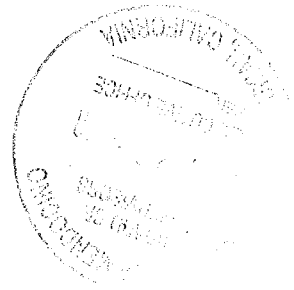


1/23/18

TO: Board of Supervisors

FR: Jude Thilman, Fort Bragg

RE: The Coastal Conundrum and Accepted Uses



We are facing the loss of long-time local cannabis entrepreneurs on our coast unless we can adopt an ordinance amendment that will allow P&B to issue permits for microbusinesses and other sectors on the coast. Most immediately, we need a temporary permit to allow businesses to proceed in securing their state licenses for the activities they must do to compete. This temporary/conditional use permit will buy the county time to craft the needed amendment. This action is congruent with the process taking place in other counties, as noted in BCC reports of the state withholding licenses only because of applicants' lack of a local permit because local government's cannabis ordinances are still in process.

We have options to take that are consistent with other counties' ordinance changes regarding cannabis policies. Here are some considerations:

1. Amend Non-Cultivation Regulation Chapter 20.243.040 to state that "Non-volatile manufacturing facilities, as defined herein, shall be a Commercial C1 and C2 use type" with volatile manufacturing remaining as an industrial use.
2. Amend the General Plan to support small-scale, niche manufacturing with language explicit to cannabis and the coastal zone.

RATIONALE for #1 and #2: Mendocino County lacks sufficient industrial zones to accommodate the growth of non-cultivation commercial sectors in the cannabis industry. By distinguishing between non-volatile and volatile manufacturing, the county is recognizing activity that is similar to other safe, light manufacturing activities such as breweries, auto body shops,

From Staff memo, 10/03/17

<<There are broad principles and policies in the General Plan that are supportive of small-scale or niche manufacturing such as General Plan Principle 2-2c:

- *"Support the county's resource-based economy and take actions that protect and enhance the county's diverse natural resources.*
- *Promote small-scale or niche manufacturing using local resources for local or general use."*

The Development Element of the General Plan contains the following policies related to Commercial districts:

- Policy DE-48: Support business creation, expansion, retention and redevelopment to serve local and regional needs, consistent with General Plan objectives.

- Policy DE-49: Expand economic opportunities that respect the individual character or each community area.

Principles and policies such those cited above could aid in justifying a General Plan amendment for expanding the uses allowed in the commercial land use designation. But alone they are not sufficient to expand the allowed uses of the commercial land use designation.

3. Amend the microbusiness license language to approve secondary activities, including non-volatile manufacturing and distribution as accessory to the primary uses of either retail/dispensary sales or cultivation.
4. Incorporate any number of options currently pursued by other coastal counties, adding to the body of policy that will prompt continued consideration by regional coast commissions:
 - a) Monterey Planning Commission Recommendation to Bd of Supes for 11/15/17: *"This ordinance amends Title 20 (coastal zoning) of the Monterey County Code to regulate commercial cannabis activities in the coastal unincorporated area of Monterey County consistent with state law."*
 - b) Humboldt. The County's General Plan has been adapted to accommodate regulation of commercial cannabis activities. Zone MG allows commercial cannabis businesses in coastal zone. A unanimous vote by the local Coastal Commission approved this action. They are awaiting final approval.
 - c) San Luis Obispo. Permitting cannabis businesses in coastal zone, citing exemption from CEQA pursuant to Section 26055(h) of the California Business and Professions Code. (Oct. 2017) This coastal zone ordinance will become effective when certified by the California Coastal Commission.
 - d) Sonoma County passed its "final" cannabis ordinance in December 2016. It does not mention the coastal zone but rather delineates land use and zoning for all sectors of commercial cannabis businesses, irrespective of location in the county.
 - e) Santa Barbara County carried out a Program EIR. A "Program EIR ... and the analysis set forth in the EIR of Countywide impacts and programmatic implementation of permitting and licensing regulations, meets the requirements of a Program EIR prepared pursuant to Section 15168 of the State CEQA Guidelines. As a Program EIR, the level of detail included in the project description and methodology for impact analysis is more general than a project-level EIR, as individual, site-specific cannabis development details are unavailable, and would be considered too speculative for evaluation at more than a programmatic level. This approach allows the County Board of Supervisors to consider broad implications and impacts associated with the Project while not requiring a detailed evaluation of individual properties."
5. Consider Mendocino Town Coastal Plan Amendment first filed in 2013 and presented to the Planning Commission September 21, 2017 as a template for current amendments (attached to this testimony).
6. Consider businesses in the coastal zone to be either "in good standing" or remain silent when asked about compliance for coastal zoned businesses. This strategy could allow state licensure to proceed.

PLANNING COMMISSION

SEPTEMBER 21, 2017

AGENDA

Regular Calendar

6a. CASE#: GP_2013-0002/OA_2013-0001

DATE FILED: 2/8/2013

APPLICANT: MENDOCINO COUNTY PLANNING & BUILDING SERVICES

REQUEST:

Report and make a recommendation regarding substantial changes to the Mendocino Town Local Coastal Plan (LCP) Amendment, General Plan Amendment GP_2013-0002 amending the Mendocino Town Plan (Chapter 4.13 of the General Plan), and Ordinance Amendment

OA_2013-0001 amending the Mendocino Town Zoning Code (Division III of Title 20 of the Mendocino County Code), that were considered by the Board of Supervisors in December 2014 and December 2015 and considered by the California Coastal Commission in June 2017. The Coastal Commission certified the Mendocino Town LCP Amendment with suggested modifications that require the Planning Commission's recommendation, pursuant to MCC Section 20.732.020(D), prior to the Board of Supervisor's action on GP_2013-0002 and OA_2013-0001.

ENVIRONMENTAL DETERMINATION:

Pursuant to CEQA Guidelines sections 15250, 15251(f) and 15265, the preparation, approval and certification of a local coastal program (such as the LCP Amendment) is exempt from the requirements for preparation of an environmental impact report because the Coastal Commission's review and approval process has been certified by the Secretary of Resources as being the functional equivalent of the EIR process required by CEQA in sections 21080.5 and 21080.9 of the Public Resources Code.

LOCATION: Town of Mendocino

STAFF PLANNER: Juliana Cherry