



County of Monterey

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

Board Report

File #: 22-768, Version: 1

Receive a report that provides updates on the implementation of Citygate recommendations and alternative enhancements for the Cannabis Program.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive a report that provides updates on the implementation of Citygate recommendations and alternative enhancements for the Cannabis Program.

SUMMARY/DISCUSSION:

On March 8, 2022, Citygate & Associates, LCC (Citygate) presented an overview and recommendations related to its *Organizational Study of the Current Cannabis Program* report to the Board of Supervisors (Board). After the presentation, the Board directed staff to seek input on the Citygate Recommendations from the Board's Cannabis Committee (Committee). The County Administrative Officer (CAO) also directed staff to:

- Develop a detailed plan to resolve the backlog of Cannabis Business Permit (CBP) applications and issue CBPs as soon as possible while considering the following:
 - Staff will use sound, independent judgement to expedite the issuance of CBPs that have received appropriate land use approvals.
 - Departmental inputs, procedures, and timelines for the issuance of CBPs, which include firm service level commitments and accountability.
 - Options to resolve the backlog with or without stipulated agreements.
- Report the plan, and staff's intent to immediately implement that plan, to the Committee on April 7, 2022.
- Review the plan with the cannabis industry, preferably prior to the Committee meeting in April, and inform them of the plan's intended immediacy.
- Inform the Committee of the development of a long-term plan to ensure that a similar backlog does not occur in the future.

Staff presented their input on Citygate's recommendations to the Committee on April 7, 2022, which directed staff to present their input to the Board without modification.

On May 17, 2022, the Cannabis Program (Program) presented a report recommending that the Board:

- Direct staff to implement Citygate Recommendations #2, 4, 5, and 12-16.
- Direct staff to defer Citygate Recommendation #1, 3, and 6 for reconsideration in January 2024 after large licensees obtain state annual licenses.
- Direct staff to implement the five alternative enhancements in Attachment E to improve upon cannabis-related permit processing.
- Direct Cannabis Program staff to report outcomes of the adopted Citygate recommendations and alternative enhancements to the Board of Supervisors each quarter.

- Direct staff to look at overhauling the permit process, create a dedicated team to process permits in each division, and review the allocation of positions, in all divisions, on which positions are funded by cannabis funds.

The Board approved staff's recommendations and directed staff to explore overhauling the permit process, create teams dedicated to processing permits, and review all allocations funded by cannabis tax revenue. Attachment A provides updates for the period of March 2022 through June 2022, which represents Quarter 4 of Fiscal Year 2021-22. Program staff is working closely with staff from the Auditor-Controller to meet with each department and will provide an update on allocations funded by cannabis tax revenue to the Committee in Fall 2022.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel, Human Resources Department, Department of Public Works, Facilities and Parks, Environmental Health Bureau, Monterey County Regional Fire District, and County Administrative Office were involved in the preparation of the report.

FINANCING:

Monterey County's Cannabis Program is funded in County Administrative Office - Department 1050, Intergovernmental and Legislative Affairs Division - Unit 8533, Cannabis. The approval of this report and attachment will not incur additional expenses to the Program.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Monterey County Cannabis Program addresses each of the Strategic Initiative Policy Areas that promote the growth of a responsible and legal Monterey County cannabis industry.

Mark a check to the related Board of Supervisors Strategic Initiatives

- X Economic Development
- X Administration
- X Health & Human Services
- X Infrastructure
- X Public Safety

Prepared by: Joann Iwamoto, Program Manager II

Approved by: Nicholas E. Chiulos, Assistant CAO

Attachments:

- A: FY 21-22 Q4 Update on Citygate Recommendations and Alternative Enhancements
- B: FY 21-22 Q4 Update on Cannabis Program SMART Goals, Performance Indicators, and Other Outcomes