



County of Monterey

Item No.

Board Report

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

Legistar File Number: 26-706

August 06, 2026

Introduced: 7/31/2026

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

Public hearing to consider the following:

- a. Receive a report on the Outdoor Commercial Cannabis Cultivation Pilot Program (Chapters 20.69 and 21.69 of the Monterey County Code); and
- b. Provide direction to staff.
(Monterey County Outdoor Commercial Cannabis Cultivation Pilot Program, Carmel Valley, Cachagua, and Big Sur)

PROJECT INFORMATION:

Planning File Number: REF150048
Project Location: County-wide
Plan Area: Carmel Valley, Cachagua, Big Sur
CEQA Action: Not a project

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a report on Outdoor Commercial Cannabis Cultivation Pilot Program (Chapters 20.69 and 21.69 of the Monterey County Code); and
- b. Direct staff to prepare an ordinance with updates to the outdoor cannabis cultivation regulations.

SUMMARY:

On June 18, 2019, the Board of Supervisors adopted Ordinance Nos. 5311 and 5312 adding Chapters 21.69 (inland) and 20.69 (coastal) to the Monterey County Code and creating a pilot program for limited outdoor commercial cannabis cultivation in the Big Sur, Carmel Valley, and Cachagua plan areas within Supervisorial District 5, and only on lots that could provide proof that they historically cultivated cannabis (herein referred to as the "Pilot Program"). On May 18, 2021, the Board adopted ordinances updating the Pilot Program to allow outdoor cannabis cultivation in the grazing land zoning districts of the Chachagua Area Plan, to extend the pilot program from 5 years to 8 years, to reduce the setback required from the nearest offsite structure from 500 feet to 250 feet, and to increase the maximum allowable canopy from 10,000 square feet to 20,000 square feet.

The Pilot Program is set to expire June 18, 2027; eight years from June 18, 2019. Prior to its expiration, staff is returning to the Cannabis Committee for an update on the status of implementation of the Pilot Program and to seek direction from the Committee on the future of outdoor cannabis cultivation regulations in the County.

In the last 7 years there have been no permits issued pursuant to the Pilot Program. Only one outdoor

cannabis cultivation permit has been approved in the unincorporated area and that permit was approved outside of the Pilot Program structure. The lack of participation highlights the need for an alternative approach. Staff have not yet developed details on what the alternative approach might look like but is seeking general direction to pursue updates from the Committee.

Staff met with industry representatives and interested parties on April 1, 2026 to discuss the program and get feedback. Feedback included the experience with past decisions on the need for permitting, environmental review, and the lack of ability to obtain provisional licenses which put growers out of business cutoff income potential from cultivation while simultaneously requiring large upfront costs to start operating. Regarding the current regulations, there was general support to retain the ability to get permitted and to not lose the work that went into establishing the Pilot Program. Feedback specific to the regulations focused on:

1. The ability to relocate a cultivation site;
2. A reduction in the setback required from the nearest off-site structure from 250 feet to 150 feet; and
3. The ability to have structures or containers on-site for drying.

At this time, staff is seeking general direction from the Cannabis Committee on the future of the outdoor cultivation regulations in the unincorporated areas. Staff anticipates seeking additional feedback on this topic and returning to the Committee at future meeting to review options.

FINANCING:

Funding for staff time associated with this report is included in the 2026/27 Fiscal Year Final Budget for the Housing & Community Development Department. If pursued, funding for staff time to prepare the ordinances is also anticipated to be included in the FY 26/27 adopted budget. If permits are ultimately adopted under outdoor cannabis cultivation regulations, there could be a small increase in cannabis cultivation tax revenue in the future. If the Pilot Program expires and no new ordinance is adopted, there would be no changes to the budget.

Prepared by: Craig W. Spencer, Director ext. 5233

cc: Front Counter Copy; Michele House, Cannabis Program Manager; Oliver Bates; Interested Party; The Open Monterey Project; LandWatch; Aram Stoney; Oliver Bates; Greg Deaton; Joey Espinoza; Pat Maloy; Leif Jensen; Freya Peters; Kodiak Greenwood; John Cumming; Amarion Wittler

Attachments:

- Attachment 1 - Monterey County Code Chapter 21.69 (Pilot Program - Inland)
- Attachment 2 - Monterey County Code Chapter 20.69 (Pilot Program - Coastal)
- Attachment 3 - Comments from Industry representatives