



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: FEBRUARY 23, 2026

ITEM NUMBER: PH-2

SUBJECT: MINOR CONDITIONAL USE PERMIT (PMCP-26-0003) TO AMEND CONDITIONAL USE PERMIT PA-21-36 TO MODIFY HOURS OF OPERATION, REMOVE THE REQUIREMENT FOR A 24-HOUR SECURITY GUARD, AND CONDUCT A SIX-MONTH REVIEW FOR "420 NATIVE GARDEN" RETAIL CANNABIS STOREFRONT, LOCATED AT 167 CABRILLO STREET

**FROM: ECONOMIC AND DEVELOPMENT SERVICES
DEPARTMENT/PLANNING DIVISION**

PRESENTATION BY: GABRIEL VILLALOBOS, ASSISTANT PLANNER

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RECOMMENDATION:

Staff recommends the Planning Commission:

1. Find the project is exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15301 (Class 1), Existing Facilities;
2. Approve Minor Conditional Use Permit (PMCP-26-0003) based on findings of fact and subject to conditions of approval; and
3. Find that the operations during the initial six-month review period have been consistent with the project's Conditions of Approval, have not resulted in issues related to neighborhood compatibility, and receive and file the review.

APPLICANT OR AUTHORIZED AGENT:

The authorized agent is Chris Glew, representing the property owner Jerry Palanjian.

PLANNING APPLICATION SUMMARY

Location:	167 Cabrillo Street	Application Number:	PMCP-26-0003
Request:	To modify conditions of approval for "420 Native Garden" to include expanded hours of operation and a revision of the requirement for 24-hour onsite security. A six-month review is also required pursuant to Condition of Approval No. 12.		

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

Zone:	CL (Commercial Limited)	North (across Red Hill Ave):	R2-HD (Multiple-Family Residential District, High Density)
General Plan:	Neighborhood Commercial	South:	CL (Commercial Limited)
Lot Dimensions:	82.58' x 87.56'	East:	CL (Commercial Limited)
Lot Area:	7,230 SF	West:	CL (Commercial Limited)
Existing Development:	A 1,050-square-foot, one-story commercial building for one tenant with five surface parking stalls and one bike rack.		

DEVELOPMENT STANDARDS COMPARISON

Development Standard		Required	Existing/Proposed
Building Height		2 Stories / 30 FT	1 Story / 13 FT 8 IN
Setbacks:			
Front		20 FT	24 FT 11 IN
Side (left/right)		0 FT / 15 FT	9 FT 10 IN left 34 FT 5 IN right
Rear		0 FT	32 FT 10 IN
Floor Area Ratio		0.15	0.15
Parking		4 stalls	5 stalls
CEQA Review	Exempt per CEQA Guidelines Section 15301 (Existing Facilities)		
Final Action	Planning Commission		

EXECUTIVE SUMMARY

The applicant “420 Native Garden” is requesting to amend their Conditional Use Permit to modify hours of operation and onsite security requirements. Additionally, the existing land use is consistent with applicable goals, objectives, and policies of the General Plan, and complies with applicable provisions of the Zoning Ordinance and respective findings. Staff recommends that the Planning Commission find that the project is exempt from the California Environmental Quality Act (CEQA), and approve the application based on findings of fact and subject to conditions of approval. A six-month review is also required pursuant to Condition No. 12.

SETTING

The subject property is located at 167 Cabrillo Street, which is developed with a one-story 1,050-square-foot commercial building. The subject property is located on the south side of Cabrillo Street, between Fullerton Avenue and Wells Place (see Figure 1). The subject property is adjacent to CL (Commercial Limited) zoned properties to the east and south and is separated from residentially zoned properties (R2-HD, Multi-Family High Density) across Cabrillo Street and other commercially zoned (CL, Commercial Limited and C2, General Business District). Existing residential uses in the area include detached single-family homes, attached condominiums, and multi-family units.



BACKGROUND:

Pursuant to Costa Mesa Municipal Code (CMMC) Sections 9-487, 9-494, and 13-200.93(c)(1), a Conditional Use Permit (CUP) and a valid Cannabis Business Permit (CBP) are required for the establishment and operation of cannabis businesses in Costa Mesa. On February 27, 2023, the Planning Commission approved CUP PA-21-36 (Resolution No. PC-2023-04) for a retail cannabis storefront at 167 Cabrillo Street, subject to conditions of approval and local and State regulations. Furthermore, the City issued Cannabis Business Permit No. MQ-21-26 on March 5, 2025. The approved applications allowed for the operation of a retail cannabis storefront with no delivery services provided.

Conditional Use Permit PA-21-36 was heard at the Planning Commission hearing on January 23, 2023. Staff recommended denial of the application, but after holding a public hearing, the Planning Commission motioned to continue the application and directed staff to propose conditions of approval for consideration. A detailed description of the project is provided in the January 23, 2023, Planning Commission Agenda Report linked below. The meeting minutes and video are also linked below:

- [January 23, 2023 Planning Commission Agenda Report](#)
- [January 23, 2023 Planning Commission Minutes](#)
- [January 23, 2023 Planning Commission Video](#)

At the Planning Commission hearing on February 27, 2023, the Commission voted 4-3 to approve CUP PA-21-36. To ensure neighborhood compatibility, project conditions and requirements were proposed to limit business hours and product deliveries to the project site from 9 AM to 8 PM. In addition, a general condition of approval (Condition No. 12) was included requiring a review of the business after the first six-month of operation which read:

“After being open to the public for at least six months, this CUP shall be placed on the Planning Commission agenda as a noticed public hearing item for a follow-up review, consideration of operations, and modifications to the conditions of approval. Prior to that hearing, staff may provide notice to the neighbors, obtain any information regarding calls for service, and request that the City’s Transportation Division visit the site during peak hour periods to determine any traffic and/or circulation issues. During this six-month review, the Planning Commission may also consider modifying the approved hours of operation as well as other conditions of approval and may make modifications necessary to ensure neighborhood compatibility based on evidence in the record.”

A detailed description of the project is provided in the February 27, 2023, Planning Commission Agenda Report linked below. The meeting minutes and video are also linked below:

- [February 27, 2023 Planning Commission Agenda Report](#)
- [February 27, 2023 Planning Commission Minutes](#)
- [February 27, 2023 Planning Commission Video](#)

REQUEST

The applicant has filed for a Minor Conditional Use Permit to amend CUP PA-21-36. The amendment request is to modify Operational Condition Nos. 1, 2, and 3 of the existing CUP for the retail cannabis storefront business ("420 Native Garden"). Approved Conditions are stated below for reference:

1. *"No product deliveries to the facility shall occur after 8:00 PM and before 9:00 AM."*
2. *"Onsite sales to customers is limited to the hours between 9:00 am and 8:00 PM."*
3. *"At least one security guard shall be onsite at all times."*

STANDARD OF REVIEW

Pursuant to CMMC [Section 13-29\(p\)\(1\)](#), minor amendments to conditional use permits shall be processed as minor conditional use permits (MCUPs). The request is considered as a minor amendment as the proposal involves amending only hours of operation, limits shipments to the site during only business hours, and removes the requirement for at least one security guard onsite at all times. Because CUP PA-21-36 is subject to a six-month review of the Planning Commission, the MCUP amendment was processed concurrently to the Planning Commission.

To approve an MCUP application under CMMC [Section 13-29\(g\)\(2\)\(a-c\)](#), the proposed use must meet specific criteria. The project must be compatible with surrounding developments and should not be detrimental to nearby properties. Additionally, granting the permit must not harm public health, safety, or welfare, nor permit a use, density, or intensity inconsistent with the general plan or specific plans for the property.

Furthermore, all applications must adhere to broader "Review Criteria" outlined in the CMMC. These include ensuring neighborhood compatibility, safety and design consistency, compliance with performance standards, and alignment with the general plan and/or applicable specific plans. Each application is project-specific and evaluated on its unique merits to ensure it aligns with the City's development standards.

ANALYSIS

MODIFICATIONS TO OPERATIONAL CONDITIONS

The applicant proposes to modify Operational Conditions Nos. 1-3. The proposed changes are shown below in bold and underlined (proposed add)/strikethrough (proposed removal) as follows:

1. *"No product deliveries to the facility shall occur after ~~8:00 PM~~ and before ~~9:00 AM~~ **10:00 PM and before 7:00 AM.**"*
2. *"Onsite sales to customers is limited to the hours between ~~9:00 AM~~ and ~~8:00 PM~~ **7:00 AM and 10:00 PM.**"*
3. *"At least one security guard shall be onsite ~~at all times~~ **during operating hours, and at any time staff are present onsite outside of public business hours.**"*

As part of the review, staff conducted multiple site visits, including during weekday evening peak hours and weekends. Additionally, the Costa Mesa Police Department provided a log of calls for service associated with 167 Cabrillo Street (Attachment 5). Based on staff observations and review of the police service log, no significant operational issues, traffic congestion, or circulation impacts were identified in the surrounding area.

Two of the three adjacent properties have been converted to commercial uses, with the property at 170 Well Place being an office and 175 Cabrillo Street being a massage establishment. The property southwest of the project site is currently a residential land use, with other residential properties across Cabrillo Street. Staff believes further impacts from allowing the requested extended hours will be minimal, given the lack of negative impacts identified through this review of the first few months of operation for this business. In addition, the existence of other operational conditions imposed on the business, such as the requirement for parking management if parking-related problems develop (Operational Condition No. 6) or for staff to prohibit loitering outside of the business (Operational Condition No. 13), shall ensure the business will operate in a manner that allows for the quiet enjoyment of the surrounding neighborhood. Additionally, other operating cannabis storefronts in the immediate vicinity such as Catalyst at 170 E 17th Street and Mr. Nice Guy at 1854 Newport Blvd, have been conditioned to allow for the maximum hours of operation (7:00 AM to 10:00 PM) as allowed by the Zoning Code. The proposed modification would allow this business to operate similarly to other existing cannabis storefront businesses in the city. Staff therefore does not anticipate that the proposed extended hours would adversely impact adjacent properties.

In addition, the applicant is requesting to modify Operational Condition No. 3 to require security personnel only during business hours. On May 7, 2024, the City Council adopted Ordinance No. 2024-04, amending Title 9 of the CMMC. Among other revisions, CMMC Section 9-495(h)(1) was updated to encourage, rather than require, 24-hour onsite licensed private security. The proposed modification would bring the project's security condition into alignment with the current CMMC. Additionally, the code now requires that at least one licensed private security guard be present during operating hours, during deliveries of cannabis products, and during transportation of cash to or from the premises. Exterior lighting and continuous interior and exterior video monitoring and recording remain required. The Resolution has been updated to reflect these conditions.

GENERAL PLAN CONFORMANCE

The following analysis evaluates the proposed project's consistency with applicable policies and objectives of the 2015-2035 General Plan:

1. **Policy LU-6.7:** *Encourage new and retain existing businesses that provide local shopping and services.*

Consistency: The proposed amendment would retain and support an existing City business which provides a local shopping service in the form of retail cannabis. The proposed operational modifications would allow the existing business to continue growing and would support the business's ability to maintain sustained success in the area.

Review Criteria

The following are the applicable Review Criteria pursuant to CMMC Zoning Code Section 13-29 (e):

(1) Compatible and harmonious relationship between the proposed building and site development, and use(s), and the building and site developments, and uses that exist or have been approved for the general neighborhood.

The proposed project is compatible and harmonious with the development and uses of the surrounding properties as the cannabis retail storefront already exists and serves as a local business establishment within a commercial zone. The proposed operational changes will comply with all applicable zoning regulations for cannabis retail storefront uses, ensuring that the business will continue to operate in a manner compatible with the existing uses in the immediate area. Per the analysis included in this report, Planning staff has determined no significant impacts for traffic and circulation, as well as calls for service from the Police Department.

(2) Safety and compatibility of the design of buildings, parking area, landscaping, luminaries and other site features which may include functional aspects of the site development such as automobile and pedestrian circulation.

The proposed amendment would only affect security and hours of operation for the existing business and would not involve any interior or exterior alterations. The existing tenant space and parking areas would remain as is. All aspects of the site involving the design of buildings, parking area, landscaping, luminaries and other site improvements have been previously approved through CUP PA-21-36 and currently exist onsite.

(3) Compliance with any performance standards as prescribed in the Zoning Code.

The proposed amendment would only involve alterations to security and hours operations of the existing business. All performance standards have been deemed to be met through the approval of CUP PA-21-36. This proposal would only allow for changes to hours of operation and security requirements, of which all changes are consistent with the zoning code.

(4) Consistency with the General Plan and any applicable specific plan.

The property has a General Plan designation of General Commercial. Under the General Plan designation, the existing use is permissible. The proposed project conforms to the City's General Plan including Policy LU-6.7 as previously mentioned.

(5) The planning application is for a project-specific case and is not to be construed to be setting a precedent for future development.

The zoning application is for a unique project-specific case at a unique site with special circumstance and will not be precedent setting for future development.

FINDINGS

Pursuant to CMMC Section 13-29(g) (2), in order to approve the project, the Zoning Administrator shall find that the evidence presented in the administrative record demonstrates that the proposed project substantially meets specified findings. Staff recommends approval of the request, based on the following assessment of facts and findings.

The proposed project complies with Title 13, Section 13-29(g)(2), Minor Conditional Use Permit "findings," based on the following:

- a. Finding:** The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.

Facts in Support of Finding: The subject site is in the CL (Commercial Limited) zone and the general vicinity includes a mix of commercial uses including office, retail, fitness, and restaurant uses, as well as residential uses. The business has been in operation since March 2025, with little negative impacts recorded, which indicates a land use that is compatible and harmonious with the surrounding area. The requested modifications to the hours of operation and security will pose no significant changes to the activities which take place on the subject property, only a moderate increase in the hours in which the

business is open. All aspects of the business will remain in compliance with the regulations set forth by State and local regulations as far as site management, odor mitigation, and security are concerned. Lastly, the proposed hours of operation and the security hours will align with the general Costa Mesa Municipal Code requirements.

- b. Finding:** Granting the minor conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

Facts in Support of Finding: The proposed modifications to the conditions of approval, specifically to the requirement for security personnel, will still be consistent with the requirements of the local zoning code. This amendment will still require at least one licensed security guard to be stationed onsite when the business is in operation but will eliminate the requirement for security personnel to always be onsite. Other security implementations such as security lighting and 24/7 video surveillance will remain in place to ensure the business is secured and the business may still elect to have routine patrols of the site at different times. Overnight patrols would still be recommended by staff, but onsite security will no longer be a requirement for compliance with the conditions of approval.

- c. Finding:** Granting the minor conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property.

Facts in Support of Finding: The granting of this MCUP to modify operational hours and onsite security would not modify the approved, density, or intensity of the site and the use will remain consistent with the General Plan. Specifically, the existing use is consistent with the General Plan's Land Use Element Policy LU-6.7 in that the use would continue to retain an existing business to provide local shopping and services. The proposed amendment would not increase the size of the existing commercial tenant. Furthermore, the proposed project is consistent with General Plan Land Use Policy LU-6.7 as indicated above.

SIX-MONTH REVIEW

As noted above, to evaluate the operational consistency, staff has visited the site multiple times, including during peak hours on weekday evenings and weekends. In addition, the Costa Mesa Police Department (CMPD) has provided a log of calls for service associated with the 167 Cabrillo Street property (see Attachment 5). Between the Cannabis Business Permit (CBP) issuance date of March 5, 2025, to the end of the year on December 31, 2025, there have been a total of seven calls for service. Table 1

below includes a breakdown of the various calls for service received within the specified timeframe.

Table 1. Calls for Service from March 2025 to December 2025

Date	Incident	CFS/Self-Initiated	Notes
03/25/2025	Alarm Call	CFS ¹	Alarm Activation
04/18/2025	Information Report	CFS ¹	Traffic Collision
06/21/2025	Alarm Call	CFS ¹	Alarm Activation
07/20/2025	Parking Issue	Self ²	72-hour violation
08/08/2025	Patrol Check	Self ²	
09/22/2025	Parking Issue	Self ²	72-hour violation
10/25/2025	Suspicious Person	CFS ¹	Alarm activation with someone trying to break in-No report taken as no break in was seen.
¹ Call for service received from the public ² Police Department initiated call for service			

Per the calls for service log provided by CMPD, there have been a total of two parking violations and one traffic collision reported in the vicinity of the subject property. Other calls for service include three security alarm activations and one self-initiated patrol check. Otherwise, there have been no noise or other business-related complaints logged for the subject property.

In addition, Planning staff has also reached out to the Code Enforcement Division to confirm if any code violations had been logged in the specified timeframe. One code case (CODE-2273) was opened on August 21, 2025, with a description stating no 24-hour security guard was posted onsite. At approximately 10:40 PM, a code enforcement officer visited the site and verified that there was no security guard on duty as required per Operational Condition of Approval No. 3 of the approved CUP. A Notice of Violation was sent out and on October 9, 2025, staff visited the site again at 8:27 AM and was able to verify a security guard doing a perimeter check. The code enforcement officer closed the case and no further action was taken by staff. The revision of Operational Condition No. 3 would address this issue moving forward.

Lastly, Planning staff has also reached out to the Finance Department to confirm that the subject business is current on all tax remittance to the City. As of the writing of this report, it has been confirmed by the Finance Department that 420 Native Garden is up-to-date on their tax remittance to the City.

No action is required by the Planning Commission for the six-month review. The purpose of this item is solely to receive and file the information presented, as required under COA No. 12.

ENVIRONMENTAL DETERMINATION

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City Environmental Procedures, and has been found to be exempt under Section 15301 for the permitting and/or minor alteration of Existing Facilities. This project site contains an existing commercial building that has been used for commercial activities, and the application does not propose an increase in commercial floor area to the existing retail cannabis storefront use or any physical alterations. Furthermore, none of the exceptions that bar the application of a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies. The Project would not result in a cumulative impact; would not have a significant effect on the environment due to unusual circumstances; would not result in damage to scenic resources; is not located on a hazardous site or location; and would not impact any historic resources.

ALTERNATIVES

As an alternative to the recommended action, the Planning Commission may:

Approve the project with modifications. The Planning Commission may suggest specific changes that are necessary to alleviate concerns. If any of the additional changes requested are substantial, the item should be continued to a future meeting to allow a redesign or additional analysis. In the event of significant modifications to the proposal, staff will return with a revised Resolution incorporating new findings and/or conditions.

Deny the project. If the Planning Commission believes that there are insufficient facts to support the findings for approval, the Planning Commission must deny the application, provide facts in support of denial, and direct staff to incorporate the findings into a Resolution for denial. If the project is denied, the applicant could not submit substantially the same type of application for six months.

LEGAL REVIEW

The draft Resolution and this report have been approved as to form by the City Attorney's Office.

PUBLIC NOTICE

Pursuant to CMMC Section 13-29(d), three types of public notification have been completed no less than 10 days prior to the date of the public hearing:

1. **Mailed notice.** A public notice was mailed to all property owners and occupants within a 500-foot radius of the project site February 11, 2026. The required notice radius is measured from the external boundaries of the property.
2. **On-site posting.** A public notice was posted on each street frontage of the project site on February 12, 2026.
3. **Newspaper publication.** A public notice was published once in the Daily Pilot newspaper on February 13, 2026.

As of the completion date of this report, no written public comments have been received. Any public comments received prior to the February 23, 2026, Planning Commission meeting will be provided separately.

CONCLUSION

Approval of the project would allow for the modification of existing Operational Condition of Approval Nos. 1-3 to expand the hours of operation from 7:00 AM to 10:00 PM and require a security guard to be present on the premises only during operational hours and at any time staff are present onsite outside of public business hours. The proposed amendment is in conformance with the General Plan, Zoning Code, Planning Application Review Criteria, and the required findings can be made. A review of the operations of business after the initial six months of operation has also indicated that the use is in conformance with the conditions of approval and have not imposed any significant impacts on the immediate area. The proposed project, as conditioned, would be compatible with the surrounding businesses and would not be materially detrimental to other properties within the area. Therefore, staff recommends approval of the proposed project, subject to the conditions of approval contained in this report. Lastly, it is recommended that the Planning Commission receive and file the six-month review.

ATTACHMENTS

1. Draft Resolution
2. Project Description Letter
3. Zoning Map
4. PA-21-36 Approved Resolution
5. CMPD Calls for Service