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Ramirez, Angelica

Public Comment

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**From:** Ucciferri, Jack W. <jucciferri@bhfs.com>  
**Sent:** Monday, June 1, 2020 11:33 AM  
**To:** sbcob; Hart, Gregg; Williams, Das; Hartmann, Joan; Adam, Peter; Lavagnino, Steve  
**Subject:** North County Farmers Guild comment letter  
**Attachments:** NCFG Letter to BOS-Cannabis Ordinance-6.1.20.docx

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Dear Board of Supervisors:

Attached please find the North County Farmers Guild comment letter for tomorrow's meeting.

As always, please do not hesitate to reach out with any questions.

Best,

Jack

**Jack Ucciferri**

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**NORTH  
COUNTY  
FARMER'S  
GUILD**

May 30, 2020

**VIA EMAIL TO [sbcob@santabarbara.ca.us](mailto:sbcob@santabarbara.ca.us)**

Santa Barbara County Board of Supervisors  
123 E. Anapamu Street  
Santa Barbara, CA 93101

**SUBJECT: Public Comment re Proposed Cannabis Ordinance Amendments, Board of Supervisors Hearing, June 2nd, 2020**

Dear Honorable Supervisors:

The North County Farmers Guild appreciates again the opportunity to present our policy positions, put forth constructive ideas and underscore our commitment to work with you to support the very best public policy response to the complex set of issues before you today. Our members continue to build upon an underlying foundation of mutual good will with the larger community, enabling our businesses to prosper, create essential jobs, spur economic activity and develop strategic partnerships to jump-start wine and cannabis tourism as is possible and prudent.

Requiring Conditional Use Permits (“CUPs”) for all cannabis projects would likely cost the County millions of dollars in lost tax revenues in 2020 during the worst economic

crisis in recent history, stressing the County's human resources deployment during a national pandemic.

We concur with Supervisor Hart's "policy framework"— that land use recommendations must be based on "science and evidence based decision making."

Rather than considering CUPs for all cannabis projects, we request that any proposed amendments address specific concerns identified by the County Board of Supervisors ("Board") and be based on facts and data as Chair Hart suggested when making the motion for the Planning Commission ("PC") to study the issues that brought us here today.

Likewise, we request that any ordinance amendments you approve remain focused on addressing substantiated unmitigated impacts from cannabis projects that are based on facts and data. The Board originally wanted the County's key focus to be on expeditiously resolving odor issues along the urban-rural boundary and to study ag-to-ag impacts when requesting proposed Land Use Development Code ("LUDC") amendments from the PC. The PC, however, went in a very different direction. As explained below, adoption of anything resembling the PC's recommendations would undermine the cannabis PEIR's objectives and jeopardize the existence of a substantial legal cannabis industry in Santa Barbara County.

### **COVID-19, jobs and the economy.**

We are grateful to see community members coming together to support one another during these difficult times.

Cannabis farmers and supportive businesses recognize our responsibility to our community now more than ever, as COVID related layoffs and furloughs have forced over 20,000 residents to file for unemployment in Santa Barbara County.

Since being designated by Governor Newsom as an essential business, and with the help of other essential agricultural partners and health experts, our members have developed best practices and tools to protect our workforce and keep our communities safe.

North County cannabis farmers are also doing their part to collaborate with local industries hit hardest by this crisis. Our cannabis farms are working with beloved local eateries and restaurants to ensure they can weather this crisis. To support these Santa Ynez and Lompoc Valley establishments, cannabis farmers have provided food delivery meals for their employees at both farms and other facilities. We intend to continue finding new ways

to collaborate and ensure local independent businesses emerge from this crisis stronger than before.

Cannabis farmers and supportive business are committed to spurring economic growth and job creation in the region. In 2018, we helped create an additional 2,000 local jobs and today we are viewed as an essential economic engine to help in the county's economic recovery and employment for local residents. With the average unemployment rate reaching 15% in the County, we are particularly aware that the unemployment rate is much higher in agricultural communities.

The cannabis tax revenues our county receives will be critical in the coming months to help off-set budget cuts to vital government services for *communities of color, seniors and other vulnerable populations*. In fact, cannabis revenues are arguably the only bright spot on the County's 2020 fiscal landscape. As you are aware, cannabis tax receipts for the third quarter increased 43% over the same quarter last year as a result of increased production coupled with Santa Barbara County's growing reputation for producing quality products that command a market premium. As of Q3, total cannabis taxes received by the County have already exceeded all four quarters of the previous fiscal year. To date, Santa Barbara County has collected almost \$20 million in gross cannabis sales taxes, a number which is projected to rise in the next fiscal year.

With drastic job cuts in the hospitality sector, we are now seeing children and families go hungry. Our promise to address Food Insecurity among our most vulnerable families in North County is steadfast and long term. We continue to work closely with our community partner – *The Food Bank of Santa Barbara County*.

We are eternally grateful that the State declared our industry essential, otherwise our cannabis farmers and supportive businesses would have been forced to lay-off workers and potentially shut-down operations permanently due to lack of available capital and because cannabis businesses are ineligible for federal aid assistance.

### **Delays Associated with CUPs for All Cultivation Projects.**

Mandated CUP for all cannabis projects would significantly and adversely impact all existing development projects in the CUP pipeline. This will result in additional costs to the county, as well as applicants. General construction, housing developments, renewable energy projects and others will have to undertake new risk analyses to determine if it's in their best interest to pursue their projects and endure further processing delays, frustrations, and costs.

With over 200 separate pending cannabis applications in the permitting pipeline and each project taking roughly 5 hours of the PC's time, we estimate that the proposed change would result in a PC backlog of perhaps 4 years—and that is if the PC devoted itself to nothing but cannabis projects. The consequence of delays approaching even a fraction of those would be very grim for the County. Such delays would obviously result in a material backlog for all CUPs projects. This includes “essential” construction projects with project labor agreements for skilled labor. The County cannot afford to have a stagnated “essential” workforce waiting for a year or more for their work assignment. The County must not be held hostage by a small group of NIMBYs that are opposed to any change.

**Cannabis LUPs are already “CUP-like.” LUPs are closely monitored by the community and often appealed.**

The County approved the Cannabis Land Use Ordinance and Licensing Program and certified the associated PEIR in February 2018, after months of public testimony and hundreds of hours of staff and consultant involvement—a huge expenditure of public funds. At that time, the Board considered requiring CUPs but decided against it, partially due to insufficient capacity to process all permits as CUPs. That reality remains. To survive the LUDC licensing process, the County Planning and Development Department (“P&D”) must determine that an LUP-seeking cannabis project conforms to the County's Land Use & Development Code Cannabis Regulations (LUDC 35.42.075). That entails submission of numerous surveys and plans, including archaeological and paleontological surveys<sup>1</sup> in addition to security, screening, landscaping, lighting, noise, odor abatement, tree and habitat protection, wildlife movement,<sup>2</sup> and water efficiency<sup>3</sup> plans. Unlike other crops, cannabis LUPs are also subject to environmental review under the California Environmental Quality Act. Efforts to gain LUP approval requires the assistance of land use lawyers and planners, engineers of various specialties, biologists, hydrologists, and architects.

Additionally the project must comply with all applicable provisions of any relevant Comprehensive Plan, and all applicable State and local laws, regulations, ordinances and rules pertaining to cannabis cultivation and related activities. In order to navigate this process, most applications are revised numerous times over the course of many months. The majority of projects are appealed. Even before being appealed, the costs associated with consultants and County staff time can easily surpass \$100,000. Defending projects

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<sup>1</sup> Santa Barbara County Land Use & Development Code § 35.42.075.C.1 (LUDC).

<sup>2</sup> Santa Barbara County LUDC § 35.42.075.C.8.

<sup>3</sup> Santa Barbara County LUDC, §§ 35.42.075.C, 35.42.075.D.

from appeals at the Planning Commission and Board of Supervisors can cost double that number.

Upon P&D approval of the LUP application, notice is given to the community, whereby any party in the County can appeal the project by paying \$600 and filing a simple form. Defense of the project against an appeal entails hours of staff and consultant presentations, argument and public comment—often spread over multiple public hearings.

Regardless of the result of an appeal to the PC, either party can then appeal to the Board. There is no shortage of process via the current LUDC framework. In fact, the main problem you asked the PC to address—odor and other impacts along the urban-rural boundary—seems mostly to be associated with legal non-conforming projects in the Coastal Zone. And the issue in those cases seems to be a matter of too much process before a permit is issued and enforceable.

**The proposed amendment increases costs for all parties, to the benefit of the illicit market.**

The proposal before you today would increase costs to the County associated with processing new CUPs. Most of those costs would be passed along to applicants, forcing many small farmers out of business. Larger farmers would in turn pass these costs along to their customers. Ultimately, the costs of this additional and unnecessary level of scrutiny for all applicants would be passed along to retail consumers. Right now, the legal cannabis industry is struggling to compete with the price of black market goods. Report after report highlights that existing overregulation of this nascent industry is leading to its demise. And now, a CUP would be yet an additional cost that would further advantage illicit tax dodging enterprises over our local farmers.

**The proposed amendment is arbitrary and overbroad.**

This proposal is arbitrary. The PC apparently wants to have more power to make case-by-case determinations and modifications on all cannabis projects but the question is “to what end?” There is no single identifiable fact-based shortcoming in the existing policy that is tied to this proposal.

The proposal is also overbroad. It is evident that many LUP projects are acceptable to the community. To date numerous LUPs have been issued without being appealed in North County. Why force those who would not otherwise be challenged to go through the much

more arduous and expensive CUP process, only to be told that their project does in fact merit approval?

**Conclusion:**

Considering amendments that materially change the cannabis ordinance to fairly and timely process applications will only amplify the uncertainty of the application process and add economic distress to local independent farmers struggling to stay in the queue. The County should pursue regulatory certainty as the legislative tool to fortify economic and workforce stability in a highly competitive market. Doing so will also help the wheels of local government to apply guidelines and procedures that encourage both compliance and civic engagement for all interested stakeholders.

Moreover, we believe it is prudent to continue to strengthen the County's jurisdictional agencies with the state's regulatory cannabis agencies. Many of the regulations implemented during the early years are being revised to provide more operational flexibility to licensed operators. The Governor's Budget proposes to streamline the application process and double its efforts to combat the illicit market - launching a multi-agency law enforcement task to help protect legal operators and scientifically go after illegal businesses in the state.

Santa Barbara County's Cannabis Farmers are uniquely positioned to lead the state with the best environmental practices for water and energy conservation and efficiency; sustainable practices producing pesticide-free crops, holistic health wellness products; and wine and cannabis ecotourism to attract new consumers to the region bringing additional revenues on top of an already consistent flow of cannabis business taxes to the County. As highlighted recently, by the UCSB Economic Forecast Project's Cannabis Study "Santa Barbara county currently has about 4,889 direct jobs from legal cannabis cultivation as well as 1,123 indirect and induced jobs for a total of 6,012 jobs. With only about 30% of land allowed for cannabis cultivation (based on the cap) in the county being actively cultivated, we expect the number of jobs to continue to rise as more licensed land is planted. Additionally, these estimates don't include jobs from cannabis distributors and retailers (with six to be permitted in the coming year), so the number of jobs created by the legal cannabis industry as a whole in the county is expected to be even higher.<sup>4</sup> As you have seen over the past few years, cannabis is an opportunity for Santa Barbara's farmers to diversify their operations. But all these benefits can only be realized if you stay the course and allow this business to proceed via the robust process that is currently in place.

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<sup>4</sup> <https://efp.ucsb.edu/Cannabis/Employment.html>

Respectfully Submitted,

Sincerely,

**North County Farmer's Guild**

John DeFriel, Sara Rotman, Nathan Diaz, Wil Crummer, Keith Crummer, Cathy Duncan,  
Derek Duncan, Ila Hubbard, Jack Motter, Jeffrey Kramer, Vahagn Nahabedian