measure goals and share outcomes with the Committee, Board and stakeholders.
4. Outsource during periods of high volume or resource shortages.
 - a. Currently, the cannabis land use permit and building permits are being outsourced to Rincon and CSG.



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Questions