



## MENDOCINO COUNTY *MEMORANDUM*

---

**Date:** May 14, 2019

**To:** Mendocino County Board of Supervisors

**From:** Supervisors Haschak and McCowen

**Subject:** Recommendations from the Cannabis Cultivation Ad Hoc Committee (Ad Hoc)

---

### Previous Board Direction:

Support Staff recommendations regarding the following items where the Board previously gave direction:

- Definition of license types – Staff recommends not changing the current definitions at this time;
- Generators – Staff recommends an extension of time for the phase out of generators;
- Tiered Nursery Permits – Staff recommends reducing the minimum acreage for nursery permits from 10 acres to 5 acres;
- Industrial zoning – Allow cottage indoor permits in Industrial zoning; allow mixed light permits in industrial zoning but only in greenhouses (not hoop houses) and with odor control.

### Staff Recommended Clean-up Language:

Support Staff recommendations for minor ordinance amendments that conform to State law, improve internal consistency or simplify administration of the ordinance.

### Ad Hoc Recommendations for Ordinance Amendments:

**Phase 3 Use Permits** – Confirm previous direction that Phase 3 applications be subject to Use Permits with direction to Staff to return with specific recommendations, including the possibility that something other than a Use Permit may be required based on objective conditions.

**Phase 3 Start Date** - Delay the start of Phase 3 until 6/30/2020 which will allow time to implement the Use Permit process. The start of Phase 3 can be moved up depending on when the Use Permit process is adopted.

**Transferability in RL, FL and TPZ** – Direct Staff to develop language to allow for “transferability” for Phase 1 cultivators in RL, FL, and TPZ to allow subsequent owners to apply for a permit on these sites. Staff recommends, and the Ad Hoc supports allowing transferability without a Use Permit or Administrative Permit because the prospective new permit applicant will be required to fully comply with the application process. Phase 1 setbacks will be retained for Phase 1 cultivation sites with new applicants.

**Transferability in Other Zoning Districts** – Allow “transferability” for all Phase 1 cultivation sites (except in sunset zones) in order to retain Phase 1 setbacks for these sites.

**Limited Extension of Sunset Period** – Extend the sunset period until 6/30/2022 *for indoor cultivation sites within proximity to the Coastal Zone who are permitted or in the permitting process*. The three year sunset period will expire May 4, 2020. Due to lack of a Coastal Zone ordinance and limited availability of other parcels in proximity to the Coastal Zone suitably zoned for relocation, the Ad Hoc believes it is reasonable to grant an extension for indoor cultivators who are permitted or in the permitting process and who are in compliance with the terms of their permit. An alternative would be to extend the sunset period countywide. The Ad Hoc does not support this approach because cultivators not in proximity to the Coastal Zone have had greater opportunity to relocate as well as more of an awareness of the need to do so. The Ad Hoc further recommends that the County actively pursue adoption of “Cannabis Enterprise Zones”, in part, to create greater opportunity for relocation.

**Live Scan** – The State requires live scan for applicant, owner, and/or licensee. In addition, the County requires live scan for any employee of a cannabis business. The District Attorney strongly recommends that every employee be subject to an initial background check but agrees that a more informal system at lower cost may be implemented with Live Scan an option at the determination of the District Attorney.

**Social Equity Programs** – Adopt a social equity program consistent with State legislation if a source of funding other than the General Fund can be identified.

#### Issues Presented for Discussion Without Recommendation From The Ad Hoc:

**Rangeland** – The Ad Hoc recommends the Board discuss the issue of allowing Phase 3 permits in Rangeland. Prohibition on “new” cultivation sites in Rangeland was a key mitigation of adoption of the original ordinance and is widely supported by resource agencies and environmental groups. Allowance for cultivation in Rangeland would require a Use Permit, would not allow for tree or sensitive habitat removal and could not be approved prior to adoption of an Oak Woodland Protection ordinance. Cultivation could be further limited to previously cultivated areas but could also cause visual impacts from hoop houses and greenhouses.

**Permit Size** – The Ad Hoc recommends the Board discuss the issue of allowing an increase in permit size. While some cultivators are capable of scaling up and would like to do so, others are concerned that doing so will lead to increased corporate participation, loss of unique branding niche for small growers and oversupply.

#### Ad Hoc Recommendations for Further Research:

**Cooperatives** – Direct staff to further research the issue and recommend steps needed to support development of cooperatives.

**Permits Per Entity** – Staff and the Ad Hoc are currently researching the contractual relationships between permitted growers and corporate entities to determine if the intent of the cultivation ordinance needs further clarification.

**Ad Hoc Recommendations to Retain Current Ordinance Requirements:**

**Accommodation Zone Setbacks** – Retain the current setbacks from sensitive receptors in Accommodation Zones. After considerable research and discussion it was determined that this change would benefit few, if any, cultivators since an Administrative Permit (AP) must already be obtained to reduce the setback from an occupied dwelling on another parcel and all requests for reduced setbacks can be considered in a single AP.

**Medical and Recreational Exemptions** – Retain the current limits on cultivation for personal use medical and recreational cannabis. The current limits are intended to reduce neighborhood impacts and limit diversion to the black market but also results in inconvenience to legitimate exempt individuals. This issue can be revisited once there is greater stability in the industry.

**Permits Per Parcel** – Retain the limit of 2 permits per legal parcel except for current exceptions, cooperatives and Cannabis Enterprise Zones.