

ATTACHMENT B

FINDINGS FOR REVOCATION OF DIAMOND BACK GENETICS CANNABIS USE PERMIT ZONE FILE #2022-0087

Upon due consideration of the facts presented in this staff report and at the April 9, 2026, public hearing, the Yolo County Planning Commission hereby revokes Cannabis Use Permit ZF #2022-0087. In support of this decision, the Planning Commission makes the following findings:
(A summary of evidence to support each FINDING is shown in Italics)

I. California Environmental Quality Act (CEQA) and Guidelines

That the proposed Categorical Exemption prepared for the project is the appropriate environmental documentation in accordance with the California Environmental Quality Act (CEQA) and CEQA Guidelines.

The revocation of Cannabis Use Permit #2022-0087 has been determined not to have a significant effect on the environment and which shall, therefore be exempt from the provisions of CEQA under Categorical Exemption "15321", Class 21, Enforcement Actions by Regulatory Agencies, and there are no features that distinguish this project from others in the exempt class; therefore, there are no unusual circumstances.

15321, Class 21: Class 31 consists of actions by regulatory agencies to enforce or revoke a lease, permit, license, certificate, or other entitlement for use issued, adopted, or prescribed by the regulatory agency or enforcement of a law, general rule, standard, or objective, administered by the regulatory agency.

II. Title 8 Yolo County Land Development Code

That the revocation is made upon the following grounds (Section 8-2.217(f)(1) & Section 8-2.1412(A) of the Yolo County Code).

Section 8-2.217(f)(1) Use Permits:

- b. That any person making use of or relying upon the Use Permit is violating or has violated any conditions of the permit, or that the use for which the Use Permit was granted is being, or has been exercised contrary to the terms or conditions of such approval.

Title 8, Chapter 2, Article 14 of the Yolo County Code (Cannabis Land Use Ordinance) requires all commercial cannabis cultivators to obtain a County cannabis license prior to engaging in cultivation activities. Condition of Approval No. 31 of the approved Cannabis Use Permit for Diamond Back Genetics expressly requires the Permittee to maintain a State cannabis license and County cannabis license in good standing. The Permittee was notified of the licensing requirement and was provided the opportunity to apply for and obtain the required license. Despite these requirements, the Permittee refused to obtain the required State and local cannabis cultivation licenses and nevertheless engaged in cannabis cultivation activities on the property. The Permittee's refusal to obtain the required licenses constitutes a direct violation of the conditions under which the Use Permit was issued.

- c. If the use for which the Use Permit was granted is being, or has been exercised in violation of any state law, ordinance or regulation adopted pursuant.

The Permittee has exercised the use authorized by the Cannabis Use Permit in violation of state cannabis regulatory law, including the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which requires commercial cannabis cultivators to obtain all required local authorizations prior to engaging in cultivation. Under MAUCRSA, a commercial cannabis cultivator must obtain both a state license and all required local approvals before engaging in cultivation activities.

Yolo County's Cannabis Land Use Ordinance and Cannabis Licensing Ordinance, adopted pursuant to state cannabis regulatory authority, both require a County cannabis cultivation license as a prerequisite to lawful commercial cultivation. The permit holder nevertheless cultivated cannabis, directly violating the State and County laws and regulations.

- d. That the use for which the Use Permit was granted is so conducted as to be a nuisance or detrimental to the public health, welfare, or safety.

The County's cannabis permitting and licensing programs are designed to ensure that cannabis cultivation occurs in a manner that protects public health and safety, including compliance with environmental standards, security requirements, odor control, and operational best practices. By refusing to obtain a cannabis cultivation license, the permit holder has bypassed all regulatory review and oversight intended to safeguard the public.

Without a license, the County cannot verify compliance with required operational standards, including pesticide use, water management, waste disposal, odor control, and security protocols. Unregulated cannabis cultivation is associated with increased risks of environmental harm, unauthorized chemical use, theft, and other public-safety concerns.

The licensing requirement is not a minor or technical condition—it is a core safeguard ensuring that cannabis cultivation is conducted responsibly and safely. This refusal prevents the County from conducting inspections, verifying compliance with health and safety standards, or ensuring that the operation does not create environmental or community impacts.

- e. That the use for which the Use Permit was granted has been materially altered or expanded beyond the scope of the use originally authorized. Factors such as, but not limited to, increased number or size of structures, finding that a nuisance exists, or alteration of the approved project plan may be cause for modification or revocation of a conditional use permit.

The Use Permit authorizes commercial cannabis activities only under the conditions and limitations set forth in the County Code and the permit itself. By cultivating cannabis without a license, the permit holder has operated a use fundamentally different from the one approved—an unregulated cannabis cultivation operation rather than a licensed, compliant one. This shift from a regulated to an unregulated operation materially alters the nature and scope of the permitted use. Without these regulatory controls, the cultivation activity expanded beyond the scope of what the County reviewed, conditioned, and approved.

Section 8-2.1412(A) Enforcement:

1. Any act or omission by a property owner or permittee in contravention of the provisions of this Article (Cannabis Land Use Ordinance).

The Cannabis Land Use Ordinance establishes a comprehensive regulatory structure for cannabis cultivation, including licensing, operational standards, environmental protections, and public-safety requirements. By refusing to obtain a license and nevertheless cultivating cannabis, the permittee bypassed the regulatory safeguards intended to protect the public and the environment. This conduct is inconsistent with the purpose of the Cannabis Land Use Ordinance and constitutes a violation of its provisions.

2. Unresolved violation by the applicant or permittee, or unresolved violation at the proposed cultivation site, of any provision of the County Code or State law related to the cannabis use.

The County Code requires all commercial cannabis cultivators to obtain a County cannabis cultivation license prior to commencing cultivation. State law requires commercial cannabis cultivators to obtain all required local authorizations before engaging in cultivation. Cultivating cannabis without required local authorization constitutes a violation of State and County cannabis regulations.

3. A change in conditions occurring after the original grant of the approval or the continuation of the use as approved that is contrary to public health, safety or general welfare.

At the time the Cannabis Use Permit was granted, it was expected the Permittee would comply with all applicable County Code requirements, including obtaining a cannabis cultivation license. The Permittee later refused to obtain the required license, creating a new condition not present at the time the Cannabis Use Permit was approved.

The licensing requirement is a core public-safety safeguard, ensuring compliance with environmental protections, security standards, odor control, and operational best practices. Without a license, the County cannot conduct inspections or verify compliance with these protections.

5. Failure to continue to pay monetary or other obligations described in Section 8-2.1410(E), including applicable taxes, as they become due.

CLUO Section 8-2.1410(E) states: Any monetary or other obligations of the applicant or property owner to the County must be paid prior to processing, construction, amendment, renewal, extension, or operation (as applicable), or acceptable alternative arrangements made. This shall include all application fees including fees for technical experts, special studies, and CEQA compliance, license fees, cannabis taxes, property taxes or other property obligations, Development Agreement public benefit obligations, penalties and/or fines.

The Permittee is delinquent on the following payments, which are in violation of CLUO Section 8-2.1410(E):

- *Cannabis Cultivation Taxes: The revenue review of Diamond Back Genetics found that Diamond Back Genetics did not report revenues to the County in the first two quarters of 2024. At the time of the revenue review in January 2025, Diamond Back Genetics owed a total of \$6,067.78 in tax and interest. As of March 2026, the amount*

due from the revenue review is **\$7,153.25**, as it continues to accrue interest. Diamond Back Genetics has not filed returns with the County since Quarter 2 of Fiscal Year 2024.

- *Property Taxes: There are unpaid property taxes for APN #048-060-008 totaling **\$11,041.09** as of March 2026. This amount will increase to \$11,1179.76 on April 1, 2026.*
- *Planning Division Application Review Fees: The account balance for ZF #2022-0087, which is a full cost recovery account to pay for staff time and materials for processing the Cannabis Use Permit application, is deficient **\$18,004.70**, as of March 2026. This balance deficit does not include staff time and materials spent preparing the Planning Commission materials for this revocation hearing, which will be billed to the ZF #2022-0087 account.*

6. Failure to comply with any requirement of this or other applicable sections of the County Code or with State law.

The Cannabis Land Use Ordinance requires all commercial cannabis cultivators to obtain a County cannabis cultivation license prior to commencing cultivation.

The Cannabis Use Permit incorporates this requirement as Condition of Approval No. 31. State law requires commercial cannabis cultivators to obtain local authorization as a prerequisite to lawful cultivation. The Permittee refused to obtain the required license despite notice and opportunity to comply. The Permittee nevertheless willfully cultivated cannabis on the property.