

MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY

Carl P. Holm, AICP, Director

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

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MEMORANDUM

DATE: September 5, 2018

TO: Board Cannabis Committee

FROM: Carl P. Holm, AICP, RMA Director *cmh*

SUBJECT: Cannabis Program Resources

The Resource Management Agency (RMA) is the lead agency to develop regulations, process permits (use permits, business permits, building permits), and enforce compliance (permit conditions, zoning codes, building codes). These functions are being managed by existing staff. Current resources consist of four Code Compliance I/II and one Senior Code Compliance Inspector to enforce land use regulations (zoning codes, building codes, drainage, condition compliance, etc) for the entire unincorporated County. One of the four Code Compliance Inspector I/II positions is funded with cannabis tax revenue; and therefore, is dedicated to this program. RMA has 15 planner positions, including four Senior Planners and one Supervising Planner. RMA receives revenue through development application fees, which equates to about 25% of operating costs for Planning services. General Fund supplements the remaining 75% of the Planning services. RMA continues to manage with the resources we have; however, there are back logs in both planning and code compliance due to staffing turn-over and an increasing workload with no new resources. Planning was down to about 50% staffing for the past couple of years; however, through two major recruitments (1.5 years ago and four months ago) planning is almost fully staffed.

Code Compliance is being asked to proactively perform increased, routine compliance inspections on cannabis operations. Inspections to date have taken two people a minimum of four hours for each large cultivation site. We have found it to be more efficient with two people where one focuses on the inspection and the other taking photos and notes. There is also a good amount of preparation and follow up work for each site. To assign two people to conduct site inspections under current conditions, RMA pulls resources from other areas (e.g. planning) to assist the one funded inspector. The Cannabis Program Manager asked RMA to increase compliance inspection activities and to be more proactive given the current environment. It is anticipated that compliance inspections are a long-term condition with this industry, which would warrant adding full time Code Compliance Inspector position(s) to RMA. The number of positions would depend on the expectation. In order to meet the targets being proposed by the

Cannabis Program Manager, RMA would request one additional inspector in order to avoid pulling resources from other areas, which has an impact on those services (permit process and/or building inspections).

Planning had a backlog of about 300 land use permit applications prior to RMA establishing an August 1, 2018 deadline for temporary grows to submit formal Use Permit applications in order to align with state timelines that limit continuance of temporary licenses. There are about 80 Use Permit applications to process at varying stages of completeness. With the August 1 deadline, RMA received a wide range in completeness of submission from only a parcel map to legitimate application submittals with all required materials. As such, we are pressing to get applications complete so we can get them to hearing. Applicants that do not comply with subsequent deadlines showing due diligence are subject to losing the "good standing" for temporary permits. Initially, the plan was to have these applications assigned to planners that would give them priority. We expected applicants to filter in such that they could be balanced with existing workloads. The cannabis application deadlines impact that condition, and very likely would impact the processing time for other applicants to give cannabis applications priority.

In order to manage this situation, RMA has two consulting firms under contract. With the FY 18/19 budget constraints, RMA removed funding from these contracts in order to save positions. If funding was allocated to help expedite cannabis permits, RMA could better manage this cannabis application push without impacting other applicants. While staff is required to review the consultant work product, it significantly reduces the time required and can help meet the state timelines. RMA is also proposing an ordinance that would change from Use Permits to Administrative Permits, which would reduce the process in order to help expedite these applications. The estimated cost for using consultants to process the 80 cannabis permits is \$100,000. In addition, RMA is considering preparing a programmatic environmental document (Mitigated Negative Declaration) that would address all of the emerging issues that have cumulative effects (water, drainage, energy, air, traffic, security, fire, etc) for all of the known applications. Staff requested that the industry provide funding to complete the programmatic environmental document.