

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 Luis Alejo – District 1

Thursday, August 6, 2026

12:00 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

For information on The Ralph M. Brown Act: Open Meetings please click on the link below:

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?division=2.&chapter=9.&part=1.&lawCode=GOV&title=5

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; or,

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 Wednesday, August 5, 2026. 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,

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 Miercoles, 5 de Agosto, 2026, 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

Public Comment Period

Approval of Action Minutes

1. Consider approval of action minutes from the June 18, 2026, Cannabis Committee meeting.

Attachments: [06.18.26 Minutes](#)

Regular Agenda

2. 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)

Presenter: *Craig Spencer, Director, Housing and Community Development*

Attachments: [Board Report](#)
 [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](#)

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

Presenter: *Kevin Tweedy, Accounting Auditor III*

Attachments: [ACO MEMO AUG 2026](#)

4. Receive the updated Cannabis Program Strategic Plan and provide further direction as appropriate.

Presenter: *Michelle House, Cannabis Program Manager*

Attachments: [Cannabis Strat Plan 26-30 Draft](#)

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

Presenter: *Michelle House, Cannabis Program Manager*

Attachments: [Cannabis Committee Memo 8.6.26](#)

Adjournment

Committee Members: Supervisor Chris Lopez, Chair; Supervisor Luis Alejo, Vice-Chair.

Committee Staff: Deborah Paolinelli, 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 26-046

August 06, 2026

Introduced: 7/28/2026

Current Status: Agenda Ready

Version: 1

Matter Type: Minutes

Consider approval of action minutes from the June 18, 2026, Cannabis Committee meeting.

County of Monterey

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168 W. Alisal St., 2nd Floor
Salinas, CA 93901



CANNABIS PROGRAM
COUNTY OF MONTEREY

Meeting Minutes - Draft

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Thursday, June 18, 2026

3:30 PM

Supervisor Chris Lopez – District 3

Supervisor Luis Alejo – District 1

Cannabis Committee

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 3:30pm.

Additions and Corrections

No additions or corrections.

Public Comment Period

Chris Boggs, John Cumming, Luis Paredes, and Tina Nieto.

Approval of Action Minutes

1. Consider approval of action minutes from the April 02, 2026, Cannabis Committee meeting.

The minutes from the April 02, 2026 Cannabis Committee Meeting were approved by consensus.

Regular Agenda

2. Receive an update on the Outdoor Commercial Cannabis Cultivation Pilot Program.

Presenter: *Craig Spencer, Director of Housing & Community Development*

This agenda item was postponed to the next regularly scheduled meeting, currently scheduled for Aug 6, 2026, in the Monterey Room and via Zoom.

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

Presenter: *Michelle House, Cannabis Program Manager*

Report deemed as received.

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

Presenter: *Michelle House, Cannabis Program Manager*

Report deemed as received.

Adjournment

This meeting was adjourned at 4:02pm.



County of Monterey

Item No.2

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)

Presenter: *Craig Spencer, Director, Housing and Community Development*

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



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

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Attachment 1

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Chapter 21.69 - OUTDOOR COMMERCIAL CANNABIS CULTIVATION PILOT PROGRAM

21.69.010 - Definitions.

For the purpose of this Chapter, unless the context otherwise requires, certain terms used in this Chapter shall be as defined below. The definitions in Chapters 21.06 and 21.67 shall otherwise apply.

- A. "Cannabis site" means the location or area specified in the permit issued pursuant to this Chapter, that is owned, leased, or otherwise held under the control of the applicant or permittee where outdoor cultivation and outdoor cultivation ancillary uses will be conducted. The cannabis site shall be on one lot and shall only be occupied by one permittee.
- B. "Lot" shall have the same meaning as in Section 21.06.760 of this Title.
- C. "Outdoor cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis without the use of artificial lighting or light deprivation in the canopy area at any point in time.
- D. "Outdoor cultivation ancillary uses" means supportive nursery, self-distribution, and self-processing activities as those terms are defined in this Chapter.
- E. "Pilot program" means the outdoor commercial cannabis cultivation pilot program established in this Chapter.
- F. "Self-distribution" means the transport of cannabis grown onsite and nonmanufactured cannabis products produced onsite to another permitted and licensed cannabis business at an offsite facility.
- G. "Self-processing" means all activities associated with the drying, curing, grading, trimming, rolling, storing, packaging, and labeling of cannabis or nonmanufactured cannabis products grown or produced onsite.
- H. "Supportive nursery" means all activities associated with producing clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of outdoor cannabis cultivation onsite. Artificial lighting is permissible only to maintain immature plants in a supportive nursery.

(Ord. No. 5311, § 2, 6-18-2019)

21.69.020 - Purpose.

The purpose of this Chapter is to achieve the following:

- A.

To establish a pilot program to provide uniform procedures for consideration of permits for outdoor cultivation and outdoor cultivation ancillary uses in the Carmel Valley Master Plan and Cachagua Area Plan areas;

- B. To gather data and information related to outdoor cultivation and outdoor cultivation ancillary uses to enable the County to evaluate the establishment of long-term regulations;
- C. To provide those who historically cultivated cannabis within the Carmel Valley Master Plan and Cachagua Area Plan areas an opportunity to participate in the legalized commercial cannabis industry;
- D. To reduce negative impacts to the environment; and
- E. To provide for protection of public health, safety and welfare of residents, visitors, and persons engaged in outdoor cultivation and outdoor cultivation ancillary uses under this pilot program.

(Ord. No. 5311, § 2, 6-18-2019)

21.69.030 - Applicability and duration.

- A. Notwithstanding the provisions of Chapter 21.67 of this Title, the provisions of this Chapter are applicable to outdoor cultivation and outdoor cultivation ancillary uses within the Carmel Valley Master Plan and the Cachagua Area Plan. Chapter 21.67 shall apply to all other commercial cannabis activities not covered in this Chapter.
- B. The duration of the pilot program shall be June 18, 2026, eight years from the effective date of the ordinance enacting this Chapter.

(Ord. No. 5311, § 2, 6-18-2019; Ord. No. 5350, § 3, 5-18-2021)

21.69.040 - Permits required.

- A. Except as provided in Section 21.67.090 of this Title, commercial cannabis activities shall not be allowed in the unincorporated non-coastal areas of Monterey County without first securing all permits, licenses, or other entitlements required by state law and County regulation.
- B. An administrative permit shall be required for all outdoor cultivation and outdoor cultivation ancillary uses provided for in this pilot program. The application for an administrative permit, and for amendments thereto and extensions thereof, shall be processed in accordance with Chapter 21.70 of this Title. The Chief of Planning is the appropriate authority to consider issuance, extension of, and amendment to such permits. Appeals from the decision of the Chief of Planning shall be governed by Chapter 21.86 of this Title. Notwithstanding the foregoing, the procedures for suspension and revocation of an administrative permit granted under this pilot program shall be as set forth in Sections 21.67.110 and 21.67.120 of this Title.

- C. All administrative permits issued pursuant to this pilot program shall expire within five years from the approval date or upon the termination of the pilot program, whichever occurs first. On or before the five year expiration of this pilot program, the County shall evaluate the pilot program to determine if the program should be terminated, extended, or modified. Permits approved pursuant to this Chapter shall not survive or have continuing application beyond the expiration of the pilot program unless the program is extended or modified by the Board of Supervisors. Approval of Administrative Permits pursuant to this pilot program and commencement of allowed uses shall not establish a non-conforming use. If the pilot program is extended or modified, new land use entitlements, as may be specified in the extended or modified regulations, must be obtained.
- D. In addition to an administrative permit, pursuant to Chapters 7.02 and 7.90 of the Monterey County Code, a Business License and a Commercial Cannabis Business Permit shall be required for all outdoor cultivation and outdoor cultivation ancillary uses.
- E. Pursuant to California Business and Professions Code section 26000 et seq., a valid license from the State shall be required for all outdoor cultivation and outdoor cultivation ancillary uses.
- F. The owner shall post or cause to be posted on the cannabis site all required County and state permits and licenses required to operate. Such posting shall be located in a conspicuous location at or near the location where the outdoor cultivation and outdoor cultivation ancillary uses occur, and a copy of the permits and licenses shall be kept in all vehicles that transport cannabis or nonmanufactured cannabis products.
- G. The owner and all permittees shall maintain clear and adequate records and documentation demonstrating that all cannabis or nonmanufactured cannabis products have been obtained from and are provided to other permitted and licensed cannabis operations. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the County upon request.
- H. The owner and all permittees shall conduct outdoor cultivation and outdoor cultivation ancillary uses in compliance with all required County permits and state licenses, and in compliance with state law and County law. The owner and all permittees shall be responsible for the payment of all required inspection fees, permit fees, and taxes.

(Ord. No. 5311, § 2, 6-18-2019)

21.69.050 - Qualified properties.

- A. Only qualified properties shall be eligible for permitting under this Chapter.
- B. Qualified properties are required to provide evidence to the satisfaction of the Appropriate Authority that all of the following criteria are met:
 - 1.

The cannabis site is located within the Carmel Valley Master Plan area or the Cachagua Area Plan area.

2. The cannabis site is within an area designated on the Sectional District Zoning Map as:
 - a. Rural Density Residential in the Carmel Valley Master Plan; or
 - b. Resource Conservation or Permanent Grazing in the Cachagua Area Plan.
 3. The cannabis site is located on a lot where proof of prior cultivation is demonstrated per Subsection C of this Section.
- C. Qualified properties are required to provide evidence to the satisfaction of the appropriate authority that they were engaged in medicinal cannabis cultivation on the lot prior to January 1, 2016. For the purposes of this Subsection, cultivation of six or fewer plants shall not be sufficient evidence of prior cultivation. Such evidence shall include at least two of the following:
1. Photographs of cultivation that existed on the lot prior to January 1, 2016, including aerial views from Google Earth, Big Maps, Terraserver, or a comparable service showing both the entire lot and the cultivation site in more detail. The date these images were captured shall be noted.
 2. Documentary evidence that medicinal cannabis was cultivated on the lot on behalf of a collective or cooperative dated prior to January 1, 2016.
 3. Any other form of evidence acceptable to the appropriate authority that cultivation occurred on the lot prior to January 1, 2016.
- D. This pilot program only applies to the specified areas of the Carmel Valley Master Plan and Cachagua Area Plan as restricted by this Chapter, and in the Big Sur Land Use Plan as restricted by Chapter 20.69 of the Monterey County Code. The uses permitted under this pilot program are expressly prohibited in all other unincorporated areas of Monterey County.

(Ord. No. 5311, § 2, 6-18-2019; Ord. No. 5350, § 4, 5-18-2021)

21.69.060 - Regulations.

Permits for outdoor cultivation and outdoor cultivation ancillary uses shall comply with all of the following regulations:

- A. Activities allowed pursuant to this pilot program shall be limited to outdoor cultivation and outdoor cultivation ancillary uses. Indoor and mixed-light cultivation, and any form of manufacturing, testing, and retail operations are excluded from this pilot program.
- B. Outdoor cultivation and outdoor cultivation ancillary uses shall obtain and maintain a permit required pursuant to Section 21.69.040 of this Chapter prior to recommencement of activities, and shall establish and maintain all activities in accordance with all requirements, regulations, limitations, and conditions established in this Chapter and as may be applied to a permit approved pursuant to this Chapter.

- C. Outdoor cultivation and outdoor cultivation ancillary uses shall conform to all of the following minimum setback requirements:
1. The lot on which a cannabis site is located shall not be within one thousand (1,000) feet 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 a permit by the appropriate authority. The distance specified in this Section shall be measured in a straight line from the nearest point of the property line of the lot that contains the outdoor cultivation and outdoor cultivation ancillary uses, to the nearest point of the property line of the enumerated use(s).
 2. The cannabis site shall be setback a minimum of fifty (50) feet from any public road.
 3. The cannabis site shall be setback a minimum of two hundred fifty feet (250) feet from the nearest offsite structure. This setback does not apply to non-habitable sheds, outbuildings, and similar non-habitable accessory structures. The distance specified in this Section shall be measured in a straight line from the nearest point of the cannabis site to the nearest applicable structure on adjoining properties.
 4. The cannabis site shall be setback a minimum of one hundred fifty (150) feet from a stream, river, or watercourse.
- D. Exceptions to setbacks from the nearest offsite structure may be considered by the appropriate authority. The following criteria may be used in consideration of such an exception: weather patterns; existence of topographical features; trees and shrubs; and possible development of landscape berms to separate cannabis uses from nearby residential uses on a neighboring lot. Setbacks may also be reduced for supportive nursery cannabis sites and for outdoor cultivation ancillary uses, provided that such uses are located entirely within an approved structure that incorporates adequate odor mitigation technologies. In no case shall the setback from a school, playground, youth center, child care center, or drug recovery facility be less than a one thousand (1,000) foot radius. This Subsection does not restrict the ability of the appropriate authority to consider odor mitigation techniques, including but not limited to, landscape vegetation strips which may include other fragrant vegetation to mask the odors, odor neutralizing technologies, or relocation of cannabis sites as part of the consideration of a permit required pursuant to this Chapter.
- E. Outdoor cultivation and outdoor cultivation ancillary uses shall be located only within a permitted cannabis site. Cannabis sites shall be located in areas where prior cultivation activities occurred on the lot, except when previously utilized areas or structures on the qualified property do not conform to one or more standards contained herein or cannot comply with other applicable state or local regulations. In such cases, reconfiguration of the cannabis sites and associated

infrastructure may be permitted provided that the reconfiguration results in compliance with the terms of this pilot program and will not conflict with other applicable provisions of state and County law including the applicable provisions of the General Plan.

- F. Outdoor cultivation and outdoor cultivation ancillary uses shall be subject to applicable use of private road regulations contained in the Monterey County Code.
- G. Outdoor cultivation and outdoor cultivation ancillary uses shall not take place on federal or state lands, or on lots where the only access is through federal land.
- H. In no case shall a building built as a single-family dwelling or multiple family dwelling be used for outdoor cultivation and outdoor cultivation ancillary uses, except that the dwelling may be used for offices related to the permitted cannabis activities, or for the purposes of providing sanitary facilities and break areas for employees employed onsite.
- I. No visual indications that outdoor cultivation and outdoor cultivation ancillary uses occur on the site shall be visible from offsite, including but not limited to cannabis plants, markers, and similar indicators of cannabis activities.
- J. The canopy of outdoor cultivation shall be limited to two and one half percent (2.5%) of the total square footage of the lot, not to exceed twenty thousand (20,000) square feet of canopy on any one lot.
- K. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products shall be provided and maintained. If onsite security is utilized, such onsite security shall not use or possess firearms or other lethal weapons. Fencing is only required where other reasonable limitations to access to the cannabis site cannot be provided. Fencing and other structures and improvements for the purposes of providing security shall be subject to the applicable permit(s), including siting and design criteria for the site.
- L. Pesticides and fertilizers shall be properly labeled, stored, and applied to avoid and prevent contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife. Approved outdoor cultivation operations using pesticides shall obtain the appropriate permits, licenses, or clearances from the Monterey County Agricultural Commissioner and the Environmental Health Bureau, as applicable.
- M. Lighting inside and outside of all structures shall be unobtrusive and constructed or located so that only the area intended is illuminated, long range visibility is reduced, the lighting source is not visible from offsite, and glare is fully controlled.
- N. All necessary fire prevention measures, as determined by the appropriate fire district personnel, shall be provided and maintained onsite.
- O. Adequate water supply sources to meet all onsite uses shall be provided. Water use includes, but is not limited to, irrigation water, and permanent potable water for all employees. Water transported by vehicle from offsite shall not be considered an adequate water supply source.

- P. All necessary waste water facilities, as determined by the Monterey County Environmental Health Bureau, shall be provided.
- Q. The following additional plans and information shall be created, reviewed, permitted and implemented, as applicable, during operations:
1. A water management plan including the proposed water supply, written permission to access to water if the source is a water system or surface diversion, proposed water conservation measures, and any water offset.
 2. Information regarding stormwater control and wastewater discharge. Such plans shall be sufficient to prevent erosion and other water quality impacts on or offsite.
 3. A storage and hazard response plan for all pesticides, fertilizers, and any other hazardous materials kept on site.
 4. All power source(s) for commercial cannabis activities at the site including any proposed energy offsets. Generators shall not be permitted as the permeant power source.
 5. A cannabis waste management plan including the method(s) for managing cannabis waste. Acceptable methods include onsite composting provided the composting site is clearly defined and approved as part of a permit pursuant to this pilot program, collection and processing of cannabis waste by an approved waste hauler in Monterey County, or self-haul of cannabis waste to a permitted solid waste or composting facility.
 6. All permits shall also be subject to the policies contained in the General Plan.

(Ord. No. 5311, § 2, 6-18-2019; Ord. No. 5350, §§ 5—7, 5-18-2021)

21.69.070 - Required findings.

An administrative permit for the cannabis activities allowed pursuant to this pilot program shall not be granted by the appropriate authority unless all of the following findings are made based on substantial evidence:

- A. The outdoor cultivation and outdoor cultivation ancillary uses, as proposed, comply with all of the requirements of Chapter 21.69.
- B. Adequate energy, sewer, and water services exist or can be provided for the use(s) proposed.
- C. The location of the cannabis site(s) and the establishment or operation of outdoor cultivation and outdoor cultivation ancillary uses are consistent with the text, policies and regulations of the General Plan.
- D. Any environmental impacts considered potentially significant are mitigated.
- E. The plans include adequate facilities and operational measures to address security, health and safety standards, and other standards that minimize or avoid nuisances and impacts on the lot and in the neighborhood where the activities are proposed.

(Ord. No. 5311, § 2, 6-18-2019)

21.69.080 - Required conditions.

In addition to any other conditions and mitigation measures required by the appropriate authority, all of the following conditions shall apply to all permits for outdoor cultivation and outdoor cultivation ancillary uses:

- A. The owner and permittees shall allow access to the cannabis site and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection of the cannabis site and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.
- B. The applicant, owner, and permittees shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
- C. Any person engaged in the cannabis activities allowed pursuant to the pilot program shall obtain and maintain all required state and County permits and licenses, including a valid and fully executed Business License and Commercial Cannabis Business Permit pursuant to Chapters 7.02 and 7.90 of the Monterey County Code.
- D. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by state law and the Monterey County Code. Failure to take appropriate actions to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or license in good standing with the state or County shall be grounds for the suspension or revocation of permits pursuant to Sections 21.67.110 and 21.67.120 of the Monterey County Code.

(Ord. No. 5311, § 2, 6-18-2019)

21.69.090 - Application requirements.

All applications for an administrative permit for outdoor cultivation and outdoor cultivation ancillary uses shall be filed with the Resource Management Agency on the form and in the manner prescribed by the Chief of Planning, or his or her designee. In all cases, the application shall contain, without limitation the following documentation:

- A. Notarized, written authorization from all persons and entities having a right, title or interest in the property that is the subject of the application consenting to the application and the operation of the proposed commercial cannabis activities on the subject property.
- B. A site plan containing the following minimum information:

1. Boundaries of lot and the cannabis site(s) wherein each of the proposed cannabis activities will occur;
 2. Access roads and driveways to the lot from the nearest public road;
 3. Entrances and exits to and from all proposed cannabis sites;
 4. All existing and proposed structures, wells, septic systems, parking areas, and utilities at the lot;
 5. All easements and all water bodies on the lot;
 6. Assessor's Parcel Number;
 7. Property boundaries and distance from all cannabis sites to structures on neighboring properties, if structures are located within one thousand five hundred (1,500) feet of the cannabis site(s);
 8. Topographic information including areas of the property containing slopes greater than twenty-five (25) percent; and
 9. The diagram shall be to scale.
- C. A cultivation plan containing a cannabis site diagram showing all boundaries and dimensions in feet of the following proposed areas to scale:
1. Location of and aggregate square footage of canopy area(s) for all outdoor cultivation on the lot;
 2. Location of and aggregate square footage of canopy areas for all supportive nursery operations on the lot;
 3. Designated pesticide and other agricultural chemical storage area(s);
 4. Designated self-processing area(s), if processing will occur on site;
 5. Designated composting area(s), if composting will occur on site or designated secured area(s) for cannabis waste if composting does not occur on site;
 6. Designated area(s) for harvested cannabis storage;
 7. Common use area(s) such as hallways, bathrooms, or break rooms; and
 8. The Geospatial Positioning System (GPS) Coordinates for the boundaries of each cannabis site.
- D. An operations plan including at a minimum, the following information:
1. Onsite security plan including both physical and operation measures;
 2. Odor management plan, including progressive measures that will be taken if needed to address odor complaints;
 3. Proposed hours of operation;
 4. Employee safety and training plan;

5. Water management plan, including the proposed water supply and proposed conservation measures, and if water is obtained from a domestic water system, then proof of approval of use from the water system;
 6. Waste management plan;
 7. Sustainability measures including energy source and proposed energy efficiency measures;
 8. Parking plan;
 9. Hazardous waste storage plan and hazard response plan;
 10. Stormwater control plans; and
 11. Fuel and fire management plan.
- E. A cross connection control survey completed by a qualified professional confirming that no cross connections will exist between potable water and irrigation uses.
- F. Such other information as the Chief of Planning, or his or her designee, may require.

(Ord. No. 5311, § 2, 6-18-2019)

21.69.100 - Suspension, revocation, and enforcement.

Grounds and procedures for suspension revocation and enforcement shall be as set forth in Sections 21.67.110, 21.67.120, and 21.70.130 of this Title.

(Ord. No. 5311, § 2, 6-18-2019)

Attachment 2

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Chapter 20.69 - OUTDOOR COMMERCIAL CANNABIS CULTIVATION PILOT PROGRAM

20.69.010 - Definitions.

For the purpose of this chapter, unless the context otherwise requires, certain terms used in this chapter shall be as defined below. The definitions in Chapters 20.06 and 20.67 shall otherwise apply.

- A. "Cannabis Site" means the location or area specified in the permit issued pursuant to this chapter, that is owned, leased, or otherwise held under the control of the applicant or permittee where outdoor cultivation and outdoor cultivation ancillary uses will be conducted. The cannabis site shall be on one lot and shall only be occupied by one permittee.
- B. "Lot" shall have the same meaning as in Section 20.06.760 of this Title.
- C. "Outdoor Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis without the use of artificial lighting or light deprivation in the canopy area at any point in time.
- D. "Outdoor Cultivation Ancillary Uses" means supportive nursery, self-distribution, and self-processing activities as those terms are defined in this chapter.
- E. "Pilot Program" means the outdoor commercial cannabis cultivation pilot program established in this chapter.
- F. "Self-distribution" means the transport of cannabis grown onsite and nonmanufactured cannabis products produced onsite to another permitted and licensed cannabis business at an offsite facility.
- G. "Self-processing" means all activities associated with the drying, curing, grading, trimming, rolling, storing, packaging, and labeling of cannabis or nonmanufactured cannabis products grown or produced onsite.
- H. "Supportive Nursery" means all activities associated with producing clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of outdoor cannabis cultivation onsite. Artificial lighting is permissible only to maintain immature plants in a supportive nursery.

20.69.020 - Purpose.

The purpose of this chapter is to achieve the following:

- A. To establish a pilot program to provide uniform procedures for consideration of permits for outdoor cultivation and outdoor cultivation ancillary uses in the Big Sur Land Use Plan area;
- B. To gather data and information related to outdoor cultivation and outdoor cultivation ancillary uses to enable the County to evaluate the establishment of long-term regulations;

- C. To provide those who historically cultivated cannabis within the Big Sur Land Use Plan area an opportunity to participate in the legalized commercial cannabis industry;
- D. To reduce negative impacts to the environment; and
- E. To provide for protection of public health, safety and welfare of residents, visitors, and persons engaged in outdoor cultivation and outdoor cultivation ancillary uses under this pilot program.

20.69.030 - Applicability and duration.

- A. Notwithstanding the provisions of Chapter 20.67 of this Title, the provisions of this chapter are applicable to outdoor cultivation and outdoor cultivation ancillary uses within the Rural Density Residential (RDR) and Watershed and Scenic Conservation Zoning (WSC) districts of the Big Sur Land Use Plan area. Chapter 20.67 shall apply to all other commercial cannabis activities not covered in this chapter.
- B. The duration of the pilot program shall be five years from the effective date of the ordinance enacting this chapter.

20.69.040 - Permits required.

- A. Except as provided in Section 20.67.090 of this Title, commercial cannabis activities shall not be allowed in the unincorporated coastal areas of Monterey County without first securing all permits, licenses, or other entitlements required by state law and County regulation.
- B. A Coastal Administrative Permit shall be required for all outdoor cultivation and outdoor cultivation ancillary uses provided for in this pilot program. The application for a Coastal Administrative Permit, and for amendments thereto and extensions thereof, shall be processed in accordance with Chapter 20.76 of this Title. The Chief of Planning is the Appropriate Authority to consider issuance, extension of, and amendment to such permits. Appeals from the decision of the Chief of Planning shall be governed by Chapter 20.86 of this Title. Notwithstanding the foregoing, the procedures for suspension and revocation of a Coastal Administrative Permit granted under this pilot program shall be as set forth in sections 20.67.110 and 20.67.120 of this Title.
- C. All Coastal Administrative Permits issued pursuant to this pilot program shall expire within five years from the approval date or upon the termination of the pilot program, whichever occurs first. On or before the five year expiration of this pilot program, the County shall evaluate the pilot program to determine if the program should be terminated, extended, or modified. Permits approved pursuant to this chapter shall not survive or have continuing application beyond the expiration of the pilot program unless the program is extended or modified by the Board of Supervisors. Approval of Coastal Administrative Permits pursuant to this pilot program and

commencement of allowed uses shall not establish a non-conforming use. If the pilot program is extended or modified, new land use entitlements, as may be specified in the extended or modified regulations, must be obtained.

- D. In addition to a Coastal Administrative Permit, pursuant to Chapters 7.02 and 7.90 of the Monterey County Code, a Business License and a Commercial Cannabis Business Permit shall be required for all outdoor cultivation and outdoor cultivation ancillary uses.
- E. Pursuant to California Business and Professions Code section 26000 et seq., a valid license from the State shall be required for all outdoor cultivation and outdoor cultivation ancillary uses.
- F. The owner shall post or cause to be posted on the cannabis site all required County and state permits and licenses required to operate. Such posting shall be located in a conspicuous location at or near the location where the outdoor cultivation and outdoor cultivation ancillary uses occur, and a copy of the permits and licenses shall be kept in all vehicles that transport cannabis or nonmanufactured cannabis products.
- G. The owner and all permittees shall maintain clear and adequate records and documentation demonstrating that all cannabis or nonmanufactured cannabis products have been obtained from and are provided to other permitted and licensed cannabis operations. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the County upon request.
- H. The owner and all permittees shall conduct outdoor cultivation and outdoor cultivation ancillary uses in compliance with all required County permits and state licenses, and in compliance with state law and County law. The owner and all permittees shall be responsible for the payment of all required inspection fees, permit fees, and taxes.

20.69.050 - Qualified properties.

- A. Only qualified properties shall be eligible for permitting under this chapter.
- B. Qualified properties are required to provide evidence to the satisfaction of the Appropriate Authority that all of the following criteria are met:
 - 1. The cannabis site is located within the Big Sur Land Use Plan area.
 - 2. The cannabis site is within an area zoned Rural Density Residential (RDR) or Watershed and Scenic Conservation Zoning (WSC) as designated on the Sectional District Zoning Maps.
 - 3. The cannabis site is located on a lot where proof of prior cultivation is demonstrated per Subsection C of this section.
- C. Qualified properties are required to provide evidence to the satisfaction of the Appropriate Authority that they were engaged in medicinal cannabis cultivation on the lot prior to January 1, 2016. For the purposes of this Subsection, cultivation of six or fewer plants shall not be sufficient evidence of prior cultivation. Such evidence shall include at least two of the following:

1. Photographs of cultivation that existed on the lot prior to January 1, 2016, including aerial views from Google Earth, Big Maps, Terraserver, or a comparable service showing both the entire lot and the cultivation site in more detail. The date these images were captured shall be noted.
 2. Documentary evidence that medicinal cannabis was cultivated on the lot on behalf of a collective or cooperative dated prior to January 1, 2016.
 3. Any other form of evidence acceptable to the Appropriate Authority that cultivation occurred on the lot prior to January 1, 2016.
- D. This pilot program only applies to the specified areas of the Big Sur Land Use Plan in the coastal zone as restricted by this chapter, and in Carmel Valley Master Plan and Cachagua Area Plan as restricted by Chapter 21.69 of the Monterey County Code. The uses permitted under this pilot program are expressly prohibited in all other unincorporated areas of Monterey County.

20.69.060 - Regulations.

Permits for outdoor cultivation and outdoor cultivation ancillary uses shall comply with all of the following regulations:

- A. Activities allowed pursuant to this pilot program shall be limited to outdoor cultivation and outdoor cultivation ancillary uses. Indoor and mixed-light cultivation, and any form of manufacturing, testing, and retail operations are excluded from this pilot program.
- B. Outdoor cultivation and outdoor cultivation ancillary uses shall obtain and maintain a permit required pursuant to Section 20.69.040 of this chapter prior to recommencement of activities, and shall establish and maintain all activities in accordance with all requirements, regulations, limitations, and conditions established in this chapter and as may be applied to a permit approved pursuant to this chapter.
- C. Outdoor cultivation and outdoor cultivation ancillary uses shall conform to all of the following minimum setback requirements:
 1. The lot on which a cannabis site is located shall not be within one thousand (1,000) feet 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 a permit by the Appropriate Authority. The distance specified in this section shall be measured in a straight line from the nearest point of the property line of the lot that contains the outdoor cultivation and outdoor cultivation ancillary uses, to the nearest point of the property line of the enumerated use(s).
 2. The cannabis site shall be setback a minimum of fifty (50) feet from any public road.
 - 3.

The cannabis site shall be setback a minimum of five hundred (500) feet from the nearest offsite structure. This setback does not apply to non-habitable sheds, outbuildings, and similar non-habitable accessory structures. The distance specified in this section shall be measured in a straight line from the nearest point of the cannabis site to the nearest applicable structure on adjoining properties.

4. The cannabis site shall be setback at a minimum of one hundred fifty (150) feet from a stream, river, or watercourse.
- D. Exceptions to setbacks may also be considered by the Appropriate Authority for supportive nursery cannabis sites and for outdoor cultivation ancillary uses, provided that such uses are located entirely within an approved structure that incorporates adequate odor mitigation technologies. In no case shall the setback from a school, playground, youth center, child care center, or drug recovery facility be less than a one thousand (1,000) foot radius. This subsection does not restrict the ability of the Appropriate Authority to consider odor mitigation techniques, including but not limited to, landscape vegetation strips which may include other fragrant vegetation to mask the odors, odor neutralizing technologies, or relocation of cannabis sites as part of the consideration of a permit required pursuant to this chapter.
 - E. Outdoor cultivation and outdoor cultivation ancillary uses shall be located only within a permitted cannabis site. Cannabis sites shall be located in areas where prior cultivation activities occurred on the lot, except when previously utilized areas or structures on the qualified property do not conform to one or more standards contained herein or cannot comply with other applicable local or state regulations. In such cases, reconfiguration of the cannabis sites and associated infrastructure may be permitted provided that the reconfiguration results in compliance with the terms of this pilot program and will not conflict with other applicable provisions of state and County law including the applicable provisions of the Local Coastal Program.
 - F. Outdoor cultivation and outdoor cultivation ancillary uses shall be subject to applicable use of private road regulations contained in the Monterey County Code.
 - G. Outdoor cultivation and outdoor cultivation ancillary uses shall not take place on federal lands or on lots where the only access is through federal land.
 - H. In no case shall a building built as a single-family dwelling or multiple family dwelling be used for outdoor cultivation and outdoor cultivation ancillary uses, except that the dwelling may be used for offices related to the permitted cannabis activities, or for the purposes of providing sanitary facilities and break areas for employees employed onsite.
 - I. No visual indications that outdoor cultivation and outdoor cultivation ancillary uses occur on the site shall be visible from offsite, including but not limited to cannabis plants, markers, and similar indicators of cannabis activities. In addition, no structures, fences, water or irrigation

equipment, or any other structures or objects shall be visible within the critical viewshed as defined in the Big Sur Land Use Plan.

- J. The canopy of outdoor cultivation shall be limited to two and one-half percent of the total square footage of the lot, not to exceed ten thousand (10,000) square feet or less of canopy per lot.
- K. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products shall be provided and maintained. If onsite security is utilized, such onsite security shall not use or possess firearms or other lethal weapons. Fencing is only required where other reasonable limitations to access to the cannabis site cannot be provided, and only where such fencing is in compliance with the scenic resource protection policies of the Big Sur Land Use Plan. Fencing and other structures and improvements for the purposes of providing security shall be subject to the applicable permit(s), including siting and design criteria for the site.
- L. Pesticides and fertilizers shall be properly labeled, stored, and applied to avoid and prevent contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife. Approved outdoor cultivation operations using pesticides shall obtain the appropriate permits, licenses, or clearances from the Monterey County Agricultural Commissioner and the Environmental Health Bureau, as applicable.
- M. Lighting inside and outside of all structures shall be unobtrusive and constructed or located so that only the area intended is illuminated, long range visibility is reduced, the lighting source is not visible from offsite, and glare is fully controlled. In addition, no lighting shall be visible within the critical viewshed as defined in the Big Sur Land Use Plan.
- N. All necessary fire prevention measures, as determined by the appropriate fire district personnel, shall be provided and maintained onsite.
- O. Adequate onsite water supply sources to meet all onsite uses shall be provided. Water use includes, but is not limited to, irrigation water, and permanent potable water for all employees. Water transported by vehicle from offsite shall not be considered an adequate water supply source.
- P. All necessary waste water facilities, as determined by the Monterey County Environmental Health Bureau, shall be provided.
- Q. The following additional plans and information shall be created, reviewed, permitted and implemented, as applicable, during operations:
 - 1. A water management plan including the proposed water supply, written permission to access to water if the source is a water system or surface diversion, proposed water conservation measures, and any water offset.
 - 2.

Information regarding stormwater control and wastewater discharge. Such plans shall be sufficient to prevent erosion and other water quality impacts on or offsite.

3. A storage and hazard response plan for all pesticides, fertilizers, and any other hazardous materials kept on site.
4. All power source(s) for commercial cannabis activities at the site including any proposed energy offsets. Generators shall not be permitted as the permeant power source.
5. A cannabis waste management plan including the method(s) for managing cannabis waste. Acceptable methods include onsite composting provided the composting site is clearly defined and approved as part of a permit pursuant to this pilot program, collection and processing of cannabis waste by an approved waste hauler in Monterey County, or self-haul of cannabis waste to a permitted solid waste or composting facility.
6. All permits shall also be subject to the resource protection policies contained in the Big Sur Land Use Plan and Coastal Implementation Plan.

20.69.070 - Required findings.

A Coastal Administrative Permit for the cannabis activities allowed pursuant to this pilot program shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:

- A. The outdoor cultivation and outdoor cultivation ancillary uses, as proposed, comply with all of the requirements of Chapter 20.69.
- B. Adequate energy, sewer, and water services exist or can be provided for the use(s) proposed.
- C. The location of the cannabis site(s) and the establishment or operation of outdoor cultivation and outdoor cultivation ancillary uses are consistent with the text, policies and regulations of the Big Sur Land Use Plan and Coastal Implementation Plan.
- D. Any environmental impacts considered potentially significant are mitigated.
- E. The plans include adequate facilities and operational measures to address security, health and safety standards, and other standards that minimize or avoid nuisances and impacts on the lot and in the neighborhood where the activities are proposed.

20.69.080 - Required conditions.

In addition to any other conditions and mitigation measures required by the Appropriate Authority, all of the following conditions shall apply to all permits for outdoor cultivation and outdoor cultivation ancillary uses:

- A.

The owner and permittees shall allow access to the cannabis site and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.

- B. The applicant, owner, and permittees shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
- C. Any person engaged in the cannabis activities allowed pursuant to the pilot program shall obtain and maintain all required state and County permits and licenses, including a valid and fully executed Business License and Commercial Cannabis Business Permit pursuant to Chapters 7.02 and 7.90 of the Monterey County Code.
- D. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by state law and the Monterey County Code. Failure to take appropriate actions to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or license in good standing with the state or County shall be grounds for the suspension or revocation of permits pursuant to Sections 20.67.110 and 20.67.120 of the Monterey County Code.

20.69.090 - Application requirements.

All applications for a Coastal Administrative Permit for outdoor cultivation and outdoor cultivation ancillary uses shall be filed with the Resource Management Agency on the form and in the manner prescribed by the Chief of Planning, or his or her designee. In all cases, the application shall contain, without limitation the following documentation:

- A. Notarized, written authorization from all persons and entities having a right, title or interest in the property that is the subject of the application consenting to the application and the operation of the proposed commercial cannabis activities on the subject property.
- B. A site plan containing the following minimum information:
 - 1. Boundaries of lot and the cannabis site(s) wherein each of the proposed cannabis activities will occur;
 - 2. Access roads and driveways to the lot from the nearest public road;
 - 3. Entrances and exits to and from all proposed cannabis sites;
 - 4. All existing and proposed structures, wells, septic systems, parking areas, and utilities at the lot;
 - 5. All easements and all water bodies on the lot;
 - 6. Assessor's Parcel Number;

7. Property boundaries and distance from all cannabis sites to structures on neighboring properties, if structures are located within one thousand five hundred (1,500) feet of the cannabis site(s);
 8. Topographic information including areas of the property containing slopes greater than twenty-five (25) percent; and
 9. The diagram shall be to scale.
- C. A cultivation plan containing a cannabis site diagram showing all boundaries and dimensions in feet of the following proposed areas to scale:
1. Location of and aggregate square footage of canopy area(s) for all outdoor cultivation on the lot;
 2. Location of and aggregate square footage of canopy areas for all supportive nursery operations on the lot;
 3. Designated pesticide and other agricultural chemical storage area(s);
 4. Designated self-processing area(s), if processing will occur on site;
 5. Designated composting area(s), if composting will occur on site or designated secured area(s) for cannabis waste if composting does not occur on site;
 6. Designated area(s) for harvested cannabis storage;
 7. Common use area(s) such as hallways, bathrooms, or break rooms; and
 8. The Geospatial Positioning System (GPS) Coordinates for the boundaries of each cannabis site.
- D. An operations plan including at a minimum, the following information:
1. Onsite security plan including both physical and operation measures;
 2. An odor management plan, including progressive measures that will be taken if needed to address odor complaints;
 3. Proposed hours of operation;
 4. Employee safety and training plan;
 5. Water management plan including the proposed water supply and proposed conservation measures, and if water is obtained from a domestic water system, then proof of approval of use from the water system;
 6. Waste management plan;
 7. Sustainability measures including energy source and proposed energy efficiency measures;
 8. Parking plan;
 9. Hazardous waste storage plan and hazard response plan;

10. Stormwater control plans; and
 11. Fuel and fire management plan.
- E. A cross connection control survey completed by a qualified professional confirming that no cross connections will exist between potable water and irrigation uses.
- F. Such other information as the Chief of Planning, or his or her designee, may require.

20.69.100 - Suspension, revocation, and enforcement.

Grounds and procedures for suspension revocation and enforcement shall be as set forth in Sections 20.67.110, 20.67.120, and 20.70.130 of this Title.

Attachment 3

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- **Chapter 20.69 - OUTDOOR COMMERCIAL CANNABIS CULTIVATION PILOT PROGRAM**

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- 20.69.010 - Definitions.
 - For the purpose of this chapter, unless the context otherwise requires, certain terms used in this chapter shall be as defined below. The definitions in [Chapters 20.06](#) and [20.67](#) shall otherwise apply.
 - A.
 - "Cannabis Site" means the location or area specified in the permit issued pursuant to this chapter, that is owned, leased, or otherwise held under the control of the applicant or permittee where outdoor cultivation and outdoor cultivation ancillary uses will be conducted. The cannabis site shall be on one lot and shall only be occupied by one permittee.
 - B.
 - "Lot" shall have the same meaning as in Section [20.06.760](#) of this Title.
 - C.
 - "Outdoor Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis without the use of artificial lighting or light deprivation in the canopy area at any point in time.
 - D.
 - "Outdoor Cultivation Ancillary Uses" means supportive nursery, self-distribution, and self-processing activities as those terms are defined in this chapter.
 - E.
 - "Pilot Program" means the outdoor commercial cannabis cultivation pilot program established in this chapter.
 - F.
 - "Self-distribution" means the transport of cannabis grown onsite and nonmanufactured cannabis products produced onsite to another permitted and licensed cannabis business at an offsite facility.
 - G.
 - "Self-processing" means all activities associated with the drying, curing, grading, trimming, rolling, storing, packaging, and labeling of cannabis or nonmanufactured cannabis products grown or produced onsite.
 - H.
 - "Supportive Nursery" means all activities associated with producing clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of outdoor cannabis cultivation onsite. Artificial lighting is permissible only to maintain immature plants in a supportive nursery.
- 20.69.020 - Purpose.
 - The purpose of this chapter is to achieve the following:
 - A.

- To establish a pilot program to provide uniform procedures for consideration of permits for outdoor cultivation and outdoor cultivation ancillary uses in the Big Sur Land Use Plan area;
- B.
- To gather data and information related to outdoor cultivation and outdoor cultivation ancillary uses to enable the County to evaluate the establishment of long-term regulations;
- C.
- To provide those who historically cultivated cannabis within the Big Sur Land Use Plan area an opportunity to participate in the legalized commercial cannabis industry;
- D.
- To reduce negative impacts to the environment; and
- E.
- To provide for protection of public health, safety and welfare of residents, visitors, and persons engaged in outdoor cultivation and outdoor cultivation ancillary uses under this pilot program.
- **20.69.030 - Applicability and duration.**
- A.
- Notwithstanding the provisions of [Chapter 20.67](#) of this Title, the provisions of this chapter are applicable to outdoor cultivation and outdoor cultivation ancillary uses within the Rural Density Residential (RDR) and Watershed and Scenic Conservation Zoning (WSC) districts of the Big Sur Land Use Plan area. [Chapter 20.67](#) shall apply to all other commercial cannabis activities not covered in this chapter.
- B.
- The duration of the pilot program shall be five years from the effective date of the ordinance enacting this chapter.
- **20.69.040 - Permits required.**
- A.
- Except as provided in Section [20.67.090](#) of this Title, commercial cannabis activities shall not be allowed in the unincorporated coastal areas of Monterey County without first securing all permits, licenses, or other entitlements required by state law and County regulation.
- B.
- A Coastal Administrative Permit shall be required for all outdoor cultivation and outdoor cultivation ancillary uses provided for in this pilot program. The application for a Coastal Administrative Permit, and for amendments thereto and extensions thereof, shall be processed in accordance with [Chapter 20.76](#) of this Title. The Chief of Planning is the Appropriate Authority to consider issuance, extension of, and amendment to such permits. Appeals from the decision of the Chief of Planning shall be governed by [Chapter 20.86](#) of this Title. Notwithstanding the foregoing, the procedures for suspension and revocation of a Coastal Administrative Permit granted under this pilot program shall be as set forth in sections [20.67.110](#) and [20.67.120](#) of this Title.
- C.
- All Coastal Administrative Permits issued pursuant to this pilot program shall expire within five years from the approval date or upon the termination of the pilot program, whichever occurs first. On or before the five year expiration of this pilot program, the County shall evaluate the pilot program to determine if the program should be terminated, extended, or modified. Permits approved pursuant to this chapter shall not survive or have continuing

application beyond the expiration of the pilot program unless the program is extended or modified by the Board of Supervisors. Approval of Coastal Administrative Permits pursuant to this pilot program and commencement of allowed uses shall not establish a non-conforming use. If the pilot program is extended or modified, new land use entitlements, as may be specified in the extended or modified regulations, must be obtained.

- D.
- In addition to a Coastal Administrative Permit, pursuant to [Chapters 7.02](#) and [7.90](#) of the Monterey County Code, a Business License and a Commercial Cannabis Business Permit shall be required for all outdoor cultivation and outdoor cultivation ancillary uses.
- E.
- Pursuant to California Business and Professions Code section 26000 et seq., a valid license from the State shall be required for all outdoor cultivation and outdoor cultivation ancillary uses.
- F.
- The owner shall post or cause to be posted on the cannabis site all required County and state permits and licenses required to operate. Such posting shall be located in a conspicuous location at or near the location where the outdoor cultivation and outdoor cultivation ancillary uses occur, and a copy of the permits and licenses shall be kept in all vehicles that transport cannabis or nonmanufactured cannabis products.
- G.
- The owner and all permittees shall maintain clear and adequate records and documentation demonstrating that all cannabis or nonmanufactured cannabis products have been obtained from and are provided to other permitted and licensed cannabis operations. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the County upon request.
- H.
- The owner and all permittees shall conduct outdoor cultivation and outdoor cultivation ancillary uses in compliance with all required County permits and state licenses, and in compliance with state law and County law. The owner and all permittees shall be responsible for the payment of all required inspection fees, permit fees, and taxes.
- **20.69.050 - Qualified properties.**
 - A.
 - Only qualified properties shall be eligible for permitting under this chapter.
 - B.
 - Qualified properties are required to provide evidence to the satisfaction of the Appropriate Authority that all of the following criteria are met:
 - 1.
 - The cannabis site is located within the Big Sur Land Use Plan area.
 - 2.
 - The cannabis site is within an area zoned Rural Density Residential (RDR) or Watershed and Scenic Conservation Zoning (WSC) as designated on the Sectional District Zoning Maps.
 - 3.
 - The cannabis site is located on a lot where proof of prior cultivation is demonstrated per Subsection C of this section.

- C.
- Qualified properties are required to provide evidence to the satisfaction of the Appropriate Authority that they were engaged in medicinal cannabis cultivation on the lot prior to January 1, 2016. For the purposes of this Subsection, cultivation of six or fewer plants shall not be sufficient evidence of prior cultivation. Such evidence shall include at least two of the following:
 - 1.
 - Photographs of cultivation that existed on the lot prior to January 1, 2016, including aerial views from Google Earth, Big Maps, Terraserver, or a comparable service showing both the entire lot and the cultivation site in more detail. The date these images were captured shall be noted.
 - 2.
 - Documentary evidence that medicinal cannabis was cultivated on the lot on behalf of a collective or cooperative dated prior to January 1, 2016.
 - 3.
 - Any other form of evidence acceptable to the Appropriate Authority that cultivation occurred on the lot prior to January 1, 2016.
- D.
- This pilot program only applies to the specified areas of the Big Sur Land Use Plan in the coastal zone as restricted by this chapter, and in Carmel Valley Master Plan and Cachagua Area Plan as restricted by [Chapter 21.69](#) of the Monterey County Code. The uses permitted under this pilot program are expressly prohibited in all other unincorporated areas of Monterey County.
- E.
- Any farmer that meets all qualifying criteria but has a non-conformable property or has lost their original garden site may apply to relocate.
- 20.69.060 - Regulations.
 - Permits for outdoor cultivation and outdoor cultivation ancillary uses shall comply with all of the following regulations:
 - A.
 - Activities allowed pursuant to this pilot program shall be limited to outdoor cultivation and outdoor cultivation ancillary uses. Indoor and mixed-light cultivation, and any form of manufacturing, testing, and retail operations are excluded from this pilot program.
 - B.
 - Outdoor cultivation and outdoor cultivation ancillary uses shall obtain and maintain a permit required pursuant to Section [20.69.040](#) of this chapter prior to recommencement of activities, and shall establish and maintain all activities in accordance with all requirements, regulations, limitations, and conditions established in this chapter and as may be applied to a permit approved pursuant to this chapter.
 - C.
 - Outdoor cultivation and outdoor cultivation ancillary uses shall conform to all of the following minimum setback requirements:
 - 1.
 - The lot on which a cannabis site is located shall not be within one thousand (1,000) feet 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 a permit by the Appropriate Authority. The distance specified in this section shall be measured in a straight line from the nearest point of the property line of the lot that contains the outdoor cultivation and outdoor cultivation ancillary uses, to the nearest point of the property line of the enumerated use(s).

- 2.
- The cannabis site shall be setback a minimum of fifty (50) feet from any public road.
- 3.
- The cannabis site shall be setback a minimum of ~~five hundred (500) feet~~ **one hundred and fifty (150) feet** from the nearest offsite structure. This setback does not apply to non-habitable sheds, outbuildings, and similar non-habitable accessory structures. The distance specified in this section shall be measured in a straight line from the nearest point of the cannabis site to the nearest applicable structure on adjoining properties.
- 4.
- The cannabis site shall be setback at a minimum of one hundred fifty (150) feet from a stream, river, or watercourse.
- D.
- Exceptions to setbacks may also be considered by the Appropriate Authority for supportive nursery cannabis sites and for outdoor cultivation ancillary uses, **including but not limited to temporary AG exempt containers for drying**, provided that such uses are located entirely within an approved structure/ **container** that incorporates adequate odor mitigation technologies. In no case shall the setback from a school, playground, youth center, child care center, or drug recovery facility be less than a one thousand (1,000) foot radius. This subsection does not restrict the ability of the Appropriate Authority to consider odor mitigation techniques, including but not limited to, landscape vegetation strips which may include other fragrant vegetation to mask the odors, odor neutralizing technologies, or relocation of cannabis sites as part of the consideration of a permit required pursuant to this chapter.
- E.
- Outdoor cultivation and outdoor cultivation ancillary uses shall be located only within a permitted cannabis site. Cannabis sites shall be located in areas where prior cultivation activities occurred on the lot, except when previously utilized areas or structures on the qualified property do not conform to one or more standards contained herein or cannot comply with other applicable local or state regulations. In such cases, reconfiguration of the cannabis sites and associated infrastructure may be permitted provided that the reconfiguration results in compliance with the terms of this pilot program and will not conflict with other applicable provisions of state and County law including the applicable provisions of the Local Coastal Program.
- F.
- Outdoor cultivation and outdoor cultivation ancillary uses shall be subject to applicable use of private road regulations contained in the Monterey County Code.
- G.
- Outdoor cultivation and outdoor cultivation ancillary uses shall not take place on federal lands or on lots where the only access is through federal land.
- H.
- In no case shall a building built as a single-family dwelling or multiple family dwelling be used for outdoor cultivation and outdoor cultivation ancillary uses, except that the dwelling may be

used for offices related to the permitted cannabis activities, or for the purposes of providing sanitary facilities and break areas for employees employed onsite.

- I.
- No visual indications that outdoor cultivation and outdoor cultivation ancillary uses occur on the site shall be visible from offsite, including but not limited to cannabis plants, markers, and similar indicators of cannabis activities. In addition, no structures, fences, water or irrigation equipment, or any other structures or objects shall be visible within the critical viewshed as defined in the Big Sur Land Use Plan.
- J.
- The canopy of outdoor cultivation shall be limited to two and one-half percent of the total square footage of the lot, not to exceed ten thousand (10,000) square feet or less of canopy per lot.
- K.
- Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products shall be provided and maintained. If onsite security is utilized, such onsite security shall not use or possess firearms or other lethal weapons. Fencing is only required where other reasonable limitations to access to the cannabis site cannot be provided, and only where such fencing is in compliance with the scenic resource protection policies of the Big Sur Land Use Plan. Fencing and other structures and improvements for the purposes of providing security shall be subject to the applicable permit(s), including siting and design criteria for the site.
- L.
- Pesticides and fertilizers shall be properly labeled, stored, and applied to avoid and prevent contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife. Approved outdoor cultivation operations using pesticides shall obtain the appropriate permits, licenses, or clearances from the Monterey County Agricultural Commissioner and the Environmental Health Bureau, as applicable.
- M.
- Lighting inside and outside of all structures shall be unobtrusive and constructed or located so that only the area intended is illuminated, long range visibility is reduced, the lighting source is not visible from offsite, and glare is fully controlled. In addition, no lighting shall be visible within the critical viewshed as defined in the Big Sur Land Use Plan.
- N.
- All necessary fire prevention measures, as determined by the appropriate fire district personnel, shall be provided and maintained onsite.
- O.
- Adequate onsite water supply sources to meet all onsite uses shall be provided. Water use includes, but is not limited to, irrigation water, and permanent potable water for all employees. Water transported by vehicle from offsite shall not be considered an adequate water supply source.
- P.
- All necessary waste water facilities, as determined by the Monterey County Environmental Health Bureau, shall be provided.
- Q.
- The following additional plans and information shall be created, reviewed, permitted and implemented, as applicable, during operations:

- 1.
- A water management plan including the proposed water supply, written permission to access to water if the source is a water system or surface diversion, proposed water conservation measures, and any water offset.
- 2.
- Information regarding stormwater control and wastewater discharge. Such plans shall be sufficient to prevent erosion and other water quality impacts on or offsite.
- 3.
- A storage and hazard response plan for all pesticides, fertilizers, and any other hazardous materials kept on site.
- 4.
- All power source(s) for commercial cannabis activities at the site including any proposed energy offsets. Generators shall not be permitted as the permeant power source.
- 5.
- A cannabis waste management plan including the method(s) for managing cannabis waste. Acceptable methods include onsite composting provided the composting site is clearly defined and approved as part of a permit pursuant to this pilot program, collection and processing of cannabis waste by an approved waste hauler in Monterey County, or self-haul of cannabis waste to a permitted solid waste or composting facility.
- 6.
- All permits shall also be subject to the resource protection policies contained in the Big Sur Land Use Plan and Coastal Implementation Plan.
- **20.69.070 - Required findings.**
- A Coastal Administrative Permit for the cannabis activities allowed pursuant to this pilot program shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:
 - A.
 - The outdoor cultivation and outdoor cultivation ancillary uses, as proposed, comply with all of the requirements of [Chapter 20.69](#).
 - B.
 - Adequate energy, sewer, and water services exist or can be provided for the use(s) proposed.
 - C.
 - The location of the cannabis site(s) and the establishment or operation of outdoor cultivation and outdoor cultivation ancillary uses are consistent with the text, policies and regulations of the Big Sur Land Use Plan and Coastal Implementation Plan.
 - D.
 - Any environmental impacts considered potentially significant are mitigated.
 - E.
 - The plans include adequate facilities and operational measures to address security, health and safety standards, and other standards that minimize or avoid nuisances and impacts on the lot and in the neighborhood where the activities are proposed.
- **20.69.080 - Required conditions.**

- In addition to any other conditions and mitigation measures required by the Appropriate Authority, all of the following conditions shall apply to all permits for outdoor cultivation and outdoor cultivation ancillary uses:
 - A.
 - The owner and permittees shall allow access to the cannabis site and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.
 - B.
 - The applicant, owner, and permittees shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
 - C.
 - Any person engaged in the cannabis activities allowed pursuant to the pilot program shall obtain and maintain all required state and County permits and licenses, including a valid and fully executed Business License and Commercial Cannabis Business Permit pursuant to [Chapters 7.02](#) and [7.90](#) of the Monterey County Code.
 - D.
 - The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by state law and the Monterey County Code. Failure to take appropriate actions to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or license in good standing with the state or County shall be grounds for the suspension or revocation of permits pursuant to Sections [20.67.110](#) and [20.67.120](#) of the Monterey County Code.
- **20.69.090 - Application requirements.**
 - All applications for a Coastal Administrative Permit for outdoor cultivation and outdoor cultivation ancillary uses shall be filed with the Resource Management Agency on the form and in the manner prescribed by the Chief of Planning, or his or her designee. In all cases, the application shall contain, without limitation the following documentation:
 - A.
 - Notarized, written authorization from all persons and entities having a right, title or interest in the property that is the subject of the application consenting to the application and the operation of the proposed commercial cannabis activities on the subject property.
 - B.
 - A site plan containing the following minimum information:
 - 1.
 - Boundaries of lot and the cannabis site(s) wherein each of the proposed cannabis activities will occur;
 - 2.
 - Access roads and driveways to the lot from the nearest public road;
 - 3.
 - Entrances and exits to and from all proposed cannabis sites;
 - 4.

- All existing and proposed structures, wells, septic systems, parking areas, and utilities at the lot;
- 5.
- All easements and all water bodies on the lot;
- 6.
- Assessor's Parcel Number;
- 7.
- Property boundaries and distance from all cannabis sites to structures on neighboring properties, if structures are located within one thousand five hundred (1,500) feet of the cannabis site(s);
- 8.
- Topographic information including areas of the property containing slopes greater than twenty-five (25) percent; and
- 9.
- The diagram shall be to scale.
- C.
- A cultivation plan containing a cannabis site diagram showing all boundaries and dimensions in feet of the following proposed areas to scale:
 - 1.
 - Location of and aggregate square footage of canopy area(s) for all outdoor cultivation on the lot;
 - 2.
 - Location of and aggregate square footage of canopy areas for all supportive nursery operations on the lot;
 - 3.
 - Designated pesticide and other agricultural chemical storage area(s);
 - 4.
 - Designated self-processing area(s), if processing will occur on site;
 - 5.
 - Designated composting area(s), if composting will occur on site or designated secured area(s) for cannabis waste if composting does not occur on site;
 - 6.
 - Designated area(s) for harvested cannabis storage;
 - 7.
 - Common use area(s) such as hallways, bathrooms, or break rooms; and
 - 8.
 - The Geospatial Positioning System (GPS) Coordinates for the boundaries of each cannabis site.
- D.
- An operations plan including at a minimum, the following information:
 - 1.
 - Onsite security plan including both physical and operation measures;
 - 2.
 - An odor management plan, including progressive measures that will be taken if needed to address odor complaints;
 - 3.

- Proposed hours of operation;
- 4.
- Employee safety and training plan;
- 5.
- Water management plan including the proposed water supply and proposed conservation measures, and if water is obtained from a domestic water system, then proof of approval of use from the water system;
- 6.
- Waste management plan;
- 7.
- Sustainability measures including energy source and proposed energy efficiency measures;
- 8.
- Parking plan;
- 9.
- Hazardous waste storage plan and hazard response plan;
- 10.
- Stormwater control plans; and
- 11.
- Fuel and fire management plan.
- E.
- A cross connection control survey completed by a qualified professional confirming that no cross connections will exist between potable water and irrigation uses.
- F.
- Such other information as the Chief of Planning, or his or her designee, may require.
- **20.69.100 - Suspension, revocation, and enforcement.**
- Grounds and procedures for suspension revocation and enforcement shall be as set forth in Sections [20.67.110](#), [20.67.120](#), and [20.70.130](#) of this Title.



County of Monterey

Item No.3

Board Report

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

Legistar File Number: 26-697

August 06, 2026

Introduced: 7/28/2026

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

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

Presenter: *Kevin Tweedy, Accounting Auditor III*



County of Monterey

AUDITOR-CONTROLLER
Enedina Garcia

168 West Alisal St. 3rd Floor
Salinas, CA 93901
O: 831 755 5040
F: 831 755 5098

MEMORANDUM

DATE: August 6, 2026

TO: Monterey County Cannabis Committee

FROM: Enedina Garcia, Auditor-Controller

SUBJECT: Update on Commercial Cannabis Tax Revenues

Signed by:

29A96005320B487...

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
October	180,568
November	636,582
December	70,582
January	276,616
February	504,151
March	98,940
April	479,727
May	325,206
June	61,357
Total Amount Collected in FY 2025-26 (As of 7/28/2026)	\$ 3,599,412

BREAKDOWN OF COLLECTIONS	COLLECTED
For Fiscal Year 2024-2025	965,683
For Fiscal Year 2025-2026	2,633,729
Total by Year	\$ 3,599,412

BREAKDOWN BY TYPE	COLLECTED		Grand Total
	FY 2024-2025	FY 2025-2026	
Dispensary	143,342	323,850	467,192
Indoor/Mixed Light Cultivation	540,052	1,545,015	2,085,067
Manufacturing	410	1,665	2,075
Nursery	208,460	554,848	763,308
Outdoor Cultivation	73,420	208,351	281,771
Total by Type	\$ 965,683	\$ 2,633,729	\$ 3,599,412

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 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 July 28, 2026, 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.

EG/kt



County of Monterey

Item No.4

Board Report

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

Legistar File Number: 26-698

August 06, 2026

Introduced: 7/28/2026

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

Receive the updated Cannabis Program Strategic Plan and provide further direction as appropriate.

Presenter: *Michelle House, Cannabis Program Manager*

County of Monterey

Cannabis Program Strategic Plan

September 2026 - August 2030



Mission • Goals • Strategies • Priorities



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County of Monterey Board of Supervisors

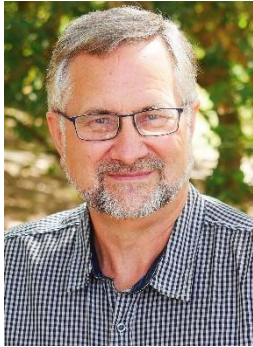
District 1
Luis Alejo

District 2
Glenn Church

District 3
Chris Lopez

District 4
Wendy Root
Askew

District 5
Kate Daniels





Executive Summary

In 2018, the County of Monterey Cannabis Program (Program) adopted its first strategic plan, establishing the Program’s mission, goals, and strategies to guide regulatory development and implementation. Since that time, regulatory and policy updates, program maturation, and shifts within the cannabis industry have continued to shape the operating environment. The strategic plan was subsequently revised in 2020 and again in 2024, retaining the foundational mission and goals while updating strategies and priorities in response to emerging needs.

In November of 2025, representatives of five key County departments, local fire districts, and representatives of the cannabis industry convened for a day long in person meeting to create the 2026-2030 strategic plan. The strategic planning meeting included four working groups that focused on the crafting of vision and mission language as well as insight into goal language and strategies. Meeting participants voted on priorities that align the Program’s efforts toward achieving the mission statement. A collaborative process ensures that the strategic plan reflects shared perspectives, operational needs, and the evolving landscape of the County’s cannabis program.

The 2026-2030 strategic plan introduces a newly developed vision statement and updated mission, goals, strategies, and priorities to guide Program implementation over the next four years. The updated plan is organized around four key goal areas: partnership, safeguarding community and resources, compliance, and sustainable economic growth. These goal areas provide structure for the Program’s direction and support the

establishment of clear, achievable, and measurable priorities that will be tracked through performance indicators.

Accountability for the strategic plan will be maintained through regular reporting to the Board of Supervisors Cannabis Committee and systematic tracking of performance indicators that provide a quantifiable assessment of the Programs progress over the next four years. These indicators will be established to measure advancement toward the updated goal language and are driven by the strategies designed to achieve the Program's objectives during the next four years. In addition, progress will be monitored through internal meetings, where participating County departments and industry members will review strategy implementation, share relevant updates, and identify emerging issues that may require coordinated action.



County of Monterey Cannabis Program

Brief History

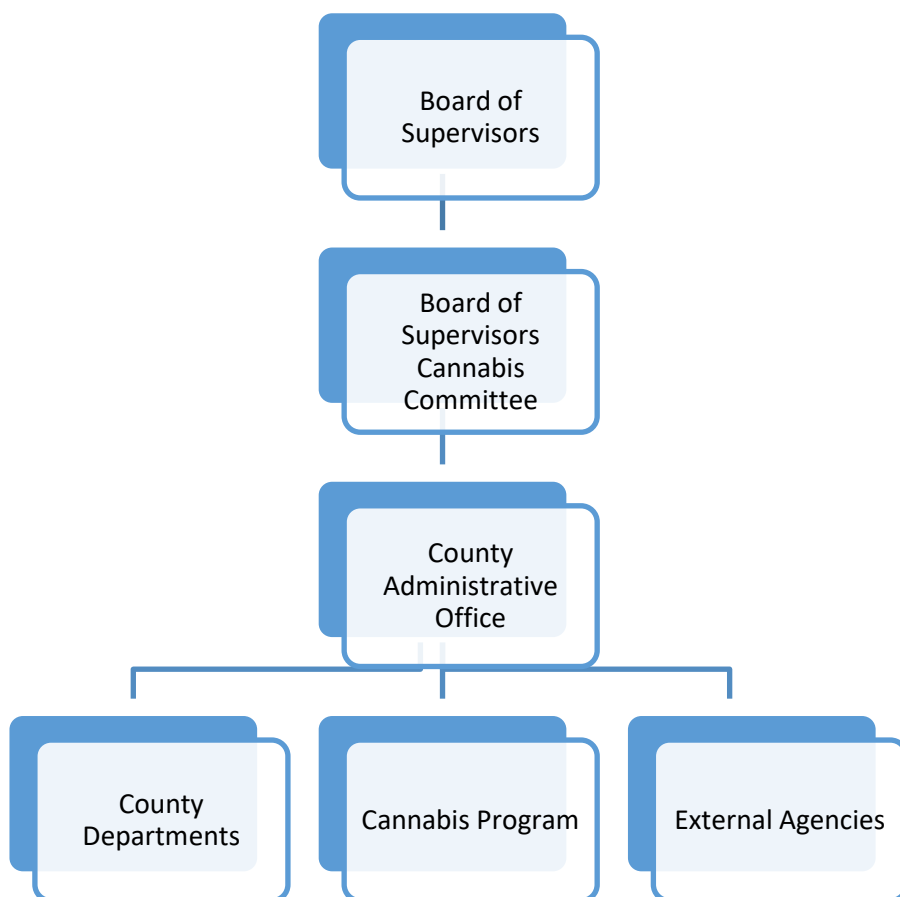
In 1996, California voters passed Proposition 215, the Compassionate Use Act, making California the first state to allow the medical use of cannabis. Two decades later in 2016, voters approved Proposition 64 the Adult Use of Marijuana Act, making California the most populous state to legalize adult cannabis use. Today, cannabis in California is governed by the state Department of Cannabis Control (DCC) serving as the centralized licensing body for all cannabis activities, including cultivation, manufacturing, retail and testing.

On July 7, 2015, the County of Monterey Board of Supervisors adopted an interim ordinance (No. 5424) to regulate cannabis activities in the unincorporated areas of the county and established an ad hoc cannabis committee. In September 2016, the Board adopted policies to encourage a local cannabis industry as part of its economic development strategy and to generate tax revenue for essential county services. Following the passage of Proposition 64 and the approval of a local cannabis tax (Measure Y) by County of Monterey voters in November 2016, the county established its Cannabis Program.

Policy Direction and Oversight

Policy direction is guided by members of the Board of Supervisors, which, in 2018, established a standing two-member Board Cannabis Committee. Both Supervisors are appointed to the Board Cannabis Committee at the beginning of each calendar year. Program oversight is provided by the County Administrative Office (CAO) and coordination is provided by the Program Manager. The Program is staffed by the Cannabis Program Manager, a Management Analyst III, and a Senior Secretary.

Seven County departments and multiple external agencies have key responsibilities in implementing various aspects of the Program. Together, they play an important role in the success of the cannabis industry within the County of Monterey.





7 County departments and the fire districts have key roles in the Cannabis Program's success

Program Coordination

The Program is housed within the CAO and serves as the local regulatory agency for growing, manufacturing, and dispensing cannabis. The Program coordinates activities with and between key county offices and departments, external agencies, DCC, the cannabis industry, and public and community groups. Seven county offices/departments and the fire districts work collaboratively to enforce local cannabis policies and regulations as well as regulations imposed by the DCC and various state and federal agencies. Each of these organizations plays a critical role and requires the program to be well coordinated, with effective internal and external communication to ensure the success of the cannabis industry within the unincorporated areas of the County.

Program Manager

The Program is administered by the Cannabis Program Manager who has several key responsibilities:

- Coordinates the collaboration of County departments and fire districts.
- Manages Program staff.
- DCC point of contact for state licensing local approval and questions.
- Manages the cannabis compliance inspection process.
- Monitors progression toward proposed strategic plan goals and strategies to adjust the Program's direction when appropriate.
- Coordinates effective tracking for data and Program indicators.

Overall Program management is provided from the County Administrative Office through the Cannabis Program Manager.

The strategic plan will **provide a framework** to guide the Program over the next 4 years.

- Prepares and coordinates reports to the Board of Supervisors Cannabis Committee, Budget Committee, and the Board of Supervisors.
- Monitors the Program budget, including cannabis allocations and assignment.
- Monitors legislative and regulatory activity.

Program Enforcement

Enforcement of the Program requires coordinated efforts among senior staff across multiple County departments, as well as state partners such as the DCC and the California Department of Fish and Wildlife. The Sheriff's Office is responsible for both criminal and civil enforcement. The District Attorney's Office (DA) has a broad enforcement and prosecutorial role, collaborating with other law enforcement partners, code inspectors, and government agencies.

The DA works closely with the Sheriff's Office to investigate violations involving illegal, unlicensed, and licensed cannabis operations. Enforcement efforts may include education, verbal notices, civil actions seeking penalties for unfair business practices, and criminal prosecution for serious violations. This collaborative approach ensures the Program can effectively address both permitted and unpermitted commercial cannabis activities while maintaining compliance with applicable laws and regulations.

Program Compliance

Ensuring compliance within County of Monterey's legal cannabis industry requires coordination among the California Department of Cannabis Control (DCC) and multiple County departments, including the Office of the County Counsel, the Environmental Health Bureau (EHB), local fire agencies, and Housing and Community Development (HCD). Each agency plays a distinct role in implementing and enforcing applicable local, state, and federal laws to support a safe, compliant, and well-regulated cannabis industry.

The Environmental Health Bureau protects public health and the environment by administering environmental health programs applicable to cannabis operations. EHB reviews and inspects cannabis facilities, as appropriate, to ensure compliance with environmental health laws and regulations related to areas such as water quality, onsite wastewater treatment systems, hazardous materials, solid waste management, food safety, employee housing, and other applicable environmental health requirements. EHB works collaboratively with County departments and regulatory partners to provide consistent oversight while supporting lawful cannabis operations that protect public health and the County of Monterey's natural resources.

The strategic plan contains agreed upon *strategies for action*.



Inspectors from HCD enforce compliance with the County Code and work closely with regional fire districts and industry partners to ensure businesses meet all local and state building and fire code requirements. Cannabis facilities are inspected several times each year to monitor operations and verify adherence to State and local regulations. Regardless of a business's size or location, HCD applies the same standards consistently across the county.

Program Finance

The Treasurer-Tax Collector's Office and the Office of the Auditor-Controller collect and monitor cannabis tax revenue for the County.

Since the launch of the commercial cannabis industry, the County of Monterey has received more than \$90 million in cannabis business tax revenue between fiscal year 2016–17 and fiscal year 2025–26. A detailed breakdown of cannabis tax revenue is provided in Appendix A.

Public Health

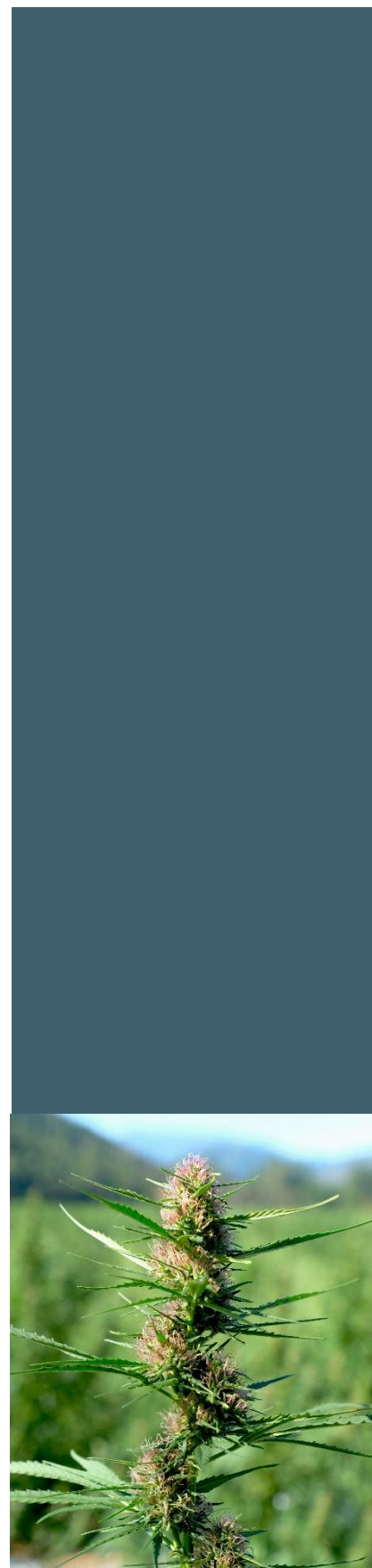
The County of Monterey Cannabis Education Program (CEP) serves the entire County, including its 12 incorporated cities. Its overarching goal is to provide current fact driven information that empowers the community to make informed choices about their health. CEP is housed in the Chronic Disease and Injury Prevention Division of the County Health Department, Public Health Bureau.

CEP provides school-based cannabis education and prevention classes to middle and high school youth. To further facilitate youth cannabis prevention, CEP staff provide parent focused cannabis education classes and skill building on how to be approachable and maintain open communication.

CEP utilizes social marketing to address a variety of issues including illicit market, over consumption, and safe storage. CEP creates media concepts in collaboration with the cannabis industry through the Cannabis Safety committee.

Cannabis Industry

Market conditions in the cannabis industry have been challenging since 2021, making it essential for the County of Monterey to adapt accordingly. Taxes and fees continue to represent a substantial share of operating costs for commercial cannabis businesses. At the same time, the statewide market has become increasingly oversaturated, driving wholesale prices sharply downward.



Based on data from the DCC *California Cannabis Market 2024* report, average wholesale prices began falling in 2021, dropping from \$1,377 per pound in 2020 to \$721 per pound in 2024, a decrease that has reshaped the economic landscape for cultivators and related businesses. This decline has reduced the viability of many operators and placed significant pressure on the industry's long-term sustainability.

The County of Monterey is currently the sixth largest holder of active DCC licenses in California, with 312 total licenses, 253 of which are located within the unincorporated area of the county. As of June 2026, the County's license profile is dominated by small cultivation licenses, with a smaller number of medium and large licenses.

Because cultivation licenses authorize different canopy sizes, license counts alone do not accurately represent total production capacity. To address this, the Program began tracking cultivation by square footage in addition to license numbers. County data showed a substantial decline in total cultivation area from 4,608,372 square feet in 2021 to 3,031,227 square feet in 2023. This trend has recently begun to slowly shift upwards. By 2025, total cultivation area increased to 3,229,382 square feet, driven in part by operators transitioning to outdoor (greenhouse without lights) licenses, which offer lower operating costs and greater flexibility in a challenging market.

The Program continues to monitor intoxicating hemp products as the industry evolves to meet consumer demand. Under AB 8, the California Department of Food and Agriculture will continue regulating hemp cultivation as an agricultural activity, but it will no longer oversee or authorize the manufacture or sale of intoxicating hemp products. Beginning January 2028, regulatory authority over intoxicating hemp products will shift to the DCC, integrating these products into the state's cannabis compliance framework. This statutory change closes the loophole that previously allowed intoxicating cannabinoids such as delta-8 THC, delta-10 THC, and other synthetically converted compounds to be produced and sold outside the track-and-trace system.

Program Communication and Information

Providing timely information to stakeholders is critical to the success of the Program. Stakeholders include the Board of Supervisors, County departments, cannabis industry representatives, external agencies, and the public. Regular communication supports the Program's goals and ensures alignment across participating entities. Internal stakeholders remain informed through scheduled meetings, email correspondence, and phone discussions, promoting consistent coordination among County departments, partner agencies, and industry members.



The Program conducts bimonthly meetings with cannabis industry representatives to encourage dialogue and address emerging issues. These meetings have significantly strengthened collaboration between the County and industry operators. The Board of Supervisors receives updates during bimonthly Cannabis Committee meetings, which serve as a forum for the Program, community members, and industry participants to share information, discuss priorities, and provide guidance and oversight.

The Program webpage is maintained, reviewed, and updated on a quarterly basis. Quarterly updates will continue to include revisions to the calendar of events, enhancements to the drop-down cannabis business permit menus, and refreshed forms and instructions. The webpage will also feature external links to the Board of Supervisors, County departments, fire districts, and the DCC to ensure stakeholders have direct access to relevant resources.

Creating a Meta account (Facebook/Instagram) is a priority from the 2026–2030 Strategic Plan. The account will serve as a tool to increase public visibility and promote Program services. Through this platform, the Program will share industry news, product recalls, and links to relevant County departments and State agencies. Program staff will collaborate with partner agencies to gather current and accurate information, ensuring the community receives timely updates and opportunities for more direct engagement.

Performance Indicators

The Cannabis Program reports its progress during bimonthly cannabis industry meetings and at meetings of the Board of Supervisors Cannabis Committee. Over the next four years, the Program will present performance indicators aligned with established targets and priorities to provide measurable evidence of progress. These indicators will track advancement toward the goal language outlined on page nine and will be informed by the strategies developed to achieve the Program’s objectives over the next four years.

Cannabis Program

Vision, Mission and Goals



The *vision* statement describes the future of the Cannabis Program

The *mission* statement describes the purpose of the Cannabis Program

Program *goals* have been established to guide progress toward desired and measurable outcomes

Our Vision

Foster a safe, and trusted industry that evolves responsibly, protects the public, and supports sustainable growth.

Our Mission

Safeguard the community, environment, and legal industry by delivering fair enforcement, promoting compliance, and deterring unlawful activity in collaboration with our partners.

Goal A. Support a resilient and innovative legal industry that drives long-term, sustainable economic growth.

Goal B. Safeguard public health, community well-being, and environmental resources.

Goal C. Equip the industry with the tools, guidance, and oversight needed to achieve and sustain compliance.

Goal D. Maintain a cost-efficient, self-sustaining Program that generates revenue while advancing the interests of the industry and public.



Cannabis Program Strategies



The strategies for the Cannabis Program are intended to be implemented during the next four years to fulfill the mission of the Program and the four Program goals described below. Each Program goal has its own set of attainable strategies.

Goal A. Support a resilient and innovative legal industry that drives long-term, sustainable economic growth.

Strategies

1. Review and update the cannabis ordinance (Monterey County Code Chapter 7.90) to ensure it is consistent with current DCC regulations.
2. Monitor cannabis legislation, provide legislative updates during industry meetings, and advocate for state-level legislation when appropriate.
3. Improve media relationships.
4. Hold an annual in-person meeting for industry members and relevant departments.



Goal B. Safeguard public health, community well-being, and environmental resources.

Strategies

1. Provide a proactive and coordinated approach to enforce laws against the illegal cannabis market.
2. Promote community outreach and education that focuses on responsible and safe use for adults.
3. Attend Cannabis Safety Committee meetings.
4. Create a Meta account (Facebook/Instagram).



Goal C. Equip the industry with the tools, guidance, and oversight needed to achieve and sustain compliance.

Strategies

1. Create a tier system for compliance inspections based on findings during inspections.
2. Conduct 2-3 compliance inspections a year to ensure County and State requirements are followed.
3. Improve the clarity of correction notices by including specific details of non-compliance.
4. Create a standardized agency guide for industry inspection best practices.
5. Foster strong interdepartmental collaboration by convening an annual meeting with relevant departments to ensure a unified and cohesive approach to cannabis oversight and compliance.



Goal D. Maintain a cost-efficient, self-sustaining Program that generates revenue while advancing the interests of the industry and public.

Strategies

1. Collaborate with the Auditor-Controller's Office and the Treasurer-Tax Collector to provide accurate and complete revenue information to the Cannabis Committee so it can continue to make informed financial decisions.
2. Explore new revenue opportunities that diversify tax revenue.

Program Priorities

Goal A: Support a resilient and innovative legal industry that drives long-term, sustainable economic growth.

- ✓ Review and update the cannabis ordinance (Monterey County Code Chapter 7.90) to ensure it is consistent with current DCC regulations.

Goal B: Safeguard public health, community well-being, and environmental resources.

- ✓ Create a Meta account (Facebook/Instagram).

Goal C: Equip the industry with the tools, guidance, and oversight needed to achieve and sustain compliance.

- ✓ Create a standardized agency guide for industry inspection best practices.
- ✓ Foster strong interdepartmental collaboration by convening an annual meeting with relevant departments to ensure a unified and cohesive approach to cannabis regulation and oversight.

Goal D: Maintain a cost-efficient, self-sustaining Program that generates revenue while advancing the interests of the industry and public.

- ✓ Explore new revenue opportunities that diversify tax revenue.

Appendix A. Timeline of Notable Events



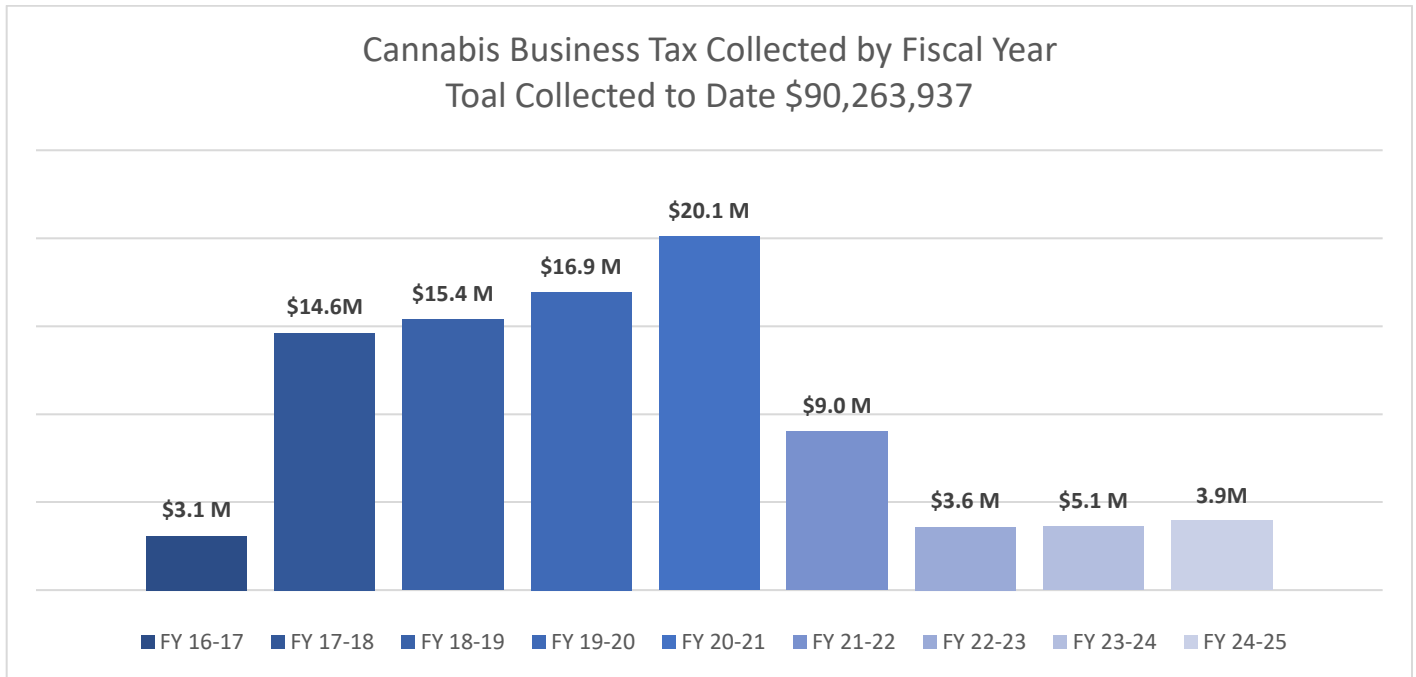
Date	Event
6/19/2015	Board Referral - Urgency Ordinance
7/7/2015	Board Adopts Interim Urgency Ordinance (ORD #5254); Creates Ad Hoc Committee
7/28/2015	Extension to the Interim Urgency Ordinance (ORD #5256)
10/9/2015	State enacts Med Cannabis regulations (AB243, AB266, and SB643)
2/3/2016	State repeals March 1, 2016, deadline (AB21)
2/26/2016	Extension and amendment to Interim Urgency Ordinance (ORD #5265) - Exceptions
3/2/2016	Board Referral - Options for cannabis taxation
7/12/2016	County of Monterey Adopts Chapter 7.100 – Commercial Cannabis Business Tax
7/19/2016	County adopts 5 ordinances (Inland Zoning, Intent to adopt Coastal Zoning, Business License, Business Permits, Personal cultivation), subject to passage of tax measure
8/10/2016	Coastal Ordinance amendments submitted to California Coastal Commission
9/27/2016	Board adopts fee resolutions for cannabis permitting, Coastal Commission requires changes to coastal regulations (9/29.16)
11/8/2016	County Tax Measure and Adult-use Marijuana Act (AUMA) both adopted by voters (AUMA to become effective 1/1/2018)
12/7/2016	Ordinance becomes effective 1-year amortization period from August 1, 2016
1/9/2017	State releases draft medical licensing regulations (later rescinded)
4/18/2017	Board adopts resolution authorizing background investigations for cannabis applicants
6/13/2017	Board referral to amend setback requirements
7/27/2017	Revised State law (SB 94) - State rescinds all medical cannabis licensing regulations
12/5/2017	Revised Ordinances adopted (Inland, Coastal) - adult/medicinal use per SB94
1/1/2018	State begins licensing - Local Authorization required
2/7/2018	California Coastal Commission certifies Coastal Ordinances
3/13/2018	Board adopts coastal ordinance and portion of setback ordinance amendments; dispensary setbacks sent back to Cannabis Committee for discussion.
3/21/2018	Board Referral - Staffing, tax rates, outdoor grows, distribution; Memo from HCD to Industry (Business Permits/tax reporting).
7/24/2018	County of Monterey Amends Chapter 7.100 of Monterey County Code
10/10/2018	Titles 20.67 and 21.67 amended to change commercial cannabis activities from a Use Permit/Coastal Development to an Administrative Permit/Coastal Administrative Permit and to create an exception process for a proposed retail facility that does not comply with the 1,500-foot setback from another approved retail facility.

Date	Event
12/6/2019	County amends Chapter 7.90 of Monterey County Code to allow for an amendment of Cannabis Business Permit within the annual term, designates the Cannabis Program Manager as the Appropriate Authority, requires owners to obtain a new permit when there is a full transfer of ownership or a change in business entity type, requires all owners and employees to be 21 years of age or older and wear an identifying badge while on commercial cannabis premises, and requires operators to submit data to California Cannabis Authority.
3/17/2020	County amends Chapter 7.90 of Monterey County Code to add definition of “manager” and “owner”, allow for Live Scan fingerprinting to be done at any entity authorized by the California Department of Justice, remove the Live Scan requirement for property owners, supervisors, and employees, and require permittees to keep a roster of all employees and their date of birth in addition to verification that employees do not have felony convictions or drug related misdemeanor convictions within the past ten years.
4/21/2020	Governor’s Office of Business and Economic Development (GO-Biz) announces awards for FY 19-20 round of grant funding, which includes a \$150,000 in funding for the County of Monterey to conduct equity assessment and begin program development.
5/19/2020	Board adopts an ordinance amending Chapter 7.100 of the Monterey County Code to suspend the Fiscal Year 2020-2021 automatic increases on the County’s commercial cannabis business tax rates and resume the automatic increases in Fiscal Year 2021-2022 on July 1, 2022. This was in response to the COVID-19 pandemic.
7/7/2020	Board adopts an ordinance to add Chapter 21.17 to Title 21 (non-coastal zoning ordinance) of the Monterey County Code and amends other sections of Title 21 to establish a Mixed-Use zoning district and to provide definitions, regulations, and standards for the Mixed-Use zoning district in the non-coastal unincorporated areas of the County of Monterey.
5/18/2021	Board adopts ordinance amending Chapters 20.67, 21.67, 20.69, and 21.69 to revise renewable energy generation requirements for indoor cannabis cultivation, expand the outdoor cannabis cultivation regulations to include the permanent grazing zoning district within the Cachagua Area Plan as locations where outdoor cultivation may be permitted, reduce the setback required from the nearest off-site structure from 500 feet to 250 feet, modify the criteria for granting an exception to the setback from the nearest off-site structure, increase the maximum allowable canopy from 10,000 square feet to 20,000 square feet, and extend the pilot program from 5 years to 8 years.
5/25/2021	Board adopts ordinance amending Chapter 7.100 of the Monterey County Code to suspend the Fiscal Year 2021-2022 automatic increases on the County’s commercial cannabis business tax rates and resume the automatic increases in Fiscal Year 2022-2023 on July 1, 2022. This was in response to the COVID-19 pandemic, in addition to a local outbreak of the Hop Latent Viroid in April 2021.
6/22/2021	Board adopts an ordinance amending Chapter 21.67 of the Monterey County Code to allow for permitting of commercial cannabis cultivation within new or expanded greenhouses on properties zoned Farmland that contain at least one greenhouse that was legally established prior to January 1, 2016.
7/13/2021	Board adopts an ordinance amending Chapter 7.100 of the Monterey County Code to set a tax rate for outdoor commercial cannabis cultivation. The rate was set at \$2.50 per square foot of canopy. Governor Newsom signs Cannabis Trailer Bill to create the Department of Cannabis Control (DCC).
8/31/2021	Board receives the Cannabis Equity Assessment, a report culminating 11 months of effort with partner agency California State University at Monterey Bay.

Date	Event
10/12/2021	Board approves proposed framework of the Growing Equity Together Program (GET).
10/26/2021	Board adopts an ordinance amending Chapter 7.90 of the Monterey County Code to allow permitted cultivators to modify the total canopy area of any cultivation or nursery operation in their commercial cannabis permit on two occasions during the permit's annual term if certain criteria are met.
12/7/2021	Board adopts resolution to authorize creation and implementation of the Growing Equity Together Program.
12/24/2021	Department of Cannabis Control awards the County of Monterey \$1.7m through the Local Jurisdiction Assistance Grant Program to assist provisional licensees with meeting annual license requirements.
2/7/2022	Governor's Office of Business and Economic Development awards the County of Monterey \$550k through the Cannabis Equity Grants Program for Local Jurisdictions to develop the Growing Equity Together Program and assist qualified equity applicants with participation in the licensed cannabis industry.
3/1/2022	Board adopts ordinance amending Chapter 7.100 of the Monterey County Code to reduce commercial cannabis business tax rates, remove automatic increases, and waive penalties and interest for cultivation activities in the second and third quarters of Fiscal Year 2021-22.
3/15/2022	Board adopts an ordinance amending Chapter 7.90 of the Monterey County Code to make administrative changes including, but not limited to, clarifying commercial cannabis operation requirements, updating fee and refund provisions, revising on-site tobacco provisions, and establishing cessation of business requirements.
3/22/2022	Board appoints Cannabis Program Manager to serve as a member of the California Cannabis Authority Board of Directors.
6/1/2022	Board adopts a standalone ordinance to establish the Provisional Cannabis Business Permit.
8/30/2022	Board considers and approves proposed amendments to Monterey County Code Titles 20.69 and 21.69 and extends the sunset date of the Outdoor Commercial Cannabis Cultivation Pilot Program to 2030.
9/13/2022	Board adopts ordinance amending Chapter 7.100 of the Monterey County Code to reduce the commercial cannabis business tax rates for mixed-light and indoor cultivation retroactive to October 1, 2022, authorize the Board to, by resolution, waive and/or stay interest and penalties for cannabis operators with delinquent cannabis business taxes, extend the Board's conditional waiver of penalties and interest for FY 21-22 Quarters 2, and 3, from July 31, 2022 to January 31, 2023, and add FY 21-22 Quarter 4 to that conditional waiver.
9/27/2022	Supervisor Lopez submits Referral 2022.20 to consider a review of the department specific local requirements for commercial cannabis operators to achieve local authorization for the transition from a Department of Cannabis Control Provisional License to Annual Licensure.
10/18/2022	Board adopts a resolution to authorize the Treasurer-Tax Collector to conditionally waive all penalties and interest on unpaid installments of the annual commercial cannabis business tax imposed on cultivation activities for the first quarter of Fiscal Year 2022-2023, so long as the full amount due for that quarter is received by the Treasurer-Tax Collector on or before January 31, 2023.
10/25/2022	Board approves amendments to Local Jurisdiction Assistance Grant Program, which reallocates funding from an environmental impact report of District 5 to passthrough funding.

Date	Event
11/8/2022	Board directs staff to implement cannabis business tax payment plans for Quarters 2-4 of Fiscal Year 2021-2022 and authorizes immediate shut down for operators who are not participants in the payment plan.
12/6/2022	Board adopts an ordinance to lower the commercial cannabis business tax rate imposed on manufacturers from 3.5% of gross receipts to 1.5% of gross receipts.
12/6/2022	Board adopts resolution to extend the previously authorized conditional waiver of penalties and interest on unpaid installments of the annual commercial cannabis business tax imposed on cultivation activities for the second through fourth quarters of Fiscal Year 2021-22 to include all quarters of Fiscal Year 2022-2023, so long as the full amount due is received by the Treasurer-Tax Collector on or before September 30, 2023.
12/7/2022	Board approves reductions to Cannabis Program allocations effective February 1, 2023.
1/10/2023	Board approves revisions to the County of Monterey Growing Equity Together Program and adopts an administrative manual.
2/14/2023	Board adopts ordinance amending Chapter 7.100 of the Monterey County Code to reduce the commercial cannabis business tax rates for cultivation activities retroactive to January 1, 2023.
2/28/2023	Board considers the cannabis consumption lounge concept and directs staff to revisit the concept in Fiscal Year 2023-2024.
3/9/2023	Cannabis Program Manager appointed to serve as a member of the Cannabis Advisory Committee, which advises the Department of Cannabis Control on the development of relevant standards and regulations for commercial cannabis businesses.
3/21/2023	Board adopts an ordinance amending Chapter 7.90 of the Monterey County Code to make organizational changes which clarify and simplify permit procedures and requirements for processing and manufacturing activities, be consistent with the regulations of the Department of Cannabis Control, and update requirements for odor control, business owners, and employees.
4/4/2023	Board directs staff to implement cannabis business tax payment plans for Quarters 1-4 of Fiscal Year 2022-2023 and return with options to extend the Fiscal Year 2021-2022 payment plan for an additional three years while charging interest on unpaid balances.
5/31/2023	Considering the number of business closures, outcomes of the Fiscal Year 2021-2022 payment plan, and the Fiscal Year 2023-24 projections for cannabis business tax revenue, the Board approves a 30% reduction to the proposed Fiscal Year 2023-24 Cannabis Program budget.
5/3/2024	The Monterey County Civil Grand Jury Report titled <i>"Cannabis Tax Revenues: Highs and Lows"</i> is released.
5/28/24	The California State Audit titled <i>"Local Cannabis Permitting"</i> is released.
8/28/24	The California State Audit titled <i>"Cannabis Business Licensing"</i> is released.
12/31/25	All provisional permits were transitioned to annual permits.
4/28/26	Board of Supervisors approves first outdoor cannabis grow.

Appendix B. Cannabis Business Tax Revenue





County of Monterey

Item No.5

Board Report

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

Legistar File Number: 26-699

August 06, 2026

Introduced: 7/28/2026

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

August 6, 2026

To: Board of Supervisors Cannabis Committee

Fr: Michelle House, Cannabis Program Manager

Cc: Deborah Paolinelli, Assistant County Administrative Officer

Re: Cannabis Program Updates, Budget, and Performance Measures

Cannabis Program Updates, Budget and Performance Measures

Cannabis Program Updates

On July 8, 2026, the Cannabis Program met with four industry members, from 10:00 am to 12:00 pm via Zoom to review proposed amendments to Monterey County Code Chapter 7.90. Housing and Community Development staff will present a draft consumption lounge ordinance to the Planning Commission on August 26, 2026. There was a theft on July 13, 2026, involving 280 mature plants. This is the second theft this year, occurring at separate, unrelated locations. The Drug Enforcement Administration (DEA) convened an administrative hearing commencing on June 29, 2026, and concluding on July 15, 2026, to evaluate the potential rescheduling of all cannabis products from Schedule I to Schedule III. A key outcome of this change would be the eligibility of medical cannabis operators for federal tax benefits. The Chief Administrative Law Judge will issue a recommendation, which the DEA Administrator must review before any final rule is adopted. No established timeline has been provided.

Cannabis Program Budget

The Program monitors changes in canopy square footage because fluctuations directly affect tax revenue and serve as indicators of how the industry is responding to an evolving market. Cultivators adjust their canopy by expanding or reducing square footage based on seasonal factors and current market conditions. For fiscal year (FY) 2026–27, the Program will use canopy square footage effective July 1, 2026, as the baseline and will evaluate all subsequent changes against this baseline throughout the fiscal year.

Canopy square feet (sq. ft.) totals from July 1, 2025, when compared to July 1, 2026, show the following trends:

- Indoor canopy increased by 10,360 sq. ft
- Greenhouse canopy (no lights) decreased by 249,477 sq. ft
- Nursery canopy decreased by 52,010 sq. ft
- Mixed-light canopy increased by 16,588 sq. ft

The Program provided an estimate of 3.5 million in tax revenue collections for FY 25-26 and current estimates track tax collections at approximately 3.2 million. The Treasurer Tax Collector completed quarter four cannabis tax collections on July 31, 2026. The table below reflects the breakdown of taxes collected July 1, 2025, through July 28, 2026.

Tax	Amount
FY 24-25	\$965,683
FY 25-26	\$2,633,729
Total	\$3,599,412

Performance Measures

- A. Since the June 18, 2026, Cannabis Committee meeting, one potential applicant was onboarded, we currently have nine potential applicants (1 dispensary, 7 cultivators and 1 nursery). There are currently 48 active commercial cannabis business operators; seven dispensaries, 36 farms (6 only nursery and 30 nursery/cultivators), and five operators engaged in other activities (manufacturing, distribution, and processing). Additionally, one farm filed cessation of business documentation.
- B. The County of Monterey Marijuana Eradication Team (COMMET) provides the Program with information on the outcomes of search warrants and abatement activities. The chart below reflects data for calendar years (CY) 2021 through 2026. Currently, COMMET has no data to report for CY 2026.

Type	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026
Number of Cannabis Plants	18,602	97,703	1,220	130	114	0
Cannabis Processed (lbs.)	1,716	38,430	506	352	135.8	0
Gross Weight Abated (tons)	10.2	68.1	2.8	0.176	0	0
Firearms	97	24	1	16	1	0
Currency	\$104,700	\$5,500	\$0	\$13,538	\$0.0	0
Explosive Material (lbs.)	0	25	0	0	0	0
Meth (lbs.)	0	1	0	0.073	0.121	0
Cocaine (lbs.)	0	0	0.03	0.039	0	0
Clandestine Lab	5	0	0	0	0	0
Wholesale Market Value	\$20,303,000	\$68,066,500	\$2,834,635	\$241,433	\$124,900	\$0.00



County of Monterey

AUDITOR-CONTROLLER
Enedina Garcia

168 West Alisal St. 3rd Floor
Salinas, CA 93901
O: 831 755 5040
F: 831 755 5098

MEMORANDUM

DATE: August 6, 2026

TO: Monterey County Cannabis Committee

FROM: Enedina Garcia, Auditor-Controller

SUBJECT: Update on Commercial Cannabis Tax Revenues

Signed by:

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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
October	180,568
November	636,582
December	70,582
January	276,616
February	504,151
March	98,940
April	479,727
May	325,206
June	61,357
Total Amount Collected in FY 2025-26 (As of 7/28/2026)	\$ 3,599,412

BREAKDOWN OF COLLECTIONS	COLLECTED
For Fiscal Year 2024-2025	965,683
For Fiscal Year 2025-2026	2,633,729
Total by Year	\$ 3,599,412

BREAKDOWN BY TYPE	COLLECTED		Grand Total
	FY 2024-2025	FY 2025-2026	
Dispensary	143,342	323,850	467,192
Indoor/Mixed Light Cultivation	540,052	1,545,015	2,085,067
Manufacturing	410	1,665	2,075
Nursery	208,460	554,848	763,308
Outdoor Cultivation	73,420	208,351	281,771
Total by Type	\$ 965,683	\$ 2,633,729	\$ 3,599,412

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 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 July 28, 2026, 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.

EG/kt