

ORDINANCE NO. Introduction (CM)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE AMENDING CERTAIN SECTIONS OF CHAPTER 53 (CANNABIS FACILITIES) OF TITLE 14 (ZONING) OF THE WATSONVILLE MUNICIPAL CODE REGARDING THE CANNABIS EQUITY PROGRAM

WHEREAS, the revisions to Chapter 14-53 (Cannabis Facilities) will allow the city to competitively apply for Cannabis Equity state grant funding; and

WHEREAS, the revisions to Chapter 14-53 (Cannabis Facilities) were developed with input from state officials who recommended amendments to certain sections of the Cannabis Equity Program; and

WHEREAS, on October 1, 2024, the Planning Commission of the City of Watsonville considered the proposed Ordinance and voted 4-0 to adopt Resolution No. 06-24 recommending the City Council adopt amendments to WMC Chapter 14-53 (Cannabis Facilities) and

WHEREAS, the City Council has reviewed the Ordinance, held a public hearing thereon, and found the request to be consistent with the Findings required for a zoning text amendment pursuant to Section 14-12.807 of the Watsonville Municipal Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. FINDINGS.

The above recitals are hereby declared to be true and correct findings of the City Council of the City of Watsonville.

SECTION 2. ENACTMENT.

Chapter 53 (Cannabis Facilities) of Title 14 (Zoning) of the Watsonville Municipal Code is hereby amended by amending subsection (c) of Section 14-53.106 (Permit Classes, Numbers and Locations) to strike out and to read in words and figures as follows:

**Chapter 14-53
CANNABIS FACILITIES**

Sec. 14-53.106 PERMIT CLASSES, NUMBERS AND LOCATION.

(c) The number of cannabis facilities in the City shall not exceed:

Cannabis Use Permit Classifications	Permitted Numbers of Cannabis Use Permits	
	Number of Equity Licenses	Maximum Facilities Allowed
Type 1A, 2A, or 3A (cultivation)	4	6
Type 6 or 7 (manufacturing)	4	15
Type 8 (testing)	4	No limit
Type 9 (nonstorefront retail)		7; only those cultivation and/or manufacturing permittees holding a valid City use permit shall be eligible to obtain a Type 9 cannabis use permit to sell only products cultivated/manufactured at their local Watsonville facility
Type 10 (storefront retail)	4	3
Type 11 (distribution)*	4	2 (standalone)
Processing	4	3

* Distribution shall be allowed in conjunction with a valid permit for cultivation, manufacturing, and/or processing license with approval of an administrative use permit.

A permittee may have only one (1) of each of the following classes of cannabis use permits:

License Type	Description
1A, 2A, or 3A	Cultivation
6 or 7	Manufacturing
9	Nonstorefront delivery

10	Retail
11	Distribution
	Cannabis processing

All other words and figures in Section 14-53.106 shall remain unchanged.

Chapter 53 (Cannabis Facilities) of Title 14 (Zoning) of the Watsonville Municipal Code is hereby amended by amending the title and subsection (a) of Section 14-53.107 (Cannabis Equity Use Permits Set-Aside) to read in words and figures as follows:

Sec. 14-53.107 CANNABIS EQUITY USE PERMITS SET-ASIDE

(a) For those deemed eligible to participate in the Cannabis Equity Program under Chapter [5-49](#) by the Cannabis Equity Officer, Such equity applications shall be processed in conformance with the provisions of this chapter with the following exceptions:

- (1) Entitlement permit fees for eligible equity applicants shall be waived.
- (2) Eligibility as an equity applicant shall be determined at any time.

All other words and figures in Section 14-53.107 shall remain unchanged.

SECTION 3. ENVIRONMENTAL COMPLIANCE.

The provisions of this ordinance are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3). This section is the "common sense exemption" that states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. If the Lead Agency can determine with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject

to CEQA. Pursuant to this section, the proposed amendments and adjustments fit within the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment, because the proposed amendments and adjustments would primarily revise administrative processes relating to cannabis operator permits and renewal of those permits and minor regulatory amendments to the operation of cannabis businesses and would therefore not have a significant effect on the environment. The proposed amendments would also not have a significant effect on the environment because they are allowing commercial retail operations in existing commercial districts and therefore the proposed amendments would not have a significant effect on the environment and therefore the activity is not subject to CEQA.

SECTION 4. SEVERABILITY.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

SECTION 5. PUBLICATION.

This ordinance shall be published in the Watsonville Register-Pajaronian and/or Santa Cruz Sentinel in compliance with the provisions of the Charter of the City of Watsonville.

SECTION 6. EFFECTIVE DATE.

This ordinance shall be in force and take effect thirty (30) days after its final adoption.
