



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: CEO
Department No.: 012
For Agenda Of: March 19, 2019
Placement: Set Hearing on
3/19/2019
Departmental on
4/2/2019
Administrative on
4/9/2019
Estimated Time: 3 hours on 4/2/2019
Continued Item: No
If Yes, date from: NA
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) Mona Miyasato, County Executive Officer
Contact Info: Dennis Bozanich, Deputy County Executive Officer

SUBJECT: Chapter 50 - Licensing of Commercial Cannabis Operations Ordinance Amendments

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: NA

Recommended Actions:

That the Board of Supervisors (Board) on March 19, 2019:

- a) Set a hearing on the Departmental Agenda for April 2, 2019 to consider the introduction (First Reading) of an Ordinance Amending Chapter 50 of the Santa Barbara County Code, Licensing of Commercial Cannabis Operations; and
- b) After consideration of the Final Programmatic Environmental Impact Report (PEIR) and associated revision letter, State Clearinghouse No. 2017071016, that the Board of Supervisors certified on February 6, 2018, determine pursuant to 14 CCR § 15162(a) that no subsequent EIR or Negative Declaration is required for this ordinance amendment because: i) no substantial changes are proposed which require major revisions of the PEIR; ii) no substantial changes have occurred with respect to the circumstances under which the ordinance is undertaken which require major revisions of the PEIR; and iii) no new information of substantial importance concerning the ordinance's significant effects or mitigation measures, which was not known and could not have been known with the exercise of reasonable diligence at the time that the PEIR was certified, has been received.

That the Board on the Departmental Agenda of April 2, 2019:

- a) Consider the introduction (First Reading) of an Ordinance of the Board of Supervisors of the County of Santa Barbara amending Chapter 50 of the Santa Barbara County Code, Licensing of Commercial Cannabis Operations (Attachment 1);
- b) Read title: “An Ordinance Amending Chapter 50, Licensing of Commercial Cannabis Operations, of The Santa Barbara County Code,” and waive reading of the Ordinance in full;
- c) Set a hearing on the Administrative Agenda for April 9, 2019 to consider the adoption (Second Reading) of an Ordinance Amending Chapter 50 of the Santa Barbara County Code, Licensing of Commercial Cannabis Operations; and
- d) Make the required CEQA findings and determine for the purposes of CEQA that:
 - i. These actions are within the scope of the Cannabis Land Use Ordinance and Licensing Program, and the Cannabis Land Use Ordinance and Licensing Program Final Programmatic Environmental Impact Report (PEIR) [Case No. 17EIR-00000-00003, State Clearinghouse No. 2017071016] adequately describes this activity for the purposes of CEQA.
 - ii. Pursuant to CEQA Guidelines section 15162(a), after considering the PEIR certified by the Board of Supervisors on February 6, 2018, that no subsequent EIR or Negative Declaration is required because: i) no substantial changes are proposed which require major revisions of the PEIR; ii) no substantial changes have occurred with respect to the circumstances under which the ordinance is undertaken which require major revisions of the PEIR; and iii) no new information of substantial importance concerning the ordinance’s significant effects or mitigation measures, which was not known and could not have been known with the exercise of reasonable diligence at the time that the PEIR was certified, has been received.

That the Board on Administrative Agenda of April 9, 2019:

- a) Consider adoption (Second Reading) of an Ordinance of the Board of Supervisors of the County of Santa Barbara amending Chapter 50 to the Santa Barbara County Code, Licensing of Commercial Cannabis Operations; and
- b) Make the required CEQA findings and determine for the purposes of CEQA that:
 - i. These actions are within the scope of the Cannabis Land Use Ordinance and Licensing Program, and the Cannabis Land Use Ordinance and Licensing Program Final Programmatic Environmental Impact Report (PEIR) [Case No. 17EIR-00000-00003, State Clearinghouse No. 2017071016] adequately describes this activity for the purposes of CEQA.
 - ii. Pursuant to CEQA Guidelines section 15162(a), after considering the PEIR certified by the Board of Supervisors on February 6, 2018, that no subsequent EIR or Negative Declaration is required because: i) no substantial changes are proposed which require major revisions of the PEIR; ii) no substantial changes have occurred with respect to the circumstances under which the ordinance is undertaken which require major revisions of the PEIR; and iii) no new information of substantial importance concerning the ordinance’s significant effects or mitigation measures, which was not known and could not have been

known with the exercise of reasonable diligence at the time that the PEIR was certified, has been received.

Summary Text:

In April 2018, the Board adopted Chapter 50 of the Santa Barbara County Code, Licensing of Commercial Cannabis Operations. Since the effective date of the cannabis ordinances June 2018 in the inland area, November 2018 in the coastal zone), cannabis operations have been applying for County cannabis land use permits and business licenses. On November 13, 2018, the Board requested that staff return with options for allowing testing labs on agriculturally zoned properties.

On January 29, 2019, the Board reviewed and considered potential amendments to Chapter 35 and Chapter 50 of the County Code establishing land-use zoning, permitting, development standards and business licensing for cannabis operations in the unincorporated area of Santa Barbara County including the option for allowing testing labs on agriculturally zoned properties. The staff report also identified a small set of additional amendments that may improve the permitting and licensing system. The Board provided conceptual direction to staff on potential amendments and further directed staff to explore further restrictions on smaller AG I zoning in the inland zone districts. Staff was to return with directed amendments to Chapter 50 and Chapter 35 on the Santa Barbara County Code.

The purpose of this agenda item is for Board consideration of an ordinance amending Chapter 50, Licensing of Commercial Cannabis Operations.

The Board also directed staff to consider amendments to Chapter 35 requiring noticing of permit applications for all properties within an Existing Developed Rural Neighborhood (EDRN). Following development and consideration by the Planning Commission, amendments to Chapter 35 will be brought to the Board of Supervisors later.

Background:

Possible Amendments to Cannabis Permitting and Licensing Ordinances

The Board was provided the following possible amendments to the land use permitting (LUDC/Article II) and business license ordinance (Chapter 50.) Staff received general direction on these possible amendments.

Possible Amendment	What needs amending?	Board Direction on January 29, 2019
1. Allow cannabis testing on agricultural lands	LUDC/Article II/ Chapter 50, Uniform Rules	Maintain existing regulations
2. Increase control of cannabis operations on AG-I properties	LUDC	Amend to ban cultivation on certain AG-I properties in the LUDC
3. Eliminate Ag employee Live Scan requirement and retain for all others	Chapter 50	Amend to mirror Chapter 50 to State law
4. Consider alternative storefront retail allocation methods	Chapter 50	Amend to pre-qualify, hold random selection processes for each of six community plan areas plus two countywide for areas not

		covered by the six community plans
5. Change energy plan review to Community Services Department Sustainability Division	Chapter 50	Amend to specify CSD to review Energy Conservation Plans
6. Increase authority to reject renewal licenses	Chapter 50	Amend from “may” to “shall”
7. Allow generators for security lighting or security cameras	LUDC/Article II	Maintain existing regulations

The Board also asked that the land use ordinances (Chapter 35/Article II) be amended to broaden cannabis permit application noticing to all residents of an Existing Developed Residential Neighborhood (EDRN) for those permit applications that require Conditional Use Permits. This Board direction will be brought back for consideration, along with Possible Amendment #2 (above) which directed the creation of a prohibition on cultivation on certain AG-I properties in Chapter 35. Options for implementing Possible Amendment #2 will be presented to the County Planning Commission and their recommendation will be forwarded to the Board for action.

Staff included several other minor edits that improve the effectiveness of the Chapter 50. At Section 50-7A1, we amended the language approved by the Board in April 2018 to be consistent with the language certified by the California Coastal Commission in November 2018. We also added 50-11 to state specifically that security plan elements are required to be in effect prior to cannabis business licensing.

The specific amended Chapter 50 sections for Possible Amendments 3, 4 & 5 (above) are provided in Attachment I (Non-redlined) and Attachment II (Redlined). At this time, staff is not recommending Possible Amendment #6 as the current language provides a relief valve for unusual circumstances.

Performance Measure:

NA

Contract Renewals and Performance Outcomes:

NA

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$ -

Narrative:

The cost of making and implementing the amendments to Chapter 50 will not increase or decrease the anticipated costs of the cannabis business-licensing program. Expenses for Cannabis Business Licensing expenses are offset by Business License fee revenue.

Key Contract Risks:

NA

Staffing Impacts:

Legal Positions:

FTEs:

Attachments:

Attachment 1 – Ordinance Amending Chapter 50, Licensing of Commercial Cannabis Operations, To the Santa Barbara County Code (Non-redlined version)

Attachment 2 – Ordinance Amending Chapter 50, Licensing of Commercial Cannabis Operations, To the Santa Barbara County Code (Redlined version)

Attachment 3 – CEQA Findings

Authored by: Dennis Bozanich, Deputy County Executive Officer, 805-568-3400 with review and support from Planning & Development, Sheriff and Treasurer-Tax Collector- Public Administrators