

MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY

Carl P. Holm, AICP, Director



LAND USE & COMMUNITY DEVELOPMENT | PUBLIC WORKS & FACILITIES | PARKS

1441 Schilling Place, South 2nd Floor

Salinas, California 93901-4527

(831)755-4800

www.co.monterey.ca.us/rma

Date: March 26, 2018

To: Board of Supervisors Cannabis Committee

From: Monterey County Resource Management Agency and the Office of County Counsel

Subject: Updates on Permitting, Enforcement, and Future Policy Considerations

Permitting Activity:

To date, the County of Monterey has received 99 applications for Development Review Committee (DRC) meetings associated with proposed commercial cannabis activities in the unincorporated areas. DRC meetings for all 99 applications have been conducted and the County is scheduling any new applications for DRC meetings as they are submitted. Of the 99 DRC applications to date, 25 Use Permit applications have been submitted following the respective DRC. Of those 25 Use Permit applications, eight (8) Use Permits for commercial cannabis activities have been approved by the Planning Commission (3 dispensaries and 5 cultivation) and 17 permits are in some stage of the planning review and consideration process. Ten (10) Commercial Cannabis Business Permits have been applied for and 3 of them have been granted (2 Cultivators and 1 Dispensary).

In addition to land use and business permit entitlements which are required by County Code, the RMA, in coordination with the Treasure/Tax Collector's Office, has issued 90 local authorization letters for applicants to include with their online application for temporary State Cannabis Licenses. To date, the County has provided authorization to the State for approximately 290 temporary state licenses (~220 with Cal-Cannabis, 60 with the Bureau of Cannabis, and 10 with the Manufactured Cannabis Safety Branch). It is important to note that the reason the number of temporary state licenses is higher than the number of local County authorization letters is because some business may need to get multiple licenses to achieve the total amount of square footage they have on site. For example, a Type 3B State License only allows up to 22,000 square feet, but applicants can only obtain one Type 3B license from the state. So, in order to fully license 100,000 square feet of cultivation, applicants need to also obtain multiple Type 2B licenses which each allow up to 10,000 square feet to reach the total canopy.

On the next page, is a chart to summarize the permitting activity to date:

Application Type	Number
DRC Meeting Requests	99
DRC Meetings conducted	99
Use Permit (UP)/Coastal Development Permit (CDP) Applications	25
- UP/CDPs Approved	8 (5 Cultivators, 3 Dispensaries)
- UP/CDP under review	17
Applications through DRC, but no formal UP/CDP Application submitted	74
Business Permit Applications	10
- Business Permits Approved	3 (2 Cultivators, 1 Dispensary)
Local verification letters sent by County	90
Temporary Licenses Authorized by State	290*

* It is important to note that the reason the number of temporary state licenses is higher than the number of local County authorization letters is because some business may need to get multiple licenses to achieve the total amount of square footage they have on site. For example, a Type 3B License only allows up to 22,000 square feet, and applicants can only obtain one Type 3B license from the state. So, in order to fully license 100,000 square feet of cultivation, applicants need to also obtain multiple Type 2B licenses which allow 10,000 square feet to reach the total canopy.

Enforcement Update

District Three has received numerous complaints concerning illegal cannabis cultivation in south Monterey County. On March 2, 2018, an informational letter was sent to approximately 120 property owners to inform them that illegal cannabis cultivation may be taking place on their property. The letter also stated that the County will conduct enforcement actions against any property owner and operator that are not in compliance with County regulations. A copy of the letter is attached to this report as Attachment A.

Staff has received approximately 10 calls from concerned property owners in response to the letter. Many of the landowners live elsewhere, so the letter has prompted them to inspect their property. For some of the properties, the complaint was incorrect and the cultivation was occurring on an adjacent property. Letters have now been sent to these adjacent property owners. One gentleman was cultivating at the time he called, and staff explained to him that it is not permitted under the County Code and he should stop immediately or he will be subject to an enforcement action. In some situations, with absent property owners, staff has asked for permission to enter the property to inspect. If this occurs and cultivation is found, staff will initiate a code enforcement action.

Lastly, an enforcement group made up of representatives from the Sheriff's Office, District Attorney's Office, CAO, RMA, Environmental Health, and the County Counsel's Office are regularly meeting and planning raids for the spring once the growing season starts.

Future Policy Considerations and Ordinance Amendments

In the upcoming months, staff will seek direction from the Cannabis Committee on numerous policy considerations. Issues to be addressed include: setbacks between dispensaries, allowing outdoor cultivation; amending allowable zoning districts; removing existing greenhouse and industrial building language; allowing new state license types (microbusinesses, packaging, labeling, infusion); allowing delivery-only retailers in non-commercial zones; allowing firearms on commercial cannabis sites; amending tax rates; allowing onsite consumption at retail facilities; repealing or amending the personal medical cultivation permit ordinance (Chapter 7.95); and permitting/allowing industrial hemp.

Other non-policy related ordinance amendments that will be necessary are modifications to Chapter 7.90 to add language that requires operators to provide information to the California Cannabis Authority (JPA); and amendments to all the cannabis regulations to ensure they are consistent with the newly released state emergency regulations.

Attachments: Attachment A – Informational Cannabis Enforcement letter



March 2, 2018

Via First Class Mail

Informational Correspondence ILLEGAL COMMERCIAL CANNABIS OPERATIONS

To Whom It May Concern,

You have received this letter because the County received information that commercial cannabis activities may be taking place on the subject property in violation of the Monterey County Code. The purpose of this correspondence is to provide you with a courtesy notice that certain commercial cannabis related activities are illegal in the unincorporated area of Monterey County. Furthermore, the County will conduct enforcement actions against any property owner and operator that are not in compliance with County regulations.

All property owners and operators engaging in commercial cannabis activities (medicinal or adult-use) in Monterey County must be permitted by the County and licensed by the state. Under the Monterey County Code, "commercial" activities do not include the cultivation of up to six plants, and/or the possession, processing, storage, transportation, or donation of not more than 28.5 grams of cannabis or not more than eight grams of concentrated cannabis. Additionally, for medicinal cannabis, "commercial" activities do not include the possession, storage, manufacturing, or transportation of medicinal cannabis, or the cultivation of up to 100 square feet total canopy area by a qualified patient or primary caregiver as defined by the state.

The commercial cultivation, manufacture, distribution, testing and/or sale of cannabis can only occur within certain designated zoning districts within the unincorporated areas of Monterey County. Specifically, cultivation can only take place in a greenhouse, warehouse or industrial building that was legally established prior to January 1, 2016. **The cultivation of cannabis outdoors or in hoop houses is not permitted.** For further information concerning the designated zones and permitting process please visit:

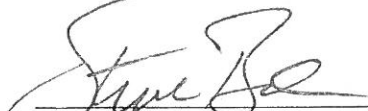
<http://www.co.monterey.ca.us/government/departments-i-z/resource-management-agency-rma/-planning/faq-s/cannabis-permitting-information>

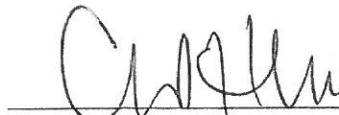
Enforcement actions by the County may be conducted criminally, civilly, and/or administratively. Enforcement can include, but is not limited to, seizure and destruction of product and items associated with the product, fines and penalties. Inspectors will also look for other Monterey County Code violations such as: environmental damage (water diversion, tree/vegetation removal); health hazards (unpermitted pesticides, unpermitted water connections and/or septic); and unpermitted construction (structures, electrical, plumbing) or grading (over 100 cubic yards or in environmentally sensitive areas).


This letter is only a courtesy notice and does not constitute an open enforcement action at this time. However, please be advised that the County will investigate and bring enforcement actions against property owners and/or operators for violations of the Monterey County Code. No further notice may be provided.

If you have any questions regarding this correspondence please contact Deputy County Counsel Kelly Donlon at 831-755-5045.

Sincerely,



Stephen T. Bernal, Sheriff

Carl P. Holm, Director
Resource Management Agency

Dean D. Flippo, District Attorney

John Ramirez, Director
Environmental Health Bureau