

**ORDINANCE NO. 3679 C.S.**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF MONTEREY**

**CANNABIS BUSINESS ORDINANCE UPDATE**

THE CITY COUNCIL OF THE CITY OF MONTEREY DOES ORDAIN AS FOLLOWS:

SECTION 1:

WHEREAS, on May 2, 2023, the City Council considered the project description and on June 6, 2023, the City Council approved it as modified by including an additional storefront retailer on N. Fremont and up to two temporary cannabis events to guide environmental review;

WHEREAS, under state law, there are restrictions on the location of cannabis businesses. For example, a cannabis business cannot be within a 600-foot radius of an existing youth center, as defined by Health & Safety Code section 11353.1(e)(2). (See also Health & Safety Code section 11362.768.) A youth center includes establishments with ten or more arcade machines;

WHEREAS, the city has discretion to reduce the 600-foot spacing requirement, including but not limited to reducing the spacing requirement between youth centers and cannabis businesses. (Business & Professions Code section 26054(b));

WHEREAS, the city has recently approved use permits for arcade businesses within the cannabis overlay zones. Many of the arcade businesses are for adult use and serve alcohol while also permitting children in the facility. The City does not anticipate negative secondary effects to stem from the proximity of a cannabis business to an arcade business. Therefore, the 600-foot spacing is not necessary and the purpose of this ordinance amendment is to delete that restriction;

WHEREAS, it is the intent of the City to create an even playing field in the cannabis retail selection process by allowing potential operators to participate in a selection process before having secured a physical location for the business. "For many, the cost of securing and leasing a business location and holding that location for many months during a long selection process can be too expensive. This leaves only well-capitalized and well-established businesses able to compete for the licenses..." which can perpetuate social inequities. (League of California Cities, Seed to Sale: A Guide to Regulating Cannabis in California Cities (2021)) Therefore, the city will hold a public drawing/lottery, during which one City Council approved applicant will be randomly selected to operate in one of the four overlay zones;

WHEREAS, based on the exemption review, accepted by the City Council by resolution on November 7, 2023 and incorporated by reference herein, the City's General Plan EIR has adequately addressed the following issues, and no further environmental review is required pursuant to Public Resources Code section 21083.3: aesthetics; agricultural resources; air quality; biological resources; cultural resources; geology and soils (fault rupture, seismic and geologic hazards, erosion, soils,); hazards/hazardous materials (use/disposal of hazardous materials, create hazard, exposure to hazardous materials, airport safety, emergency response); hydrology-water quality (water quality, groundwater, drainage, flood hazards); land use; mineral resources; noise (noise increases, vibration); population and housing; public

services; recreation; transportation (conflicts with program or policy, hazardous design, emergency access); and utilities (water supply, wastewater treatment, solid waste disposal); and cumulative impacts.

The following project impacts have been analyzed and determined to result in no impact or to be less than significant due to substantial mitigation resulting from General Plan policies, zoning regulations and/or development standards that are uniformly applied to development projects throughout the City: forest resources; energy; geology and soils (paleontological resources); greenhouse gas (GHG) emissions; hazards/hazardous materials (wildfire hazards); hydrology-water quality (conflicts with plans); transportation (conflict with CEQA Guidelines-VMT); tribal cultural resources; and utilities (infrastructure); wildfire. Accordingly, the proposed project would not result in impacts peculiar to the project or the site or substantially more severe impacts than evaluated in the General Plan Update EIR, and no further review is necessary pursuant to Public Resources Code section 21083.3 and the State CEQA Guidelines section 15183, and no further environmental analysis is required.

NOW THEREFORE, the Monterey City Council declares as follows:

SECTION 2: The foregoing recitals are adopted as findings of the City Council as though set forth fully herein.

SECTION 3: Monterey City Code section 7-7.07(C) is hereby amended to read as follows:

“C. A zone clearance shall be obtained for retail businesses before the city will issue a cannabis permit. After the City Council selects the top four cannabis storefront retail businesses, the Community Development Director will conduct a drawing, that is open to public view, to identify the order by which the top four commercial cannabis business applicants choose their preferred zone from the available zone(s). This process is to ensure that all four zones have one storefront retail cannabis business.”

SECTION 4: Monterey City Code section 7-7.07(D) is hereby deleted and Section 7-7.07(E) is re-lettered as Section 7-7.07(D).

SECTION 5: Monterey City Code section 7.07.09(A)(3) is amended to read as follows:

“3. No physical address for the proposed cannabis business shall be listed on the retail permit application.”

SECTION 6: Monterey City Code, Chapter 38, Article 3, Section 38-11, is hereby amended to change the definition of Youth Center. This definition applies to this Chapter and shall prevail over any inconsistent definitions in the City Code.

“Youth center: means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, or social service teenage club facilities.”

SECTION 7. Severance. If any section, subsection, phrase, or clause of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity

of the remaining portions of this Ordinance.

SECTION 8. Effective Date. This ordinance shall become effective thirty days from the date of adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 16th day of January, 2024, by the following vote:

AYES:	4	COUNCILMEMBERS:	Barber, Garcia, Haffa, Williamson
NOES:	1	COUNCILMEMBERS:	Smith
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None

APPROVED:

ATTEST:

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 Mayor of said City

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ED0453A4F62C4AA  
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 City Clerk thereof