COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

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Fifth District

DATE: **January 14, 2026** **03**

TO: Board of Supervisors

SUBJECT
REPORT BACK AND SEEK DIRECTION ON THE DRAFT SOCIALLY EQUITABLE CANNABIS PROGRAM AND RELATED CEQA EXEMPTION (DISTRICTS: ALL)

OVERVIEW
The Board of Supervisors (Board) has taken several steps to create a safe, equitable, and environmentally responsible legal cannabis industry in the unincorporated areas of San Diego County. The goal is to align State and County regulations, expand economic and agricultural opportunities, and minimize impacts on public health, safety, and the environment. On January 27, 2021 (4), the Board directed the Chief Administrative Officer (CAO) to develop the Socially Equitable Cannabis Program (SECP), the term used for the overall County program, including amendments to the Zoning Ordinance and Regulatory Code, and advise on cannabis taxes. The Board also directed staff to explore a Social Equity Program (SEP) for applicants as part of the overall SECP. On June 9, 2021 (2), the Board provided further direction to prepare a Program Environmental Impact Report (PEIR) to analyze the environmental effects of permitting new cannabis facilities. On June 15, 2022 (7), the Board expanded that direction to include 16 additional measures to address community concerns and mitigate potential impacts, including a Community Equity Contribution Program (CECP) to ensure cannabis facilities provide benefits to surrounding neighborhoods. On April 30, 2024 (31), the Board provided direction on SEP eligibility criteria tiers, aiming to promote fair access to the cannabis industry for individuals adversely impacted by cannabis criminalization.

This item provides an update on the draft SECP, a summary of the environmental analysis (PEIR), and stakeholder feedback received to date. This item also provides the Board with an opportunity to provide direction on three key program decision points so that staff can prepare the final draft County Zoning Ordinance and Regulatory Code for the Board's final consideration in summer 2026. When staff returns to the Board in summer 2026, the Board will have the ability to re-consider any program features in light of final environmental review and additional stakeholder feedback.

The options on the three key decision points presented by staff today reflect direction from the Board and stakeholder feedback. Staff developed the draft SECP to create a consistent framework for permitting and regulating new cannabis businesses in the unincorporated area. The SECP could allow a range of commercial cannabis uses, including cultivation, manufacturing, distribution, testing, microbusinesses, retail, consumption lounges, and temporary cannabis events. Staff has prepared: (1) draft Zoning Ordinance and Regulatory Code amendments, establishing where cannabis businesses may operate and the standards they must meet; (2) a proposed licensing and permitting process; (3) a PEIR evaluating potential environmental effects; and (4) an SEP to promote fair access for individuals disproportionately affected by cannabis criminalization.

Since the Board's initial direction in 2021, County staff have conducted over 280 outreach meetings with the public, cannabis businesses, social equity advocates, Community Planning and Sponsor Groups (CPSGs), tribal governments, cannabis industry advocates, environmental groups, regulatory agencies, and public health and safety advocates. Staff released the draft PEIR and ordinances for public review in January 2025 and conducted extensive outreach with social equity applicants, environmental groups, CPSGs, community members, and others. The PEIR found that, even with strong safeguards in place, impacts such as odor, noise, and groundwater use could remain significant and unavoidable. Feedback reflected a wide range of perspectives from those supporting a program that aligns with State law to others strongly opposed to allowing cannabis facilities in the unincorporated area. Community members and several CPSGs recommend maintaining the existing ban, while others identified additional regulations they would want to see if the Board adopted the SECP. Staff also heard significant feedback regarding temporary cannabis events and onsite consumption lounges, with many raising concerns about impaired driving, odor, exposure to minors, and overall compatibility with surrounding communities. These activities would be subject to State licensing and oversight, along with enforcement to ensure public safety and compliance.

Based on this diverse input, along with direction from the Board, staff developed three program options across the key decision points, incorporating feedback on the types of facilities allowed, identification of sensitive uses requiring buffers, buffer distances, and separation requirements between facilities. Generally speaking, the options under each decision point are organized from least to most restrictive from a regulatory standpoint (A is the least restrictive, C is the most restrictive). The Board may select one of the following options, or a variation, as preliminary guidance to the summer 2026 hearing when a final decision will be made.

Decision Point #1: Land Use

Each of these program options seek to balance alignment with State law, community and stakeholder concerns, and equitable access to the legal cannabis market. While all three program options include the same main regulations and safeguards, such as odor control, lighting standards, water use requirements, and security, they differ in geographic implications of how and where cannabis facilities can be allowed.

Option A: Align with State Standards: Allow all cannabis facility types. Require a 600-foot buffer from schools, day cares, and youth centers to cannabis facilities, consistent with the January 27, 2021 (4) Board direction, and State regulations; OR

Option B: Adopt Blended Regulations: Allow all cannabis facility types and modify the draft ordinance amendment to require a 1,000-foot buffer from an expanded list of sensitive uses to cannabis facilities, consistent with the June 15, 2022 (7) Board direction. Remove residential care facilities and public trails from the expanded list of sensitive uses to allow for more potential retail locations, and modify the 1,000-foot buffer from preserves to only apply to mixed-light and outdoor cultivation facilities. Require additional buffers applicable to mixed-light and outdoor cultivation; OR

Option C: Prohibit Outdoor Cultivation: Modify the draft ordinance amendment to allow all cannabis facility types, except for outdoor cultivation. Require a 1,000-foot buffer from an expanded list of sensitive uses to cannabis facilities, consistent with the June 15, 2022 (7) Board direction. Require additional buffers applicable to mixed-light cultivation.

Decision Point #2: Regulations on Temporary Events & Consumption Lounges

Staff is presenting the Board with the option to specifically regulate the Temporary Cannabis Events and Onsite Consumption Lounges because of the substantial feedback received on these facility types. Many stakeholders expressed concern about intoxicated driving, odor, exposure to minors, and overall community compatibility. These activities would be subject to State licensing and oversight, as well as enforcement to ensure compliance with public safety and operating standards.

Option A: Retain Temporary Cannabis Events and Onsite Consumption in SECP for Further Consideration.

Option B: Remove Temporary Cannabis Events and Onsite Consumption Lounges from the SECP.

Decision Point #3: Community Equity Contribution Program (CECP)

Staff are also seeking direction on the CECP, which includes incentives for direct benefits to the community where these facilities and operations will be located. Staff conducted research and collaborated with the community through outreach sessions and identified a potential approach for the CECP. The CECP could be implemented through Community Incentive Grants, which have the potential to provide on-going community benefits once the business is operational. This would allow cannabis businesses that provide a community benefit to apply for and receive tax rebates or grants, ensuring sufficient time for new cannabis businesses to obtain all their required permits/licenses before making a community contribution. Direction will allow staff to further develop the Community Incentive Grants program with additional detail.

Option A: Continue to develop the CECP and include in final ordinance return in Summer 2026.

Option B: Do not continue to develop the CECP and focus solely on development and administration of the SEP.

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Following Board direction on these items, staff will prepare the final PEIR and ordinances for Board consideration in summer 2026. At the summer 2026 hearing, the Board may consider and adopt any of the project alternatives, including maintaining the existing County prohibition on new cannabis business if it determines a regulated program is not appropriate at that time. If the Board direction in summer 2026 is significantly different than what was directed today and analyzed in the environmental review, an additional hearing and potentially further environmental analysis may be required. The Governor's Office of Business and Economic Development has awarded OERJ grant funding, but funding cannot be disbursed until cannabis programming and amendments have been approved. This funding is only available through October 31, 2026 and requires a decision on the SECP Board adoption by that time to allow funds to be disbursed to SEP applicants.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

1. Find that the proposed actions are not subject to the California Environmental Quality Act (CEQA) as specified under Section 15061(b)(3) of the CEQA Guidelines. Subsequent actions will be reviewed pursuant to CEQA and presented to the Board for consideration prior to approval.

2. Provide direction on land use program components based on stakeholder feedback. The Board may recommend one of the options identified below or a variation thereof as preliminary guidance:

   A. **Program Option A - Align with State Standards:** Allow all cannabis facility types consistent with State-defined buffers from sensitive uses.

   B. **Program Option B – Adopt Blended Regulations:** This option is more restrictive than State standards and would modify the draft ordinance amendment to still allow all cannabis facility types with expanded buffers and a modified list of sensitive uses.

   C. **Program Option C – Prohibit Outdoor Cultivation:** This is the most restrictive option that would modify the draft ordinance amendment to allow all cannabis facility types except for outdoor cultivation with added buffers and sensitive uses.

3. Provide direction on refining program regulations based on stakeholder feedback regarding consumption lounges and temporary cannabis events. The Board may recommend one of the Policy Options identified below:

   A. **Option A**: Retain Temporary Cannabis Events and Onsite Consumption in SECP for Further Consideration.
   B. **Option B:** Remove Temporary Cannabis Events and Onsite Consumption Lounges from the SECP.

4. Provide direction on whether to continue to develop the Community Equity Contribution Program (CECP) Community Incentive Grants, which would allow cannabis businesses that provide a community benefit to apply for and receive rebates or grants based on the payment status of their cannabis taxes.

   A. **Option A –** Continue to Develop the CECP.

   B. **Option B –** Do Not Continue to Develop the CECP.

EQUITY IMPACT STATEMENT
On January 27, 2021 (4), the Board of Supervisors (Board) directed staff to develop the Socially Equitable Cannabis Program (SECP) with the goal of creating a safe and equitable legal cannabis industry in the unincorporated area. A core component of SECP is the Social Equity Program which seeks to rectify the injustices caused by the War on Drugs by ensuring individuals disproportionally impacted by cannabis criminalization have priority access to business opportunities.

SUSTAINABILITY IMPACT STATEMENT
The Socially Equitable Cannabis Program (SECP) aims to establish an environmentally responsible and socially equitable legal cannabis industry within unincorporated areas. The draft amendments to the Zoning Ordinance define land use standards and operational regulations for cannabis facilities designed to protect safety and welfare; minimize potential negative impacts on communities and the environment; and ensure compliance with local and State laws. All cannabis facilities would be required to conform to the County General Plan and any applicable specific plans, master plans, and all applicable zoning and regulatory standards and State regulations. Throughout the development of the SECP, staff collaborated closely with regulatory agencies, technical advisory groups, and the public to ensure alignment with environmental standards and best practices. The SECP is being developed to establish a framework through which new cannabis facilities mitigate environmental impacts and protect natural resources, water, and energy consumption.

FISCAL IMPACT
Recommendations 1-3
There is no fiscal impact associated with recommendations 1 through 3. Staff anticipate returning to the Board of Supervisors (Board) with the final Program Environmental Impact Report and ordinances at a future hearing. Any specific potential fiscal impacts associated with program adoption will be identified at a future hearing. There will be no change in net General Fund costs and no additional staff years.

Recommendation 4
If the Board directs staff to implement the Community Equity Contribution Program (CECP), there is no fiscal impact in Fiscal Year 2025-26 in the Finance and General Government Group, Office of Equity and Racial Justice (OERJ). There would be future program costs and revenue estimated at $20,000 per year beginning in Fiscal Year 2027-28 in OERJ, which would be included in future

Operational Plans and funded by existing resources and staffing based on General Purpose Revenue for the Social Equity Program (SEP). Costs are not projected to begin until Fiscal Year 2027-28 because in order to qualify for CECP, new cannabis businesses must be operational and be up to date on tax payments for one year. It is projected to take one to two years to get through State and County licensing processes. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT
There is no business impact associated with today's recommendations. Staff anticipates returning to the Board of Supervisors (Board) with the final Socially Equitable Cannabis Program (SECP) at a future hearing. If the final SECP is adopted, depending on the direction provided by the Board, the SECP could create jobs in the unincorporated areas, as part of a regulated cannabis industry. Any specific potential business impacts associated with program adoption will be identified at a future hearing.

ADVISORY BOARD STATEMENT
N/A

BACKGROUND
In 2016, California Proposition 64 decriminalized recreational cannabis for adults over 21 years of age. There are five existing nonconforming cannabis facilities with valid Operating Certificates in the unincorporated area. On March 15, 2017 (2) and March 22, 2017 (6), the Board of Supervisors (Board) amended and repealed the County Zoning Ordinance (Zoning Ordinance) related to medical and non-medical cannabis facilities within the unincorporated area. This included a moratorium on the establishment of new cannabis facilities.

Following the State's legalization of adult-use cannabis, local governments with land use authority were empowered to decide how to regulate commercial cannabis in their communities. The Board has taken several steps to establish a safe, equitable, and environmentally responsible cannabis industry in the unincorporated area. Since 2021, the Board provided direction that built upon each prior action. The Board first defined the regulatory framework to implement (January 2021) and then expanded that framework to include additional local regulations (June 2022), leading to the comprehensive program options now before the Board. Below is a summary of Board direction.

Summary of Board Direction
On January 27, 2021 (4), the Board directed the Chief Administrative Officer (CAO) to develop the Socially Equitable Cannabis Program (SECP) to allow for the establishment of new cannabis facilities in the unincorporated area. The draft SECP includes four components: 1) proposed regulatory requirements, including amendments to the County Zoning Ordinance and the Regulatory Code, 2) proposed licensing and permitting structure and procedures, 3) a Program Environmental Impact Report (PEIR) to analyze potential environmental impacts from the program, and 4) a Social Equity Program (SEP) promoting fair access to the cannabis industry for those who have been impacted by cannabis-related criminalization and the War on Drugs. The Board directed the CAO to develop the SECP in accordance with State requirements, which mandates that all facilities be located outside of a 600-foot buffer from State sensitive uses

including schools, day cares and youth centers. The current draft ordinances are based on this Board direction.

On June 15, 2022 (7), the Board directed the analysis and incorporation of 16 additional measures into the draft SECP to further address community concerns, which included a Community Equity Contribution Program (CECP), (Attachment A). As part of this direction, staff incorporated additional measures into the SECP environmental review, including an expanded list of sensitive uses, a 1,000-foot buffer from sensitive uses, and restrictions on advertising on billboards. The measures expanded sensitive uses beyond schools, day cares, and youth centers to also include regional parks, local parks, public trails, recreation facilities, preserves with visitor-serving amenities, places of worship, childcare centers, public libraries operated by the County or other cities, residential care facilities, and other cannabis facilities. These measures have been incorporated into Options B and C, described later in this Board Letter. Additionally, this direction included Measure 9, which directed staff to explore the CECP to ensure cannabis facilities provide benefits to the neighborhoods in which they operate, and refinement of operating and performance standards to address community and environmental concerns.

On April 30, 2024 (31), the Board considered and provided policy direction on the Social Equity Program (SEP), aiming to promote fair access to the cannabis industry by prioritizing and supporting individuals adversely impacted by cannabis criminalization. The recommendations included receiving an update on the program, policy direction on the SEP eligibility criteria, the SEP-related ordinance components, as well as approving the structure of the program's oversight body. This oversight body will be established after final cannabis Board adoption and will report back to the Board on an annual basis to provide transparency by informing and updating the Board on how the cannabis SEP is doing, what the community feels is working, and on what the community has expressed dissatisfaction. This oversight body can assist in informing the Office of Equity and Racial Justice (OERJ) on the design, implementation, and evaluation of the SEP, how to use grant funding, what programming should be added, and what programming may not be necessary.

Stakeholder Outreach and Engagement Summary

To solicit feedback from diverse stakeholders on the components of the SECP, staff conducted a multi-year, robust public engagement and outreach. This valuable feedback helped to shape and refine the SECP. Since the Board directed the development of the SECP in 2021, County Planning & Development Services (PDS) has conducted over 280 outreach meetings with the public, cannabis businesses, social equity advocates, Community Planning and Sponsor Groups (CPSGs), tribal governments, cannabis industry advocates, environmental groups, regulatory agencies, and public health and safety advocates. Notice of public meetings, hearings, and project milestones are emailed at least two weeks in advance to over 7,000 individuals that are subscribed to learn more about the SECP and PDS projects. Project materials, presentations, and other resources were posted online to the SECP's engagement website for individuals to familiarize themselves with the SECP.

The Draft PEIR and draft ordinance amendments were released for a 60-day public comment period from January 30, 2025, to March 31, 2025, 15 days beyond the legal requirement to allow for adequate time for stakeholders to respond. Staff held five public meetings to receive comments, both virtually and in-person, and distributed copies of the Draft PEIR and ordinances in 12 County libraries in the unincorporated area and electronically on SECP's webpages. Staff received 357 public comments from 215 unique commenters. A summary of these comments, and a link to all public comments received, can be found in Attachment C. Major themes of the feedback include environmental impacts, odors, sensitive uses, buffer distances, public health, cannabis product safety and testing, code enforcement and crime, traffic and road safety, community notification, overconcentration of cultivation facilities, consumption lounges, and temporary cannabis events. Several CPSGs were in opposition to the SECP altogether. Based on community, CPSG, and industry input, staff have identified several potential changes to the SECP presented in this Board letter and are seeking Board direction on whether to incorporate these modifications before finalizing the program for future consideration in summer 2026.

Planning Commission Input on SECP

On October 17, 2025, staff provided an informational presentation to the Planning Commission (Commission). Commissioners in attendance included Chair Ashman, Commissioner Calvo, Commissioner Sudberry, and Commissioner Sabellico. Although a formal recommendation was not requested at that time, the Commission was given the opportunity to provide input on the SECP. Staff shared the potential changes that could be made to the SECP as part of the program options. The Commission did not have specific feedback but requested that staff return with additional information on permitting and licensing fees.

Requests for Board of Supervisors Direction

Following the public comment period for the Draft PEIR and draft ordinances, staff led an additional phase of outreach to further engage stakeholders and identify potential revisions to the SECP to address their concerns. Staff held collaborative small-group meetings with CPSGs, social equity applicants, and the Farm Bureau, in addition to previous engagement efforts. Feedback from these groups varied. A summary of these comments, and a link to all public comments received, can be found in Attachment C.

CPSGs expressed concerns about potential impacts on wildlife, light pollution, and air quality. CPSGs were in opposition to cultivation facilities, specifically outdoor and mixed-light cultivation. In terms of odor impacts, odor is more difficult to control when cannabis is grown outdoors or within a greenhouse (mixed-light) which regularly vents to maintain an optimal growing environment. Indoor cultivation does not experience the same odor impacts since the structures used for cultivation are completely enclosed, allowing odor control and filtration methods to be more effective. CPSGs also noted that existing buffer requirements may be insufficient to protect residential uses from cultivation facilities and their potential overconcentration, which could intensify odor, lighting, water usage, and other related impacts. Several CPSGs were in opposition to the SECP altogether.

Conversely, social equity applicants and industry advocates emphasized that increasing buffers could reduce the availability of suitable locations for a cannabis facility and create additional barriers. They also expressed support for ensuring safe access to cannabis.

Based on feedback, staff are seeking direction from the Board on three decision points including:

1. Land use
2. Regulations on consumption lounges and temporary events
3. Community Equity Contribution Program

Decision Point #1: Land Use

To address stakeholder feedback, Staff identified potential land use revisions to the draft ordinances that build on alternatives evaluated in the Draft PEIR. For the Board's selection, staff prepared three suggested program options. A comparison between the PEIR project alternatives and the suggested options can be found in Attachment B. The program options are either consistent with or more restrictive than the PEIR analysis. Each of the program options seek to balance alignment with State law, community and stakeholder concerns, and equitable access to the legal cannabis market. While all three program options include the same main regulations and safeguards, such as odor control, lighting standards, water use requirements, and security, they differ in geographic implications of how and where cannabis facilities can be allowed. These differences are shaped primarily by three variables:

1. Buffer distances and definition of sensitive uses, which influence how close facilities can be located to homes, schools, and other community areas,
2. Cultivation limitations, which determine the type and scale of cannabis cultivation facilities,
3. Separation between cannabis facilities, which affects potential clustering or overconcentration.

These variables influence how many parcels are eligible based on zoning and buffer standards, how compatible facilities are with surrounding uses, and how accessible the market is to new or social equity operators.

Although staff prepared the suggested program options to reflect the range in stakeholder feedback, the Board has the discretion to direct variations of these options. If these variations fall outside of what was analyzed within the PEIR, additional environmental analysis would likely be required. Both the draft Zoning Ordinance and Regulatory Code would be amended to reflect the Board's preliminary guidance in preparation for the summer 2026 hearing.

Option A: Align with State Standards: This option reflects no changes to the sensitive uses and buffers defined within the draft Zoning Ordinance amendments and mirrors State law and the Board's January 2021 direction. This option allows all cannabis facility types, including retail, consumption lounges, cultivation, manufacturing, distribution, testing, temporary events, and microbusinesses. It also requires a 600-foot buffer from schools, day cares, and youth centers.

This approach provides the most consistent framework with State regulations and the simplest pathway for applicants. Because buffers are limited to State-mandated distances and sensitive uses, more parcels would be eligible for cannabis facilities under this option compared to the others. This could reduce barriers to market entry and support social equity applicants. However, the absence of additional local separation standards means facilities could be located closer to residential areas and rural neighborhoods. While still subject to performance standards and operational requirements, such as odor mitigation, lighting standards, and security requirements, this approach provides fewer layers of local discretion to address regional compatibility concerns.

This option aligns most closely with stakeholders advocating for consistency with State law, including operators, social equity applicants, agricultural groups, and industry advocates, but provides less assurance to community members seeking greater local oversight.

Option B: Adopt Blended Regulations: This option builds upon the Board's June 2022 direction and goes beyond State regulations by incorporating additional buffers and sensitive uses to allow for greater separation between cannabis facilities and community areas. All cannabis facility types would be allowed, but a 1,000-foot buffer from most of the sensitive uses would be applied.

Community members and CPSGs emphasized the need for greater distance from cultivation facilities to residential neighborhoods, as well as measures to address clustering of cultivation facilities in specific areas. To address these concerns, this option introduces new cultivation buffers (developed through community feedback) to mitigate impacts such as odor, noise, and lighting, by addressing the potential overconcentration of cultivation facilities and their proximity to residential neighborhoods. The buffers are applicable to outdoor and mixed-light cultivation due to their unique impacts, such as odor emissions, which are not typically caused by indoor facilities.

These additional buffers include a 1,000-foot buffer from outdoor and mixed-light cultivation facilities to residential zones, parcels designated as Semi Rural (SR) Residential 0.5 or 1 in the San Diego County General Plan, California Department of Fish and Wildlife's (CDFW) ecological reserves and wildlife areas, and preserves with visitor-serving amenities. The buffers from residential zones and SR Residential 0.5 or 1 parcels address feedback to provide distance from cultivation facilities to residences. These parcels are more likely to support a rural neighborhood rather than commercial farming. Additionally, this option requires a 0.5-mile buffer between outdoor and mixed-light cultivation facilities. This prevents overconcentration of facilities in a single area and creates a natural cap in communities as facilities establish.

CDFW provided comments requesting a buffer from CDFW's ecological reserves and wildlife areas, citing concerns regarding lighting, fencing, conversion of land, and runoff. Although the SECP already includes standards to protect biological resources, this option provides further protections by requiring a 1,000-foot buffer from outdoor and mixed-light cultivation facilities to wildlife areas and ecological reserves owned by CDFW.

Industry advocates and social equity applicants noted that additional buffers could reduce the availability for a suitable location and create barriers for social equity operators. To address industry concerns, this option removes public trails and residential care facilities as sensitive uses and limits the 1,000-foot buffer from preserves with visitor-serving amenities to apply only to outdoor and mixed-light cultivation, rather than all cannabis facility types, as previously directed by the Board on June 15, 2022 (7). These sensitive uses are considered low impact, as they are used transiently or infrequently by youth and therefore pose a reduced compatibility risk, and allow for safe access to legal cannabis.

Overall, this option responds to a wide range of feedback. It expands community protections beyond State standards while retaining enough potential parcels to support equitable participation and industry viability.

Option C: Prohibit Outdoor Cultivation: This option provides the most restrictive framework, placing greater emphasis on community protection than on market flexibility. It builds upon the structure of the Blended Regulations option but goes further by prohibiting outdoor cultivation and requiring a 1,000-foot buffer from an expanded list of sensitive uses, based on the June 2022 Board direction.

Prohibiting outdoor cultivation substantially reduces the feasibility for operators to establish cultivation facilities. While mixed-light and indoor cultivation would be allowed, these uses generally require higher start-up costs and may be less accessible to small operators. The expanded buffers, sensitive uses, and outdoor cultivation prohibition would also substantially minimize potential impacts of community concern, such as odor.

This option, however, creates the highest barriers to entry and lowest overall parcel availability of the three options. It would likely result in a smaller, more limited cannabis industry in the unincorporated area but with the greatest level of community assurance regarding compatibility safeguards. The table below summarizes the three suggested program options showing the differences between allowed uses, buffers from sensitive uses, and separation between facilities. Option A would allow cannabis uses in most areas, while Options B and C would further restrict parcels eligible for cannabis uses. Additional criteria not shown on the table below, such as required setbacks or other development standards, may further restrict potential parcel eligibility.

Decision Point #1: Land Use			
	Option A **Align with State Standards**	**Option B** **Adopt Blended Regulations**	**Option C** **Prohibit Outdoor Cultivation**
Overview	Mirrors the minimum state requirements.	Goes beyond state requirements to include certain additional buffers and sensitive uses.	Most restrictive option with the most sensitive receptors.
Allowed Cannabis Uses	**Industrial/Commercial:** • Distribution • Manufacturing • Testing • Microbusiness • Retail • Consumption Lounges • Temporary Events **Cultivation:** • Indoor • Mixed-Light • Outdoor	**Industrial/Commercial:** • Distribution • Manufacturing • Testing • Microbusiness • Retail • Consumption Lounges • Temporary Events **Cultivation:** • Indoor • Mixed-Light • Outdoor	**Industrial/Commercial:** • Distribution • Manufacturing • Testing • Microbusiness • Retail • Consumption Lounges • Temporary Events **Cultivation:** • Indoor • Mixed-Light
Buffer Distances from Sensitive Receptors			
All Cannabis Uses	600 ft. buffer from the Sensitive Receptors below: • Schools • Day cares • Youth centers	1,000 ft. buffer from the below: • Schools • Day cares • Youth centers • Parks • Recreation facilities • Public libraries • Places of worship	1,000 ft. buffer from the below: • Schools • Day cares • Youth centers • Parks • Recreation facilities • Public libraries • Places of worship • Public trails • Residential care facilities • Preserves with visitor amenities
Outdoor & Mixed-Light Cultivation Only	None	In addition to the above, 1,000 ft. buffer from: • Residential zones • SR Residential 0.5 and 1 parcels • CDFW Wildlife Areas & Ecological Reserves • Preserves with visitor amenities	In addition to the above, 1,000 ft. buffer from: • Residential zones • SR Residential 0.5 and 1 parcels • CDFW Wildlife Areas & Ecological Reserves
Temporary Events	In Addition to the above, 600 ft. buffer from: • Residential zones	In addition to the above, 1,000 ft. buffer from: • Residential zones	In addition to the above, 1,000 ft. buffer from: • Residential zones
Separation Between Facilities			
All Cannabis Uses	None	1,000 ft. between all cannabis facilities	1,000 ft. between all cannabis facilities
Outdoor & Mixed-Light Cultivation	None	0.5-mile between outdoor & mixed-light cultivation facilities	0.5-mile between mixed-light cultivation facilities

This table does not reflect additional criteria such as required setbacks or other development standards, which may further restrict potential parcel availability.

The Board may select one of the suggested options or a variation of these options, developed based on stakeholder feedback. The Board's policy direction is not a final determination on the SECP. Staff will return to a future hearing in summer 2026 with the amendments to the Zoning Ordinance and Regulatory Code, the Final PEIR, and any associated permitting and licensing fees for the Board's consideration. At the summer 2026 hearing, the Board may consider and adopt any of the project alternatives, including maintaining the existing prohibition on new cannabis business if it determines a regulated program is not appropriate at that time.

Decision Point #2: Regulations on Consumption Lounges and Temporary Events

The original Board direction for the SECP on January 27, 2021 (4), directed staff to include onsite consumption of cannabis products at specific cannabis facilities and at temporary cannabis events. Staff developed draft regulations for both temporary cannabis events and onsite consumption lounges based on best practices from other jurisdictions. Both temporary cannabis events and onsite consumption lounges have been included in public outreach efforts. The draft regulations were also provided to the public as part of the PEIR outreach efforts described above.

Staff received numerous comments during public outreach about both temporary cannabis events and onsite consumption lounges. Most of the comments received were concerns about the impacts of these cannabis uses types to unincorporated communities. Specific concerns included intoxicated driving, odor impacts to neighboring businesses and patrons, exposure of minors to cannabis odor, advertising and intoxicated individuals at events/lounges and the general compatibility of these facilities within the built environment of the unincorporated communities. In addition to individual comments, several CPSGs included concerns about these facility types in comment letters and during public outreach meetings.

Option A: Retain Temporary Cannabis Events and Onsite Consumption in SECP for Further Consideration.

Option B: Remove Temporary Cannabis Events and Onsite Consumption Lounges from the SECP.

Based on the extent of public concern about these specific cannabis uses, staff requests feedback from the Board whether these facility types should be retained in the draft SECP. The Board's direction will be incorporated into the SECP and brought forward to the Board in summer 2026.

Decision Point #3: Community Equity Contribution Program

Staff requests that the Board provide further direction regarding the establishment of a CECP. On June 15, 2022 (7), the Board directed staff to analyze and incorporate 16 additional measures into the SECP to further address community concerns and mitigate potential impacts. Measure 9 directed staff to establish a CECP, which would be funded by the County and integrated within the SECP. Staff were directed to explore the potential of permit fee waivers or other incentives that would instead provide direct benefits to the community where these facilities and operations will be located. The intent of the CECP would be specific to cannabis facilities and could include funding for education, community beautification, and other community-related benefits as part of the SECP.

Option A: Continue to Develop the CECP.

Staff identified a potential approach to the CECP that would be focused on Community Incentive Grants, which would allow cannabis businesses that provide a community benefit such as improvement of parks, community art or murals, tree planting, microgrants, community gardens, acknowledgement placard/sign, bike racks and local staff hiring to apply for and receive rebates or grants based on the payment status of their cannabis taxes. This approach is modeled after the City of Oakland's Cannabis Tax Rebate Program, which requires that businesses must have paid their cannabis taxes on time and in full for the year to be eligible. This allows the County a full year (or longer, if desired) to generate cannabis tax revenue before payments are made and provides an added incentive for cannabis businesses to pay their taxes on time and in full. The County would have the flexibility to determine the qualifying period (e.g., quarterly or annually) and the rebate or grant amount.

This approach has the potential to provide on-going community benefits instead of just a one-time, upfront benefit at the time of application. It also ensures sufficient time for new businesses to obtain all their required permits/licenses and get up and running before making a community contribution, which would make it more equitable for small operators and social equity applicants to participate and receive incentives.

This program would be administered by OERJ. OERJ anticipates receiving applications for the Community Incentive Grant beginning Fiscal Year 2027-28, and grant payments are estimated to be $20,000 annually based on the current number of tax-paying cannabis businesses and a $5,000 per entity cap of grant incentive. The overall cost may increase as new cannabis facilities are established. OERJ would utilize funding and staffing from the existing SEP to operate CECP. The existing position for the SEP would perform intake review of CECP applications, work with Treasurer Tax Collector on verifying tax status, and work with applicants on their community benefits. Staff seeks direction from the Board on whether to develop the Community Incentive Grants Program as part of the CECP.

Option B: Do Not Continue to Develop the CECP. This option would direct staff to no longer continue development of the CECP and focus solely on development and administration of the SEP.

ENVIRONMENTAL STATEMENT

Receiving the report back and seeking direction from the Board of Supervisors (Board) regarding the draft Socially Equitable Cannabis Program is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3), the Commonsense Exemption, since it can be seen with certainty that there is no possibility that today's actions may have a significant effect on the environment and no unusual circumstances or exceptions to the exemptions. Subsequent potential program adoption would be reviewed pursuant to CEQA and presented to the Board for consideration prior to implementation.

SUBJECT: REPORT BACK AND SEEK DIRECTION ON THE DRAFT SOCIALLY EQUITABLE CANNABIS PROGRAM AND RELATED CEQA EXEMPTION (DISTRICTS: ALL)

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN
Today's actions support the County of San Diego's 2026-2031 Strategic Plan by advancing efforts that promote empowerment and justice. The draft Socially Equitable Cannabis Program includes a Socially Equity Program which provides training, one-on-one mentorship, record expungement assistance, grant opportunities, and workforce development assistance for individuals who have been previously impacted by the War on Drugs. Potential social equity applicants will have a three-year head start on the program to obtain a cannabis license, a minimum of 50% of storefront shall be reserved for social equity applicants and all social equity owned businesses must retain at least 51% ownership by social equity applicant(s).

Respectfully submitted,

DAHVIA LYNCH
Deputy Chief Administrative Officer

ATTACHMENTS
Attachment A – Report Back on the draft Socially Equitable Cannabis Program
Attachment B – Comparison Between PEIR Project Alternatives and Suggested Program Options
Attachment C – Summary of Public Comments on the Draft SECP
Attachment D – Action Sheet