



**SAN BENITO COUNTY
AGENDA ITEM
TRANSMITTAL FORM**

Dom Zanger
District No. 1

Kollin Kosmicki
District No. 2

Mindy Sotelo
District No. 3
Vice-Chair

Angela Curro
District No. 4
Chair

Bea Gonzales
District No. 5

Item Number: 4.2

MEETING DATE: 11/26/2024

DEPARTMENT: RESOURCE MANAGEMENT AGENCY

AGENDA ITEM PREPARER: Stephanie Reck

DEPT HEAD/DIRECTOR: Abraham Prado

SUBJECT:

RESOURCE MANAGEMENT AGENCY- A.PRADO, PLANNING AND BUILDING DIRECTOR

(To Be Heard at 1:30 p.m. or soon thereafter as the matter may be heard)

Review and adopt ordinance amendments to delete and restate in their entirety portions of San Benito County code related to the Cannabis Business Regulatory Program including Title 7 (Business Regulations) Chapter 7.02 (Cannabis Business), Title 7 (Business Regulations) Chapter 7.04 (Hemp Entities) Section 7.04.003 (Prohibitions), Title 19 (Land Use and Environmental Regulations) Chapter 19.43 (Cannabis Business Land Use Regulations), and the Cannabis Application Fee Schedule as recommended by the Planning Commission in Resolution No. 2024-21.

SBC FILE NUMBER: 790

ORDINANCE NO.: 1074

AGENDA SECTION:

PUBLIC HEARING

BACKGROUND/SUMMARY:

The Board of Supervisors established a Cannabis Ad-Hoc Committee on April 9, 2024, to review and propose amendments to the Cannabis Business Regulatory Program in an effort to streamline the application process and remove cumbersome land use and application requirements.

In December of 2017 the Board of Supervisors established the Cannabis Business Regulatory Program in Title 7 (Business Regulations) Chapter 7.02 (Cannabis Business) to allow for certain cannabis activities within various zoning districts in the County through Ordinance No. 964. This ordinance was later amended twice in 2021 in Ordinance No. 1032 and 1036.

Proposed amendments to Chapter 7.02 (Cannabis Businesses) include, but are not limited to, removal of employee work permit provision; re-organization of sections related to operating requirements for cannabis business types; updated definitions for Department of Cannabis Control, enforcing officer, greenhouse, mixed-light cultivation, outdoor cultivation, and employer-sponsored child care center; removal of school bus stop from sensitive uses; inclusion of large cannabis cultivation license, type 13 transport-only distributor license, and type 9 non-storefront retailer (delivery only) license; establishes a maximum canopy limit of 500 acres, to increase by 500 acres every year for a total of three (3) years; includes application submittal requirements; updated review process for denial, non-renewal, suspension, or revocation of permit; includes operating requirements for microbusinesses; and includes reference to updated cannabis fines and administrative citations per SBCC § 1.04.005(F).

In December of 2018 the Board of Supervisors established Chapter 19.43 (Cannabis Business Land Use Regulations) of Title 19 (Land Use and Environmental Regulations) to regulate the land use and environmental factors related to commercial cannabis activities through Ordinance No. 975. This ordinance was amended again in 2019 through Ordinance No. 984 and twice in 2021 through Ordinance No. 1032 and 1036.

Proposed amendments to Chapter 19.43 (Cannabis Business Land Use) include, but are not limited to, updated section titles; re-organization of sections related to operating requirements for cannabis business types; clarification of types of applications that require supplemental findings; establishes principally permitted cultivation, distribution, manufacturing, retail, and microbusiness activities in various zoning districts pursuant to proposed land use table in § 19.43.040(B); expansion of eligible activities to include large cannabis business licenses; updated application requirements for cultivation sites including the removal of the 1:1 water offset; addition of application requirements for manufacturing sites, testing laboratories, retailers, and microbusinesses; reduced setback requirements for sensitive uses from 1,000 feet to 600 feet in compliance with California Business and Professions Code § 26054; updated measurement requirements for the 300-foot setback from residential structures to be measured from the premises of the residential structure to the premises of the proposed cannabis business; a reduction in security requirements including the removal of 24 hour on-site security and the requirement to monitor adjacent lots; removal of requirement to submit financial audits to the County on an annual basis; clarification of odor control requirements specific to indoor cultivation; establishes a maximum canopy limit of 500 acres, to increase by 500 acres every year for a total of three (3) years; includes additional operating requirements for cultivators, distributors, manufacturers, testing laboratories, retailers, and microbusinesses; allows for indoor cultivation, manufacturing, testing laboratories, and retail sites to be principally permitted in various zoning districts if located in an existing structure; and includes reference to updated cannabis fines and administrative citations per SBCC § 1.04.005(F).

In February of 2019 the Board of Supervisors established the Cannabis Application Fee Schedule to cover costs incurred by the County in the application process through Resolution No. 2019-13. These fees have not been updated to comply with the changes to the Cannabis Business Regulatory Program since the application structure was changed and the program was moved from the purview of the Agricultural Commissioner's Office to the Planning and Building Department of the Resource Management Agency.

The proposed cannabis business permit application fees will be based on the actual cost of reviewing the application, based on established hourly rates of staff time, inclusive of the A-87 costs, and actual hourly rates of consultants (which range from \$250-300/hour). The proposed fee deposit reflects the estimated actual cost of the labor, materials, and overhead involved in review of each application.

Pre-Application	Estimated Hours (Per Application)	Estimated Cost (Per Application)
Application	8	\$1,500

Business Permit		
Application	4	\$1,500
Appeal	22	\$1,192 + \$134 per hour
Use Permit		
Application	14	\$1,876

In September of 2019 the Board of Supervisors established Chapter 7.02 (Hemp Entities) of Title 7 (Business Regulations) to regulate the commercial cultivation and research activities associated with hemp through Ordinance No. 989. The Board of Supervisors adopted an amendment to Chapter 7.02 (Hemp Entities) to include Hemp Exclusion Zones as applicable to commercial hemp and cannabis cultivation in February of 2020 through ordinance No. 1,003.

Proposed amendments to Chapter 7.04 (Hemp Entities) include, but are not limited to, reducing the hemp exclusion zone buffer from one (1) mile to one half (1/2) mile of a Sphere of Influence or wine hospitality site; reducing the state roads buffer to from 500 feet to 100 feet; and removing County Service Areas (CSAs), Tres Pinos Water District, and public roads from the exclusion zones.

On November 6th, 2024 staff presented these amendments during a Special Meeting of the Planning Commission, who recommended these revisions for adoption by the Board of Supervisors through Resolution No. 2024-21.

RESOLUTION OR ORDINANCE NEEDED FOR THIS ITEM:

Yes

CONTRACT NEEDED FOR THIS ITEM:

N/A

RFP AND BID HISTORY:

N/A

LAST CONTRACT AMOUNT OR N/A:

N/A

CONTRACT HISTORY (Describe all amendments and previous contracts):

N/A

STRATEGIC PLAN GOALS: 1. Operational Development & Excellence

Yes

STRATEGIC PLAN GOALS: 2. Planning And Sustainable Growth

Yes

STRATEGIC PLAN GOALS: 3. Technology

No

STRATEGIC PLAN GOALS: 4. Community Engagement

Yes

STRATEGIC PLAN GOALS: 5. Health & Safe Community

No

BUDGETED:

N/A

BUDGET ADJUSTMENT NEEDED:

N/A

SOURCE OF FUNDING:

N/A

UNFUNDED MANDATE:

N/A

SBC BUDGET LINE ITEM NUMBER:

N/A

CURRENT FY COST:

N/A

STAFF RECOMMENDATION:

Staff recommends the Board of Supervisors accept the first reading to review the recommended amendments to delete and restate in their entirety portions of code related to the Cannabis Business Regulatory Program including Title 7 (Business Regulations) Chapter 7.02 (Cannabis Business), Title 7 (Business Regulations) Chapter 7.04 (Hemp Entities) Section 7.04.003 (Prohibitions), Title 19 (Land Use and Environmental Regulations) Chapter 19.43 (Cannabis Business Land Use Regulations), and the Cannabis Application Fee Schedule as recommended by the Planning Commission in Resolution No. 2024-21, and adopt said amendments on December 10, 2024 during the second reading.

ATTACHMENTS:

[Cannabis Ordinance Amendments Presentation](#)
[Cannabis Resolution](#)
[Cannabis Ordinance](#)
[Planning Commission Resolution 2024-21](#)
[Chapter 7.04 Hemp Entities Redline \(Att. A\)](#)

Chapter 7.02 Cannabis Business Redline (Att. B)
Chapter 19.43 Cannabis Business Land Use Regulations Redline (Att. C)
Cannabis Application Fee Schedule Redline (Exhi. A)
Free Lance Notice and Summary of Ordinance