

Memorandum

Date: June 12, 2025

To: The Honorable Lake County Planning Commission

From: Mireya G. Turner, Community Development Director

Subject: 9:05 A.M. - Consideration of Summary of Cannabis Policy Recommendations and Request for Planning Commission Recommendation(s)

Executive Summary: Regulations for cannabis-related businesses have been in place since 2014. The Board of Supervisors has updated these regulations periodically to address changes in state law, and lessons learned through existing processes. A summary follows of the latest recommendations to update current local regulations for cannabis-related businesses. This update has benefited from over two years of input from the Cannabis Ordinance Task Force, stakeholder departments, and the public.

Direction from the Board on this process has been clear; to streamline the current regulations to support legal cannabis activity, while considering the impacts of the industry on the surrounding environment and improve processes to reveal and address bad actors. The following summary addresses many updates to achieve these directives.

The summary below includes cannabis-related business types, possible zoning districts to locate these businesses, the level of permit required, development standards, and options to synchronize with existing state regulations. Recommendations included have come from the COTF as well as input from multiple County departments.

After receiving direction from this Board, Staff will draft an ordinance to create Article 73 in the Lake County Zoning Code. This draft ordinance will be reviewed by the Agriculture Advisory Committee and Planning Commission. Recommendations will be collected to present to the Board of Supervisors for consideration and possible adoption by the end of this calendar year. Staff requests input from the Board on the summary, as well as direction on department operations during the preparation of the draft ordinance.

At the November 18, 2024, meeting, the Board considered recommendations regarding cannabis business types, appropriate zoning districts, and permit levels. The table describing both the recommendations and the BOS input is included as Attachment 1.

On January 14, 2025, the Board received the remainder of the Task Force recommendations, included as Attachment 2. During this discussion, the following additional Board direction was received:

- No temporary use of recreational vehicles for worker housing or office space
- Synchronize measurement of canopy with state process
- Add requirement of passing background check by property owner for cultivation permits
- A warrant check for property owners and applicants conducted by Lake County Sheriff's Office for criminal activity warrants, resulting in possible suspension of application
- Add suspension of cultivation applications if background checks reveal active warrants
- Make no changes to the Farmland Protection Zone (FPZ) boundaries or regulations
- Add restoration bond for abatement of greenhouses in abandoned use permits

- Discourage concrete slab foundations in greenhouses, utilizing anchor point; when feasible
- Seek additional options to mitigate odor impacts to residential uses

Additional recommendations were made by the COTF after the Board update, at the January 27 and March 3, 2025 meetings. These recommendations include:

Operational hours, delivery hours, and construction hours -

- Farming operations and activities may align with other agricultural products' hours
- Other cannabis related businesses should align with State regulations
- Scheduled deliveries should be from 7:00 a.m. to 7:00 p.m.

Records Retention – to align with local, State and Federal regulations

Voluntary Termination of Use Permit - A permit holder retains the right to formally withdraw their approved land use permit at any point following approval and before the expiration date.

- To initiate this process, it is required that the permit holder or signing authority for business entity submits notarized documentation to the Community Development Department indicating their decision to cease pursuing the permitted commercial cannabis use.
- This documentation must include the following details: the project name, project identifying number, the address of the permitted location, the Assessor's Parcel Number, the contact information of the permit holder, and a copy of the permit holder's government-issued identification and proof of state licensing agency notification of withdrawal.
- Site remediation is required.
- All outstanding fees must be paid.

Use of Recreational Vehicles – revisited - the regulations applying to farm labor quarters and farm labor camps, shall also apply to commercial cannabis permittees.

Opt Out and Reduced Canopy Process - align the two items with the State regulations, inclusive of June 1st deadline with performance report, inspection, and inspection fees annually.

Site Reclamation Bond - add requirement of \$5,000 surety bond to cannabis permit requirements naming County of Lake Community Development Department as the listed as obligee

Canopy Calculation Method - calculate canopy in alignment with the State's canopy calculation methods.

Remaining recommendations not considered by the COTF but recommended by Staff:

- Synchronize ownership description requirements with the state application
- Seek additional state regulations related to synchronization to facilitate the simplification of local procedures.
- Allow for revocation recommendation of a use permit in the case of off-site unpermitted cannabis activity conducted by the Permittee or Property Owner
- Implement several internal process improvements to streamline and simplify the application workflow. Consider adding setbacks for commercial hemp from cannabis cultivation areas, and off-site residential uses
- Adjust internal policy to take future revocation recommendations directly to the Board of Supervisors for consideration

As of the date of this staff memorandum, there are 65 pending applications for cannabis related businesses. 30 of these applications are considered complete. 35 applications, of which five are for expansion of canopy or addition of processing facilities, are incomplete.

Staff seeks Planning Commission input regarding the above recommendations, and regarding additional matters to consider for the draft ordinance. Planning Commission recommendations will be added to this presentation for Board consideration. Staff expects the draft ordinance to be ready for agency and public review by the end of this calendar year.

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):

☐ Not applicable

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|---|--|--|
| ☒ Well-being of Residents | ☐ Public Safety | ☐ Disaster Prevention, Preparedness, Recovery |
| ☒ Economic Development | ☐ Infrastructure | ☐ County Workforce |
| ☐ Community Collaboration | ☐ Business Process Efficiency | ☐ Clear Lake |

Recommended Action: Staff seeks Planning Commission recommendations and input regarding the above recommendations, and regarding additional matters to consider for the draft ordinance.