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MEMORANDUM

DATE: December 10, 2019

TO: Honorable Board of Supervisors

FROM: Julia Acker Krog, Chief Planner

Jesse Davis, Senior Planner

Matthew Kiedrowski, Deputy County Counsel

Sarah Dukett, Deputy CEO

SUBJECT: Direction on Phase 3 of the Cannabis Cultivation Ordinance - New Cannabis Cultivation Sites

On May 14, 2019, the Board of Supervisors reviewed the recommendations of the Cannabis Ad Hoc Committee and provided direction to staff to make certain changes to Chapters 10A.17 and 20.242 of Mendocino County Code. Those changes included transferability of permits, reduction of the minimum parcel size for nurseries, removal of the prohibition on plant visibility from a public right of way or publicly traveled private road, extension of the generator phase-out, a limited extension of the Phase One Sunset Provision for Residential Districts in proximity to the Coastal Zone, modification to the types of permits that may be applied for during Phase Two, and postponement of the start of Phase Three until July 1, 2020. Modifications to the existing ordinance were addressed at that time under Ordinance Amendment OA_2019-0002, which was approved by the Board of Supervisors on October 1, 2019.

Staff is now seeking input from the Board of Supervisors on initial responses to the following additional directives: allowing new cannabis cultivation sites in the Range Land (RL) zoning district, implementation of a Use Permits/Administrative Permits for all cultivation activities in Phase 3, and increases to allowed permit sizes.

Allowance for New Cannabis Cultivation Sites in Range Land District

The Board of Supervisors provided direction to staff to review the allowance for new cannabis cultivation activities within the Range Land (RL) zoning district as part of Phase 3. Staff has reviewed the previously adopted Mitigated Negative Declaration (MND) (SCH No. 2016112028) for the Mendocino Cannabis Cultivation Regulations, adopted by the Board of Supervisors on March 21, 2017. In review of the reason that the RL district was removed from Table 2 for New Cannabis Cultivation Sites (MCC Section 20.242.060) the MND focused on concerns regarding the conversion of agricultural or rangeland to non-agricultural uses through inadvertently incentivizing the development of dwelling units and subdivision of such lands (Page 34 of MND). The MND goes on to say:

In the case of rangeland exercising the ability to get a Cultivation Permit on every parcel within particular ranch where there are existing certificates of compliance could incentivize the sale or leasing of individual parcels which could have a negative effect on the continuity of rangeland uses by fragmenting existing ownership and grazing operations of the larger ranches in the County. Mitigation Measure AG-2 prohibits the issuance of permits for new cultivation sites in RL Districts. By eliminating new cultivation sites in RL Districts approximately 714,842 acres and 8,073 assessor

parcels are removed from the acreage/parcels available for cultivation. With mitigation incorporated there will be a less than significant impact to agricultural conversion.

Mitigation Measure AG-2 (found on page 38 of the MND) states that *Mendocino County shall modify Zoning Chapter 20.242 prior to its adoption by the Board of Supervisors to prohibit new medical cannabis cultivation permits in the RL District.*

In order to facilitate new cannabis cultivation permits on RL parcels staff believes a supplemental MND would be required.

Phase 3 Use Permits or Administrative Permits for Cultivation Activities & Permit Size

The existing Table 2 for New Cannabis Cultivation Sites (MCC Section 20.242.060) is attached to this memo as Attachment A. Staff has prepared a revision to this table which is attached to this packet as Attachment B. The attached table now aligns the Mendocino County Cultivation Ordinance Permit Types with those contained in State regulations and allows for up to 1 acre of cultivation under the Medium Outdoor permit type. Staff has provided recommendations to the Board of Supervisors on required discretionary permit (Minor or Major Use Permits and Administrative Permits) that seem appropriate for the particular zoning districts. Staff has highlighted the Range Land (RL) District to facilitate discussion and direction from the Board of Supervisors given the deviation from what was previously allowed. Staff has also highlighted the Rural Community (RC) District in the Revised Table 2 and is seeking direction from the Board of Supervisors on adding this to the allowed districts for new cultivation sites, given the diversity of parcel sizes and existing permitted uses.

Staff is requesting direction from the Board on the following:

- 1. Allowance for New Cultivation in RL District
- 2. Allowance for New Cultivation in RC District
- 3. Aligning permit categories with the California Department of Food & Agriculture (CDFA)
- 4. Allowance for Cultivation areas up to 1 acre in size for Medium Outdoor permit type
- 5. Allowance for Cultivation areas up to 22,000 square-feet for the Medium Indoor permit type
- 6. Allowance for Cultivation areas up to 22,000 square-feet for the Medium Mixed-Light permit type
- 7. If the Board of Supervisors directs Staff to allow Specialty Indoor permit type, which would allow 501-5,000 square-feet of Cultivation area, then Staff recommends the Board of Supervisors also direct staff to make additional changes to either the Specialty Cottage Indoor permit type or the square footage allowance for a Specialty Indoor permit type. The two options are provided below:
 - Option 1: Delete the Specialty Cottage Indoor permit type that would allow 501-2,500 square-feet of Cultivation area as it would be duplicative and solely keep Specialty Cottage Indoor as 500 square-feet or less of Cultivation area.
 - Option 2: Change the square footage allowance on the Specialty Indoor permit type to 2,501-5,000 square-feet.
- 8. If the Board of Supervisors directs Staff to allow the Specialty Outdoor permit type, which would allow 501-5,000 square-feet of Cultivation area, then Staff recommends the Board of Supervisors also direct staff to make additional changes to either the square footage allowance for a Specialty Cottage Outdoor permit type or the square footage allowance for a Specialty Outdoor permit type. The two options are provided below:

Option 1: Limit the Specialty Cottage Outdoor permit type to 500 square-feet or less of Cultivation area.

Option 2: Change the square footage allowance on the Specialty Outdoor permit type to 2,501-5,000 square-feet.

ATTACHMENTS

- A. Current Table 2 in MCC Section 20.242.060
- B. Draft Revised Table 2