



Cannabis Regulatory Program Amendments - Chapter 50 Storefront Retail Amendments

Santa Barbara County
Board of Supervisors
November 5, 2019



Background – Current Framework

- Maximum of one storefront retail operation may be allowed in each of six community plan areas: 1) Orcutt, 2) Los Alamos, 3) Santa Ynez, 4) Eastern Goleta Valley, 5) Isla Vista/Goleta, and a combined 6) Summerland & Toro Canyon, plus up to two countywide for all sites in areas not covered by the community plan areas listed above
- One application per person, per business location would be pre-qualified
- Pre-qualified applicants would be random selected in each plan area and countywide for non-community plan locations
- All licenses are renewed annually; can be suspended, revoked or non-renewal for non-compliance; non-transferrable



Possible Amendments to Storefront Retail Licensing

Issue Area	Possible Changes	County Code section to change
Retail Selection Process	1. Establish a criteria-based application and site visit review, ranking and selection process	County Code § 50-7c & d
Retail Selection Process	2. Roles in a criteria-based application review, ranking and selection process	County Code § 50-7
Criteria & Scoring Options	3. Require cannabis storefront retail applicants to submit a Business Operations Proposal and/or a Neighborhood Compatibility Proposal for evaluation and scoring by the County Selection Committee or third party reviewer	County Code § 50-7c2
Criteria & Scoring Options	4. Application format and submittal guidelines	County Code § 50-7c2

1. Establish Criteria-based Selection

- *Existing County Regulations*
 - Chapter 50 has a pre-qualification review process, placement on an eligible list, followed by a random selection process to rank the qualified applicants by community plan area and “at large.”
- *Area of Concern*
 - Members of the public have expressed concerns that the current random selection process left no ability to identify the high quality cannabis storefront retail operators
- *Options*
 - Option #1 – Amend Code to create a three-step criteria-based selection process that scores and ranks applicants in plan areas;
 - Option #2 – Amend Code to create a three-step criteria-based scored pre-qualification process; then a random selection among those prequalified; or
 - Option #3 - Maintain existing regulations

2. Roles in Criteria-Based Process

- *Existing County Regulations*
 - No roles are specified in the existing random selection process
- *Area of Concern*
 - Ensuring neighborhood compatibility could provide a role for the Board, staff and/or third party consultants in the criteria-based selection process
- *Options*
 - Option #1 – Include the Board member, or a delegate, on a County Selection Committee for the community plan areas in their district;
 - Option #2 - Create a County Selection Committee to review and score cannabis storefront retail applications, and possibly with a public hearing for input prior to final selection;
 - Option #3 – Allow a third-party contractor to review and score applications;
 - Option #4 – Approve final selections at a Board meeting; or
 - Option #5 – Maintain existing regulations.



3. Require Biz Ops and/or Neighborhood Compatibility Proposal

- *Existing County Regulations*
 - Chapter 50 requires the applicant minimal submission of the location and right to occupy with attestations
- *Area of Concern*
 - Random selection does not allow for ranking
- *Options*
 - Option #1 – Amend Code to require submission of a **Business Operations Proposal** including the experience owning a cannabis business, record of compliant operations in the County, procedures manual, finance plan, employee training program, procurement and delivery plan, communications plan and security plan; or
 - Option #2 – Amend Code to require submission of a **Neighborhood Compatibility Proposal** including customer & community education plan, community engagement plan, and neighborhood compatibility plan; or
 - Option #3 – Both Options #1 & #2: or
 - Option #4 - Maintain existing regulations

4. Application Format & Submittal

- *Existing County Regulations*
 - County Code has very broad description about what to submit and is non-specific about format
- *Area of Concern*
 - Given interest in submitting, common formatting with aid in proposal review
- *Options*
 - Option #1 – Amend Code to limit the size of applications submitted;
 - Option #2 – Amend Code to specify noticing and application submission period;
 - Option #3 – Amend Code to require previously identified criteria-based components and existing application elements from County Code § 50-8;
 - Option #4 – Any combo of Options #1-3; or
 - Option #5 – All Options #1 through #3; or
 - Option #6 – Maintain existing regulations.

Retail Licenses and Permitting

- Land Use permitting for cannabis retail is in County Code Chapter 35 and no changes are being proposed to those regulations at this time.
- Under County Code § 50-7.e.2, following the cannabis storefront retail selection process, the selected applicants would have 90 days to submit an application to the Planning and Development Department.
- The selected applicant may also apply for their Cannabis Business license at that same time.
- Cannabis retailers would also be required to obtain their State retail license from the Bureau of Cannabis Control prior to be allowed to operate in the unincorporated area.

Recommended Actions

- Consider potential changes to the County's current cannabis storefront retail business licensing regulations;
- Provide conceptual direction on possible amendments to Chapter 50 (Licensing of Commercial Cannabis Operations) to improve the effectiveness of the cannabis regulatory system;
- Provide any other direction to staff to amend the County's cannabis regulatory program;
- Determine, pursuant to the California Environmental Quality Act (CEQA) Guidelines 15378(b)(5), that the above actions are not a project subject to CEQA review because they are administrative activities that will not result in direct or indirect physical changes in the environment.



Questions