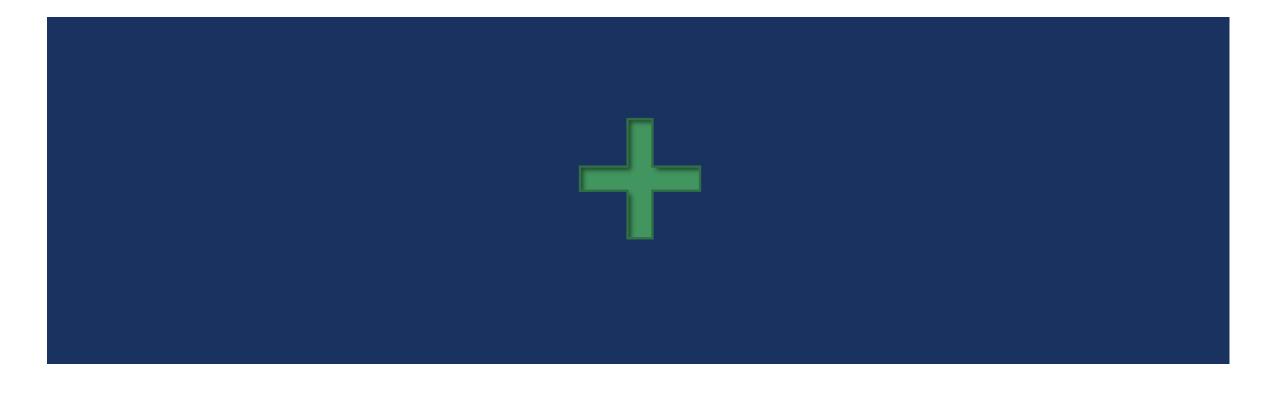
CANNABIS EQUITY ORDINANCE MODIFICATIONS

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)

	Permitted Numbers of Cannabis Use Permit	
Cannabis Use Permits Classifications	Number of equity licenses	Maximum Facilities Allowed
Type 1A, 2A or 3A (cultivation)	+	6
Type 6 or 7 (manufacturing)	+	15
Type 8 (testing)	4	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 II (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)