

ATTACHMENT 2

FINDINGS FOR APPROVAL AND STATEMENT OF OVERRIDING CONSIDERATION CANNABIS LAND USE ORDINANCES

February 6, 2018

**Case Nos. 17ORD-00000-00004, 17ORD-00000-00010, 17ORD-00000-00009,
18ORD-00000-00001, and 17EIR-00000-00003**

1.0 CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FINDINGS

1.1 FINDINGS PURSUANT TO PUBLIC RESOURCES CODE SECTION 21081 AND THE CEQA GUIDELINES SECTIONS 15090, 15091, AND 15163:

1.1.1 CONSIDERATION OF THE ENVIRONMENTAL IMPACT REPORT

The Board of Supervisors (Board) find that the Final Programmatic Environmental Impact Report (EIR) (17EIR-00000-00003) dated December 2017, and EIR Revision Letter (RV 01), dated January 4, 2018, were presented to the Board and all voting members of the Board reviewed and considered the information contained in the EIR and its appendices and RV 01 prior to approving the project. In addition, all voting members of the Board have reviewed and considered testimony and additional information presented at, or prior to, its public hearings. The EIR, appendices, and RV 01 reflect the independent judgment and analysis of the Board and are adequate for this project. Attachments 7 and 8, of the Board letter, dated February 6, 2018, are incorporated herein by reference.

1.1.2 FULL DISCLOSURE

The Board finds and certifies that the EIR, appendices, and RV 01 constitute a complete, accurate, adequate, and good faith effort at full disclosure pursuant to CEQA. The Board further finds and certifies that the EIR, appendices, and RV 01 were completed in compliance with CEQA.

1.1.3 LOCATION OF RECORD OF PROCEEDINGS

The documents and other materials which constitute the record of proceedings upon which this decision is based are in the custody of the Planning and Development Department located at 123 East Anapamu Street, Santa Barbara, CA 93101.

1.1.4 ENVIRONMENTAL REPORTING AND MONITORING PROGRAM

Public Resources Code Section 21081.6 and CEQA Guidelines Section 15091(d) and 15097 require the County to adopt a reporting or monitoring program for the changes to the project that it has adopted or made a condition of approval in order to avoid or substantially lessen significant effects on the environment. The EIR has been prepared as a program EIR pursuant to CEQA Guidelines Section 15168. The degree of specificity in the EIR corresponds to the specificity of the general or program level policies of the project and to the effects that may be expected to follow from the adoption of the project.

A detailed Mitigation Monitoring and Reporting Program (MMRP) has been provided in Section 7.0 of the EIR, incorporated herein by reference, and all mitigation measures identified in the MMRP have been incorporated directly into the Cannabis Land Use Ordinance and Licensing Program as shown in Attachments 1, 2, 3, 6 and 13 of the Board letter dated February 6, 2018, incorporated herein by reference, and into the resolution and amendments to the Uniform Rules for Agricultural Preserves and Farmland Security Zones as shown in Attachment 5 of the Board letter dated February 6, 2018, incorporated herein by reference. To ensure compliance with adopted mitigation measures during implementation of Cannabis Land Use Ordinance and Licensing Program the County Land Use and Development Code (LUDC), Montecito Land Use and Development Code (MLUDC) and the Coastal Zoning Ordinance (CZO) amendments include requirements that future development projects comply with each policy, action, or development standard required by each adopted mitigation measure in the MMRP, as applicable to the type of proposed development. Therefore, the Board adopts the MMRP to comply with Public Resource Code Section 21081.6 and California Environmental Quality Act (CEQA) Guidelines Section 15097, and finds that the Cannabis Land Use Ordinance and Licensing Program's above referenced ordinance amendments in the LUDC, MLUCD, and CZO are sufficient for a monitoring and reporting program.

1.1.5 FINDINGS THAT CERTAIN UNAVOIDABLE IMPACTS¹ ARE MITIGATED TO THE MAXIMUM EXTENT FEASIBLE

The EIR (17EIR-00000-00003), its appendices, and EIR Revision Letter (RV 01), for the Cannabis Land Use Ordinance and Licensing Program identify several environmental impacts which cannot be fully mitigated and, therefore, are considered unavoidable (Class I). These impacts involve: agricultural resources; air quality and greenhouse gas emissions; noise; transportation and traffic; and aesthetic and visual resources. To the extent the impacts remain significant and unavoidable, such impacts are acceptable when weighed against the overriding social, economic, legal, technical, and other considerations set forth in the Statement of Overriding Considerations included herein. For each of these Class I impacts described in the EIR, feasible changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effects to the maximum extent feasible, as discussed below. The Board letter, dated February 6, 2018, and its attachments are incorporated by reference.

Agricultural Resources

Impacts: The EIR identified significant project-specific and cumulative impacts related to the conversion of prime agricultural soils to a non-agricultural use or the impairment of agricultural land productivity (Impact AG-2).

¹ The discussion of impacts related to aesthetics and visual resources discussed in this section of these findings (below), addresses both the unavoidable cumulative impacts (Class I), as well as the project-specific impacts found to be significant but mitigable to a less-than-significant level (Class II), that are set forth in the EIR.

Mitigation: Mitigation Measure AG-2 requires that any new structures proposed for cannabis site development are sited on areas of the property that do not contain prime soils, to the maximum extent feasible. During the review of applications for cannabis site development, the County Planning and Development Department shall review the proposed location of any new structures proposed for cannabis-related structural development to ensure that they would avoid prime agricultural soils on-site. No other feasible mitigation measures are known that will further reduce impacts. Under a reasonable buildout scenario for cannabis related development, impacts to prime soils will remain significant and unavoidable.

Cumulative impacts to agricultural resources are mitigated to the maximum extent feasible with measure MM AG-2. Program approval would contribute to cumulative agricultural impacts associated with pending and future growth and development projects Countywide. The combined effect of cumulative development is anticipated to result in significant and unavoidable cumulative impacts to agricultural resources.

Findings: The Board finds that the feasible mitigation measure (MM AG-2) has been incorporated into the Cannabis Land Use Ordinance and Licensing Program to reduce the significant environmental effects identified in the EIR to the maximum extent feasible. This mitigation measure will be implemented during the review of entitlement applications for cannabis development, to mitigate project-specific and cumulative impacts to agricultural resources to the maximum extent feasible. However, even with this mitigation measure, impacts to agricultural resources (Impact AG-2) will remain significant and unavoidable. Therefore, the Board finds the Cannabis Land Use Ordinance and Licensing Program's residual impacts to agricultural resources are acceptable due to the overriding considerations discussed in the Statement of Overriding Considerations in Finding 1.1.8 below.

Air Quality and Greenhouse Gas Emissions

Impacts: The EIR identified significant project-specific and cumulative impacts related to air quality and greenhouse gas emissions from future cannabis activities that would be permitted if the Project is approved. Specifically, the EIR identified the following adverse and unavoidable effects: inconsistency with the Clean Air Plan (Impact AQ-1), traffic generated emissions (Impact AQ-3), inconsistency with the Energy and Climate Action Plan (Impact AQ-4), and exposure of sensitive receptors to objectionable odors (Impact AQ-5).

Mitigation: The EIR identifies two mitigation measures, MM AQ-3 and MM AQ-5 to reduce impacts associated with traffic-generated emissions and objectionable odors, respectively.

MM AQ-3 requires that cannabis Permittees implement feasible transportation demand management (TDM) measures that reduce vehicle travel to and from their proposed sites. Each Permittee must consider location, total employees, hours of operation, site access and transportation routes, and trip origins and destinations associated with the cannabis operation. Once these are identified, the Permittee is required to identify a range of TDM measures as feasible for County review and approval. No other feasible mitigation measures are known that will further reduce traffic-generated emissions impacts. Under a reasonable buildout

scenario for cannabis related development, impacts from traffic-generated emissions will not be fully mitigated and will remain significant and unavoidable.

MM AQ-5 requires that cannabis licensees implement feasible odor abatement plans (OAPs) consistent with Santa Barbara County Air Pollution Control District requirements and subject to the review and approval of the County. No other feasible mitigation measures are known that will further reduce odor impacts. Under a reasonable buildout scenario for cannabis-related development, impacts from objectionable odors will not be fully mitigated and will remain significant and unavoidable.

Cumulative impacts related to air quality and greenhouse gas emissions are mitigated to the maximum extent feasible with measures MM AQ-3 and MM AQ-5. Since the Project is inconsistent with the Clean Air Plan and the Energy and Climate Action Plan, and the County is anticipated to remain in non-attainment, the Project's contribution to cumulative air quality impacts would be cumulatively considerable and, therefore, significant and unavoidable (Class I).

Findings: The Board finds that feasible mitigation measures (MM AQ-3 and MM AQ-5) have been incorporated into the Cannabis Land Use Ordinance and Licensing Program to reduce the significant environmental effects identified in the EIR to the maximum extent feasible. These mitigation measures are implemented during project review to mitigate project-specific and cumulative impacts related to air quality and greenhouse gas emissions, to the maximum extent feasible. However, even with these mitigation measures, impacts related to inconsistency with the Clean Air Plan (Impact AQ-1), traffic generated emissions (Impact AQ-3), inconsistency with the Energy and Climate Action Plan (Impact AQ-4), and exposure of sensitive receptors to objectionable odors (Impact AQ-5), will remain significant and unavoidable. Therefore, the Board finds the Cannabis Land Use Ordinance and Licensing Program's residual impacts related to air quality and greenhouse gas emissions are acceptable due to the overriding considerations discussed in the Statement of Overriding Considerations in Finding 1.1.8 below.

Noise

Impacts: The EIR identified significant project-specific and cumulative impacts to sensitive receptors from long-term increases in noise from traffic on vicinity roadways (Impact NOI-2).

Mitigation: As discussed above in the summary of air quality impacts, MM AQ-3 would require cannabis Permittees to implement feasible TDM measures that reduce vehicle travel to and from their proposed sites, subject to the review and approval of the County. No other feasible mitigation measures are known that will further reduce impacts. Under a reasonable buildout scenario for cannabis-related development, impacts to sensitive receptors from long-term noise increases from Project traffic will not be fully mitigated and will remain significant and unavoidable.

Cumulative impacts to sensitive receptors from traffic-generated noise are mitigated to the maximum extent feasible with measure MM AQ-3. The Project has the potential to contribute to cumulative noise impacts from roadway noise effects on ambient noise levels in the County. Combined with other development, increased vehicle trips could increase congestion and daily travel on roadways in rural areas that experience relatively minimal traffic noise. As the Project's contribution would be cumulatively considerable, even with implementation of MM AQ-3 to require reduced employee trips through TDM measures, cumulative impacts from the Project would be significant and unavoidable.

Findings: The Board finds that the feasible mitigation measure (MM AQ-3) has been incorporated into the Cannabis Land Use Ordinance and Licensing Program to reduce the significant environmental effects identified in the EIR, to the maximum extent feasible. This mitigation measure will be implemented during the review of entitlement applications for cannabis activities, in order to mitigate project-specific and cumulative impacts to sensitive receptors from traffic generated noise, to the maximum extent feasible. However, even with this mitigation measure, noise impacts related to long-term noise increases (Impact NOI-2) will remain significant and unavoidable. Therefore, the Board finds the Cannabis Land Use Ordinance and Licensing Program's residual noise impacts are acceptable due to the overriding considerations discussed in the Statement of Overriding Considerations in Finding 1.1.8 below.

Transportation and Traffic

Impacts: The EIR identified significant project-specific and cumulative impacts related to transportation and traffic from future cannabis activities that would be permitted if the Project is approved. The following adverse and unavoidable effects were identified: increases of traffic and daily vehicle miles of travel that affect the performance of the existing and planned circulation system (Impact TRA-1), and adverse changes to the traffic safety environment (Impact TRA-2).

Mitigation: The EIR identifies two mitigation measures, MM AQ-3 and MM TRA-1, to reduce impacts associated with traffic.

As discussed above in the summary of air quality impacts, MM AQ-3 would require cannabis Permittees to implement feasible TDM measures that reduce vehicle travel to and from their proposed sites, subject to the review and approval of the County. No other feasible mitigation measures are known that will further reduce these traffic impacts. Under a reasonable buildout scenario for cannabis-related development, impacts from traffic will not be fully mitigated and will remain significant and unavoidable.

MM TRA-1 requires that cannabis Permittees pay into the County's existing Development Impact Mitigation Fee Program, at an appropriate level (e.g., Retail Commercial and Other Nonresidential Development) in effect at the time of permit issuance for the County and Goleta and Orcutt Planning Areas to improve performance of the circulation system. No other feasible mitigation measures are known that will further reduce these traffic impacts. Under a

reasonable buildout scenario for cannabis related development, impacts from traffic will not be fully mitigated and will remain significant and unavoidable.

Cumulative impacts related to traffic would be mitigated to the maximum extent feasible with measures MM AQ-3 and MM TRA-1. The Project's contribution to cumulative changes in the transportation environment as a result of generation of new vehicle trips could still result in exceedances of acceptable road segment or intersection Level of Service, as well as inconsistency with the Regional Transportation Plan-Sustainable Communities Strategy. Therefore, the proposed Project would make a cumulatively considerable contribution to a significant cumulative traffic impact, and impacts are considered significant and unavoidable.

Findings: The Board finds that feasible mitigation measures (MM AQ-3 and MM TRA-1) have been incorporated into the Cannabis Land Use Ordinance and Licensing Program to reduce the significant environmental effects identified in the EIR, to the maximum extent feasible. These mitigation measures will be implemented during the review of entitlement applications for cannabis activities in order to mitigate project-specific and cumulative impacts related to traffic, to the maximum extent feasible. However, even with these mitigation measures, increases of traffic and daily vehicle miles of travel that affect the performance of the existing and planned circulation system (Impact TRA-1) and adverse changes to the traffic safety environment (Impact TRA-2) would remain significant and unavoidable. Therefore, the Board finds the Cannabis Land Use Ordinance and Licensing Program's residual impacts related to traffic are acceptable due to the overriding considerations discussed in the Statement of Overriding Considerations in Finding 1.1.8 below.

Aesthetics/Visual Resources

Impacts: Although the EIR identifies that project-specific impacts to County scenic resources would be mitigated to a less-than-significant level, it also found that Project-related future development in combination with other County projects and plans would contribute considerably to aesthetic and visual impacts. Thus, potential cumulative impacts resulting from changes to scenic resources and existing character would be significant and unavoidable.

Mitigation: Mitigation Measure MM AV-1 would reduce direct visual impacts associated with hoop structures and ancillary development for cannabis cultivation, such as fencing, by requiring appropriate screening in compliance with the land use entitlement (e.g., LUP, CDP, or CUP) that would be required for the cannabis operation. To the maximum extent feasible, screening for cannabis cultivation sites shall consist of natural barriers and deterrents to enable wildlife passage, prevent trespass from humans, and shall be visually consistent, to the maximum extent possible, with surrounding lands. Screening requirements would be set forth in the conditions of, and on the plans related to, the entitlement for the cannabis operation. While project-specific impacts to aesthetics/visual resources will be less-than-significant (Class II) with implementation of this mitigation measure, cumulative impacts would remain significant and unavoidable (Class I).

Findings: The Board finds that the feasible mitigation measure (MM AV-1) has been incorporated into the Cannabis Land Use Ordinance and Licensing Program to reduce the significant environmental effects identified in the EIR, to the maximum extent feasible. This mitigation measure will be implemented during the review of entitlement applications for cannabis operations in order to mitigate project-specific impacts to a less-than-significant level. However, even with this mitigation measure, the Project's contribution to significant cumulative visual impacts would remain cumulatively considerable, and would be significant and unavoidable. Therefore, the Board finds the Cannabis Land Use Ordinance and Licensing Program's residual cumulative impacts to aesthetic and visual resources are acceptable due to the overriding considerations discussed in the Statement of Overriding Considerations in Finding 1.1.8 below.

1.1.6 FINDINGS THAT CERTAIN IMPACTS ARE MITIGATED TO INSIGNIFICANCE BY MITIGATION MEASURES

The EIR (17EIR-00000-00003), its appendices, and EIR Revision Letter (RV 01), for the Cannabis Land Use Ordinance and Licensing Program, identify several subject areas for which the project is considered to cause or contribute to significant, but mitigable environmental impacts (Class II). For each of these Class II impacts identified by the EIR, feasible changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect, as discussed below.

Aesthetics/Visual Resources

As discussed in Section 1.1.4 of these findings (above), the EIR identified potentially significant but mitigable project-specific impacts to County scenic resources from development associated with cannabis cultivation (Impact AV-1). The Board finds that implementation of MM AV-1 would reduce the significant project-specific environmental effects related to aesthetic and visual resources (Impact AV-1) to a less-than-significant level (Class II).

Agricultural Resources

Impacts: The EIR identified potentially significant but mitigable project-specific impacts as a result of potential land use incompatibility from manufacturing and distribution uses on agriculturally zoned lands (Impact AG-1).

Mitigation: MM AG-1 would require cannabis Permittees for manufacturing or distribution on lands designated for agricultural use (e.g., AG-I and AG-II), to cultivate cannabis on-site and have approval for a cultivation license. The requirement would specify that non-cultivation activities must be clearly ancillary and subordinate to the cultivation activities on-site so that the majority of cannabis product manufactured and/or distributed from a cannabis site is sourced from cannabis plant material cultivated on the same site. The requirement would also specify that the accessory use must occupy a smaller footprint than the area dedicated to cannabis cultivation. Further, the requirement would apply to microbusiness licenses (Type

12) to ensure that proposed manufacturing or distribution would be ancillary and subordinate to the proposed cultivation area.

Findings: The Board finds that MM AG-1 has been incorporated into the Cannabis Land Use Ordinance and Licensing Program. The Board finds that implementation of MM AG-1 will reduce the significant project-specific environmental effects related to incompatibility with existing zoning for agricultural uses (Impact AG-1) to a less-than-significant level (Class II).

Biological Resources

Impacts: The EIR identified the following potentially significant but mitigable project-specific impacts from future cannabis activities: adverse effects on unique, rare, threatened, or endangered plant or wildlife species (Impact BIO-1); adverse effects on habitats or sensitive natural communities (Impact BIO-2); adverse effects on the movement or patterns of any native resident or migratory species (Impact BIO-3); and conflicts with adopted local plans, policies, or ordinances oriented towards the protection and conservation of biological resources (Impact BIO-4).

Mitigation: The EIR identifies several mitigation measures that would reduce potentially significant impacts to a less-than-significant level.

MM BIO-1a would require applicants who apply for a cannabis permit for a site that would involve pruning, damage, or removal of a native tree or shrub, to submit a Tree Protection Plan (TPP) prepared by a County-approved arborist/biologist. The TPP would set forth specific avoidance, minimization, or compensatory measures, as necessary, given site-specific conditions and the specific cannabis operation for which the applicant would be requesting a permit.

MM BIO-1b would require applicants who apply for a cannabis permit for a site that would involve clearing of sensitive native vegetation, to submit a Habitat Protection Plan (HPP) prepared by a County-approved biologist. The HPP would set forth specific avoidance, minimization, or compensatory measures, as necessary, given site-specific conditions and the specific cannabis operation for which the applicant would be requesting a permit.

MM BIO-3, Wildlife Movement Plan, would be required for outdoor cultivation sites that would include fencing. The Wildlife Movement Plan would analyze proposed fencing in relation to the surrounding opportunities for migration, identify the type, material, length, and design of proposed fencing, and identify non-disruptive, wildlife-friendly fencing, such as post and rail fencing, wire fencing, and/or high-tensile electric fencing, to be used to allow passage by smaller animals and prevent movement in and out of cultivation sites by larger mammals, such as deer. Any required fencing would also have to be consistent with the screening requirements outlined in MM AV-1, which is discussed in these findings (above).

MM HWR-1 would require applicants for cultivation permits to provide evidence of compliance with the State Water Resources Control Board (SWRCB) requirements (or

certification by the appropriate Water Board stating a permit is not necessary). The SWRCB has drafted a comprehensive Cannabis Cultivation Policy which includes principles and guidelines for cannabis cultivation within the state. The general requirements and prohibitions included in the draft policy address a wide range of issues, from compliance with state and local permits to riparian setbacks. The draft general order also includes regulations on the use of pesticides, rodenticides, herbicides, insecticides, fungicides, disinfectants, and fertilizers.

Findings: The Board finds that MM BIO-1a, MM BIO-1b, MM BIO-3, and MM HWR-1 have been incorporated into the Cannabis Land Use Ordinance and Licensing Program. The Board finds that implementation of MM BIO-1a, MM BIO-1b, MM BIO-3, and MM HWR-1 would reduce the significant project-specific environmental effects related to biological resources (Impacts BIO-1, BIO-2, BIO-3, and BIO-4) to a less-than-significant level (Class II).

In addition, the Board finds that implementation of MM BIO-1a, MM BIO-1b, MM BIO-3, and MM HWR-1 would reduce the Project's contribution to significant, cumulative impacts to biological resources, such that the Project would not make a cumulatively considerable contribution and, therefore, the Project's contribution to cumulative impacts to biological resources would be less-than-significant with mitigation (Class II).

Cultural Resources

Impacts: The EIR identified potentially significant but mitigable impacts to historical resources (Impact CR-1) as well as to archaeological resources, tribal cultural resources, human remains, or paleontological resources (Impact CR-2) from future cannabis activities.

Mitigation: The EIR identifies two mitigation measures that would reduce potentially significant impacts to a less-than-significant level.

MM CR-1 would require cannabis licensees to preserve, restore, and renovate onsite structures consistent with the requirements of CEQA and the County Cultural Resources Guidelines. This mitigation measure requires an applicant for a cannabis permit to retain a qualified historian to perform a Phase I survey, and if necessary, a Phase II significance assessment and identify appropriate preservation and restoration/renovation activities for significant onsite structures in compliance with the provisions of the most current County Cultural Resources Guidelines.

MM CR-2 would require a Phase I archaeological and paleontological survey in compliance with the provisions of the County Cultural Resources Guidelines for areas of proposed ground disturbance. If the cannabis development has the potential to adversely affect significant resources, the applicant would be required to retain a Planning and Development Department-approved archaeologist to prepare and complete a Phase II subsurface testing program in coordination with the Planning and Development Department. If the Phase II program finds that significant impacts may still occur, the applicant would be required to retain a Planning and Development Department-approved archaeologist to prepare and complete a Phase III

proposal for data recovery excavation. All work would be required to be consistent with County Cultural Resources Guidelines. The applicant would be required to fund all work.

Findings: The Board finds that the feasible MM CR-1 and MM CR-2 have been incorporated into the Cannabis Land Use Ordinance and Licensing Program. The Board finds that implementation of MM CR-1 and MM CR-2 would reduce the significant project-specific effects related to cultural resources (Impacts CR-1 and CR-2) to a less-than-significant level (Class II).

Hydrology and Water Resources

Impacts: The EIR identified potentially significant but mitigable impacts to surface water quality (Impact HWR-1) as well as groundwater quality (Impact HWR-2) from future cannabis activities.

Mitigation: MM HWR-1 would require applicants for cultivation licenses to provide evidence of compliance with the SWRCB requirements (or certification by the Regional Water Quality Control Board stating that a permit is not necessary). The SWRCB has drafted a comprehensive Cannabis Cultivation Policy which includes principles and guidelines for cannabis cultivation within the state. The general requirements and prohibitions included in the draft policy address a wide range of issues, from compliance with state and local permits to riparian setbacks. The draft general order also includes regulations on the use of pesticides, rodenticides, herbicides, insecticides, fungicides, disinfectants, and fertilizers.

Findings: The Board finds that the feasible MM HWR-1 has been incorporated into the Cannabis Land Use Ordinance and Licensing Program. The Board finds that implementation of MM HWR-1 would reduce the significant project-specific effects related to surface water quality (Impact HWR-1) and groundwater quality (Impact HWR-2) to a less-than-significant level (Class II).

Land Use

Impacts: The EIR identified potentially significant but mitigable impacts related to conflicts with an applicable land use plan, policy, or regulation, specifically with regard to conflicts with public land uses (Impact LU-1).

Mitigation: MM LU-1 would establish a regulation prohibiting cannabis activities on publicly owned lands within the County.

Findings: The Board finds that the feasible MM LU-1 has been incorporated into the Cannabis Land Use Ordinance and Licensing Program. The Board finds that implementation of MM LU-1 would reduce the significant project-specific effects related to conflicts with uses on public lands (Impact LU-1) to a less-than-significant level (Class II).

Utilities and Energy Conservation

Impacts: The EIR identified potentially significant but mitigable impacts related to increased demand for new energy resources (Impact UE-2) from future cannabis activities.

Mitigation: The EIR identifies several mitigation measures that would reduce potentially significant impacts to a less-than-significant level.

MM UE-2a would require cannabis licensees to implement energy conservation best management practices to the maximum extent feasible. This would include the use of renewable energy sources and energy efficient development and operations.

MM UE-2b would require that cannabis licensees participate in a Regional Renewable Choice (RRC) program, Green Rate program, Community Renewable program, or similar equivalent renewable energy program, if feasible.

MM UE-2c would encourage cannabis Permittees to participate in the Smart Build Santa Barbara (SB2) Program as part of the permit review process. This measure would ensure that Permittees receive direction on feasible energy conservation measures, incentives, or other energy-saving techniques.

Findings: The Board finds that the MM UE-2a, MM UE-2b, and MM UE-2c have been incorporated into the Cannabis Land Use Ordinance and Licensing Program. The Board finds that implementation of MM UE-2a, MM UE-2b, and MM UE-2c would reduce the significant project-specific effects related to increased demand for new energy resources (Impact UE-2) to a less-than-significant level (Class II).

1.1.7 FINDINGS THAT IDENTIFIED PROJECT ALTERNATIVES ARE NOT FEASIBLE

The EIR (17EIR-00000-00003) evaluated a no project alternative and three additional alternatives (Alternative 1 - Exclusion of Cannabis Activities from the AG-I Zone District, Alternative 2 - Preclusion of Cannabis Activities from Williamson Act Land, and Alternative 3 - Reduced Registrants) as methods of reducing or eliminating significant environmental impacts. The Board letter, dated February 6, 2018, and its attachments are incorporated by reference. The Board finds that the identified alternatives are infeasible for the reasons stated.

1. No Project Alternative

The No Project Alternative addresses the potential environmental impacts that could result if the proposed Project is not adopted and the mitigation measures of the Project are not implemented. Under the No Project Alternative, the direct impacts associated with licensing of an expanded cannabis industry would not occur. However, this alternative would not address unregulated and illegal cannabis activities, and would not offer an avenue for licensing and permitting. Thus, it is likely that illegal cannabis activities would continue to

exist. Under the No Project Alternative, existing County law enforcement would continue on a primarily response-to-complaints and call-for-service basis. Over the more than three decades of local, state and federal law enforcement activities cannabis cultivation and related activities have not been eradicated. Even with local, state, and federal participation in cannabis law enforcement, as well as pending state-level regulations and programs developed from MAUCRSA, the illicit cultivation and sale of cannabis in California and the County would likely continue to be a major illicit business. Therefore, there would be no orderly development, nor oversight of cannabis activities within the County, with potential for expanded illegal activities.

Under the No Project Alternative, aesthetic/visual and agricultural resource impacts would likely be reduced. However, potential impacts related to air quality, biology, cultural resources, geology and soils, hazards, hydrology, land use, public services, transportation, and utilities/energy would be more severe under the No Project Alternative.

The No Project Alternative fails to achieve the objectives of the project. Therefore, the Board finds that the project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) is preferable to the No Project Alternative.

2. Alternative 1: Exclusion of Cannabis Activities from the AG-I Zone District

Under Alternative 1 - the Exclusion of Cannabis Activities from the AG-I Zone District, cannabis-related activities would not be allowed within the AG-I zone districts throughout the County. This would reduce the areas of eligibility in the County, particularly within the Carpinteria Valley and the Santa Ynez Valley. Alternative 1 would reduce the total amount of eligible area and sites as compared to the proposed Project, and would require substantial relocation or abandonment of existing cannabis operations. Existing cultivators would need to find locations within the reduced area of eligibility.

The classification of all impacts under Alternative 1 would be similar to those under the proposed Project, including significant and unavoidable impacts to agricultural resources; air quality and greenhouse gas emissions; noise; and transportation and traffic. Adoption of Alternative 1 would achieve most of the Project objectives, which include regulating cannabis activities within the County including: providing an efficient and clear cultivation and manufacturing permit process and regulations; and regulating sites and premises to avoid degradation of the visual setting and neighborhood character, odors, hazardous materials, and fire hazards. However, adoption of Alternative 1 would not achieve Project objectives related to development of a robust and economically viable legal cannabis industry (Objective 1), encouraging businesses to operate legally and secure a license to operate in full compliance with County and state regulations (Objective 4), and minimization of adverse effects of cultivation and manufacturing and distribution activities on the natural environment (Objective 6).

Although this alternative would be consistent with some of the objectives of the Proposed Project, it would not adequately meet Objectives 1, 4, and 6. As such, it has been found infeasible for social, economic and other reasons. The Board finds that the project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) is preferable to Alternative 1.

3. Alternative 2: Preclusion of Cannabis Activities from Williamson Act Land

Alternative 2 considers environmental impacts under a modified set of licensing regulations that would reduce the area of eligibility on lands that are subject to a Williamson Act contract in the County where licenses may be issued for cannabis cultivation activities. Under Alternative 2, cannabis activities would not count towards the minimum cultivation requirements to qualify for an agricultural preserve contract pursuant to the Williamson Act; however, cannabis activities would be considered compatible uses on lands that are subject to agricultural preserve contracts. Cannabis cultivation activities would be limited to a maximum of 22,000 square feet of cannabis canopy cover for each Williamson Act contract premises. Agricultural use data for commercial production and reporting that would be used to determine compliance with minimum productive acreage and annual production value requirements would not include cannabis activities.

This alternative would result in limiting the potential for cannabis activities on over 50 percent of eligible County area, and would eliminate hundreds of potential cannabis operations from occurring on Williamson Act lands. As compared to the proposed Project, the approximate total area of eligibility for manufacturing and distribution would be reduced while retail sales and testing area would remain about the same.

Adoption of Alternative 2 would achieve some of the Project objectives which include regulating commercial cannabis cultivation, manufacturing, and distribution activities within the County, providing an efficient and clear cultivation and manufacturing permit process and regulations, and regulating sites and premises to avoid degradation of the visual setting and neighborhood character, odors, hazardous materials, and fire hazards. However, Alternative 2 would not reduce any significant impacts to a less-than-significant level. Moreover, adoption of this alternative would not achieve some of the basic Project objectives, including those related to development of a robust and economically viable legal cannabis industry (Objective 1), encouraging businesses to operate legally and secure a license to operate in full compliance with County and state regulations (Objective 4), and minimization of adverse effects of cultivation and manufacturing and distribution activities on the natural environment (Objective 6).

Although this alternative would be consistent with some of the objectives of the Proposed Project, it would not adequately meet Objectives 1, 4, and 6. As such, it has been found infeasible for social, economic, and other reasons. The Board finds that the project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) is preferable to Alternative 2.

4. Alternative 3: Reduced Registrants

Under the Reduced Registrants Alternative, the total number of licenses issued by the County would consist of half of the number of each category of licenses that were indicated as part of the 2017 Cannabis Registry. This would restrict the County to issuing a total of 962 licenses (50 percent of the 1,924 identified), which would subsequently limit the representative buildout of the Project analyzed in the EIR by a commensurate 50 percent. Existing operators identified in the 2017 Cannabis Registry would be prioritized for licensing under this alternative, which would substantially reduce the net new buildout, while allowing for limited growth.

Alternative 3 would result in substantial reductions in the severity of most impacts compared to the Project, and would reduce significant and unavoidable impacts to agricultural resources to a less-than-significant level. However, it would not achieve the most basic Project objectives, including those related to development of a robust, economically viable, and legal cannabis industry (Objective 1), and encouraging businesses to operate legally and secure a license to operate in full compliance with County and state regulations (Objective 4).

Although this alternative would be consistent with some of the objectives of the Proposed Project, it would not adequately meet Objectives 1 and 4. As such, it has been found infeasible for social, economic and other reasons. The Board finds that the project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) is preferable to Alternative 3.

1.1.8 STATEMENT OF OVERRIDING CONSIDERATIONS

The Board makes the following Statement of Overriding Considerations: The Cannabis Land Use and Licensing Program EIR (17EIR-00000-00003) found that impacts related to agricultural resources, air quality and greenhouse gas emissions, noise, transportation and traffic, and aesthetic and visual resources (cumulative) will remain significant and unavoidable (Class I). The Board has balanced “the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits” of the project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) against these effects and makes the following Statement of Overriding Considerations, which warrants approval of the project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) notwithstanding that all identified adverse environmental effects are not fully avoided or substantially lessened [CEQA Guidelines Section 15093(a)]. The Board finds that the benefits of the “proposed project outweigh the unavoidable adverse environmental effects,” and therefore, “the adverse environmental effects may be considered ‘acceptable’” [CEQA Guidelines Section 15093(a)].

Each of the reasons for approval cited below is a separate and independent basis that justifies approval of the Cannabis Land Use Ordinance and Licensing Program. Thus, even if a court

were to set aside any particular reason or reasons, the Board finds that it would stand by its determination that each reason, or any combinations of reasons, is a sufficient basis for approving the project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) notwithstanding the significant and unavoidable impacts that may occur. The substantial evidence supporting the various benefits can be found in the other Findings for Approval set forth in this document, the EIR, and in the Record of Proceedings, including, but not limited to, public comment received at the numerous public hearings listed in the incorporated Board letter dated February 6, 2018.

Pursuant to Public Resources Code Section 21081(b) and CEQA Guidelines Sections 15043, 15092, and 15093, any unavoidable adverse environmental effects of the project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) are acceptable due to the following environmental benefits and overriding considerations:

- A. The project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) provides for a robust and economically viable legal cannabis industry to ensure production and availability of high quality cannabis products to help meet local demands, and, as a public benefit, improves the County's tax base. For a detailed discussion of the economic viability, see the Fiscal Analysis of the Commercial Cannabis Industry in Santa Barbara County, prepared by Hdl Companies and dated October 31, 2017 and incorporated herein by reference:
<https://santabarbara.legistar.com/View.ashx?M=F&ID=5685428&GUID=E6A9F289-B740-40DC-A302-B4056B72F788>
- B. The project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) enhances the local economy and provides opportunities for future jobs, business development, and increased living wages. Moreover, the project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) promotes continued agricultural production as an integral part of the region's economy by giving existing farmers access to the potentially profitable cannabis industry, which in turn would provide relief for those impacted by competition from foreign markets and rising costs of water supply.
- C. The project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) expands the production and availability of medical cannabis, which is known to help patients address symptoms related to glaucoma, epilepsy, arthritis, and anxiety disorders, among other illnesses.
- D. The project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) allows for the orderly development and oversight of commercial cannabis activities by applying development standards that

- require appropriate siting, setbacks, security, and nuisance avoidance measures, thereby protecting public health, safety, and welfare.
- E. The project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) provides a method for commercial cannabis businesses to operate legally and secure a permit and license to operate in full compliance with County and state regulations, maximizing the proportion of licensed activities and minimizing unlicensed activities. Minimization of unlicensed activities will occur for two reasons. First, the County will be providing a legal pathway for members of the industry to comply with the law. Secondly, the County will use revenue from the project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) to strengthen and increase code enforcement actions in an effort to remove illegal and noncompliant operations occurring in the County unincorporated areas.
 - F. The project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) establishes land use requirements for commercial cannabis activities to minimize the risks associated with criminal activity, degradation of neighborhood character, groundwater basin overdraft, obnoxious odors, noise nuisances, hazardous materials, and fire hazards.
 - G. The project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) minimizes the potential for adverse impacts on children and sensitive populations by imposing appropriate setbacks and ensuring compatibility of commercial cannabis activities with surrounding existing land uses, including residential neighborhoods, agricultural operations, youth facilities, recreational amenities, and educational institutions. For detailed discussions on compatibility, see Section 3.9, *Land Use and Planning*, in the EIR, incorporated herein by reference, as well as the other Findings for Approval in this document.
 - H. The project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) provides opportunities for local testing labs that protect the public by ensuring that local cannabis supplies meet product safety standards established by the State of California.
 - I. The project (as modified by incorporation of EIR mitigation measures, and additional development standards shown in RV 01) protects agricultural resources, natural resources, cultural resources, and scenic resources by limiting where cannabis activities can be permitted and by enacting development standards that would further avoid or minimize potential impacts to the environment.

2.0 ADMINISTRATIVE FINDINGS FOR CANNABIS LAND USE ORDINANCES

In compliance with Section 35.104.060.A (Findings for Comprehensive Plan, Development Code and Zoning Map Amendments) of the Santa Barbara LUDC the Board shall make the

findings below in order to approve a text amendment to the County Land Use and Development Code (LUDC).

The findings to approve a text amendment to the County's certified Local Coastal Program are set forth in Section 35-180.6 (Findings Required for Approval of Rezone or Ordinance Amendment) of the Coastal Zoning Ordinance (CZO). In compliance with Chapter 2, Administration, Article V, Planning and Zoning, Section 2-25.2, Powers and Duties, the Board shall make the following findings in order to approve the text amendment to the CZO.

In compliance with Section 35.494.050 (Action on Amendment) of the Montecito Land Use and Development Code (MLUDC), the Board shall make the following findings in order to approve the text amendment to the MLUDC.

- 2.1 The request is in the interests of the general community welfare.**
The proposed ordinance amendments are in the interest of the general community welfare since the amendments will serve to (1) define new land uses associated with cannabis activities (2) indicate those zones that allow the Cannabis land uses, and (3) set forth development standards for various permitted commercial cannabis activities to avoid compromising the general welfare of the community, as analyzed in the Board letter, dated February 6, 2018, which is hereby incorporated by reference.
- 2.2 The request is consistent with the County Comprehensive Plan, the requirements of state planning and zoning laws, and the LUDC, CZO, and MLUDC.**
Adoption of the proposed ordinances, as analyzed in the Board letter, dated February 6, 2018, which is hereby incorporated by reference, will provide more effective implementation of the State planning and zoning laws by revising the LUDC, CZO, and MLUDC to provide clear zoning standards that will benefit the public, consistent with the state licensing program for the cannabis industry. The proposed ordinances: define the uses associated with commercial cannabis activities; identify the zones in which cannabis land uses would be prohibited; and set forth a number of development standards and other requirements that would apply to personal cultivation, in order to avoid or otherwise minimize adverse effects from cannabis activities. The proposed ordinances would be consistent with the adopted policies and development standards of the Comprehensive Plan, including the Community Plans. The proposed ordinance amendments are also consistent with the remaining portions of the LUDC, CZO, and MLUDC that these ordinance amendments would not be revising. Therefore, the proposed ordinance amendments would be consistent with the Comprehensive Plan including the Community Plans, the requirements of State Planning and Zoning Laws, and the LUDC, CZO, and MLUDC.
- 2.3 The request is consistent with good zoning and planning practices.**
The proposed ordinances, as analyzed in the Board letter, dated February 6, 2018, which are hereby incorporated by reference, clearly and specifically address personal cultivation and commercial cannabis activities within the unincorporated area of Santa Barbara County. The ordinances are consistent with sound zoning and planning practices to regulate land uses for

the overall protection of the environment and community values since it provides for clear direction regarding where cannabis land uses are allowed and prohibited, which serves to minimize potential adverse impacts to the surrounding area. As discussed in Finding 2.2, above, the amendments are consistent with the Comprehensive Plan, including the Community Plans, LUDC, CZO and MLUDC. Therefore, the proposed ordinances are consistent with sound zoning and planning practices to regulate land uses.

3.0 ADMINISTRATIVE FINDINGS FOR AMENDMENTS TO ARTICLE X (CASE NO. 18ORD-00000-00001)

In compliance with Section 35.104.060.A (Findings for Comprehensive Plan, Development Code and Zoning Map Amendments) of the Santa Barbara LUDC the Board shall make the findings below in order to approve the amendment and partial rescission of Article X, Medical Marijuana Regulations, of Chapter 35, Zoning, of the Santa Barbara County Code (Case no. 18ORD-00000-00001).

3.1 The request is in the interests of the general community welfare.

The proposed ordinance to amend and partially rescind Article X is in the interest of the general community welfare since it will:

- Maintain the amortization of Legal Nonconforming medical marijuana operations as established by the Board in November of 2017.
- Clarify the timing of the amortization periods for Legal Nonconforming medical marijuana operations, thereby providing certainty to the operators and the public alike regarding the status of the operations.
- Rescind the existing prohibition against medical marijuana cultivation upon the operative dates of the Cannabis Land Use Ordinances (Case Nos. 17ORD-00000-00004, -00009, -00010), thereby ensuring that the new regulations are not in conflict with existing regulations.
- Rescind the entirety of Article X upon the termination of Legal Nonconforming uses, thereby removing obsolete regulations.

3.2 The request is consistent with the County Comprehensive Plan, the requirements of state planning and zoning laws, and the LUDC and CZO.

Adoption of the proposed ordinance, as analyzed in the Board letter, dated February 6, 2018, which is hereby incorporated by reference, will ensure that the provisions in Article X are consistent with the new regulations in the LUDC, CZO, and MLUDC should the Board adopt the Cannabis Land Use Ordinances (Case Nos. 17ORD-00000-00004, -00009, -00010). The amended Article X would be consistent with the adopted policies and development standards of the Comprehensive Plan, including the Community Plans. Together with the Cannabis Land Use Ordinances, the amended Article X will allow for more effective implementation of the State planning and zoning laws by ensuring consistency with the new State licensing program for the cannabis industry. Therefore, the proposed ordinance amendments would be

consistent with the Comprehensive Plan including the Community Plans, the requirements of State Planning and Zoning Laws, and the LUDC, CZO and MLUDC.

3.3 The request is consistent with good zoning and planning practices.

The proposed amendments to Article X are consistent with sound zoning and planning practices since they will ensure that there is no conflict between the new cannabis regulations and the existing medical marijuana regulations. Moreover, the amendments provide a clear timeframe for the termination of Legal Nonconforming uses for medical marijuana cultivation. Finally, the amendments provide for Article X to be rescinded entirely once Legal Nonconforming medical marijuana operations are terminated and the separate medical marijuana regulations are no longer necessary. Thus, the proposed amendments are consistent with sound zoning and planning practices to regulate land uses.

4.0 AMENDMENT TO THE UNIFORM RULES FINDINGS (Case No. 17ORD-00000-00019)

4.1 The request is in the interests of the general community welfare.

The proposed amendment to the Uniform Rules would limit the amount and types of cannabis activities that would be permitted on Williamson Act lands. This is in the interests of the general community welfare because the preservation of a maximum amount of the limited supply of agricultural land is necessary to the conservation of the state's economic resources, and also for the assurance of adequate, healthful, and nutritious food for residents of the state and the nation. The amendment would also specify that cannabis activities are not compatible with Williamson Act contracts for open space or Williamson Act contracts for recreation, thereby ensuring the continued protection of scenic, biological and recreational resources in those preserves.

4.2 The request is consistent with the County Comprehensive Plan, the requirements of state planning and zoning laws, and the LUDC and CZO.

The amendment of the Uniform Rules, as analyzed in the Board letter, dated February 6, 2018, which is hereby incorporated by reference, would be consistent with the adopted policies and development standards of the Comprehensive Plan, including the Land Use and Agricultural Elements. The Agricultural Element contains goals and policies which require the protection of agriculture lands, the reservation of prime soils for agricultural uses, and the preservation of a rural economy. The amendment would limit the types and amounts of cannabis activities that would be permitted on Williamson Act lands. It would also specify that some cannabis activities, including cultivation, are compatible with the agricultural uses on Williamson Act lands, thereby ensuring consistency with the Cannabis Land Use Ordinances (Case Nos. 17ORD-00000-00004, -00010).

4.3 The request is consistent with good zoning and planning practices.

The Agricultural Preserve Advisory Committee (APAC) held three hearings on the matter of cannabis activities to be permitted on Williamson Act lands. At the hearings, public input was received and information such as current zoning and planning practices, assessor policies and procedures, potential environmental impacts, and approaches taken by other counties was discussed. The purpose of agricultural preserve program and uniform rules was also discussed

Cannabis Land Use Ordinances

Attachment 1: Findings for Approval and Statement of Overriding Considerations

Case Nos. 17ORD-00000-00004, 17ORD-00000-00010,
17ORD-00000-00010 and 18ORD-00000-00001

Board Hearing Date: February 6, 2018

Page 20

as a factor in making a recommendation to the Board. APAC recommended the proposed amendments to the Uniform Rules on December 1, 2017, with particular consideration given to applying good zoning/planning practices while preserving agricultural and open space land in the County. As also stated under 4.2 above, the proposed Uniform Rules amendment is consistent with all applicable policies of the Comprehensive Plan and Land Use and Development Code.