



Nevada County Cannabis Regulation Community Planning Process

Community Advisory Group (CAG) Recommendations Report

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I. Introduction and Overview

In 2017, the Nevada County Board of Supervisors (BOS) established a Community Advisory Group (CAG) to advise the BOS on the development of an updated ordinance to regulate cannabis activities in Nevada County. The County hired MIG, Inc., a Berkeley- based planning, design and community engagement firm to manage the CAG process and draft a policy recommendations report for consideration by the BOS. The CAG recommendations presented in this report are advisory in nature and may be used by the BOS and County staff in preparing a draft of the updated ordinance.

The CAG met ten times to discuss and provide input on how cannabis could be regulated in Nevada County. CAG discussions included adult use and medical use, cultivation for personal and commercial use and related activities licensed by the State of California. It should be noted that State regulations were being developed concurrently with the CAG. (The most recent draft State regulations were released on November 16, 2017.)

Regulations regarding cannabis cultivation and other cannabis-related activities in Nevada County have been an on-going topic of discussion involving the community, County staff and elected officials for some time. The County has worked toward long-term cannabis regulations since 2012 with multiple revisions to the existing ordinance. The County desires to work toward developing a permanent ordinance.

A subcommittee of the BOS was formed at the board meeting of November 8, 2016 (SR 16-0950), and that subcommittee recommended an independent and impartial facilitator be retained to guide the community planning process.

The County initiated a Request for Proposal (RFP) process to select a facilitator to assist in forming and facilitating the CAG planning process. On December 16, 2016, the County issued a Request for Proposals for Consulting and Facilitation Services. Sixteen proposals were received before the submission deadline of January 17, 2017. A County selection committee reviewed the 16 proposals and invited the top 5 proposers to in-person interviews. The selection committee unanimously selected MIG, Inc.

II. Community Interviews, CAG Formation and Planning Process

Community Interviews

To inform the CAG process, Daniel Iacofano and Joan Chaplick of MIG conducted small group discussions on April 24-25, 2017, involving 39 community members to develop a better understanding of community member perspectives on the regulation of cannabis in Nevada County. Community members were asked to identify issues of concern and possible strategies for managing cannabis in Nevada County.

Discussion participants included Nevada County community members from:

- Cultivators and Cannabis Organizations
- Residents
- Public Safety Officials
- Educators
- Public Health and Human Services Professionals
- Environmental Advocates
- Local Business
- Nevada Irrigation District
- Community Development Agency
- Nevada County Contractors Association
- Nevada County Association of Realtors

The major themes from these discussions are summarized in section III of this document and in Appendix B. The results of these discussions informed the CAG process design and CAG meeting discussion topics.

CAG Formation and Planning Process

The CAG selection process was designed to ensure that a wide variety of interests were represented while identifying candidates who described themselves as objective, reasonable and tolerant of contrary opinions. Applications for CAG membership were made available at County offices and online. Fifty-one applications were received by the deadline of May 2, 2017. All applications were received, reviewed and considered by the MIG team. Selection criteria were recommended by MIG and were adopted by the Board of Supervisors at their April 25, 2017, Board meeting (SR 17-0270).

The CAG member selection criteria included:

- County residency
- Expertise in any of the following areas: Cultivator, cannabis, industry, environmental, local business owner, public safety, patient advocate, physician or medical

professional, public health, community advocate, local agency, education, community youth, religious or faith-based

- Communication style and openness to other perspectives
- Board/advisory group experience (optional, not required)
- References: At least two references who could provide supporting information about applicant qualifications and capabilities (letters of reference were optional)
- No conflict of interest: Applicants could not have any financial or other conflict of interests which would prevent the Applicant from serving as a member of the Community Advisory Group, complying with required member protocols, or which would otherwise interfere with Applicant’s ability to fulfill the duties and responsibilities of CAG members
- Participation: Consistent attendance and agreement to follow guidelines regarding civil discourse, active listening and communication and media protocols

MIG conducted the application review and member selection process and identified 14 individuals based on the Applicant’s self-described area of expertise as well as the criteria listed above. The BOS accepted MIG’s recommended slate of candidates and added two additional members bringing the total group size to 16. MIG created an organizational framework that described what was expected of each CAG member and how CAG meetings would be conducted. County Counsel determined that the CAG would be subject to the Brown Act.

CAG Member Roster

| CAG Members | |
|--------------------|----------------------|
| Don Bessee | Michael Mastrodonato |
| Jonathan Collier | Rosemary Metrailler |
| Tom Cross | Catherine Peterson |
| James Drew | Mark Schaefer |
| Robert Erickson | Pamela Swartz |
| Leland French | Erin Tarr |
| Forrest Hurd | Sharyn Turner |
| Rich Johansen | Debra Weistar |

To accommodate the high level of community interest in the proceedings, CAG meetings were held at the Foothills Event Center in Grass Valley. Each meeting was recorded and live-streamed via the Nevada County Television and Digital Media’s (NCTV) website. Each CAG meeting included a public comment period and opportunities for the public to provide written feedback on comment cards provided during the meeting and/or electronically to a dedicated e-mail address (CAGmeetingcomments@migcom.com) which was established specifically for the CAG process. All written comments received were reviewed by members of the project team and included in a comment summary attached as an appendix to each meeting summary.

Initially, CAG members were asked to participate in eight meetings. Two additional regular meetings were added for a total of ten meetings. CAG meeting dates and times were as follows:

| Meeting | Date | Topic |
|-----------------------------------|--------------------|--|
| CAG Meeting #1 | May 23, 2017 | CAG Process, Interim Ordinance, and Potential Discussion Topics |
| CAG Meeting #2 | June 13, 2017 | State Activities, Other Counties, and Potential Allowable Activities |
| CAG Meeting #3 | June 27, 2017 | Land Use and Zoning Issues |
| CAG Meeting #4 | July 11, 2017 | Permitting |
| CAG Meeting #5 | July 25, 2017 | State Regulations |
| CAG Meeting #6 | August 8, 2017 | Water, Public Health, Natural Resources, and Enforcement |
| Joint Special Board / CAG Meeting | September 5, 2017 | CAG Prioritization List |
| CAG Meeting #7 | September 12, 2017 | Direction and Recommendations for Major Topics |
| CAG Meeting #8 | October 24, 2017 | Continue Direction and Recommendations for Major Topics |
| CAG Meeting #9 | November 7, 2017 | Continue Direction and Recommendations for Major Topics |
| CAG Meeting #10 | December 19, 2017 | Review and Comment on Report |
| Joint Special Board / CAG Meeting | January 9, 2018 | Comment on Final Report and Board receive report |

III. Major Themes from the Community Interviews

Community interviews were conducted by MIG in April 2017 to inform the CAG process and identify issues of concern regarding the regulation of cannabis in Nevada County. Thirty-nine community members participated in the group interviews. The key themes that emerged from these interviews are summarized below.

A. Acknowledge that cannabis contributes to economic activity in Nevada County.

It was acknowledged that cannabis has had a long-standing presence in the community and it contributes to economic activity in Nevada County. Some local growers are business owners who are part of the local economy, supporting agricultural suppliers and other local businesses. Many participants stated that a properly regulated industry in the County will produce jobs and reduce negative impacts by achieving greater compliance with land use planning, zoning and building standards. Opinions varied regarding indoor versus outdoor growing with different impacts (positive and negative) described for both types of growing practices.

B. Provide a pathway to compliance to bring cannabis operations in conformance with whatever regulations and requirements are adopted by the County.

There was widespread agreement that cannabis needs to be regulated in the County and the updated ordinance should be designed to provide a path for small local growers to comply with regulations. The ordinance should include requirements with allowed activities for growing indoors and outdoors, address commercial cultivation, and provide clear direction on processes and requirements to help local growers comply with the ordinance. It was recommended that growers be provided an opportunity to complete corrective actions, but that there should also be substantive consequences for noncompliance.

C. Address and mitigate impacts on homeowners, communities and neighborhoods.

The intent of the ordinance should be to protect neighborhoods. There was strong agreement on the importance of addressing, reducing, and mitigating impacts on homeowners and neighborhoods in proximity to growing operations. Many homeowners in the County feel burdened by the nuisance impacts of cannabis on their neighborhood, highlighting the offensive odors that impact those who live near cultivation sites. Other impacts called out included increased traffic in the neighborhood from people coming to and from these properties, security concerns (violent crimes) and the use of security measures and guard dogs to protect the grow sites.

D. Address and mitigate impacts on the environment.

There was strong agreement on the importance of addressing, reducing and mitigating impacts on the environment. The environmental impacts were described as potentially significant and included concerns about energy consumption needs of indoor cultivation, impacts from pesticides and fertilizers on wildlife, and increased demand for water. Impacts from grading, fire concerns (illegal camping, butane use, and lab explosions), poisoning of

wildlife, water diversion, clear cutting, erosion control, solid waste accumulation, hazardous material storage and waste disposal were also mentioned.

E. Protect children and youth from potential harmful effects and improper use of cannabis.

Protecting children and youth from improper access to and use of cannabis emerged as a clear priority for the new ordinance. As cannabis use is normalized by adults, there is concern that youth will consider cannabis to be completely harmless and okay to use at any age. Concerns were expressed about the potential impacts of cannabis on youth brain development and about the unknown health impacts related to using cannabis grown with pesticides and other chemicals. There is also concern about the potential impacts of cannabis use by adults. More research is needed to understand the potential impacts and help users make informed choices. Easy access to edibles and products that resemble candy or mimic existing food products was also a concern. Educators noted that cannabis use by youth compromises education in the classroom causing potential decreased learning and psychotic episodes. Students coming to school with strong cannabis odor create significant distractions and negative impacts on the learning environment for all faculty and students.

F. Public Safety

Protecting the public from the criminal side of the industry and encourage compliant and responsible cultivation was also a major concern for many of those interviewed. Excessive cannabis activity often results in increased calls for service to law enforcement, property crimes, violent crimes and traffic accidents from driving while intoxicated. The transient workforce population associated with cannabis can add to these problems. Commercial operations should have standard workforce practices. Without fines, the incentives to operate outside the regulations with an all cash business are too great and a low risk, simple, cash-based business invites criminal activity. Low fines are considered a cost of doing business for some cultivators. Criminal prosecution and jail time are no longer an effective deterrent. Illegal grows pose an increased risk of fires stemming from illegal camping, structures, unpermitted electrical systems, greenhouses and makeshift indoor cultivation activities.

G. Apply best practices and lessons learned from other communities that may have application to Nevada County.

Many communities in California and in other states where cannabis has been legalized have “best practices” and “lessons learned” that may be of interest and applicable to Nevada County. Changes to state regulations and to the cannabis industry as legalization has evolved has led some counties to adopt ordinances only to amend them shortly thereafter. Counties that adopted permissive ordinances early on are now experiencing unforeseen challenges from which Nevada County can learn.

H. Educate the public about the CAG process.

The CAG process is expected to provide factual information from credible sources about the scope and scale of the cannabis industry including its fundamental practices, related impacts and potential benefits. The County has taken a step by creating the Cannabis Conversations page on its website which will serve as a centralized location for cannabis related information. Many entities have conducted or are conducting research on different aspects of the cannabis industry. This research may also be of use to the Nevada County process. It is recommended that data sources be vetted to ensure they are credible and based on sound methodology and research practices. There is also research and data at local levels that may be available to support the process.

I. Bring the community together around a set of regulations and document the process to protect the public health, safety, and welfare.

Cannabis has become a divisive issue in the County. Legislation at the State level allows for medicinal and recreational use and related commercial activities. There are expectations that the role of cannabis in the County be clarified and recommendations developed through a collaborative process. The goal is for the County to develop a revised ordinance that will be acceptable to the community and the cannabis industry, incentivizing the application of industry best practices and ensuring a high quality of life for all Nevada County residents. State regulations will require all local jurisdictions (city or county) to authorize and give permission for any commercial cannabis activity associated with any State license.

IV. Guiding Principles and Criteria

In drafting the proposed recommendations for cannabis regulation, MIG considered the following guiding principles:

- Protect neighbors from the nuisance effects of cannabis activities.
- Address cannabis as a land use and zoning issue.
- Borrow from relevant existing zoning, code and permitting requirements.
- Encourage the community of growers to work together to educate each other on best practices and promote compliance.
- Protect children and youth from the direct and indirect negative effects of cannabis.
- Update the new ordinance periodically to respond to new data regarding the impacts or benefits of cannabis, modifications to State licensing requirements and regulations, and other factors that may influence the cannabis industry.

In addition, MIG attempted to devise recommendations that are:

- Protective of public health and safety
- Enforceable
- Pragmatic
- Straight forward to administer
- Supportive of medicinal use

V. Board of Supervisors Update

At key points in the process, the BOS provided direction to the CAG on the topics where its advice was requested. The CAG meeting process was not designed to cover all aspects of the cannabis industry so the BOS's advice was needed to help focus the topics for which recommendations would be developed. A joint meeting of the BOS and the CAG was held on September 5, 2017 (SR 17-0687) with the purpose of providing an update to the Board of Supervisors on the CAG's progress to date and for the BOS to provide direction to the CAG regarding its priority topics. MIG and County staff drafted a list of priority topics for the Board's consideration with the CAG having an opportunity to review and provide comments on the topic list.

The adopted topic list had three priority levels:

- Priority A topics must be addressed by the CAG:
 - Allowed cultivation activities
 - Location of cultivation activities through land use
 - Amount of cultivation
 - Setbacks
 - Neighborhood security and safety
 - Nuisance mitigation requirements
 - Permitting requirements and process (moved from C to A by the BOS)
 - Commercial activities other than cultivation such as business and retail (moved from C to A by the BOS)

- Priority B topics will be addressed by the CAG after the Priority A list is complete as time allows:
 - Limiting permit count
 - Personal cultivation requirements
 - Transition program
 - Permit tier/layering with zoning and parcel size
 - Residence requirement

- Priority C topics will be addressed by County staff. Priority C list will not be covered within the CAG recommendation meetings. All CAG input gathered thus far will be considered in County Staff's recommendations to the Board regarding these areas. Some of the topics to be addressed include:
 - Taxation and revenue
 - Enforcement
 - Additional code requirements

VI. CAG Recommendations

Several times throughout the CAG process, CAG members were asked to indicate their level of agreement for each of the recommendation topics using the Level of Agreement Scale presented in the box below. Based on the CAG members responses, MIG added more specificity to the draft recommendations as the process advanced, in order to provide the most specific and comprehensive recommendations possible. Where majority agreement could not be reached, MIG noted such areas of undetermined level of agreement and provided considerations and observations shared by the CAG at its meeting of December 19, 2017. In some cases the draft recommendations were revised to reflect the CAG's discussion, both the original and the revised statements are included in this report. Strong agreement was reached by the CAG on most of the recommendations below. A table summarizing the level of agreement reached by the CAG for each recommendation is provided in Appendix A.

Formulation of Draft Recommendations

The general process for developing recommendations for the updated ordinance included the following steps:

- MIG prepared draft policy recommendations for CAG review and discussion.
- CAG members discussed and identified their individual level of agreement with each proposed draft recommendation.
- MIG prepared final recommendations for consideration by the BOS based on CAG discussion at meeting #10.

CAG Level of Agreement Scale

1 = I fully agree

2 = I find it acceptable and believe it is the best option available

3 = I can live with this direction, but I am not that enthusiastic about it

4 = I do not agree, but will go with the wisdom of the group and not oppose this

5 = I do not feel we have any unity of opinion on this topic and more discussion is needed

6 = I disagree with this direction

CAG Recommendations: Land Use

1. Personal Outdoor Cultivation

Rationale: Protect the safety and quality of life in residential neighborhoods, while accommodating the need to allow limited outdoor cultivation for personal use. Limit impacts of outdoor cultivation on neighboring properties and limit visibility of cultivation. Setbacks are based on those outlined in the Nevada County Site Development Standards Tables provided in LUDC Chapter II Article 2 Zoning Districts. These were established pursuant to the State Board of Forestry and Fire Protection's 2002 full certification of the County's Fire Safe Regulations, including Chapter II (Zoning), Chapter V (Building), Chapter VII (Streets and Addressing), Chapter XVI (Fire Safety) and Chapter XVII (Roads), as equaling or exceeding the California Fire Safe Regulations pursuant to Public Resources Code (PRC) 4290. Cultivation is subject to the County Resource Protection Standards including but not limited to setbacks and non-disturbance buffers outlined in the County Land Use and Development Code Chapter II Sec. L-II 4.3 Resource Standards. Fencing seven (7) feet or greater requires a building permit.

- 1.1 Allow outdoor cultivation of up to 6 plants for personal use in areas zoned AG, AE, FR, TPZ.

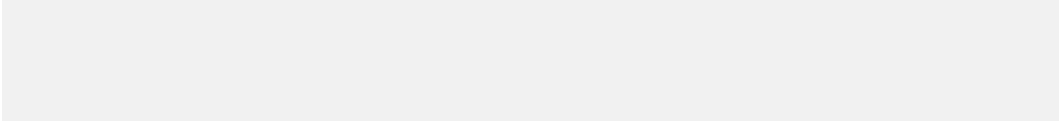
Original draft recommendation:

- 1.2 Allow outdoor cultivation for personal use in areas zoned R1 and RA under the following conditions:

- 1.2.1 On parcels smaller than one acre, allow a maximum of 3 plants outdoors.
- 1.2.2 On parcels of 1 acre or larger, allow a maximum of 6 plants outdoors.

Revised recommendation:

- 1.2 Allow outdoor cultivation for personal use in areas zoned R1 and RA under the following conditions:
 - 1.2.1 Prohibit outdoor cultivation on parcels under one acre.
 - 1.2.2 On parcels of 1 acre or larger, allow a maximum of 6 plants outdoors.

- 
- 1.3 Require plants to be placed at a minimum setback of 30 feet from the edge of the plant canopy to the property line.
 - 1.4 Limit cultivation for personal use to parcels with a residence and a full-time resident on the premises where the cultivation is occurring.
 - 1.5 Prevent any visible evidence of cultivation from ground level under the following conditions:
 - 1.5.1 Limit outdoor cultivation for personal use to rear or side yard, unless front yard provides greater screening and distance from adjacent parcels and neighboring permitted structures.
 - 1.5.2 Limit outdoor cultivation to areas entirely enclosed by solid opaque fencing associated with the dwelling, a locked gate, and fence at least 6 feet in height.
 - 1.5.3 Require the height of plants not to exceed standard fence height of 6 feet.
 - 1.6 Prohibit outdoor cultivation in R2 and R3 zones.

2. Non-Remuneration (gifting for medical purposes only)

Rationale: Limiting non-remuneration cultivation deters abuse by those who may exploit it for financial gain while negatively impacting patient needs. Ensure the medicinal needs of cannabis are met in the County and that all local patients have affordable access to cannabis for medical use.

- 2.1 For the purposes of non-remuneration, allow a primary caregiver to support up to 5 qualified patients (Business and Professions Code 26033).
- 2.2 Allow per qualified patient a maximum of 20 plants and 500 square feet cultivation area. (No State license is required).
- 2.3 Apply commercial cultivation land use and zoning requirements to non-remuneration cultivation sites.

2.4 Require a permit for non-remuneration cultivation, including a Live Scan resulting with no felony convictions.

3. Commercial Cultivation

Rationale: Commercial activity is more intense than personal use bring potentially greater impact and therefore calls for stricter regulations than for personal use. Indoor cultivation has less impact on neighbors than outdoor cultivation. Defensible space standards have been established consistent with Public Resources Code 4291 as a result of the County’s Fire Safe Regulations outlined under the “rationale” provided under item 1 above. County Resource Protection Standards were created pursuant to Nevada County General Plan Policy 1.5.3 (formerly Policy 1.17) and the County’s adoption of the 2000 zoning regulations which included comprehensive site development standards. The resource standards provide for protection of sensitive natural resources including but not limited to watercourses, wetlands and riparian areas, steep slopes, etc. See LUDC Sec. L-II 4.3 for additional details. Prior Type 5/Large license types were excluded in the State’s Emergency Regulations released November 16, 2017.

3.1 Mirror State license definitions to establish a maximum cultivation area in the County per permit and license type for the following cannabis cultivation licenses:

| License Type* | Outdoor | Mixed Light | Indoor |
|--------------------------|----------------------------|----------------------|----------------------|
| <i>Specialty Cottage</i> | 25 plants | 2,500 sq. ft. | 500 sq. ft. |
| <i>Specialty</i> | 5,000 sq. ft. or 50 plants | 2,501-5,000 sq. ft. | 501-5,000 sq. ft. |
| <i>Small</i> | 5,001-10,000 sq. ft. | 5,001-10,000 sq. ft. | 5,001-10,000 sq. ft. |

* This table exactly matches the State license definitions.

Original draft recommendation:

3.2 *Require a minimum setback from property line between 50 and 100 feet for all allowable commercial cultivation license types.*

3.2.1 *For Specialty Cottage and Specialty commercial cultivation, require a 50 foot setback.*

3.2.2 *For Small commercial cultivation require a 100 foot setback.*

Revised recommendation:

3.2 Require a minimum setback of 100 feet from property line for all allowable commercial cultivation license types.

3.3 Allow Specialty Cottage and Specialty commercial cultivation in areas zoned AG, AE, FR and RA under the following conditions:

3.3.1 For outdoor commercial cultivation:

3.3.1-A For Specialty Outdoor require a minimum parcel size of 5 acres.

3.3.1-B For Specialty Cottage Outdoor require a minimum parcel size of 3 acres.

The CAG was asked to consider increasing the required minimum parcel size for Specialty Cottage Outdoor to 5 acres to match the requirement for Specialty Outdoor. This consideration was discussed by the CAG but they did not reach strong agreement. Several CAG members argued that a 5 acre minimum parcel size was excessive for Specialty Cottage, considering it is the smallest license type. Others believed that no commercial cultivation should be allowed in the County on parcels smaller than 5 acres.

3.3.2 For Specialty Indoor and Specialty Cottage Indoor commercial cultivation, require a minimum parcel size of 2 acres.

Original draft recommendation:

3.3.3 For Specialty Mixed-Light and Specialty Cottage Mixed-Light, require a minimum parcel size of 3 acres.

Revised recommendation:

3.3.3 For Mixed-Light commercial cultivation:

3.3.3-A For Specialty Mixed-Light require a minimum parcel size of 5 acres.

3.3.3-B For Specialty Cottage Mixed-Light require a minimum parcel size of 3 acres.

Original draft recommendation:

3.4 Allow Small commercial cultivation in areas zoned AG, AE, FR, TPZ and RA with the following conditions:

3.4.1 For Small Outdoor, require a minimum parcel size of 5 acres.

3.4.2 For Small Indoor, require a minimum parcel size of 2 acres.

3.4.3 For Small Mixed-Light, require a minimum parcel size of 3 acres.

Revised recommendation:

3.4 Allow Small commercial cultivation in areas zoned AG, AE, FR and RA with the following conditions:

3.4.1 For Small Outdoor, require a minimum parcel size of 10 acres.

3.4.2 For Small Indoor, require a minimum parcel size of 2 acres.

3.4.3 For Small Mixed-Light, require a minimum parcel size of 3 acres.

3.5 Prohibit Medium cultivation licenses in the County (outdoor cultivation site between 10,001 square feet and 1 acre of total canopy/ indoor cultivation site between 10,001 and 22,000 square feet of total canopy).

3.6 Allow cannabis nurseries with a Conditional Use Permit in areas zoned AG and AE.

3.7 Limit commercial cultivation to parcels that have a permitted residence on them or to vacant parcels that are contiguous to an adjacent parcel under the same ownership.

4. Other Commercial Activities

The State developed multiple license types to regulate the other activities of the commercial cannabis industry. These business activities are new and ever-changing regulations requiring further study and review to identify the impacts. The following summarizes the CAG comments and discussions based on the limited and changing information available during the CAG process.

Rationale: Ensure cannabis regulations are consistent with regular requirements and zoning for similar business types (regular nurseries, manufacturing businesses etc.). Allow for the full supply chain to operate in the County in order to support local quality products. Cities are moving toward allowing Retailers and Non-storefront Retailers in the city limits so this license type is likely to be available in the city limits. Other commercial activities require further study. Sharing proven best practices and monitoring this new emerging industry in an untested market will be necessary.

Use Permits provide for those land uses that may be appropriate and compatible in a zoning district, depending on the design of the individual project and the characteristics of the proposed site and surrounding area. Such uses may either raise major land use policy issues or create serious problems for adjoining properties or the surrounding area if such uses are not properly designed and located. It is the intent to establish appropriate standards for permit processing and the location, design and operation of such land uses, to avoid their creating problems or hazards, to provide for the compatibility of such land uses with adjacent properties and the surrounding area, and to assure their consistency with the General Plan. Sec. L-II 5.6, Use Permits.

4.1 Permit the following State cannabis manufacturing licenses with a Conditional Use Permit in areas zoned M1:

4.1.1 Type 6: Extraction licenses using mechanical methods or nonvolatile solvents

4.1.2 Type N: Infusion licenses that produce edible products or topical products

4.1.3 Type P: Packaging and Labeling licenses

4.2 Prohibit volatile manufacturing licenses (State License Type 7) in the County

4.3 Permit Testing Laboratory licenses with an Administrative Development Permit in areas zoned C2 and M1.

4.4 Permit Retailer and Non-Storefront Retailer licenses (dispensaries and delivery) with a Conditional Use Permit in areas zoned C2 and CH.

4.5 Permit Distribution and Transportation licenses with a Conditional Use Permit in areas zoned CH and M1.

Original draft recommendation:

4.6 Permit Microbusiness licenses with a Conditional Use Permit in areas zoned AG, AE and M1 under the following conditions:

4.6.1 In areas zoned AG and AE, require a minimum parcel size of 5 acres.

4.6.2 In areas zoned M1 require a setback of 100 foot.

Revised recommendation:

4.6 Permit Microbusiness licenses with a Conditional Use Permit in areas zoned AG, AE and M1 under the following conditions:

4.6.1 In areas zoned AG and AE:

4.6.1-A For microbusinesses with a cultivation area of up to 5,000 sq. ft. require a minimum parcel size of 5 acres.

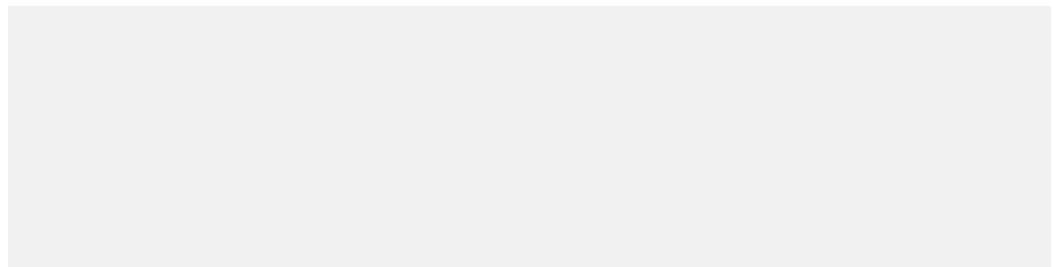
4.6.1-B For microbusinesses with a cultivation area of up to 10,000 sq. ft. require a minimum parcel size of 10 acres.

4.6.2 In areas zoned M1 require a setback of 100 foot.

5. Setbacks

Rationale: Protect children and youth by limiting any visible evidence of cultivation in sensitive areas.

5.1 Conform to State regulations regarding setbacks: Require a 600 foot setback from the property line of any active school, park, child care center or youth-oriented facility to the property line of any cannabis related activities.



CAG Recommendations: Permitting, Inspections, Monitoring and Code Enforcement

6. Cannabis Permitting

Rationale: A robust permitting process will help ensure compliance with County code by providing direction to growers. Permitting is intended to provide for the land uses that may be appropriate and compatible in a zoning district depending on the design of the individual project and the characteristics of the proposed site and surrounding area. Such uses may either raise major land use policy issues or create serious problems for adjoining properties or the surrounding area if such uses are not properly designed and located. It is the intent of this Land Use and Development Code to establish appropriate standards for permit processing and the location, design and operation of such land uses, to avoid their creating problems or hazards, to provide for the compatibility of such land uses with adjacent properties and the surrounding area, and to assure their consistency with the General Plan.

- 6.1 Develop a permit application process following a three-step permitting, inspection, and enforcement process which includes an application compliance inspection, final compliance inspection and annual compliance inspection.

7. Inspections, Monitoring and Enforcement

Rationale: Encourage current growers to come into compliance with the new ordinance, recognizing that growers will need to ensure their properties meet all existing code requirements in addition to complying with the cannabis regulations.

- 7.1 Provide a cure or grace period through March 1, 2020, to allow time for cultivation sites with land use, zoning, and/or building code violations to be corrected and brought into compliance with the new cannabis ordinance and all County Land Use code requirements.

County Zoning Districts Applicable to Cannabis

| Symbol | Base Districts | Section |
|------------------------------|--------------------------|----------------|
| Residential Districts | | |
| RA | Residential Agricultural | L-II 2.2 |
| R1 | Single-Family | L-II 2.2 |
| R2/R3 | Medium/High Density | L-II 2.2 |
| Rural Districts | | |
| AG | General Agricultural | L-II 2.3 |
| AE | Exclusive Agricultural | L-II 2.3 |
| FR | Forest | L-II 2.3 |
| TPZ | Timberland Preserve | L-II 2.3 |
| Commercial Districts | | |
| C1 | Neighborhood | L-II 2.4 |
| C2 | Community | L-II 2.4 |
| C3 | Service | L-II 2.4 |
| CH | Highway | L-II 2.4 |
| Industrial Districts | | |
| M1 | Light Industrial | L-II 2.5 |

VII. Conclusions

This report contains recommendations for the BOS to consider as they provide specific direction to County staff regarding the drafting of the updated ordinance. The results represent the topics the CAG was able to cover during the agreed upon meeting schedule. Simultaneous to the CAG meeting schedule, the State was still developing its regulations, releasing its emergency regulations on November 16 (between CAG meetings 9 and 10). Further, the State has indicated additional regulations will be circulated for public comment in the Spring of 2018. Therefore, the County should anticipate additional changes to the State framework next year. There are or will be additional topics related to the regulation of the cannabis industry that still need to be considered by the BOS following the conclusion of the CAG process.

The CAG recommends that the BOS engage a smaller working group of CAG members to provide on-going input to the ordinance update process.

Planned Future Steps

- County Staff will draft revisions to the current ordinance based on recommendations and direction from the BOS.
- County Staff will conduct an environmental review specific to the draft updated ordinance.
- The County Planning Commission and BOS will review the proposed draft revisions to the ordinance.
- The BOS will review, consider and adopt a revised ordinance.