



**BOARD OF SUPERVISORS
AGENDA LETTER**

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

Agenda Number:

Submitted on:
(COB Stamp)

Department Name: County Executive Office
Department No.: 012
Agenda Date: March 18, 2025 (First Reading)
April 1, 2025 (Second Reading)
Placement: Departmental Agenda
March 18, 2025
Administrative
April 1, 2025
Estimated Time: 45 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s): Mona Miyasato, County Executive Officer
Contact Info: Brittany Odermann, Deputy CEO
SUBJECT: Amend Chapter 50 of the County Code – Licensing of Cannabis Operations

DocuSigned by:

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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 on March 18, 2025:

- 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 Cannabis Operations amending the existing odor abatement requirements for cultivation, processing, and manufacturing facilities to require the use of multi-technology carbon filtration or equivalent odor control systems;
- b) Read the title and waive further reading of the Ordinance in full;
- c) Set a hearing on the Administrative Agenda for April 1, 2025 to consider recommendations, as follows:

On April 1, 2025:

- 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 Cannabis Operations amending the existing odor abatement requirements for cultivation, processing, and

manufacturing facilities to require the use of multi-technology carbon filtration or equivalent odor control systems; and

b) Determine for the purposes of CEQA that:

- i. Pursuant to CEQA Guidelines section 15168(c) 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 due to the involvement of new significant environmental impacts or a substantial increase in the severity of previously identified significant effects; ii) no substantial changes have occurred with respect to the circumstances under which the ordinance is undertaken which require major revisions of the PEIR due to the involvement of new significant environmental impacts or a substantial increase in the severity of previously identified significant effects; 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 shows any of the following situations elements of CEQA Guidelines Section 15162(3) apply.

Summary Text:

Changes to improve cannabis odor control regulations require changes to the County Land Use Development Code (LUDC) and Article II, Coastal Zoning Ordinance (CZO) managed by the Planning and Development Department; and Cannabis Business License (Chapter 50) managed by the County Executive Office.

Changes recommended to Chapter 50 **relate primarily to the carbon filtration technology installation and its implementation timelines**, which is a subset of the broader changes requested by the Board and addressed in county land use ordinances. Requirements and approach in Chapter 50 strive to be consistent with the LUDC and CZO, and often, Chapter 50 refers to provisions and requirements of the LUDC and CZO.

This report describes a consistent approach for the implementation and extension process. However, staff recommends that Chapter 50 be slightly different than the LUDC and CZO to address a concern that the California Coastal Commission certification of the land use amendments will delay the implementation of the odor control regulations: staff is recommending in the Coastal Zone that the initial installation period for carbon filtration technology in Chapter 50 not extend beyond 12 months, regardless of Coastal Commission certification timing, and one extension period could be granted by the Board of Supervisors at the recommendation of the County Executive Office. Once the Coastal Commission certifies the amendments, this provision would no longer be necessary and the process set forth in the CZO would be effective.

This report was also scheduled to include Chapter 50 ordinance amendments regarding criminal background checks. That amendment is being postponed due to late requests by the Sheriff's Office for revisions.

Discussion

At the January 14, 2025 Board hearing, staff was directed to return with an ordinance amendment to incorporate odor abatement requirements in compliance with proposed Land Use Development Code amendments. The proposed amendment will tie cannabis business licensing to the requirement to install Multi-Technology Carbon Filtration, or an equivalent odor technology, for cultivation, processing, and manufacturing operations. All first-time and renewal applicants will be required to submit an affidavit agreeing to the ongoing operation of their odor control system. This amendment intends to address odor nuisance and provide language for business license denial or revocation for non-compliant odor control systems.

Planning and Development LUDC and CZO revisions regarding implementation and extension processes

Planning and Development staff have presented the LUDC and CZO ordinance changes to the County Planning Commission and included several options for consideration in a separate item on today's agenda. Changes recommended to Chapter 50 relate primarily to the carbon filtration technology and its implementation timelines, which is a subset of the broader changes requested by the Board and addressed in the land use ordinances.

Currently Planning and Development staff are recommending the following approach:

- **LUDC/CZO Initial Implementation:** Require the installation and operation of multi-technology carbon filtration, or equivalent technology and require installation (a) within 12 months of Board of Supervisor's final approval or (b) upon the date of California Coastal Commission's certification of the land use ordinance amendments, whichever is later.
- **LUDC/CZO Extension Process:** Planning and Development staff are seeking Board direction on the extension process beyond the initial 12 months. Their agenda item provides the County Planning Commission recommendation and other options for consideration.

To align with the proposal in Chapter 50, CEO staff recommend that the Board take the following action on the Zoning Ordinance amendments:

- **LUDC/CZO Extension Process:** Provide one extension period up to 12 months. This may be granted by the Board of Supervisors at the recommendation of the Planning and Development Director. Requests for this extension must be submitted 90 days prior to the expiration of the initial installation period.

This could expedite the process, as there would be no further appeal process to the Board of Supervisors. Currently there are between 15 and 20 operators who could potentially request an extension.

Concerns Regarding Coastal Commission Timing

Concern has been raised that the Coastal Commission review process of the land use ordinance amendments may delay the installation timeline. To mitigate the concern, staff proposes the following in Chapter 50 which would be slightly different than provisions of the LUDC/CZO:

- **Chapter 50 Initial Implementation:** Require the installation within 12 months of Board of Supervisor's final approval of the Chapter 50 amendment or specifically, March 31, 2026 (not wait for Coastal Commission certification of the land use ordinance changes).
- **Chapter 50 Extension Process:** Provide one extension period up to 12 months. This may be granted by the Board of Supervisors at the recommendation of the County Executive Office.

Requests to extend must be submitted 90 days prior to the expiration of the initial installation period.

This would expedite the process, as there would be no further appeal process to the Board of Supervisors. For all other issues regarding cannabis licenses, the existing appeal process of using an Administrative Hearing Officer would continue.

- **Void these provisions once Coastal Commission certifies:** Once the land use amendments to the Coastal Commission are reviewed and certified, the extension process outlined in Chapter 50 would no longer be necessary and become null and void; the extension process would revert to the process outlined in the LUDC and CZO.
- Both inland area and coastal zone cultivation, processing, and manufacturing facilities must complete their installation within this time frame and following the extension request process.
- Failure to comply with the timelines would result in revocation or denial of a license or renewal of the operator’s business license.

The Board could consider other options to this process. Chapter 50 revisions are summarized below.

Proposed Amendments to Cannabis Licensing Ordinance:

ODOR

Issue Area	Current Language	Proposed Amendment	County Code Section
Definition	1. List of terms, defined.	1. Add definition of multi-technology carbon filtration or equivalent, consistent with the definition in the LUDC and CZO.	§ 50-2(u)
Application content for annual business license	2. Provisional license holders must submit a statement agreeing to operate their odor control system(s) after obtaining LUE & during business license application review.	2. Establishes that all new applicants must submit a statement under penalty of perjury agreeing to the ongoing operation of their odor control system(s).	§ 50-8(b)(8)
Grounds for denial of license	3. States that non-use of best available control technology as defined by Chapter 35 is grounds for denial.	3. States that non-use of multi-technology carbon filtration or equivalent technology with run time meters on or before March 31, 2026, is grounds for denial of a new or renewal license, unless an extension is granted.	§ 50-17(d)
Cannabis business license renewal process	4. Provides requirements to renew a cannabis business license	4. Adds a new requirement to submit an odor control system affidavit attesting to compliance with Chapter 50 and Chapter 35 (LUDC and CZO).	§ 50-19(b)(6)
Cannabis business license operating requirements	5. States that continuous operation of odor prevention devices is required for cannabis cultivation	5. Updates language to include continuous operation of odor prevention devices is required for cultivation, processing, and manufacturing facilities in compliance with Chapter 35 and Chapter 50.	§ 50-25(a)(3)

Suspension or revocation of a cannabis business license	6. Provides a list of grounds for suspension or revocation	6. Adds a new requirement that failure to install multi-technology carbon filtration or equivalent with run time meters on or before March 31, 2026, is grounds for revocation unless an extension is granted. Adds extension process for operators in the coastal zone prior to Coastal Commission certification of CZO amendment.	§ 50-26(a)(12)
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SUSPENSION OR REVOCATION

Issue Area	Current Language	Proposed Amendment	County Code Section
Administrative	1. Reference to 50-17(1) is a typo.	1. The correct citation is 50-17(l).	§ 50-26(a)(8)

The specific amended Chapter 50 sections are provided in Attachment A (Non-redlined) and Attachment B (Redlined).

Background:

In May 2018, the Board adopted Chapter 50 of the Santa Barbara County Code, Licensing of 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. Chapter 50 has since been amended several times to reflect necessary changes in the business licensing process; it was most recently amended in July 2023.

Past Board direction also included removal of criminal background check requirements for permanent, 3rd party, seasonal or temporary workers to align with Department of Cannabis Control (DCC) regulation. This amendment was noticed to include these changes. However, this action is postponed because the CEO Office received significant requested revisions to the final proposed amendment language on Monday, March 3, 2025 by the Sheriff’s Office. Additional time will be required to consider the merits of the requested revisions to ensure alignment with Board direction.

CEQA Determination:

Adoption of the proposed ordinance is 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) (17EIR-00000-00003, State Clearinghouse No. 2017071016).

Fiscal Analysis:

Budgeted: NA

Narrative: The cost of making and implementing the amendments to Chapter 50 will be associated with staff time to administer the extension process.

Special Instructions:

The Clerk of the Board shall publish the ordinance in accordance with Government Code section 25124.

Attachments:

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

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

Attachment C – CEQA Findings

Attachment D – Link to the Program Environmental Impact Report for the Cannabis Land Use Ordinance and Licensing Program, 17EIR-00000-00003:

<https://cosantabarbara.app.box.com/s/o9fp2865sykaqn98s0702plaa96xi7t5/folder/72887579662>

Attachment E – PEIR Statements of Overriding Consideration

Authored by:

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