



**STAFF REPORT
HOLLISTER CITY COUNCIL
MEETING DATE: October 6, 2025
REPORT # Community Development-2025-65**

AGENDA ITEM: A RESOLUTION OF THE CITY COUNCIL TO RENEW A REGULATORY PERMIT FOR TRADITIONAL ROOTS / BUSTAN AT 1091 SAN FELIPE ROAD TO OPERATE A CANNABIS CULTIVATION FACILITY FOR THE 2025/2026 PERMIT PERIOD

DEPARTMENT: Community Development

DEPARTMENT HEAD: Rod Powell, Assistant City Manager

STAFF CONTACT: Maria C. Mendez, Cannabis Program Manager

RECOMMENDED ACTION: Adopt a resolution approving the annual renewal of a cannabis cultivation regulatory permit for Traditional Roots/ Bustan located at 1091 San Felipe Road for the 2025/2026 permit period.

DISCUSSION: On September 5, 2017, the City Council initially approved a Cannabis Use Permit and Development Agreement for Traditional Roots / Bustan to operate a cannabis cultivation facility (Resolution 2017-228). Subsequently, on November 6, 2017, the City Council approved issuance of the required regulatory permit in accordance with the Hollister Municipal Code (HMC) (Resolution 2017-276). Most recently, at its regular meeting on October 1, 2024, the City Council renewed the current regulatory permit for Traditional Roots / Bustan for the 2024/2025 permit period (Resolution 2024-155).

Traditional Roots / Bustan has submitted a required annual renewal application related to its cannabis cultivation regulatory permit for the 2025/2026 permit term. Pursuant to Section 5.42.050 of the City of Hollister Municipal Code, renewal of a regulatory permit for cannabis cultivation is subject to approval by the City Council. The City Council may deny a renewal only upon making specific findings as outlined in HMC, § 5.42.070 (A). However, staff have reviewed the applicant's renewal application, prior performance, and compliance history and have determined that none of the required findings for denial are present.

Approval of the annual renewal of this regulatory permit will allow Traditional Roots / Bustan to continue operations of its cultivation facility at 1091 San Felipe Road for the 2025/2026 permit period.

FISCAL IMPACT: As a regulatory permittee, Traditional Roots / Bustan is required to pay quarterly taxes to the City. Non-approval of an applicable renewal of a previously issued regulatory permit for cannabis cultivation would cease operations and result in a loss of current tax revenue.

PREVIOUS COUNCIL OR COMMISSION ACTION: The City Council last considered and renewed the Traditional Roots / Bustan regulatory permit for the 2024/2025 permit period at its October 1, 2024, regular meeting.

CEQA: Exempt: Section 15301 The proposed action is exempt from the California

Environmental Quality Act (CEQA) under Section 15301, which applies to the operation and maintenance of existing facilities. This exemption is appropriate as the project involves the renewal of a regulatory permit for an established cannabis cultivation facility, with no significant changes or expansion of operations anticipated. Therefore, no further environmental review is required.

ATTACHMENTS:

1. Resolution
2. Regulatory Permit Application