

Exhibit C

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**Before the Planning Commission in and for the
County of Monterey, State of California**

Resolution No.

REF190027- INDUSTRIAL HEMP PILOT PROGRAM

Resolution of the Monterey County Planning Commission recommending that the Monterey County Board of Supervisors:

- a) Find that the ordinance represents a minor alteration in land use limitations and applies for a limited term for the purposes of collecting information on industrial hemp cultivation which is categorically exempt from the California Environmental Quality Act pursuant to Sections 15305 and 15306 and none of the exceptions listed in Section 15300.2 apply; and
- b) Adopt an ordinance (**Attachment 1**) to amend Chapter 21.49 of Title 21 of the Monterey County Code (non-coastal zoning) to extend the industrial hemp pilot program through December 31, 2022, and amend the Sectional District Maps to add the Industrial Hemp Zoning Overlay District ("HMP" District) to portions of parcels that are outside of the rural center and community area buffers established in the industrial hemp pilot program.

This is a proposed ordinance amending the Monterey County Code came before the Planning Commission at a duly noticed public hearing on April 8, 2020. Having considered all the written and documentary evidence, the administrative record, the staff report, oral testimony and other evidence presented, the Planning Commission forwards the following recommendation to the Board of Supervisors with reference to the following facts:

I. RECITALS

1. Pursuant to Article XI, section 7 of the California Constitution, the County of Monterey may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its citizens.

2. In 2013, the California Legislature adopted the California Industrial Hemp Farming Act (Food and Agricultural Code (hereafter "FAC") §§ 81000-81011), addressing the cultivation of industrial hemp. However, the Act it did not become operative until Proposition 64, the Adult Use of Marijuana Act, passed by the voters in November 2016, amended FAC section 81010 that established the operative date of January 1, 2017.

3. The 2014 Farm Bill (P.L. 113-79, § 7606, 7 U.S.C. § 5940), authorized an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. § 1001)), or a state department of agriculture to grow or cultivate industrial hemp if:

- A. The hemp is grown or cultivated for purposes of research conducted under an agricultural pilot program or other agricultural or academic research; and

- B. The growing or cultivating of industrial hemp is allowed under the laws of the state in which such institution of higher education, or state department of agriculture is located and where the research occurs.

4. In December 2018, President Trump signed into law the 2018 Federal Farm Bill, H.R. 2, P.L. 115-334, which removed industrial hemp from the federal list of controlled substances and authorizes the U.S. Department of Agriculture to create quality control standards for commercial hemp production.

5. Effective January 1, 2019, SB 1409 was signed into law by Governor Brown which revised the California Industrial Hemp Farming Act. The law now requires that industrial hemp cultivators, other than “Established Agricultural Research Institutions”, to pay an annual fee and register with local agricultural commission offices. Additionally, the law requires that “Established Agricultural Research Institutions” provide GPS coordinates to agricultural commissioners.

6. Pursuant to FAC section 81007, the California Department of Food and Agriculture (CDFA) is authorized to establish by regulation, an agricultural pilot program pursuant to section 7606 of the federal Agricultural Act of 2014, 7 U.S.C. § 5940. CDFA has adopted certain regulations, some on an emergency basis, concerning registration fees, registration application, criminal report history for industrial hemp registration, approved seed cultivars, sampling, laboratory testing, and enforcement.

7. On April 30, 2019, CDFA made available applications for industrial hemp cultivators to register with the commissioner of the county in which the grower intends to engage in industrial hemp cultivation.

8. On July 23, 2019, the Monterey County Board of Supervisors adopted Ordinance Number 5314, which created a pilot program for the cultivation and processing of industrial hemp in the inland unincorporated area of Monterey County.

9. On February 10, 2020, CDFA proposed emergency adoption of Title 3 California Code of Regulations (CCR) Sections 4901 and 4902 to create timeframes, definitions, and procedures for industrial hemp registration and program eligibility determination.

10. Due to the fact that industrial hemp and cannabis are derivatives of the same plant, *Cannabis sativa* L., the appearance and odor of industrial hemp and cannabis can be indistinguishable, particularly when hemp is cultivated with feminized flowering plants for high levels of cannabidiol (CBD) for purposes of CBD extract or oil production.

11. The purpose of this ordinance is to extend the industrial hemp pilot program, and amend the parameters of where certain activities associated with industrial hemp can occur during a limited time period. The pilot program is intended to gather data and information related to industrial hemp cultivation and processing, hemp seed production, and associated activities to enable the County to evaluate the establishment of long-term regulations and to reduce the potential for negative impacts on the community and environment for protection of public health, safety and welfare.

11. This ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15305 and 15306, which exempt minor alterations in land use limitations in areas with an average slope of less than twenty percent (20%) that do not result in any changes in land use or density and information collection, research, experimental management and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. This ordinance establishes a limited term pilot program for the purposes of information collection, applies to lands that allow agricultural uses as a principal use, is limited to lands that have previously been cultivated, and to lands with an average slope of less than 20%. Temporary allowances for rotation of crops to hemp on lands previously cultivated with other agricultural products, is a minor alteration in land use limitations and will not result in serious disturbance to environmental resources.

12. State law requires the Planning Commission to hold a noticed public hearing on proposed amendments to zoning ordinances and to make a written recommendation to the Board of Supervisors.

13. On March 25, 2020, the Planning Commission held a duly noticed public hearing to consider making a recommendation to the Board of Supervisors on the proposed ordinance (**Attachment 1**). At least 10 days before the hearing date, notices of the hearing before the Planning Commission were published in The Californian and the Monterey County Herald.

II. DECISION

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission hereby recommends that the Board of Supervisors:

- a) Find that the ordinance represents a minor alteration in land use limitations and applies for a limited term for the purposes of collecting information on industrial hemp cultivation which is categorically exempt from the California Environmental Quality Act pursuant to Sections 15305 and 15306 and none of the exceptions listed in Section 15300.2 apply; and
- b) Adopt an ordinance (**Attachment 1**) to amend Chapter 21.49 of Title 21 of the Monterey County Code (non-coastal zoning) to extend the industrial hemp pilot program through December 31, 2022, and amend the Sectional District Maps to add the Industrial Hemp Zoning Overlay District (“HMP” District) to portions of parcels that are outside of the rural center and community area buffers established in the industrial hemp pilot program (As illustrated in the maps included in **Attachment 1**).

PASSED AND ADOPTED on this 8th day of April 2020, by the following vote:

AYES:

NOES:

ABSENT:

By: _____
John Dugan, Secretary

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