



BOARD OF SUPERVISORS  
AGENDA LETTER

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Planning & Development  
**Department No.:** 053  
**For Agenda Of:** Set Hearing on January  
23, 2018, for February 6,  
2018  
**Placement:** Departmental  
**Estimated Time:** 3 hours on February 6,  
2018  
**Continued Item:**  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Glenn S. Russell, Ph.D., Director, Planning and Development  
Director(s) (805) 568-2085  
Contact Info: Daniel T. Klemann, Deputy Director, Long Range Planning  
(805) 568-2072  
**SUBJECT:** Cannabis Land Use Ordinances

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:**

That the Board of Supervisors (Board):

On January 23, 2018, set a hearing for February 6, 2018 to consider the recommendations of the County and Montecito Planning Commissions regarding Case Nos. 17ORD-00000-00004, 17ORD-00000-00009, and 17ORD-00000-00010 which would amend, respectively, the County Land Use and Development Code (LUDC), the Montecito Land Use and Development Code (MLUDC), and the Article II Coastal Zoning Ordinance (CZO), to establish regulations for cannabis; to consider the recommendation of the County Planning Commission to approve Case No. 18ORD-00000-00001 amending and partially rescinding Article X, Medical Marijuana Regulations; to consider the recommendation of the Agricultural Preserve Advisory Committee to approve Case No. 17ORD-00000-00019 for amendments to the Uniform Rules for Agricultural Preserves and Farmland Security Zones; and to submit a resolution transmitting Case No. 17ORD-00000-00010 (CZO) to the Coastal Commission.

The Board should take the following specific actions:

- a) Make the required findings for approval for the proposed ordinances and resolutions, including California Environmental Quality Act (CEQA) findings and the statement of overriding considerations (Attachment 1);
- b) Santa Barbara County Code Amendments
  - i. Adopt an ordinance (Case No. 17ORD-00000-00004) amending Section 35-1 of the Santa Barbara County LUDC, of Chapter 35, Zoning, of the County Code (Attachment 2);
  - ii. Adopt an ordinance (Case No. 17ORD-00000-00010) amending Section 35 of the Santa Barbara County CZO, of Chapter 35, Zoning, of the County Code (Attachment 3);
  - iii. Adopt an ordinance (Case No. 17ORD-00000-00009) amending Section 35-2 of the Santa Barbara County MLUDC, of Chapter 35, Zoning, of the County Code (Attachment 4);
  - iv. Adopt a resolution and an ordinance (Case No. 17ORD-00000-00019) amending the Santa Barbara County Uniform Rules for Agricultural Preserves and Farmland Security Zones (Attachment 5);
- c) Article X Amendment and Partial Rescission
  - i. Adopt an ordinance (Case No. 18ORD-00000-00001) amending and partially rescinding Article X, Medical Marijuana Regulations, of Chapter 35, Zoning, of the County Code (Attachment 6);
- d) Certify the Cannabis Land Use Ordinance and Licensing Program Final Programmatic Environmental Impact Report (EIR) (Case No. 17EIR-00000-00003, State Clearinghouse No. 2017071016) (Attachment 7) and the associated revision letter (RV 01) (Attachment 8) for Case Nos. 17ORD-00000-00004, 17ORD-00000-00009, 17ORD-00000-000010, 17ORD-00000-00019, and 18ORD-00000-00001, and adopt the mitigation monitoring and reporting program as incorporated in the above referenced ordinances pursuant to the State CEQA Guidelines.
- e) Resolution Transmitting Case No. 17ORD-00000-00010 (CZO) to the Coastal Commission.
  - i. Adopt a resolution transmitting Case No. 17ORD-00000-00010 (CZO) to the Coastal Commission for certification by the California Coastal Commission as an amendment to Santa Barbara County's certified Local Coastal Program (Attachment 9);
  - ii. Find that transmittal of the Resolution is an administrative activity of the County, which will not result in direct or indirect physical changes in the environment and is therefore not a "project" as defined for purposes of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15378(b)(5); and
  - iii. Direct the Planning and Development Department to transmit the adopted Resolution to the Executive Director of the Coastal Commission.

**Summary Text:**

In November of 2016, the voters approved Proposition 64, the Adult Use of Marijuana Act (AUMA), which provided for adult-use and commercial cannabis activities, in addition to the previously allowed medical use. In February of 2017, the Board created an Ad Hoc Subcommittee to review and create

regulations for adult-use and commercial cannabis activities in the County, including the draft land use regulations described in this report. The Ad Hoc Subcommittee also set forth direction to (1) create a regulatory structure for annual business licensing, (2) review taxation options, (3) increase enforcement levels, (4) review banking options, and (5) assess public health needs, with regard to cannabis. The proposed amendments to the LUDC, CZO, and MLUDC, and the conclusions of the EIR prepared for the project, are discussed in this report. The complete text of the ordinance amendments is set forth in Attachment 2 (LUDC), Attachment 3 (CZO), Attachment 4 (MLUDC), and Attachment 6 (Article X).

## **Discussion**

*Ordinance Summary.* The County has the authority to establish a long-range land use plan and to implement policies through regulations. The County has adopted a Comprehensive Plan and zoning regulations that direct the location and extent of land uses, as well as provide standards and regulations that serve to differentiate appropriate land uses within zone districts and create regulations for orderly growth, development, and use of property through zoning. With the exception of Section 35.42.195 of the LUDC that addresses medical marijuana cultivation and dispensaries, commercial cannabis activities are not specifically addressed in the LUDC, CZO, or MLUDC.

The draft ordinance amendments include regulations that specify how and where, by zone, cannabis activities may occur while also safeguarding the public health, safety, and general welfare of the County. The ordinances set forth new regulations governing cannabis activities, including cultivation, manufacturing, distribution, testing, and retail sales, while providing standards to address neighborhood compatibility concerns, adequacy of services and utilities, and protection of natural resources.

*Personal Cultivation.* Personal cultivation (a noncommercial cannabis use) would be allowed, without a permit, within all zones—including, but not limited to, residential zones—in which dwelling units are allowed. Local jurisdictions can regulate—but cannot completely prohibit—personal cultivation and use of cannabis. Therefore, the proposed amendments set forth development standards for personal cultivation that include the following:

1. Cannabis cultivation for personal use must occur entirely within a legally established dwelling or an enclosed building that is accessory to a dwelling. Outdoor cultivation would be prohibited.
2. The growing area cannot be located in an area that is designated for a use that is required in order to comply with a regulation of the ordinance (e.g., in a garage if the growing area would occupy required parking spaces for the residential use of the property).
3. None of the cannabis cultivation or consumption activities shall be detectable (e.g., due to odor or lighting) outside of the building in which the activity occurs.
4. Only six plants per legally established dwelling are permitted (or more as authorized pursuant to the Compassionate Use Act).

The prohibition of personal outdoor cultivation would make the County ineligible for potential grant funding from the State's cannabis tax revenue pursuant to SB 94 (Section 34019 of the Revenue and Taxation Code).

Allowance of Certain Commercial Cannabis Activities by Zone Districts (MLUDC, LUDC, and Article II). Only certain commercial cannabis activities would be allowed in certain zones, subject to the approval of a zoning permit.

More specifically, the area of Montecito that is subject to the MLUDC's regulations does not contain any zones in which commercial cannabis activities are proposed to be allowed. There are no agriculturally-zoned areas within the area of Montecito that is subject to the MLUDC's regulations. Furthermore, the commercial zones set forth in the MLUDC are Neighborhood Commercial (CN) and Resort/Visitor-Serving Commercial (CV). The intent of these zones is not compatible with commercial cannabis activities. Therefore, there are no commercial cannabis activities that would be allowed within the area of Montecito that is subject to the MLUDC's regulations.

However, for areas that are subject to the LUDC's or CZO's regulations, certain commercial cannabis activities would be allowed in certain zones with the approval of an entitlement, as follows.

- LUDC Amendments. The proposed LUDC amendments would allow:
  - (1) commercial cannabis cultivation and nurseries, subject to a Land Use Permit (LUP), in the Agriculture I (AG-I), Agriculture II (AG-II), General Commercial (C-3), Industrial Research Park (M-RP), Light Industry (M-1), and General Industry (M-2) zones;
  - (2) non-volatile manufacturing, subject to an LUP, in the AG-I, AG-II, C-1 (Limited Commercial), C-2 (Retail Commercial), C-3, Service Commercial (CS), Shopping Center (SC), M-RP, M-1, M-2, Mixed Use (MU), Community Mixed Use – Los Alamos (CM-LA), Old Town – Residential/Light Commercial (OT-R/LC), and Old Town – Residential/General Commercial (OT-R/GC) zones;
  - (3) volatile manufacturing, subject to a Major Conditional Use Permit (CUP), in AG-I, AG-II, M-1, and M-2 zones;
  - (4) testing, subject to a LUP, in C-3, Public and Institutional (PI), MR-P, M-1, and M-2 zones;
  - (5) retail sales, subject to a LUP, in C-1, C-2, C-3, CS, SC, M-1, MU, CM-LA, OT-R/LC, and OT-R/GC zones;
  - (6) distribution, subject to a minor CUP (MCUP) in the AG-I zone, and subject to a LUP in AG-II, C-3, M-RP, M-1, and M-2 zones; and
  - (7) microbusinesses, subject to a CUP, in AG-II, C-1, C-2, C-3, CS, M-1, and M-2 zones.
  
- CZO Amendments. The proposed CZO amendments would allow:
  - (1) commercial cannabis cultivation and nurseries, subject to a LUP, in AG-I, AG-II, and M-RP zones;
  - (2) non-volatile manufacturing, subject to a LUP, in the AG-I, AG-II, C-1, C-2, and M-RP zones;
  - (3) volatile manufacturing, subject to a CUP, in the AG-I and AG-II zones;

- (4) testing, subject to a LUP, in PI and MR-P zones;
- (5) retail sales, subject to a LUP, in C-1 and C-2 zones;
- (6) distribution, subject to a MCUP in the AG-I zone, and subject to a LUP in AG-II and M-RP zones; and
- (7) microbusinesses, subject to a CUP, in AG-II, C-1, and C-2 zones.

Table 1 on the next page summarizes staff's recommendation regarding the allowed uses and permit level for commercial cannabis activities by zone. In addition, the following limitations on cannabis-related land uses are proposed:

- a. Commercial cannabis cultivation, nursery, non-volatile manufacturing, distribution, or retail uses would not be permissible within 600-feet of a school, day care, or youth center.
- b. Volatile-manufacturing would not be permissible within 1,200-feet of a school, day care, or youth center.
- c. Manufacturing and distribution uses would only be permissible as accessory uses to cannabis cultivation in the AG-I and AG-II zones.
- d. Commercial cannabis cultivation on lots that are located in an Existing Developed Rural Neighborhood (EDRN), as well as cultivation that would require the use of a roadway located within an EDRN as the sole means of access to the lot on which the cultivation would occur, would require a CUP.

Development Standards for Commercial Cannabis Activities (LUDC and CZO). The proposed amendments to the LUDC and CZO set forth the following general development standards that would apply to the commercial cannabis activities that would be allowed:

- Compliance with state and local regulations;
- Preparation of archaeological and paleontological surveys;
- Preparation and implementation of an energy conservation plan;
- Fencing and security plan;
- Landscape and screening plan;
- Lighting plan;
- Noise plan;
- Odor abatement plan; and
- Tree protection, habitat protection, and wildlife movement plans.

In addition to the general development standards summarized above that would apply to all commercial cannabis activities set forth in the LUDC and CZO, the following specific development standards would also apply to allowed commercial cannabis cultivation, manufacturing, and microbusinesses:

Cultivation:

- Avoidance of structures on prime soils.
- Compliance with the Cannabis Waste Discharge Requirements General Order.
- Prohibition of lighting in hoop structures.
- No outdoor cultivation on AG-I lots 20 acres or less in size.

**Table 1 - Allowed Cannabis License Types by Zone District**

Zones	Permitted Cannabis License Types								
	Cannabis Cultivation - Limited	Nursery	Cannabis Cultivation- Unlimited	Non-volatile Manufacturing	Volatile Manufacturing	Testing	Retail	Distribution	Microbusiness
AG-I	P	P	P	P	CUP	--	--	MCUP	--
AG-II	P	P	P	P	CUP	--	--	P	CUP
C-1	--	--	--	P	--	--	P	--	CUP
C-2	--	--	--	P	--	--	P	--	CUP
C-3	P	P	P	P	--	P	P	P	CUP
CS	--	--	--	P	--	--	P	--	CUP
SC	--	--	--	P	--	--	P	--	--
PI	--	--	--	--	--	P	--	--	--
M-RP	P	P	P	P	--	P	--	P	--
M-1	P	P	P	P	P	P	P	P	CUP
M-2	P	P	P	P	P	P	--	P	CUP
MU	--	--	--	P	--	--	P	--	--
CM-LA	--	--	--	P	--	--	P	--	--
OT-R/LC	--	--	--	P	--	--	P	--	--
OT-R/GC	--	--	--	P	--	--	P	--	--

<b>LUDC &amp; CZO</b>	
<b>LUDC Only</b>	

<b>P</b>	<b>Land Use Permit or Coastal Development Permit Required</b>
<b>CUP</b>	<b>Major Conditional Use Permit Required</b>
<b>MCUP</b>	<b>Minor Conditional Use Permit Required</b>
<b>--</b>	<b>Use prohibited</b>

- No outdoor or mixed-light cultivation in the M-RP zone.
- Interior lighting (e.g., lighting within greenhouses) must be fully shielded from sunset to sunrise.
- Allowance of post-processing and packaging on-site.
- Implementation of a site transportation demand management plan.
- Demonstrated water efficiency measures implemented onsite.

Manufacturing:

- Manufacturing restricted to an accessory use to cultivation.
- Prohibition on home occupation cannabis manufacturing.
- Creation and implementation of a volatile manufacturing employee training plan.

Microbusiness:

- Microbusinesses would only be allowed delivery as a retail option in the AG-II zone.

Existing Development Standards for Agricultural Activities (LUDC and CZO). The LUDC and CZO also set forth the following general development standards for AG-I and AG-II zones that would apply to the commercial cannabis activities.

In AG-I zones, any development that is (1) 20,000 or more square feet in gross floor area or (2) is an attached or detached structure and the gross floor area thereof, when added to the gross floor area of existing structures on the lot, would equal or exceed 20,000 square feet, requires the approval of a Development Plan (DVP) in addition to any LUP, MCUP, or CUP requirements.

In the AG-II zone a DVP is required if the development meets the below thresholds:

Lot Size (acres)	Threshold (sq. ft.)
Less than 40	20,000
40 to less than 100	25,000
100 to less than 200	30,000
200 to less than 320	40,000
320 or more	50,000

Rescission of Article X. In January 2016, the County Board of Supervisors adopted Ordinance No. 4954, adding a new Article X, titled “Medical Marijuana Regulations” to Section 35, Zoning, of the County Code, which prohibited the cultivation of medical cannabis, with limited exceptions. On December 14, 2017, the Board amended Article X to create an amortization period requiring legal non-conforming operators to terminate their operations by (1) six months after the operative date of the County ordinances that result from the Cannabis Land Use Ordinances and Licensing Program, or (2) 18 months from December 15, 2017, the effective date of the Article X amendments, whichever occurs later. If the operator submits a complete application pursuant to the new ordinances and the operation continues to comply with the restrictions on nonconforming uses, then the operator can continue to operate while the permit application is being processed.

Should the Board adopt the proposed ordinance amendments to regulate cannabis activities, the relevant portions of Article X should be rescinded simultaneously to achieve consistency among the regulations. Staff has prepared Attachment 6 (18ORD-00000-00001) which would effectively rescind the provisions in Article X except for the established amortization period.

Ordinance Operative Dates (LUDC, Article II, and the MLUDC). The Board has two options with regard to the operative dates of the ordinances:

1. The Board could establish the operative date as 30 days following the adoption of the LUDC and MLUDC amendments (March 8, 2018), for the inland areas, and upon the Coastal Commission's certification of the CZO amendment for the coastal areas.
2. Alternatively, the Board could establish an operative date that follows the date of, and is contingent upon, the voters' approval of a cannabis tax measure.

The attached ordinances incorporate the first option, for the operative date, 30 days following the adoption of the LUDC and MLUDC amendments for the inland areas, and upon the Coastal Commission's certification of the CZO amendment for the coastal areas.

In addition, staff recommends that the ordinance amendments become operative only if the County Treasurer is able to open and maintain an account with a suitable financial institution to deposit moneys related to cannabis. As such, the actual operative date would be the latter of:

- March 8, 2018, for the inland areas, and upon the Coastal Commission's certification of the CZO amendment for the coastal areas; or
- The date the County Treasurer notifies the Planning and Development Department that an account has been opened.

The draft ordinance amendments (Attachments 2, 3, and 4) state that if at any time the County Treasurer is not able to deposit cannabis related moneys in a suitable financial institution, then the Board may take action to change the zoning of cannabis activities to be prohibited with or without an amortization period or establishing legal nonconforming status for permittees. In addition, the draft ordinance amendments state that the Board may take action to change the zoning of cannabis activities to be prohibited with or without an amortization period or establishing legal nonconforming status for permittees if the Board submits a County tax on commercial cannabis activity to the voters and the voters do not approve the tax.

### **Comprehensive Plan Consistency**

Staff reviewed the proposed Project for consistency with the applicable policies of the Comprehensive Plan, including the CLUP of the Local Coastal Program, and the Community Plans. The policy consistency analysis is presented in Attachment 11.

As stated in Attachment 11, the Project is consistent with the goals and policies set forth in the County's plans and ordinances. Potential inconsistencies with the CLUP and the Comprehensive Plan goals and policies focused on future cannabis facilities' connection to public services, as well as policies focused on natural resource protection, water quality, vegetation, hillside protection, and visual resources. The proposed development standards discussed above would eliminate these inconsistencies as discussed in Attachment 11. In addition, commercial cannabis activities would require the issuance of various zoning permits, based on the type of activity and zone in which it would be located. For example, volatile manufacturing in AG-I zones would require the issuance of a CUP, whereby the decision-maker would



have the authority to impose site-specific conditions on volatile manufacturing in order to achieve compatibility with uses surrounding the lot on which volatile manufacturing would occur. In contrast, cultivation in AG-I zones would be allowed with the issuance of a LUP or CDP, subject to specific standards that would apply to cultivation activities. Finally, the amendments proposed to the Uniform Rules, described below in this Board letter, would further the goals of the Comprehensive Plan and CLUP with regard to the protection of agricultural lands.

### **Environmental Review**

The Cannabis Land Use Ordinances and Licensing Program EIR was released for a 45-day comment period on October 2, 2017, and public comment meetings were held on October 12, 2017, and October 17, 2017, in Santa Barbara and Santa Maria (respectively). Public comment was received until the end of the comment period on November 16, 2017.

Links to the EIR are available on the Long Range Planning Division website at:  
<http://longrange.sbcountyplanning.org/programs/Cannabis/cannabis.php>

The EIR includes comment letters received on the EIR and staff's responses to those comments. Staff made certain text revisions to the EIR based on comments regarding the adequacy and accuracy of the EIR, in order to add context, content, and clarity to the environmental analysis. The comments on the EIR and resulting text revisions to the EIR did not result in significant new information warranting recirculation of the EIR (State CEQA Guidelines Section 15088.5).

### **EIR Revision Letter**

Since publication of the Draft EIR, County staff prepared recommended changes to the Cannabis Land Use Ordinance and Licensing Program. The recommended changes have been incorporated into the proposed ordinance amendments for the Board's consideration, and include the following:

- Require a CUP, rather than an LUP, for cannabis cultivation, if the cultivation site is (1) located in an EDRN, or (2) would require the use of a roadway that is located within an EDRN as the sole means of access to the cannabis cultivation site.
- Prohibit outdoor cannabis cultivation, including cannabis cultivation within hoop structures, on lots that are 20 acres or smaller in size within AG-I zones.

The revision letter concludes that these proposed changes would provide additional limits or controls on cannabis cultivation and, therefore, the EIR adequately analyzes these changes. These recommendations are described more fully in the Revision Letter (RV 01) to the EIR (Attachment 8).

### **Right to Farm Act**

The Right to Farm Act protects an agricultural activity conducted or maintained for commercial purposes from being deemed a nuisance after it has been in operation for more than three years, and if it was not a nuisance at the time it began [California Civil Code Section 3482.5(a)(1)]. With the possible exception of legal nonconforming medicinal cultivation sites, cannabis activities would not meet the three year threshold requirement for protection from being determined a "nuisance" given that, to date, they have been impermissible in the County.

Furthermore, even if a cannabis cultivation site has been in operation for greater than three years and was not a nuisance at the time it began, there are other features of cannabis cultivation that make it inappropriate to be considered an agricultural use that is subject to the protections of the Right to Farm Act and Ordinance. More specifically, given its status as a controlled substance, the cultivation of cannabis involves potential adverse effects that differ from the cultivation of other types of crops (e.g., criminal activity). Consequently, the proposed cannabis land use regulations include a number of development standards and permitting requirements to avoid or mitigate these adverse effects, which are not required for the cultivation of other types of crops on agricultural lands. In addition, the State does not tax other agricultural products in the manner that cannabis is taxed, and the County does not tax other agricultural products in the manner that cannabis would be taxed if the voters approve a local tax on cannabis.

Therefore, the cannabis activities that would be allowed pursuant to the recommended ordinance amendments would not be subject to the protections of the Right to Farm Act or Ordinance. Although it is not required, the Board could direct staff to amend the Right to Farm Ordinance at a future date to explicitly exclude cannabis as a type of agricultural use that is subject to the protections set forth in the Right to Farm Ordinance.

**Recommendation of the Agricultural Preserve Advisory Committee (APAC)**

Pursuant to Government Code Section 51231, the Board is the decision making body for amendments to the Uniform Rules regarding allowed uses on lands that are subject to agricultural preserve contracts. Furthermore, pursuant to Government Code Section 51239, APAC advises the Board on the administration of the agricultural preserves in the County.

Therefore, on August 11, 2017, November 3, 2017, and December 1, 2017, APAC reviewed and considered the suitability of cannabis uses on lands that are subject to agricultural preserve contracts. On December 1, 2017, by unanimous vote, APAC recommended that the Board adopt amendments to the County's Uniform Rules in order to specify the conditions under which cannabis uses would be allowed on lands that are subject to agricultural preserve contracts (Attachment 5). More specifically, APAC recommended that the Board amend the Uniform Rules as follows:

1. Specify that cannabis cultivation and ancillary facilities in support of cannabis cultivation are compatible uses on contracted land.
2. Add definitions related to cannabis.
3. Specify that manufacturing (excluding extraction), retail sales, testing, and marketing of cannabis or cannabis products are prohibited on Williamson Act lands.
4. For contracts involving lands with prime and non-prime soils, specify that cannabis cultivation and ancillary facilities may be located within the designated development envelope and/or outside of the development envelope of a premises. However, the amount of land dedicated to cannabis cultivation and ancillary facilities that are located outside of the development envelope cannot exceed 5% of the premises or 5 acres, whichever is less.
5. For contracts involving superprime lands, specify that all cannabis cultivation and ancillary facilities must be located within the designated development envelope.
6. Specify that processing, distribution, and manufacturing (extraction only) of cannabis from off-site sources is allowed, however it shall be limited to no more than 49 percent of the total volume of cannabis that is processed, distributed, and manufactured on the premises.

### **Enforcement**

The Sheriff's office and P&D code enforcement have faced challenges with enforcement of cannabis activities given the difference in legal status under state and federal law, the underground cash-based business with associated criminal activity, and negative impacts to the environment. Unregulated cannabis activities are associated with habitat destruction. Cannabis activities within residential areas can cause numerous compatibility impacts including offensive odor, security and safety hazards, use of hazardous materials, unpermitted electrical and building construction which presents fire hazards, and light and glare. A major objective of the proposed ordinances amendments is to encourage commercial cannabis businesses to operate legally and secure a license to operate in full compliance with County and State regulations, maximizing the proportion of licensed activities and minimizing unlicensed activities. Even if the cannabis ordinances are not adopted, staff recommends at least 2.5 full time equivalents to address cannabis enforcement.

### **Montecito and County Planning Commission**

*Montecito Planning Commission Recommendation.* On January 3, 2018, the Montecito Planning Commission (MPC) considered staff's recommendations for amendments to the MLUDC and CZO. See the MPC staff report, dated January 3, 2018, which is included as Attachment 10 to this Board letter.

After considering the staff report and public testimony, the MPC voted 3-0 (one absent, one recused) to recommend approval of the staff-recommended Cannabis Ordinances, with an increased setback for cannabis activities from sensitive receptors (schools, day cares, and youth centers) from the state mandated 600-feet to 1,500-feet. (The staff-proposed ordinance amendments include a setback of 1,200 feet from sensitive receptors, for volatile manufacturing.) Additionally, the MPC supported cannabis activities not being subject to the protections of the Right to Farm Ordinance.

*County Planning Commission Recommendation.* On January 10, 2018, the County Planning Commission (CPC) heard public comment on the Cannabis Ordinances, but due to the significant winter storm events and freeway closures, continued the item until January 24, 2018. Staff will provide an update on the CPC action to the Board, after the CPC hearing on January 24, 2018.

### **Public Outreach**

Public outreach for this project has been substantial. Staff maintained an interested parties email list that was regularly updated regarding the project status. Staff also frequently updated the County's Facebook and Twitter feeds, placed display advertisements in regional newspapers, sent notices to various community organizations and individuals, maintained a project webpage with hearing and meeting information, and held meetings to present information and receive public comment. The public meetings completed to date for the project are listed in Attachment 12.

### **Fiscal Analysis**

The proposed cannabis ordinances project was included in the Board-approved fiscal year 2017/2018 Long Range Planning (LRP) work program. Project cost to date is approximately \$294,000, consisting of \$91,000 in LRP staff time and \$203,000 in consultant fees. Additional costs have been incurred for other departments such as County Counsel, Sheriff, Agricultural Commissioner's Office, and County Executive Office. An additional amount of \$67,000 in Planning and Development staff time and \$50,000 in consultant time is estimated for project completion. The estimated cost for staff time includes

\$22,000 for adoption of the ordinances, \$25,000 for training and initial implementation of the ordinances, and \$20,000 to complete the Coastal Commission certification process.

There are no facilities impacts. Implementation of the ordinances will occur primarily through the development review and permit compliance processes (i.e., zoning requirements and development standards applied to new land use permits). Enforcement of the Cannabis Land Use Ordinances will include coordination between many other departments, including the Sheriff, Fire, Agricultural Commissioner, County Counsel, and Tax Collector. As discussed at the December 14, 2017, Board hearing regarding staffing for cannabis enforcement (among other topics), the Planning and Development Department is requesting 2.5 full time equivalents for permitting, which would be funded through permit fees, and 2.5 full time equivalents for enforcement, which would be funded by another revenue source. Other County departments also requested additional personnel to carry out duties relative to enforcement of a possible regulated market, if the Board approves such ordinances.

### **Special Instructions**

Planning and Development staff will fulfill noticing requirements. The Clerk of the Board shall provide a copy of the executed Resolution and Ordinance amendments and Board Minute Order(s) to Planning and Development, Attn.: David Villalobos.

### **Attachments:**

1. Findings for Approval
2. Ordinance amending the LUDC (Case No. 17ORD-00000-00004)
3. Ordinance amending the CZO (Case No. 17ORD-00000-00010)
4. Ordinance amending the MLUDC (Case No. 17ORD-00000-00009)
5. Board Resolution amending the Uniform Rules for Agricultural Preserves and Farmland Security Zones (Case No. 17ORD-00000-00019)  
Exhibit 1 – Proposed amendments to the Uniform Rules
6. Ordinance rescinding Article X (Case No. 18ORD-00000-00001)
7. Final Program Environmental Impact Report (EIR) (Case No. 17EIR-00000-00003)
8. EIR Revision Letter RV 01
9. Resolution Transmitting Case No. 17ORD-00000-00010 to the Coastal Commission for certification
10. Link to CPC and MPC Staff Reports
11. Plans, Policy, and Ordinance Consistency Analysis
12. Public Meetings and Hearings

### **Authored by:**

Jessica Metzger, Senior Planner, 568-3532

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