



COUNTY OF LAKE
COMMUNITY DEVELOPMENT DEPARTMENT
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10:05 a.m.
July 21, 2026

MEMORANDUM

To: Lake County Board of Supervisors

From: Mireya G. Turner, Community Development Director

Date: July 21, 2026

Subject: Recommendation of Revocation – Major Use Permit (UP 19-48), Permittee: Kenneth Pacheco, authorizing commercial cannabis activity of up to 87,120 square feet of canopy area and up to an additional 25 mature plants; located at 1756 Ogulin Canyon, Clearlake (APN 010-055-46)

Exhibits:

- A. Conditions of Approval
- B. California Department of Cannabis Control Declaration
- C. 2025 Inspection Report
- D. Code Enforcement Notice of Violation
- E. Agency Comment

I. Executive Summary

In accordance with Article 60 of the Lake County Zoning Code, the Community Development Director is hereby initiating revocation proceedings for Major Use Permit (UP 19-48); Permittee: Kenneth Pacheco, authorizing 87,120-square-foot outdoor commercial cannabis canopy and up to 25 mature plants on property located at 1756 Ogulin Canyon, Clearlake (APN 010-055-46). The permit holder, Kenneth Pacheco, engaged in commercial cannabis cultivation activities without possessing a valid California Department of Cannabis Control state license, thereby violating California state law, Lake County Zoning Ordinance Article 27 Uses Generally Permitted, and the project's conditions of approval.

Project Information:

- Permittee / Property Owner: Kenneth Pacheco
- Project Name: Blue Oak Farms, LLC
- Location: 1756 Ogulin Canyon, Clearlake (APN 010-055-46)
- Major Use Permit Approval Date: September 23, 2021

II. Background

On September 23, 2021, the County of Lake Planning Commission approved Major Use Permit (UP 19-48) for Blue Oak Farms, LLC / Kim Gardner, for commercial cannabis cultivation. The project included Conditions of Approval (Exhibit A) requiring the permittee to obtain all required approvals and licenses, including but not limited to those issued by the California Department of Cannabis Control, as a prerequisite for lawful operation.

Community Development Department records indicate Kim Gardner sold the property to Kenneth Pacheco in 2024 and the managing members of Blue Oak Farms, LLC were updated to remove Kim Gardener and add Kenneth Pacheco as seen in Figure 1 below.

FIGURE-1 Business Entity Status

BLUE OAK FARMS LLC

Company Number 201912910517

Status Active

Incorporation Date 9 May 2019 (about 7 years ago)

Company Type Limited Liability Company - CA

Jurisdiction California (US)

Registered Address 1756 OGULIN CANYON RD
CLEARLAKE
95422
CA
United States

Agent Name Kenneth Pacheco

Agent Address 2150 WESTBURY DR, STROUDSBURG, CA, 18360, United States

Directors / Officers Kenneth Pacheco, manager
Kenneth Pacheco, agent
Kenneth Pacheco, chief executive officer

Inactive Directors / Officers ASHWIN GULATI
KIM GARDNER, agent
Kim Gardner, manager

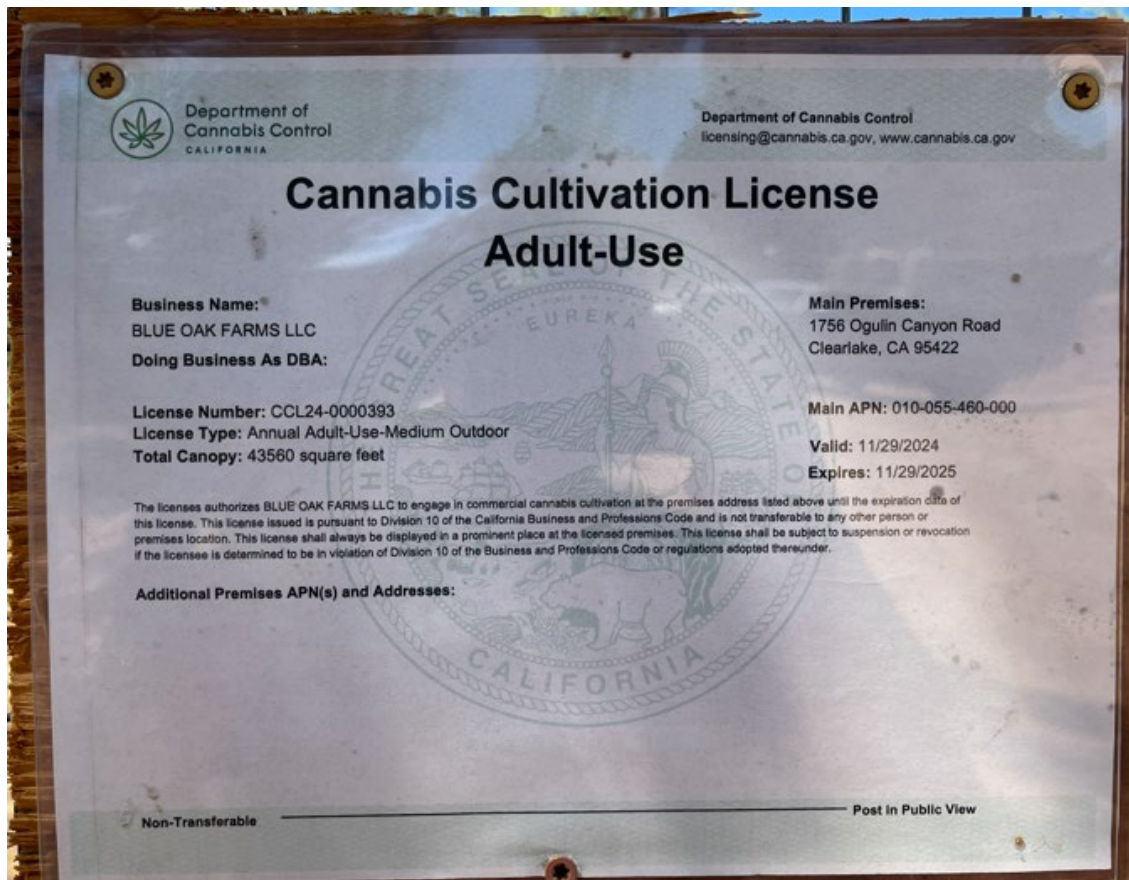
[SEE LESS](#)

Source: https://opencorporates.com/companies/us_ca/201912910517?logged_in

Planning Staff conducted a Transfer of Major Use Permit for (UP 19-48) Blue Oak Farms, LLC on September 10, 2024. Staff provided Kenneth Pacheco with the project's documentation from the Planning Commission hearing. This documentation included the project's Staff Report and associated documents such as the Initial Study/Mitigated Negative Declaration, Conditions of Approval, and site plans. Additionally, staff provided the 2024 Annual Compliance Monitoring Notification, outlining the Department's requirements for commercial cannabis compliance.

Planning Division records indicate no cultivation occurred at the site during 2024. On July 23, 2025, during the annual inspection of the site (Exhibit C), staff noted a posted California Department of Cannabis Control state license (CCL24-0000393) with an expiration date of November 29, 2025, as seen in Figure 2 below.

Figure 2 – Posted State License



Source: Annual Compliance Monitoring site visit July 23, 2025

III. Violation Summary

On April 27, 2026, the Community Development Department was notified of imminent execution of a search warrant conducted by the California Department of Fish and Wildlife assisted by Lake County Sheriff's Office for unlawful cultivation of cannabis at 1756 Ogulin Canyon, Clearlake (APN 010-055-46). Code Enforcement responded to the site for joint agency efforts. On May 7, 2026, Code Enforcement issued a Notice of Violation (NOV) for case # ENF-26-598. The NOV (Exhibit D) indicated that there was no active, valid state license as determined by the Department of Cannabis Control (Exhibit B) issued for the property.

In addition to cultivating without a state license, several items were identified for remediation. These violations include:

- Unpermitted structures
- Unpermitted hazardous electrical
- Unpermitted generator use
- Residential occupancy of a shipping container
- Open and outdoor storage/rubbish
- Prohibited items in a burn pile

Figure 3 - Site Conditions



Source: Code Enforcement

Code Enforcement Division has been in communications with property owner Kenneth Pacheco for remediation efforts at the project site.

Staff has documented the following violations of the Lake County Code:

1. Failure to Maintain State License. The permittee conducted commercial cannabis cultivation activities on-site during periods when no active State license was issued by

with the California Department of Cannabis Control. Cannabis cultivation without a valid State license is a violation of Article 27 of the Lake County Zoning Ordinance.

2. Violation of Conditions of Approval. Condition A. 12. requires compliance with State licensing. Operation without such licensure constitutes a direct violation of the use permit.

IV. Applicable Regulations

Pursuant to Article 27 Uses Generally Permitted, of the Lake County Zoning Ordinance, all commercial cannabis operations must comply with:

General Requirements:

- State licensure and permits as required. A person or entity shall not engage in the commercial cultivation of cannabis without first obtaining a Lake County minor or major use permit, a state cannabis cultivation license, and applicable permits such as from Department of Cannabis Control
- All Conditions of Approval associated with the conditional use permit (UP 19-48).

Article 60 of the Lake County Zoning Ordinance authorizes the Community Development Director to recommend revocation or modification of the Major Use Permit where the Board of Supervisors may revoke or modify any minor use, major use, variance or development review permit or specific plan of development granted in accordance with the terms of this Chapter, on any one or more of the following grounds:

- Sec. 21-60.11 (2) That one or more of the terms or conditions upon which such permit was granted has been violated.
- That the use for which the permit was granted is so conducted as to be detrimental to the public health, safety, or welfare or as to be a nuisance.

V. Analysis

1. The permittee has failed to maintain the required approvals by cultivating cannabis without DCC license(s).
2. The permittee has violated the Major Use Permit conditions of approval.

For these reasons, Staff is recommending the Board of Supervisors revoke Major Use Permit (UP 19-48).

VI. Findings

Staff recommends the following findings:

1. The permittee has exercised Major Use Permit (UP 19-48) in violation of the project's Conditions of Approval;
2. The use is not in compliance with applicable State law; and
3. Grounds exist under Article 60 to revoke (UP 19-48)

VII. Recommendation

Staff recommends that the Board of Supervisors take the following actions:

- A. Find that initiation of revocation proceedings is warranted based on documented violations, including but not limited to:
 - 1. Failure to maintain required State licensure
 - 2. Violation of Conditions of Approval
 - 3. Unlawful operation of commercial cannabis activities
- B. Revoke Major Use Permit (UP 19-48) for commercial cannabis cultivation of 87,120 sf outdoor canopy and up to 25 mature plants; located at 1756 Ogulin Canyon, Clearlake (APN 010-055-46); Permittee: Kenneth Pacheco, based on the following findings:
 - 1. The permittee has exercised the Major Use Permit in a manner inconsistent with the Conditions of Approval;
 - 2. The use is not in compliance with applicable State law; and
 - 3. Grounds exist under Article 60 to revoke Major Use Permit (UP 19-48).

VIII. Sample Motions:

I move that the Board of Supervisors revoke Major Use Permit (UP 19-48) Blue Oak Farms, LLC for commercial cannabis cultivation of 87,120 sf outdoor canopy and up to 25 mature plants located at 1756 Ogulin Canyon, Clearlake (APN 010-055-46); Permittee: Kenneth Pacheco, based on the findings in the memorandum dated July 21, 2026, and direct staff to prepare Draft Findings of Fact.