

Memorandum

Date: December 11, 2025

To: The Honorable Lake County Planning Commission

From: Mireya G. Turner, Community Development Director
Mary Claybon, Senior Planner

Subject: PUBLIC HEARING – Consideration of Ordinance to Amend Chapter 21, Article 27 regarding Commercial Cannabis Regulation

Executive Summary: At the Board meeting on October 7, 2025, the Board received a presentation from Staff regarding the bifurcation of the cannabis regulation update into two portions. The first draft ordinance, included as Attachment A, would make certain amendments to Article 27, where the current cannabis regulations are located, in addition to many other commercial land uses. The department is comfortable proposing the following amendments to qualify for the California Environmental Quality Act (CEQA) Common Sense Exemption (Section 15061(b)(3), which allows certain projects to bypass environmental review when there is no reasonable significant impact. The future ordinance would create Article 73, a new chapter of the Zoning Code to include uses exclusive to cannabis.

The table below lists the amendments to Article 27 for the following topics:

- Setbacks from off-site residences
- Maximum canopy
- Applicant and Property Owner Identification and Background Checks
- Operating Hours
- 10-year Permit Duration and Renewal
- Opt Out and Reduced Canopy Options
- Exclusion Areas
- Farmland Protection Zone – development standard
- Riparian Setbacks
- Annual Performance Review – Reports and Process
- Incomplete and Abandoned Applications
- Setbacks from hemp cultivation
- METRC – Track and Trace Tags
- Other nonsubstantive amendments, including grammar corrections and removal of Community Development Department from Background Check Evaluation to reflect current process

New text is identified in bold, with removed text identified by strikethrough. To manage the overall size of the table, sections removed in their entirety have been described without including the text.

Update Topic	Current Code	Amendment – with markup: new text in bold, strikethrough on removed text							
Setbacks from Offsite Residences and Maximum Canopy	200' and no cap on canopy	(a)Section 27.13(at)(1)(i) of Chapter 21 of the Lake County Code is hereby amended to read as follows:							
		Permit	Minimum Lot Size (acres)	Setback from property line	Setback from off-site	# of Living Cannabis Plants	# of Mature Cannabis Plants	Minimum fence height (ft)	Maximum Canopy area (sf)

				residence s					
	M/A- Type 1	20	100	200	75	50	6	5,000	
	M/A- Type 1A & B	20	100	200	N/A	N/A	6	5,000	
	M/A- Type 1c mixed light	5	100	200	N/A	N/A	6	2,500	
	M/A- Type 1C outdoor	5	100	200	50	25	6	2,500	
	M/A- Type 1C indoor	5	100	200	N/A	N/A	6	500	
	M/A- Type 2, 2A, & 2B	20	100	200	N/A	N/A	6	10,000	
	M/A- Type 3	20	100	500	N/A	N/A	6	43,560	
	M/A- Type 3A & 3B, and Type 4	20	100	500	N/A	N/A	6	22,000	
	Type 5	>20	100	1,000	N/A	N/A	6	≤5 acres (217,800 sf)	
	Type 5	>20	100	2,000	N/A	N/A	6	>5 acres ≤20 acres (871,200 sf)	
	(b) Section 27.13(aaa)(2) of Chapter 21 of the Lake County Code shall be amended to read as follows: "2. The facility shall maintain a seventy-five (75) foot setback from all property lines and a 1,000 foot setback from all off-site residences."								
Applicant and Property Owner Identification and Background Check	(a) Section 27.13(at)(1)(ii)(e) of Chapter 21 of the Lake County Code shall be amended to read as follows: "(e) Applicant and Ownership Information and Qualifications Applicant must submit the same information required for a state license application, California Code of Regulations 4 CCR §15003. Applications must also include the same information for the property owner, if Applicant is not the property owner." (b) Section 27.13(at)(1)(ii)(f) of Chapter 21 of the Lake County Code shall be amended to read as follows: "All applicants, full time employees, and property owner(s) shall undergo a background check by the Lake County Sheriff Department. An individual may fail the background check if he/she/they has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the Sheriff determines that the applicant, property owner , or permittee is otherwise suitable to be issued a permit and granting the permit would not compromise public safety, the Sheriff shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of the rehabilitation of the applicant."								

property owner, or permittee, and shall evaluate the suitability of the applicant, property owner, or permittee be issued a permit based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the Sheriff shall include, but not be limited to, the conditions described in Section 26057 of the California Business and Professions Code.”

(c) Section 27.13(at)(1)(ii)(g)(1)(i) of Chapter 21 of the Lake County Code shall be amended to read as follows:

(i) Each applicant, **property owner**, and **full-time** employee shall electronically submit to the Department of Justice fingerprint images and related information required by the Department of Justice...(for complete text, please see Article 27)

(d) Section 27.13(at)(1)(ii)(g)(1)(ii) of Chapter 21 of the Lake County Code shall be amended to read as follows:

“An applicant shall not be eligible to receive a permit until electronic fingerprint images have been submitted to the Department of Justice as described in this Section and the Lake County Sheriff Department ~~or Lake County Community Development Department~~ has reviewed the resulting background information provided by the Department of Justice and determined that the applicant is eligible to receive a permit, as the case may be.”

(e) Section 27.13(at)(1)(ii)(g)(1)(iii) of Chapter 21 of the Lake County Code shall be removed:

“Due to the nature of agricultural work, a **full-time** employee may be permitted to work temporarily upon submitting their electronic fingerprint images and related information. Once the application has been reviewed by the Lake County Sheriff Department ~~or Lake County Community Development Department~~, the applicant or permittee must remove any and all **full-time** employees who have failed the background checks from the cultivation site or any other operations related to the Use Permit.”

(f) Section 27.13(at)(1)(ii)(g)(1)(vi) of Chapter 21 of the Lake County Code shall be added to read as follows:

“Should the Community Development Department become aware of active warrants issued for the Applicant, Permittee and/or Property Owner, the processing of the application shall pause until resolution of the warrant.”

(g) Section 27.13(at)(1)(ii)(h)(3) of Chapter 21 of the Lake County Code shall be amended to read as follows:

“(3) The applicant, **property owner**, or permittee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the Lake County Sheriff finds that the applicant, **property owner**, or permittee is otherwise suitable to be issued a permit, and granting the permit would not compromise public safety, the Lake County Sheriff shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, **property owner**, or **permittee** and shall evaluate the suitability of the applicant, **property owner**, or permittee to be issued a permit based on the evidence found through the review.”

(h) Section 27.13 (at)(2)(i)(d)(8) shall be amended to read as follows (new text in bold):

“A complete list of **every property owner and owner of the applicant entity. Applicant and property owner must submit the same information required for a state license application and described in California Code of Regulations 4 CCR §15003. Applications must also include the same information for the property owner, if Applicant is not the property owner.**”

(i) Section 27.13(au)(6) of Chapter 21 of the Lake County Code shall be amended to read as follows:

“6. Background Checks: All applicants, **full-time** employees, and **property owners** shall undergo a background check by the Lake County Sheriff Department. An individual may fail the background check if employee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the sheriff determines that the applicant, **property owner**, or permittee is otherwise suitable to be issued a license **permit** and

		granting the license permit would not compromise public safety, the sheriff shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and/or property owner and shall evaluate the suitability of the applicant, property owner, or permittee be issued a license permit based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the sheriff shall include, but not be limited to, the conditions described in Section 26057 of the California Business and Professions Code. Should the Community Development Department become aware of active warrants issued for the Applicant, Permittee and/or Property Owner, the processing of the application shall pause until resolution of the warrant.” (j) Section 27.13(au)(7) and 7(i) of Chapter 21 of the Lake County Code shall be amended to read as follows: “7. Application for Background Clearance for County Permit: An applicant for cannabis distribution manufacturing permit shall do all of the following: i. Require that each applicant, full-time employee, and property owner electronically submit to the Department of Justice fingerprint images...” (k) Section 27.13(au)(8) of Chapter 21 of the Lake County Code shall be amended to read as follows: “8. Qualifications for a Minor or Major Use Permit: The County may deny a minor or major use permit (Permit) or the renewal of a Permit if any of the following conditions apply: i. If the applicant(s) or property owner(s) fail the background check. ii. Failure to comply with the provisions of this chapter, including but not limited to, any requirement imposed to protect natural resources, in-stream flow, water quality, and fish and wildlife. iii. The applicant has failed to provide information required by the Lake County Zoning Ordinance. The applicant, property owner, or permittee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the Lake County Sheriff finds that the applicant, property owner, or permittee is otherwise suitable to be issued a permit, and granting the permit would not compromise public safety, the Lake County Sheriff shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant or property owner, and shall evaluate the suitability of the applicant, property owner, or permittee to be issued a permit based on the evidence found through the review.” (l) Section 27.13(au)(9) of Chapter 21 of the Lake County Code shall be removed. (m) Section 27.13(au)(28)(vii) shall be amended to read as follows: “vii. A complete list of every owner of the applicant entity, and property owner of the parcels included in the permit application. Applicant must submit the same information required for a state license application, California Code of Regulations 4 CCR §15003. Applications must also include the same information for the property owner, if Applicant is not the property owner.”
Operating Hours		Section 27.13(at)(1)(ii)(l) of Chapter 21 of the Lake County Code shall be replaced to read as follows: “(l) Construction hours, Operational Hours and Delivery Hours (1) All construction activities including engine warm-up shall be limited to Monday through Friday: 7:00 a.m. – 7:00 p.m., and Saturdays from 12:00 noon – 5:00 p.m. Backup beepers shall be adjusted to the lowest allowable level. (2) Maximum non-construction related sound levels shall not exceed levels of 55 dBA between the hours of 7:00 a.m. to 10:00 p.m., and 45 dBA between the hours of 10:00 p.m. to 7:00 a.m. within residential areas, at the property lines. (3) Cultivation Operational hours: Farming operations and activities may be coordinated with other similar agricultural uses, with flexibility to operate during hours essential for planting and harvesting periods. (4) A retailer shall sell and deliver cannabis goods only between the hours of 6:00 a.m. and 10:00 p.m.

		(5) <i>Scheduled deliveries and pickups are restricted as follows: Monday through Sunday: 7:00 a.m. – 7:00 p.m.</i>
Removal of 10-year Permit Expiration and Renewal Requirements, and addition of Opt Out and Reduced Canopy guidelines		(a) Section 27.13(at)(1)(ii)(m) of Chapter 21 of the Lake County Code shall be removed and replaced to read as follows: “(m) Duration of Permits: Commercial cannabis cultivation permit duration: not to exceed ten (10) years. Opt out and Reduced Canopy Process: Cultivation Permittees, upon issuance of their state cultivation license(s), may request a temporary adjustment to the permit activity on an annual basis, in writing and no later than June 1 of each calendar year to: • Reduce the size of the canopy grown during the growing season; or • Not cultivate during the growing season (Opt Out) Opt out requests shall not be approved for consecutive years. Two consecutive years of noncultivation will result in the expiration of the use permit.” (b) Section 27.13(at)(6) of Chapter 21 of the Lake County Code shall be removed in its entirety. (This section regulates applications for renewals) (c) Section 27.13(au)(29) of Chapter 21 of the Lake County Code shall be removed in its entirety. (This section limits the permit duration to 10 years.) (d) Section 27.13(au)(34) of Chapter 21 of the Lake County Code shall be removed in its entirety. (This section lists requirements for permit renewals.)
Commercial Cannabis Cultivation Exclusion Areas		Section 27.13(at)(1)(v)(c) of Chapter 21 of the Lake County Code shall be amended to read as follows (new text in bold): <i>“Public lands, where, because of development or other actions, it is clear that the public is invited to use such locations as places of recreation and other destination activities, including but not limited to hiking, birdwatching, equestrian activities, and camping. Additionally, all State and County parks, including Clear Lake at 7.79 Rumsey, are public lands.”</i>
Farmland Protection Zone		Section 27.13(at)(1)(vi) is amended to read as follows: <i>“...If an applicant finds that their project is in an area where they shall not be allowed to cultivate outdoors then their cannabis cultivation shall be limited to indoor, mixed light, and greenhouses that equipped with filtration systems that prevent the movement of odors, pesticides, and other airborne contaminants out of or into the structure. Greenhouse construction shall utilize anchor-point foundation when feasible. Concrete slab foundations are discouraged.”</i>
Site Plan – Riparian Setbacks		Section 27.13(at)(2)(i)(d)(10)(i) shall be amended to read as follows (new text in bold): <i>“(i) This section shall include a map of any spring, top of bank of any creek or seasonal stream, edge of lake, delineated wetland or vernal pool on the lot of record of land or within 200 feet of the lot of record. This section shall include identification of water courses as defined by the State Water Resources Quality Control Board as Class I-IV, and their corresponding setbacks.”</i>
Annual Performance Review Reports		(a) Section 27.13(at)(5)(i)(a) of Chapter 21 of the Lake County Code shall be amended to read as follows: <i>i. “(a) All cannabis permittees shall submit a “Performance Review Report” on an annual basis, no later than June 1st each calendar year from their initial date of operation for review by the Planning Commission Community Development Department. This annual “Performance Review Report” is intended to identify the effectiveness of the approved use permit, Property Management Plan, and Conditions of Approval, as well as the identification and recommendation of additional procedures or project modifications, as deemed necessary. Project amendments may require use permit amendment and approval by the original approving body.”</i> (b) Section 27.13(at)(5)(i)(b) of Chapter 21 of the Lake County Code shall be amended to read as follows: <i>“(b) Pursuant so subsection 5.i. above, the premises shall be inspected by the Department on an annual basis, or less frequently if approved by the Director.</i>

		Department Staff will make every effort to calculate annual canopy area using the same method as the State licensing entity." (c) Section 27.13(at)(5)(i)(d) of Chapter 21 of the Lake County Code shall be amended to read as follows: "(d) Non-compliance by permittee in allowing the inspection by the Department, or refusal to pay the required fees, or noncompliance in submitting the annual "Performance Review Report" by June 1st of each calendar year, for review by the Planning Commission Community Development Department shall be deemed grounds for a revocation of the development permit or use permit and subject the holder of the permit(s) to the penalties outlined in this Code." (d) Section 27.13(au)(33)(i) of Chapter 21 of the Lake County Code shall be amended to read as follows: "33. Annual Reports: Performance Review <i>i. All cannabis permittees shall submit a "Performance Review Report" on an annual basis, no later than June 1st each calendar year from their initial date of operation for review by the Planning Commission Community Development Department. This annual "Performance Review Report" is intended to identify the effectiveness of the approved use permit, Property Management Plan, and Conditions of Approval, as well as the identification and recommendation of additional procedures or project modifications, as deemed necessary. Project amendments may require use permit amendment and approval by the original approving body."</i> (e) Section 27.13(au)(33)(iii) of Chapter 21 of the Lake County Code shall be amended to read as follows: "iii. Compliance monitoring fees pursuant to the County's adopted master fee schedule shall be paid by permittee no later than June 1st of each calendar year and accompany the "Performance Review Report" for costs associated with the review of the report by County staff." (f) Section 27.13(au)(33)(iv) of Chapter 21 of the Lake County Code shall be amended to read as follows: "iv. Non-compliance by permittee in allowing the inspection by the Department, or refusal to pay the required fees, or noncompliance in submitting the annual "Performance Review Report" for review by the Planning Commission Community Development Department shall be deemed grounds for a revocation of the use permit and subject the holder of the permit(s) to the penalties outlined in this Code."
--	--	---

If not budgeted, fill in the blanks below only:

Estimated Cost: _____ Amount Budgeted: _____ Additional Requested: _____ Future Annual Cost: _____

Purchasing Considerations (check all that apply):

☒ Not applicable

- ☐ Fully Article X- and/or Consultant Selection Policy-Compliant (*describe process undertaken in "Executive Summary"*)
☐ Section 2-38 Exemption from Competitive Bidding (*rationale in "Executive Summary," attach documentation, as needed*)
☐ For Technology Purchases: Vetted and Supported by the Technology Governance Committee ("Yes," if checked)
☐ Other (*Please describe in Executive Summary*)

Consistency with Vision 2028 (check all that apply):

- | | | |
|---|--|--|
| ☒ Well-being of Residents | ☐ Public Safety | ☐ Not applicable |
| ☒ Economic Development | ☐ Infrastructure | ☐ Disaster Prevention, Preparedness, Recovery |
| ☒ Community Collaboration | ☐ Business Process Efficiency | ☐ County Workforce |
| | | ☒ Clear Lake |

Recommended Action: Staff requests consideration of the draft ordinance with a public hearing, and a recommendation of approval to the Board of Supervisors.