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# CANNABIS EQUITY ORDINANCE MODIFICATIONS

WMC CHAPTERS 5-49 (CANNABIS EQUITY PROGRAM)  
AND 14-53 (CANNABIS FACILITIES)



## BACKGROUND

- In 2016 Ordinance 1345-16 created the Cannabis Ordinance
- In 2019, Ordinance 1381-19 created the Cannabis Equity Program
- In 2022, Ordinance 1448-22 amended Chapter 5-49 (Cannabis Equity Program) to align with the recommendations outlined in the Cannabis Equity Assessment prepared by the California Center for Rural Policy at Cal Poly Humboldt.
- In 2022-2023, the City received a \$767,436 cannabis equity grant from the State. A total of \$690,699 was issued to local cannabis businesses to support their development

## BACKGROUND

- In 2023, as the Cannabis Equity Grant Program became more competitive, and the state found two deficiencies in the City's program:
  - WMC Section 5-49.04, subsection (b)(3) was found to be in violation because it gave preference to those businesses that are at least 50 percent woman owned, and
  - Having one Cannabis Equity Permit set aside for each cannabis permit was in conflict with the state's goals of the Cannabis Equity Program

# PROPOSED AMENDMENTS

- WMC Section 5-49.02 Definitions
  - Change License to Permit
  - Change Licensee to Permittee
  - Change Licensing Official to Permitting Official

## PROPOSED AMENDMENTS

- WMC Section 5-49.04 Eligibility criteria
  - Strikeout the following: ~~Are at least fifty (50%) percent women owned businesses~~

## PROPOSED AMENDMENTS

WMC Section 14-53.106  
Permit classes, number and  
location, subsection (c)

Cannabis Use Permits Classifications	Permitted Numbers of Cannabis Use Permit	
	<del>Number of equity licenses</del>	Maximum Facilities Allowed
Type 1A, 2A or 3A (cultivation)	+	6
Type 6 or 7 (manufacturing)	+	15
Type 8 (testing)	+	No limit
Type 9 (nonstorefront retail)	+	7, only those cultivation and/or manufacturing permittees shall be eligible to obtain a Type 9 permit
Type 10 (storefront retail)	+	3
Type 11 (distribution)	+	2 (standalone)
Processing	+	3

# PROPOSED AMENDMENTS

- WMC Section 14-53.107 Cannabis equity use permits ~~set aside~~.
  - For those deemed eligible to participate:
    - Entitlement permit fees shall be waived
    - Eligibility shall be determined at any time
    - Ownership structure of the cannabis equity business shall not be modified for 5 years after permittee has commenced business

## PLANNING COMMISSION RECOMMENDATION

The Planning Commission recommends the City Council adopt amendments to Chapters 5-49 (Cannabis Equity Program) and 14-53 (Cannabis Facilities) of the Watsonville Municipal Code and finding the amendments exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines 15378(a) or 15061(b)(3)