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LCP-3-SCO-18-0032-2-PART A (CANNABIS ORDINANCE)

JULY 12, 2018 HEARING

EXHIBITS

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**PROPOSED AMENDMENTS TO LOCAL COASTAL PROGRAM LAND USE PLAN
AS RELATED TO CANNABIS LAND USE ACTIVITIES**

Land Use and Development Framework

(LCP) Objective 2.2.1 Non Retail Commercial Cannabis Activities

State law authorizes and implements a comprehensive regulatory and licensing system governing a range of commercial cannabis activities. The objective of this section of the General Plan is to ensure a structure for local regulation of cannabis activities that allows the issuance of discretionary licenses and land use permits for commercial cannabis activities in some locations, subject to any applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code, in a manner that protects the County’s fragile environmental resources, coastal resources, quality of life of neighborhoods, and public health, safety and welfare.

(LCP) Policy 2.2.1.1 Ancillary Uses in Residential Areas.

Require that any commercial cannabis activities that are licensed and permitted on lands designated for residential uses be designed and of a scale that is ancillary to the primary residential use of the property. Disallow commercial cannabis cultivation on lands designated for residential uses within the Coastal zone.

(LCP) Policy 2.2.1.2 Special Use (SU) Zoning Limitations.

Only allow licenses and land use permits for commercial cannabis activities on property zoned Special Use (SU) where the general plan designation is R-R (Rural Residential), R-M (Mountain Residential), AG (Agriculture), Heavy Industry (I), or Service Commercial/ Light Industry (C-S). Regulations regarding cannabis licensing for the Residential Agriculture (RA) zone district shall apply to SU zoned parcels designated R-R, R-M, or AG. Disallow commercial cannabis cultivation on lands designated Special Use (SU) within the Coastal zone.

(LCP) Policy 2.2.1.3 Improve Existing Environmental Conditions.

Impose conditions of approval on discretionary land use permits for commercial cannabis activities, where appropriate, to reduce environmental impacts from existing disturbed areas, including but not limited to restoration related to site work and to roadways.

(LCP) Policy 2.2.1.4 Cannabis Industry and Commercial, Manufacturing and Industrial Economic Diversity

In order to ensure that the cannabis industry does not create loss of healthy diversity in the economy, to foster a balanced and resilient economy, and to ensure that commercial, manufacturing and industrial space is available for a variety of economic enterprises, monitor and evaluate the scale and location of cannabis enterprises to avoid over-concentration of cannabis sector activities or loss of diversity in the economy.

Programs:

- a. Develop discretionary licensing systems and discretionary land use permit requirements, which shall include any applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code, to regulate the location and operations of non-retail commercial cannabis activities (cultivation, manufacturing and distribution) in order to protect the public health, safety, and welfare in Santa Cruz County.
- b. Monitor the effectiveness of commercial cannabis regulatory programs, including licensing and land use regulations, to ensure effectiveness of protection of natural resources, coastal resources, neighborhood compatibility, and public health, safety and welfare. Where appropriate, modify programs over time.
- c. Establish a cannabis enforcement program to address unlicensed and unpermitted commercial cannabis activities, and to ensure that licensed operations are operating consistent with licensing requirements, permit conditions, and all applicable provisions of the County Code.

Objective 5.12 Timber Production

(LCP) To encourage orderly economic production of forest products on a sustained yield basis under high environmental standards, to protect the scenic and ecological values of forested areas, and to allow orderly timber production consistent with the least possible environmental impacts.

Policy 5.12.3 Conditional Uses Within Timber Production Zones

(LCP) Allow the following types of uses if conditionally approved in accordance with the Timber Production ordinance. Conditional uses must be consistent with the growing of a sustained yield tree crop, within the purposes of the Forest Taxation Reform Act of 1976 and the Timber Production zone district, and should be supported by a timber harvest management plan.

- (a) Mineral production and mining operations in conformance with the provisions of the Mining Regulations ordinance.
- (b) Erection, construction, alteration and maintenance of water and transmission facilities.
- (c) Outdoor recreation, education or religious facilities in conformance with the provisions of the County's organized camp zoning regulations which do not conflict with the management of the parcel's timber resources.
- (d) Conversion to agricultural uses not exceeding ten percent of the total of the timber area on the parcel.
- (e) One habitable accessory structure on a legal parcel of record with a minimum size of 40 gross acres in the Coastal Zone and 10 gross acres in other areas of the County where the guest house will be located in close proximity to the principle residence.
- (f) Timber processing and other related facilities.
- (g) Commercial Cannabis activities, within non-timbered portions of a site, subject to discretionary review and approval pursuant to all requirements of the non-retail commercial

cannabis licensing ordinances, zoning ordinance, environmental regulations, coastal regulations, building code, and other applicable regulations, which shall include any applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code. Disallow commercial cannabis cultivation on lands zoned Timber Production (TP) within the Coastal zone.

Objective 5.15 Specialized Agricultural Activities

(LCP) To recognize and provide for a variety of agricultural uses, such as greenhouses, aquaculture, and wineries, and cannabis activities (subject to discretionary review and approval of permits, licenses, or other authorizations, which shall include any applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code) on lands which are properly suited for these specialized uses to maintain the optimum agricultural diversity.

(LCP) Policy 5.15.22 Cannabis Industry and Agricultural Diversity

In order to ensure a diverse and balanced agricultural economy, and to support a diversity of crops, livestock and fiber on County agricultural lands, monitor the location and scale of the cannabis industry to ensure that cannabis activities do not lead to over-concentration in the cannabis sector of the County's agricultural economy.

Objective 6.3 Erosion

(LCP) To control erosion and siltation originating from new and existing cannabis activity and related development, in order to reduce damage to soil, water and biotic resources.

(LCP) Policy 6.3.12 Cannabis Industry: Avoid Excessive Grading

In order to protect public health and safety and prevent negative environmental impacts from grading and land disturbance, avoid excessive grading and disturbance associated with cannabis activities. This includes grading for access roads and other site improvements such as pads, structures, terracing and other infrastructure, including grading which may be required to meet fire code or other standards. Carefully evaluate grading that would significantly alter topography, visual character of an area or coastal resources, and avoid or minimize such alteration. Consider or favor alternate locations that would require less disturbance. Deny licenses and land use permits where necessary to implement this policy.

(LCP) Policy 6.3.13 Cannabis Industry: Site Restoration

Ensure that sites used for cannabis activities are restored to pre-graded condition, as appropriate, when cannabis activities are relocated, activity has ceased, or a cannabis license is no longer valid.

ORDINANCE NO. __

**STRIKEOUT/ UNDERLINE OF ORDINANCE AMENDING SECTIONS
13.10.700-C, 13.10.312, 13.10.322,
13.10.332, 13.10.342, 13.10.372, 13.10.382 AND 16.01.020 OF
AND ADDING SECTION 13.10.650 TO THE SANTA CRUZ COUNTY CODE,
RELATING TO NON-RETAIL COMMERCIAL CANNABIS USES**

The Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

The Santa Cruz County Code is hereby amended by adding the following definitions to Section 13.10.700-C, “C” definitions:

“Cannabis Cultivation (commercial)” means any activity involving the planting, growing, developing, propagating, harvesting, drying, curing, grading, trimming, packaging, or storage of one or more cannabis plants or any part thereof in any location, indoor or outdoor, including within a fully enclosed and secure building.

“Cannabis Distribution” means the activity of storing and/ or transporting cannabis or cannabis products between licensed entities, and any ancillary activity, such as packaging or labeling products, that is conducted in association with the distribution activity.

“Cannabis Manufacture (commercial)” means the production, preparation, propagation, or compounding of manufactured cannabis products either directly or indirectly, or by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, at a fixed location including any storage, packaging, or repackaging of cannabis products in conjunction with manufacture.

SECTION II

Section 13.10.312(B) of the Santa Cruz County Code shall be amended to add the following to the agricultural use chart:

<u>USE</u>	<u>CA</u>	<u>A</u>	<u>AP</u>
<u>Cannabis Cultivation (commercial) (subject to Section 13.10.650)^f</u>			___
<u>Indoor cultivation (existing legal structure, other than greenhouse)</u>	<u>3</u>	<u>4^x/5</u>	___

<u>USE</u>	<u>CA</u>	<u>A</u>	<u>AP</u>
<u>New indoor cultivation structure (other than greenhouse)</u>			___
<u>Outside Coastal Zone and 1-mile buffer</u>			
<u>0-2,000 square feet</u>	<u>3</u>	<u>4^x/5</u>	___
<u>> 2,000 square feet</u>	<u>5</u>	<u>5</u>	___
<u>Inside Coastal Zone + 1 mile</u>	___	___	___
<u>Greenhouse (existing legal), conversion, replacement, reconstruction, or structural alteration</u>			
<u>0-20,000 square feet</u>	<u>3</u>	<u>4^x/5</u>	___
<u>> 20,000 square feet</u>	<u>5</u>	<u>5</u>	___
<u>Greenhouse (new)</u>			
<u>Outside Coastal Zone and 1-mile buffer</u>			
<u>0-20,000 square feet</u>	<u>3</u>	<u>4^x/5</u>	___
<u>> 20,000 square feet</u>	<u>5</u>	___	___
<u>Inside Coastal Zone + 1 mile</u>	___	___	___
<u>Outdoor cultivation (or existing legal hoop house)</u>			
<u>Outside Coastal Zone and 1-mile buffer</u>	<u>3</u>	<u>4^x/5</u>	___
<u>Inside Coastal Zone + 1 mile</u>	<u>4</u>	<u>4^x/5</u>	___
<u>Hoop house (new)</u>			
<u>Outside Coastal Zone and 1-mile buffer</u>			
<u>0-2,000 square feet</u>	<u>3</u>	<u>4^x/5</u>	___
<u>> 2,000 square feet</u>	<u>3</u>	<u>5</u>	___
<u>Inside Coastal Zone + 1 mile</u>	___	___	___
<u>Water tank (accessory to cannabis use)</u>	<u>3</u>	<u>3</u>	___

<u>USE</u>	<u>CA</u>	<u>A</u>	<u>AP</u>
<u>Cannabis Manufacturing (commercial) (subject to 13.10.650)^f</u>			
<u>Classes 1-2****</u>			
<u>Outside Coastal Zone and 1-mile buffer, new or existing legal structure</u>			
<u>0-2000 square feet</u>			
<u>Over 5 acre parcel</u>	3	3/5 ⁺	—
<u>Less than 5 acre parcel</u>	3	5	—
<u>> 2000 square feet</u>			
<u>5 acre or greater parcel</u>	4	4/5 ⁺	—
<u>Less than 5 acre parcel</u>	4	5	—
<u>Inside Coastal Zone + 1 mile, existing legal structure</u>			
<u>0-2000 square feet</u>	<u>3</u>	<u>3/5⁺</u>	—
<u>> 2000 square feet</u>	<u>5</u>	<u>5</u>	—
<u>Class 3</u>			
<u>Outside Coastal Zone and 1-mile buffer, new or existing legal structure</u>			
<u>0-2000 square feet</u>	4	—	—
<u>Inside Coastal Zone +1 mile, existing legal structure</u>			
<u>0-2000 square feet</u>	4	—	—
<u>> 2000 square feet</u>	5	—	—

<u>USE</u>	<u>CA</u>	<u>A</u>	<u>AP</u>
<u>Cannabis Distribution (subject to 13.10.650)[‡]</u>			
<u>Class 1****</u>			
<u>Outside Coastal Zone and 1-mile buffer, new or existing legal structure</u>			
<u>0-2000 square feet</u>	<u>3</u>	<u>3</u>	<u>---</u>
<u>> 2000 square feet</u>	<u>5</u>	<u>5</u>	<u>---</u>
<u>Inside Coastal Zone + 1-mile, existing legal structure</u>			
<u>0-2000 square feet</u>	<u>3</u>	<u>3</u>	<u>---</u>
<u>> 2000 square feet</u>	<u>5</u>	<u>5</u>	<u>---</u>
<u>Class 2, existing legal structure</u>			
<u>Outside Coastal Zone and 1-mile buffer</u>	<u>3</u>	<u>---</u>	<u>---</u>
<u>Inside Coastal Zone + 1-mile</u>	<u>5</u>		

Class 1****

Outside Coastal Zone and 1-mile buffer, new or existing legal structure

<u>0-2000 square feet</u>	<u>3</u>	<u>3</u>	<u>---</u>
<u>> 2000 square feet</u>	<u>5</u>	<u>5</u>	<u>---</u>

Inside Coastal Zone + 1-mile, existing legal structure

<u>0-2000 square feet</u>	<u>3</u>	<u>3</u>	<u>---</u>
<u>> 2000 square feet</u>	<u>5</u>	<u>5</u>	<u>---</u>

Class 2, existing legal structure

<u>Outside Coastal Zone and 1-mile buffer</u>	<u>3</u>	<u>---</u>	<u>---</u>
<u>Inside Coastal Zone + 1-mile</u>	<u>5</u>		

[‡]With a license appropriate for zoning classification pursuant to SCCC Chapter 7.128. No new non-retail commercial cannabis structures may be permitted in the Coastal Zone and 1-mile buffer.

[^]Level 4 approval applies only to Class CG licensed cultivation activities.

[±]Level 5 approval required if manufacturing activity involves cannabis imported from offsite or employees (not including the owner).

******Cannabis manufacturing and distribution uses must be ancillary to on-site commercial cannabis cultivation in the A zone district.**

SECTION III

Section 13.10.322 (B) of the Santa Cruz County Code shall be amended to add the following to the residential use chart:

<u>USE</u>	<u>RA</u>	<u>RR</u>	<u>R-1</u>	<u>RB</u>	<u>RM</u>
<u>Cannabis Cultivation (commercial) (subject to 13.10.650)[‡]</u>					
<u>Indoor Cultivation (existing legal structure, other than greenhouse)</u>					
<u>Outside Coastal Zone and 1 mile buffer</u>	<u>4^x/5</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>Inside Coastal Zone +1 mile</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

Cannabis Cultivation (commercial) (subject to 13.10.650)[‡]

Indoor Cultivation (existing legal structure, other than greenhouse)

<u>Outside Coastal Zone and 1 mile buffer</u>	<u>4^x/5</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>Inside Coastal Zone +1 mile</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

<u>USE</u>	<u>RA</u>	<u>RR</u>	<u>R-1</u>	<u>RB</u>	<u>RM</u>
<u>New indoor cultivation structure (other than greenhouse)</u>					
<u>Outside Coastal Zone and 1-mile buffer</u>					
<u>0-2,000 square feet</u>	4 ^x /5	—	—	—	—
<u>> 2,000 square feet</u>	5	—	—	—	—
<u>Inside Coastal Zone + 1 mile</u>	—	—	—	—	—
<u>Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration</u>					
<u>Outside Coastal Zone and 1 mile buffer</u>					
<u>0-2000 square feet</u>	4 ^x /5	—	—	—	—
<u>> 2000 square feet</u>	5	—	—	—	—
<u>Inside Coastal Zone +1 mile</u>	—	—	—	—	—
<u>Greenhouse (new)</u>					
<u>Outside Coastal Zone and 1-mile buffer</u>					
<u>0-2,000 square feet</u>	4 ^x /5	—	—	—	—
<u>> 2,000 square feet</u>	5	—	—	—	—
<u>Inside Coastal Zone + 1 mile</u>	—	—	—	—	—
<u>Outdoor cultivation (or existing hoop house)</u>					
<u>Outside Coastal Zone and 1-mile buffer</u>					
<u>0-500 square feet</u>	4 ^x /5	—	—	—	—
<u>> 500 square feet</u>	5	—	—	—	—
<u>Inside Coastal Zone +1 mile</u>	—	—	—	—	—
<u>Hoop house (new)</u>					
<u>Outside Coastal Zone and 1-mile buffer</u>					
<u>0-2,000 square feet</u>	4 ^x /5	—	—	—	—
<u>> 2,000 square feet</u>	5	—	—	—	—
<u>Inside Coastal Zone +1 mile</u>	—	—	—	—	—
<u>Water tank (accessory to cultivation)</u>	3	—	—	—	—

<u>USE</u>	<u>RA</u>	<u>RR</u>	<u>R-1</u>	<u>RB</u>	<u>RM</u>
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Cannabis Manufacturing (commercial) (subject to 13.10.650), ancillary to on-site commercial cannabis cultivation[‡]

Classes 1-2

Outside Coastal Zone and 1-mile buffer, new or existing legal structure

0-2000 square feet

<u>0 employees (not including owner)</u>	<u>3/5**</u>	—	—	—	—
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<u>1-5 employees (not including owner)</u>	<u>5</u>	—	—	—	—
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<u>> 2000 square feet</u>	<u>5</u>	—	—	—	—
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<u>Inside Coastal Zone + 1 mile</u>	—	—	—	—	—
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Class 3

<u>USE</u>	<u>RA</u>	<u>RR</u>	<u>R-1</u>	<u>RB</u>	<u>RM</u>
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Cannabis Distribution (subject to 13.10.650), ancillary to on-site commercial cannabis cultivation[‡]

Class 1

Outside Coastal zone and 1-mile buffer, new or existing legal structure

<u>0-2000 square feet</u>	<u>3</u>	—	—	—	—
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<u>> 2000 square feet</u>	<u>5</u>	—	—	—	—
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<u>Inside Coastal zone + 1 mile</u>	—	—	—	—	—
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Class 2

[‡]With a license appropriate for zoning classification pursuant to SCCC Chapter 7.128. No new non-retail commercial cannabis structures may be permitted in the Coastal Zone and 1-mile buffer.

^XLevel 4 approval applies only to Class CG licensed cultivation activities.

^{**}Level 5 approval required if manufacturing activity involves cannabis imported from offsite.

SECTION IV

Section 13.10.332(B) of the Santa Cruz County Code shall be amended to add the following to the commercial use chart:

<u>USE</u>	<u>PA</u>	<u>VA</u>	<u>CT</u>	<u>C-1</u>	<u>C-2</u>	<u>C-4</u>
<u>Cannabis Cultivation (commercial)</u>						
<u>(subject to 13.10.650)³</u>						
<u>Indoor cultivation (existing legal structure other than greenhouse)</u>						
<u>< 5,000 square feet</u>		—	—		—	4
<u>5,000 to 20,000 square feet</u>		—	—		—	5
<u>> 20,000 square feet</u>	—	—	—	—	—	6
<u>New indoor cultivation structure (other than greenhouse)</u>						
<u>Outside Coastal Zone and 1-mile buffer</u>						
<u>< 5,000 square feet</u>						4
<u>5,000 to 20,000 square feet</u>						5
<u>> 20,000 square feet</u>						6
<u>Inside Coastal Zone + 1 mile</u>	—	—	—	—	—	—
<u>Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration</u>						
<u>< 5,000 square feet</u>						4
<u>5,000 to 20,000 square feet</u>						5
<u>> 20,000 square feet</u>						6
<u>Greenhouse (new)</u>						
<u>Outside Coastal Zone and 1-mile buffer</u>						
<u>< 5,000 square feet</u>						4
<u>5,000 to 20,000 square feet</u>						5
<u>> 20,000 square feet</u>						6
<u>Inside Coastal Zone + 1 mile</u>	—	—	—	—	—	—
<u>Water tank (accessory to cannabis use)</u>	—				—	3
<u>Outdoor cultivation</u>	—					—
<u>Hoop house cultivation</u>	—					—
<u>USE</u>	<u>PA</u>	<u>VA</u>	<u>CT</u>	<u>C-1</u>	<u>C-2</u>	<u>C-4</u>

Cannabis Manufacturing (commercial)
(subject to 13.10.650)^F

Classes 1-2

Outside Coastal Zone and 1-mile buffer,
 new or existing legal structure

<u>< 2000 square feet</u>	_____	_____	_____	<u>4**</u>	<u>4</u>
<u>2000-20,000 square feet</u>	_____	_____	_____	<u>5**</u>	<u>5</u>
<u>> 20,000 square feet</u>	_____	_____	_____	<u>6**</u>	<u>6</u>

Inside Coastal Zone + 1 mile,
 existing legal structure

<u>< 2000 square feet</u>	_____	_____	_____	<u>4**</u>	<u>4</u>
<u>2000-20,000 square feet</u>	_____	_____	_____	<u>5**</u>	<u>5</u>
<u>> 20,000 square feet</u>	_____	_____	_____	<u>6**</u>	<u>6</u>

Class 3

Outside Coastal Zone and 1-mile buffer, new
 or existing legal structure

<u>< 2000 square feet</u>	_____	_____	_____	_____	<u>4</u>
<u>2000-20,000 square feet</u>	_____	_____	_____	_____	<u>5</u>
<u>> 20,000 square feet</u>	_____	_____	_____	_____	<u>6</u>

Inside Coastal Zone + 1 mile,
 existing legal structure

<u>< 2000 square feet</u>	_____	_____	_____	_____	<u>4</u>
<u>2000-20,000 square feet</u>	_____	_____	_____	_____	<u>5</u>
<u>> 20,000 square feet</u>	_____	_____	_____	_____	<u>6</u>

USE	PA	VA	CT	C-1	C-2	C-4
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Cannabis Distribution (subject to 13.10.650)[‡]

Class 1

Outside Coastal Zone and 1-mile buffer

New structure

0-2000 square feet						3
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> 2000 square feet						5
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<u>Existing legal structure</u>					3**	3
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Inside Coastal Zone + 1 mile, existing legal structure

				3**	3
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Class 2

Outside Coastal Zone and 1-mile buffer, new or existing legal structure

				4/5/6* **	4/5/6*
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Inside Coastal Zone + 1 mile, existing legal structure

				4/5/6* **	4/5/6*
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[‡] With a license appropriate for zoning classification pursuant to SCCC Chapter 7.128. No new non-retail commercial cannabis structures may be permitted in the Coastal Zone and 1-mile buffer.

**Cannabis distribution activities may occur only in conjunction with a licensed dispensary on the parcel. Cannabis manufacturing activities may occur only in conjunction with a licensed dispensary on the parcel, unless an exception is granted pursuant to SCCC 13.10.650(D)(2)(f).

SECTION V

Section 13.10.342 (B) of the Santa Cruz County Code shall be amended to add the following to the industrial use chart:

<u>USE</u>	<u>M-1</u>	<u>M-2</u>	<u>M-3</u>
<u>Cannabis Cultivation (subject to 13.10.650)†</u>			
<u>Indoor cultivation (existing legal structure, other than greenhouse)</u>			
<u>0-10,000 square feet</u>	<u>4</u>	<u>5</u>	<u>5</u>
<u>> 10,000 square feet</u>	<u>5</u>	<u>5</u>	<u>5</u>
<u>New indoor cultivation structure (other than greenhouse)</u>			
<u>Outside Coastal Zone and 1 mile buffer</u>			
Up to 2,000 square feet	4	5	5
2,000 to 20,000 square feet	5	5	5
> 20,000 square feet	6	6	6
Inside Coastal Zone + 1 mile	—	—	—
<u>Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration</u>			
<u>0- 10,000 square feet</u>	<u>4</u>	<u>5</u>	<u>5</u>
<u>> 10,000 square feet</u>	<u>5</u>	<u>5</u>	<u>5</u>
<u>Greenhouse (new)</u>			
<u>Outside Coastal Zone and 1 mile buffer</u>			
<u>< 2,000 square feet</u>	<u>4</u>	<u>5</u>	<u>5</u>
<u>2,000- 20,000 square feet</u>	<u>5</u>	<u>5</u>	<u>5</u>
<u>> 20,000 square feet</u>	<u>6</u>	<u>6</u>	<u>6</u>
Inside Coastal Zone + 1 mile	—	—	—
<u>Water tank (accessory to cannabis use)</u>	<u>3</u>	<u>3</u>	<u>3</u>
<u>Outdoor cultivation (or new or existing hoop house)</u>	—	—	<u>5**</u>

<u>USE</u>	<u>M-1</u>	<u>M-2</u>	<u>M-3</u>
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Cannabis Manufacturing (subject to 13.10.650)[‡]

Classes 1-3

Outside Coastal Zone and 1-mile buffer, new or existing legal structure

<u>< 2000 square feet</u>	<u>4</u>	<u>4</u>	<u>3</u>
<u>2000-20,000 square feet</u>	<u>5</u>	<u>5</u>	<u>3</u>
<u>Over 20,000 square feet</u>	<u>6</u>	<u>6</u>	<u>3</u>

Inside Coastal Zone and 1-mile buffer, existing legal structure

<u>< 2000 square feet</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>2000-20,000 square feet</u>	<u>5</u>	<u>5</u>	<u>4</u>
<u>Over 20,000 square feet</u>	<u>6</u>	<u>6</u>	<u>5</u>

<u>USE</u>	<u>M-1</u>	<u>M-2</u>	<u>M-3</u>
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Cannabis Distribution (subject to 13.10.650)[‡]

Class 1

Outside Coastal Zone and 1-mile buffer

<u>Existing legal structure</u>	<u>3</u>	<u>3</u>	<u>3</u>
<u>New structure</u>	<u>4/5/6*</u>	<u>4/5/6*</u>	<u>4/5/6*</u>

Inside Coastal Zone and 1-mile Buffer

<u>Existing legal structure</u>	<u>4/5/6*</u>	<u>4/5/6*</u>	<u>4/5/6*</u>
<u>New structure</u>	<u>—</u>	<u>—</u>	<u>—</u>

Class 2

Outside Coastal Zone and 1-mile buffer, new or existing legal structure

<u>4/5/6*</u>	<u>4/5/6*</u>	<u>4/5/6*</u>
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Inside Coastal Zone and 1-mile buffer, existing legal structure

<u>4/5/6*</u>	<u>4/5/6*</u>	<u>4/5/6*</u>
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[‡]With a license appropriate for zoning classification pursuant to SCCC Chapter 7.128. No new non-retail commercial cannabis structures may be permitted in the Coastal Zone and 1-mile buffer.

**Outdoor or hoop house cultivation may be permitted only in conjunction with adoption or amendment of a reclamation plan.

SECTION VI

Section 13.10.372 of the Santa Cruz County Code shall be amended to add the following to the Timber Production (TP) use chart:

<u>USE</u>	<u>TP</u>
<u>Cannabis Cultivation (commercial) (subject to 13.10.650)^F</u>	
<u>Indoor cultivation (existing legal structure, other than greenhouse)</u>	
<u>Outside Coastal Zone and 1 mile buffer</u>	4 ^X /5
<u>Inside Coastal Zone + 1 mile</u>	—
<u>New indoor cultivation structure (not greenhouse)</u>	
<u>Outside Coastal Zone and 1 mile buffer</u>	4 ^X /5
<u>Inside Coastal Zone + 1 mile</u>	—
<u>Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration</u>	
<u>Outside Coastal Zone and 1 mile buffer</u>	4 ^X /5
<u>Inside Coastal Zone +1 mile</u>	—
<u>Greenhouse (new)</u>	
<u>Outside Coastal Zone and 1 mile buffer</u>	4 ^X /5
<u>Inside Coastal Zone + 1 mile</u>	—
<u>Outdoor cultivation (or existing hoop house)</u>	
<u>Outside Coastal Zone and 1 mile buffer</u>	
<u>0-500 square feet</u>	4 ^X /5
<u>> 500 square feet</u>	5
<u>Inside Coastal Zone +1 mile</u>	—
<u>Hoop house (new)</u>	
<u>Outside Coastal Zone and 1-mile buffer</u>	
<u>0-2,000 square feet</u>	4 ^X /5
<u>> 2,000 square feet</u>	5

Inside Coastal Zone + 1 mile _____

Water tank (accessory to cannabis use)

3USE _____ **TP**

**Cannabis Manufacturing (subject to 13.10.650),
ancillary to on-site commercial cannabis cultivation[†]**

Classes 1-2

Outside Coastal Zone and 1 mile buffer, new or existing legal structure _____ **3/5*****

Inside Coastal Zone + 1 mile _____

Class 3 _____

USE _____ **TP**

Cannabis Distribution (subject to 13.10.650)[†]

Class 1

Outside Coastal Zone and 1 mile buffer

Existing legal structure _____ **3**

New structure _____ **5**

Inside Coastal Zone + 1 mile _____

Class 2 _____

[†]With a license appropriate for zoning classification pursuant to SCCC Chapter 7.128. Non-retail commercial cannabis uses may be permitted in the TP zoning district only on sites with a pre-existing legal commercial use. No new non-retail commercial cannabis structures may be permitted in the Coastal Zone and 1-mile buffer.

[‡]Level 4 approval applies only to Class CG licensed cultivation activities.

^{***}Level 5 approval required if manufacturing activity involves cannabis imported from offsite.

SECTION VII

Section 13.10.650 is hereby added to read, as follows:

13.10.650 Non-Retail Commercial Cannabis Uses.

All non-retail commercial cannabis uses, including commercial cannabis cultivation, manufacturing and distribution, shall be subject to the following limitations:

- (A) License. Non-retail commercial cannabis uses shall not be permitted on any parcel within the County without 1) a currently valid local license required by SCCC Chapter 7.128; and 2) a currently valid State license required under California law. Except as expressly defined

in this Section 13.10.650, the definitions in Section 7.128.030 shall apply to the terms used herein.

(B) General.

(1) Procedures. Non-retail commercial cannabis uses and development shall be subject to the procedures applicable under SCCC Chapter 18.10 at the approval level established in the appropriate use chart for the zoning district. For purposes of determining the approval level applicable to cannabis uses and development, the square footage of a structure, greenhouse, hoop house or growing area shall be cumulative as to the parcel, cultivation site or facility, as applicable.

(2) Development. Inside the Coastal Zone, and within one mile beyond the Coastal Zone, no new non-retail commercial cannabis structures may be permitted. Except for legal structures existing on the effective date of this Section 13.10.650, use of any structure for non-retail commercial cannabis use shall be considered new development. All non-retail commercial cannabis uses and development, including structures, greenhouses, hoop houses, and related parking lots and access roads, proposed for non-retail commercial cannabis uses in zoning districts in which such uses may be approved shall be consistent with the General Plan and shall require all other applicable approvals (including but not limited to grading and building permits and coastal development permits for development as defined in SCCC Chapter 13.20) and shall be subject to all other applicable requirements of this Code and other applicable laws and regulations. Cannabis may not be cultivated or manufactured within a residence and may not be stored for distribution within a residence.

(3) Best Management and Operational Practices Plan. No use or development permit for non-retail commercial cannabis business activities may be issued before the applicant has submitted, and both the Planning Department and the Cannabis Licensing Official have approved, a completed Best Management and Operational Practices (“BMOP”) Plan on the form(s) created by the Cannabis Licensing Official for that purpose. The purpose of the BMOP Plan is to ensure that all cannabis business activities conserve natural resources and have as minimal an impact as possible on the surrounding environment. The BMOP Plan shall address siting criteria, site design, construction requirements, operational requirements, and additional miscellaneous issues in order to meet this purpose.

(4) Environmental Protection. All non-retail commercial cannabis use shall comply with the provisions of all applicable environmental laws and regulations, including County environmental resource protection ordinances (SCCC Title 16) and all applicable requirements of Division 13 (commencing with Section 21000) of the Public Resources Code (the California Environmental Quality Act, and State CEQA Guidelines, process). No exceptions to riparian setback requirements under SCCC 16.30 or to sensitive habitat setback requirements under SCCC 16.32 shall be available for non-retail commercial cannabis use or development. No non-retail commercial cannabis use or development may be permitted except

upon a finding that the approval will not result in any significant unmitigated impacts to water supply, biotic resources or other sensitive environmental resources.

(5) No Cannabis Activities allowed within Sandhills Habitat or Salamander Protection Zone. The County shall review whether a cultivation or manufacturing site is located within the Sandhills habitat or in oak woodland within ¼ mile of a known or suspected salamander breeding pond during its biological resources assessment process. The County shall not issue a license for any cannabis activity proposed within the Sandhills or SCLTS habitats, with the exception of those indoor activities that do not require any soil disturbance.

(6) Land Clearing/ Grading. A land clearing permit must be obtained for any clearing in sensitive habitat as defined in SCCC Title 16.32 and for clearing exceeding 0.25 acre in any other area. In addition to meeting standards and regulations found in SCCC Title 16 and any other applicable regulation in Title 13:

(a) Retained cuts and fills shall not exceed 10 feet.

(b) Non-retained cuts and fills shall not exceed five feet.

(c) Outdoor cultivation is not allowed on slopes steeper than 20 percent.

(d) No grading is allowed on slopes greater than 20 percent, where slope gradient is measured as natural grade, or where the grade has been modified through an approved grading permit.

(e) Remedial grading may be necessary in order to satisfy the requirements of this chapter. All remedial grading must be shown on the final grading plan. Remedial grading may include overexcavation and recompaction of on-site soils, buttress fills, or other grading activities deemed necessary to bring unpermitted grading into compliance with County Code.

(f) Excessive or unnecessary grading may be grounds for grading application denial.

Exceptions to these rules may be granted if exceeding the limits above will result in less environmental damage than all other design alternatives, or if no other alternative exists, as determined by Environmental Planning staff.

(7) Outside Lighting. The application for a non-retail commercial cannabis use or development permit shall include plans for all outdoor lighting for review and approval. All outdoor lighting shall have the illumination directed downward or shielded so that glare is not projected onto adjacent properties or skyward. No lighting for cultivation purposes, except that necessary for security, shall be visible at cultivation sites from sunset to sunrise.

(8) Parking. The application for a non-retail commercial cannabis use or development permit shall include a parking plan and documentation of parking needs for review and approval. The plan shall provide adequate off-street parking for all employees, and allow for loading and unloading.

(9) Site and Building Design. All new development shall be clustered or otherwise sited to reduce impacts. New structural development shall ensure the proposed building has sufficient architectural design to be compatible with the architectural character and scale of the surrounding area.

(a) In the CA zone district, any new development and conversion of any soil-dependent greenhouse for non-retail commercial cannabis use shall be subject to the findings in SCCC Section 13.10.314(A).

(b) In the TP zone district, permits authorizing non-retail commercial cannabis activities may be granted only i) on parcels with a pre-existing legal commercial use (regardless of when established) where cannabis business activities will take place in previously-cleared areas; or ii) on parcels where sufficient evidence exists that cannabis was being cultivated as of January 2013. New development and site disturbance associated with cannabis business activities and related infrastructure on these parcels are limited to: i) no more than 5500 square feet of site disturbance; and ii) the removal of no more than five trees with an individual diameter breast height (d.b.h.) between 12 and 40 inches. Moreover, a timberland conversion permit must be obtained as required by the California Division of Forestry before any trees are removed, and removal of trees with a d.b.h. of greater than 40 inches is not permitted. In addition, any new structural development and parking facilities on these parcels shall be clustered within 200 feet of other buildings on the parcel in order to facilitate timber production and harvesting and to preserve the rural character of the land, unless a different option can be demonstrated to have fewer environmental impacts.

(10) Setbacks. All development shall be set back from the property line the minimum distance required by the zone district, or as otherwise required in this Section 13.10.650, and may be required as a condition of a use or development permit to be set back a specified distance from the nearest off-site residence, if applicable, depending on the individual circumstances of the application.

(11) Landscaping and Screening. All new structural development shall be landscaped or located in the natural setting to soften the geometric form and to blend it with the rural character of the surrounding area. Parking lots and outdoor work and storage areas shall be screened from view from adjacent properties and roadways by vegetative plantings or other natural features and screening. Plantings shall be completed before final building inspection is approved.

(12) Outside Operations. Applications for a non-retail commercial cannabis use or development permit shall include information to describe the nature of any proposed outside

operations. All outside operations shall be screened to minimize visibility from adjacent residences and roads. Within the Coastal Zone, fencing shall be minimized, in no case shall exceed six (6) feet, and shall be designed to allow the passage of wildlife and shall not be seen from public roads.

(13) Noise Control. The application for a non-retail commercial cannabis use or development permit shall include information regarding the anticipated noise levels of the cannabis operation. Noise shall be limited to be consistent with the requirements of the General Plan Noise Element.

(14) Operating Hours.

(a) The application for a non-retail commercial cannabis use or development permit shall include information regarding the proposed operating hours of the facility. The operating hours shall be established and approved as a condition of the approval.

(b) Outside operating hours shall be limited to 7:00 a.m. to 7:00 p.m. These limits may be exceeded by obtaining approval of the Planning Commission, and limits shall be set by condition on the use approval based on the individual merits of the location and surroundings.

(15) Access. Access shall meet County road standards for the proposed use, including accommodation of delivery vehicles and emergency vehicles.

(16) Fire Protection. All regulations of the local fire district or County Fire Marshal shall be met to ensure adequate access, water availability and other conditions for fire protection.

(17) Water.

(a) All applications for any non-retail commercial cannabis use or development permit shall be accompanied by a letter from the water district serving the area stating that adequate capacity is available to serve the use, or the applicant shall demonstrate it has an approved on-site source or other adequate alternative source of water.

(b) All water used for cultivation purposes must be obtained from an approved on-site source, except for water used in the case of emergencies, and water obtained from a Department of Public Health, Food and Drug Branch licensed purveyor that is used solely for the initial filling of water tanks used to meet on-site water storage requirements for firefighting purposes. Cannabis shall not be cultivated with the use of a shared water source or water extraction equipment without the express permission of all of the persons holding an ownership interest in that water source or water extraction equipment. The applicant shall submit an identification of water supply to be used for cultivation and documentation

demonstrating that the source is in compliance with all statutes, regulations, and requirements of the California State Water Resources Control Board, Division of Water Rights.

(c) If a new structure is proposed to be constructed, water saving devices shall be incorporated into the design, and shall be indicated on building and landscaping plans for review and approval.

(18) Sewer/Septic. A letter from the sewer district serving the parcel shall be submitted with the application stating that adequate capacity is available to serve the use, or the applicant shall otherwise demonstrate compliance with the requirements of SCCC Chapter 7.38 and adequacy of any septic system serving the site.

(19) Odors. Applications for a commercial cannabis use or development permit for outdoor cultivation must include a written statement demonstrating that the applicant has, to the maximum extent feasible given the topography of the site, taken neighboring sensitive receptors into account in site selection.

(20) Indemnity. Each use or development permit issued pursuant to this Section 13.10.650 shall have as a condition of the permit a requirement that the applicant defend, indemnify and hold harmless the County and its officers, agents, and employees from and against any claim (including attorney's fees) against the County, its officers, employees or agents to attack, set aside, void or annul the approval of the permit or any subsequent amendment of the permit.

(C) Commercial Cannabis Cultivation.

(1) Zoning. Subject to the limitations set forth in subsections (2), (3) and (4) below, commercial cannabis cultivation uses may be permitted in the following zones: CA (Commercial Agriculture), A (Agriculture), RA (Residential Agriculture), C-4 (Commercial Services), M (Industrial), TP (Timber Production), and SU (Special Use) where the General Plan designation of the parcel is "R-R" (Rural Residential), "R-M" (Mountain Residential), "AG" (Agriculture) or "I" (Heavy Industry).

(2) Minimum Parcel Size.

(a) The minimum parcel size for commercial cannabis cultivation in the CA zone is one acre.

(b) The minimum parcel size for commercial cannabis cultivation in the A zone is 2.5 acres (Class CG license only) or ten acres (Class A license).

(c) The minimum parcel size for commercial cannabis cultivation in the RA zone is 2.5 acres (Class CG license only) or five acres (Class RA license).

(d) The minimum parcel size for commercial cannabis cultivation in the TP zone is 2.5 acres (Class CG license only) or five acres (Class TP license).

(e) The minimum parcel size for commercial cannabis cultivation in the SU zone is 2.5 acres (Class CG license only) or ten acres (Class SU license) for parcels with a General Plan designation of R-M, R-R or AG; there is no minimum parcel size for parcels in the SU zone with a General Plan designation of I.

(3) Restrictions.

(a) Commercial cannabis cultivation shall not be permitted inside the Coastal Zone or within one mile beyond the Coastal Zone, except in the CA, A, C-4 and M zones.

(b) Commercial cannabis cultivation shall not be permitted within the Urban Services Line or the Rural Services Line, except in C-4 and M zones and in CA and A zones located inside the Coastal Zone and within one mile beyond the Coastal Zone.

(c) Inside the Coastal Zone, and within one mile beyond the Coastal Zone, commercial cannabis cultivation may only be permitted in CA and A zones outdoors or in legal structures existing on the effective date of the ordinance adopting this Section 13.10.650. No new structures, including hoop houses (defined as agricultural shade structures exempt from building permits under SCCC Section 12.10.315) shall be allowed.

(d) No outdoor (including hoop house) commercial cannabis cultivation shall be permitted in zones C-4 and M.

(i) Exception: In the M-3 zoning district, where quarry operations have ceased, outdoor or hoop house cultivation may be permitted in conjunction with the adoption or amendment of a reclamation plan.

(e) Commercial cannabis cultivation may be permitted in the RA zoning district only on parcels where sufficient evidence exists that cannabis was being cultivated as of January 2013.

(f) Commercial cannabis cultivation may be permitted in SU zones only if the General Plan designation of the parcel is “R-R” (Rural Residential), “R-M” (Mountain Residential), “AG” (Agriculture) or “I” (Heavy Industry), subject to the restrictions of SCCC 13.10.382. In the SU zoning district on parcels with a General Plan designation of R-R, R-M or AG permits authorizing non-retail commercial cannabis activities may be granted only i) on parcels of at least 10 acres where sufficient evidence exists that cannabis was being cultivated as of January 2013; or ii) on parcels of at least 20 acres.

(g) Commercial cannabis cultivation with a Class CG license may be permitted within the A, RA, TP zoning districts and in the SU zoning district on parcels with a

General Plan designation of R-R, R-M or AG on parcels of at least 2.5 acres in size where all requirements under Chapter 7.128 applicable to a Class CG license are met.

(h) Indoor cultivation of immature plants (starts and seedlings) may only take place within legal structures existing as of the effective date of the ordinance adopting this Section 13.10.650, or shall be accommodated in a new permitted structure without requiring the addition of any square or cubic footage (such as by vertical stacking or shelving).

(i) Total canopy on any parcel shall not exceed the limit applicable under the currently valid license for cultivation on the parcel, subject to approval of the Licensing Official, as follows:

<u>Zone/ Class</u>	<u>Single Licensee</u>	<u>Co-Located (with approval of Licensing Official)</u>
<u>CA/ Class CA</u>	<u>For single licensees on a single parcel, up to 2.5 percent of the size of the parcel, not to exceed twenty-two thousand (22,000) square feet.</u>	<p><u>For Co-Location on parcels smaller than 20 acres, up to 5 percent of the size of the parcel, not to exceed one acre total among all licensees.</u></p> <p><u>For Co-Location on parcels 20 acres or larger where cultivation is conducted outdoors or requires new structural development, up to 5 percent of the size of the parcel, not to exceed two (2) acres total among all licensees.</u></p> <p><u>For Co-Location on parcels 10 acres or larger where cultivation takes place solely within permitted structures existing as of November 2016, canopy limits will be set by the Licensing Official.</u></p>
<u>A/ Class A</u>	<u>For single licensees on a single parcel, up to 1.5 percent of the size of the parcel, not to exceed ten thousand (10,000) square feet.</u>	<p><u>For Co-Location on parcels smaller than 20 acres, up to 3 percent of the size of the parcel, not to exceed ten thousand (10,000) square feet total among all licensees.</u></p> <p><u>For Co-Location on parcels 20 acres or larger, up to 1.5 percent of the size of the parcel, not to exceed twenty-two thousand (22,000) square feet among all licensees.</u></p>
<u>RA/ Class RA</u>	<u>Up to 1.25 percent of the size of the parcel, not to exceed five thousand one hundred (5,100) square feet on parcels between five and ten acres in size.</u>	<p><u>For Co-Location on parcels between five and ten acres in size, up to 1.25 percent of the size of the parcel, not to exceed five thousand one hundred (5,100) square feet.</u></p> <p><u>For Co-Location on parcels larger than ten acres, up to 1.25 percent of the size of the</u></p>

	<u>Up to 1.25 percent of the size of the parcel, not to exceed ten thousand (10,000) square feet on parcels larger than ten acres.</u>	<u>parcel, not to exceed ten thousand (10,000) square feet.</u>
<u>C-4/ Class C-4*</u> <u>M/ Class M*</u>	<u>Not to exceed twenty-two thousand (22,000) square feet.</u>	<u>Not to exceed twenty-two thousand (22,000) square feet.</u>
<u>TP/ Class TP**</u>	<u>Up to 1.25 percent of the size of the parcel, not to exceed five thousand one hundred (5,100) square feet on parcels between five and ten acres in size.</u> <u>Up to 1.25 percent of the size of the parcel, not to exceed ten thousand (10,000) square feet on parcels larger than ten acres.</u>	<u>For Co-Location on parcels between five and ten acres in size, up to 1.25 percent of the size of the parcel, not to exceed five thousand one hundred (5,100) square feet</u> <u>For Co-Location on parcels larger than ten acres, up to 1.25 percent of the size of the parcel, not to exceed ten thousand (10,000) square feet.</u>
<u>SU-AG, SU-R-R, SU-R-M/ Class SU</u>	<u>Up to 1.25 percent of the size of the parcel, not to exceed ten thousand (10,000) square feet.</u>	<u>Up to 1.25 percent of the size of the parcel, not to exceed ten thousand (10,000) square feet.</u>
<u>SU-I/ Class SU</u>	<u>Twenty-two thousand (22,000) square feet.</u>	<u>Twenty-two thousand (22,000) square feet.</u>
<u>CG (A, RA, TP and SU- R-R, R-M or AG)/ Class CG</u>	<u>Five hundred (500) square feet.</u>	<u>Not eligible for Co-Location.</u>

* The cumulative total amount of garden canopy approved for licensure by all licensees under the Class C-4 and Class M Licenses shall not exceed one hundred thousand (100,000) square feet for the unincorporated area of the county. Once this amount is reached, the Licensing Official shall provide a report to the Board of Supervisors with a recommendation on whether this limitation should be adjusted.

**With a TP License, canopy may only be expanded on eligible sites to the maximum size identified in (i) and (ii) above upon specific application to expand, and only in conjunction with the additional restrictions set forth in SCCC Section 13.10.650(B)(9)(b).

(4) Setbacks.

(a) Commercial cannabis cultivation shall not be allowed within six hundred (600) feet of (i) a municipal boundary; (ii) a school, a day care center, or youth center; (iii) a

library; (iv) an alcohol or drug treatment facility; or (v) any park other than a State Park located within the urban area defined by the Urban Services Line.

(b) Commercial cannabis cultivation shall not be allowed within 0.25 miles of a school if pesticides may be applied using aircraft, air blast sprayers, sprinklers, dust, powder, or fumigants.

(c) Indoor commercial cannabis cultivation shall not be allowed within two hundred (200) feet of any habitable structure on a neighboring parcel. Outdoor commercial cannabis cultivation shall not be allowed within four hundred (400) feet of any habitable structure on a neighboring parcel.

(d) Commercial cannabis cultivation shall not be allowed within three hundred (300) feet of a State Park located within the urban area defined by the Urban Services Line.

(e) On parcels ranging in size from one to five acres, commercial cannabis cultivation shall not be allowed within one hundred (100) feet of a public right-of-way. This setback does not apply when the cultivation is entirely indoors.

(f) On parcels ranging in size from five to ten acres, commercial cannabis cultivation shall not be allowed within two hundred (200) feet of a public right-of-way. This setback does not apply when the cultivation is entirely indoors.

(g) On parcels over ten acres in size, commercial cannabis cultivation shall not be allowed within three hundred (300) feet of a public right-of-way. This setback does not apply when the cultivation is entirely indoors.

(h) Commercial cannabis cultivation shall not be allowed within one hundred (100) feet of a perennial stream.

(i) Commercial cannabis cultivation shall not be allowed within fifty (50) feet of an intermittent stream or within the setbacks required by SCCC Chapters 16.30 (riparian corridor and wetlands protection) or 16.32 (sensitive habitats).

(j) Commercial cannabis cultivation shall not be allowed within fifty (50) feet of an ephemeral stream or within the setbacks required by SCCC Chapters 16.30 (riparian corridor and wetlands protection) or 16.32 (sensitive habitats).

(k) Commercial cannabis cultivation shall not be allowed within one hundred (100) feet of the high water mark of a lake, estuary, lagoon, or natural body of standing water.

(l) For purposes of this section, “school” means any licensed preschool or any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but

does not include any private school in which education is primarily conducted in private residences.

(m) For purposes of this section, “park” means any playground, hiking or riding trail, recreational area, beach, community center or building, historic structure or facility, conservation land, biological mitigation area, or open space owned, managed or controlled by any public entity or conservation entity such as a non-profit land trust.

(n) The distance specified in this sub-section for municipal boundaries, schools, day care centers, youth centers, libraries, and drug treatment facilities shall be the horizontal distance measured in a straight line from the municipal boundary, school, library, park, and drug treatment facility to the closest property line of the parcel on which cannabis is being cultivated, without regard to intervening structures.

(o) The distance specified in this sub-section for public rights-of-way, streams, and habitable structures shall be the horizontal distance measured in a straight line from the public right-of-way, streams and water areas, or habitable structure and the growing area on the cultivation site, without regard to intervening structures.

(p) Exceptions. Excluding setbacks required by SCCC Chapters 16.30 or 16.32, exceptions to the rules set forth herein for setbacks may be allowed subject to a Level 5 approval process with a finding, upon recommendation of the Licensing Official, that the exception is appropriate because physical conditions specific to the cultivation site (such as topography or intervening structures or vegetation) reduce the setback distance necessary to protect the public interest. Notwithstanding the foregoing, no exception shall be granted allowing a setback of less than one hundred (100) feet from a habitable structure on a neighboring parcel, except that in the M-1 and C-2 zone districts, the setback from a legal nonconforming habitable structure on a neighboring parcel may be reduced to below one hundred feet or eliminated, subject to a Level 5 approval process under this subsection (p).

(D) Commercial Cannabis Manufacturing.

(1) Zoning. Subject to the limitations set forth in subsections (2) and (3) below, commercial cannabis manufacturing uses may be permitted, as follows:

(a) Class 1 and Class 2 commercial cannabis manufacturing uses are limited to the following zoning districts: CA (Commercial Agriculture), A (Agriculture), RA (Residential Agricultural), TP (Timber Production), C-2 (Community Commercial), C-4 (Commercial Services), M-1 (Light Industrial), M-2 (Heavy Industrial), M-3 (Mineral Extraction Industrial), and SU (Special Use) where the General Plan designation of the parcel is “R-R” (Rural Residential), “R-M” (Mountain Residential) “AG” (Agricultural) or “I” (Industrial).

(b) Class 3 commercial cannabis manufacturing uses are limited to the following zoning districts: CA (Commercial Agriculture), C-4 (Commercial Services), M-1 (Light Industrial), M-2 (Heavy Industrial), and M-3 (Mineral Extraction Industrial).

(2) Restrictions.

(a) In the geographic area designated as the Coastal Zone, and within one mile beyond the Coastal Zone, commercial cannabis manufacturing may only take place within legal structures existing on the effective date of the ordinance adopting this Section 13.10.650.

(b) Within the RA zone district, extraction activities involving ethanol or CO₂ shall be prohibited on parcels less than five acres in size.

(c) All Class 3 commercial cannabis manufacturing uses must be located within a 10 minute response time of a fire station. If unable to meet this requirement, a fire clearance shall be required to verify that the facility can safely operate while protecting public health, safety and welfare. No facility shall be established beyond a 20-minute fire response time from the nearest responsible fire station in rural areas.

(d) Cannabis manufacture facilities shall be inaccessible by the general public and should be fully enclosed if feasible.

i. Exception: An open air extraction area may be established in the CA and A zone districts at a fixed, permanent, and fully secured location where parcel size is at least 20 acres and no residence receptors are located in proximity to the operation (as determined by the Monterey Bay Unified Air Pollution Control District).

(e) Cannabis manufacturing uses within the A, RA and TP zone districts and on parcels within SU zone districts where the General Plan designation is “R-R” (Rural Residential), “R-M” (Mountain Residential) or “AG” (Agriculture) may be permitted only on a parcel that contains a detached single-family dwelling. No manufacturing activities may be undertaken in a dwelling, whether as a home occupation pursuant to SCCC Section 13.10.613 or otherwise, but activities in a legal accessory structure may be permitted subject to all applicable restrictions. All manufacturing uses in the A and RA zone districts and on parcels within the SU zone district where the General Plan designation is R-R, R-M or AG that include employees (excepting the owner of the parcel) shall require a Level 5 approval; provided, however, that the number of employees (excepting the owner of the parcel) for any manufacturing use on parcels in the RA zone district and on parcels within the SU zone district where the General Plan designation is R-R, R-M or AG shall be limited to 5.

(f) Cannabis manufacturing uses in the A, RA and TP zone districts and on parcels within SU zone districts where the General Plan designation is “R-R” (Rural Residential), “R-M” (Mountain Residential) or “AG” (Agriculture) shall be ancillary to licensed commercial cannabis cultivation on the parcel and import of cannabis material for onsite

manufacturing may be permitted only with a Level 5 approval, and only as long as manufacturing using imported material does not require new structural development or any additional employees.

(g) In the C-2 zone district, commercial cannabis manufacturing is only allowed in conjunction with a licensed dispensary, unless a finding is made, upon recommendation of the Licensing Official, that a proposed stand-alone manufacturing facility within the C-2 zone is consistent with the General Plan and compatible with and will not adversely affect surrounding uses, based on consideration of site-specific conditions such as the location, surrounding zoning, size and/ or orientation of the parcel and physical features such as grade or other physical separation from surrounding uses

(3) Setbacks. No cannabis manufacturing facility may be located within 600 feet from (i) a school, (ii) a day care center, or (iii) a youth center. The distance specified in this subsection shall be the horizontal distance measured in a straight line from the property line of the school, day care or youth center to the closest property line of the lot containing the manufacturing facility under review, without regard to intervening structures.

(a) For purposes of this section, “school” means any licensed preschool or any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private residences.

(b) Exceptions. Exceptions to the rules set forth herein for setbacks may be allowed subject to a Level 4 approval with a finding, upon recommendation of the Licensing Official, that the exception is appropriate because physical conditions specific to the manufacturing facility (such as topography or intervening vegetation or structures) reduce the setback distance necessary to protect the public interest

(E) Cannabis Distribution.

(1) Zoning. Subject to the restrictions set forth in subsections (2) and (3) below, commercial cannabis distribution uses may be permitted, as follows:

(a) Cannabis distribution pursuant to a Class 1 license associated with commercial cannabis cultivation or manufacturing may be permitted in any zoning district in which that use (cultivation or manufacturing, as applicable) is authorized.

(b) Cannabis distribution pursuant to a Class 2 license may be permitted only in the C-2 (Community Commercial), C-4 (Commercial Services), M-1 (Light Industrial), M-2 (Heavy Industrial), M-3 (Mineral Extraction Industrial), CA (Commercial Agriculture) zoning districts, the SU (Special Use) zoning district in accordance with SCCC Section 13.10.382, and in the CA zone district within legal structures existing on the effective date of the ordinance adopting this Section 13.10.650.

(2) Restrictions.

(a) In the geographic area designated as the Coastal Zone, and within one mile beyond the Coastal Zone, commercial cannabis distribution may only take place within legal structures existing on the effective date of the ordinance adopting this Section 13.10.650.

(b) A distribution facility shall be inaccessible by the general public and should be fully enclosed if feasible.

(c) Commercial cannabis distribution uses in the RA and A zone districts shall be ancillary to licensed commercial cannabis cultivation on the parcel.

(d) In the C-2 zone district, commercial cannabis distribution is only allowed in conjunction with a licensed dispensary, or licensed commercial cannabis manufacturing.

(3) Setbacks.

(a) No license may be issued to operate a cannabis distribution facility located within 600 feet from (i) a school, (ii) a day care center, or (iii) a youth center. The distance specified in this subsection shall be the horizontal distance measured in a straight line from the property line of the school to the closest property line of the lot containing the manufacturing facility under review, without regard to intervening structures.

(b) For purposes of this section, “School” means any licensed preschool or any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private residences.

(c) Exceptions to the rules set forth herein for setbacks may be allowed subject to a Level 4 approval with a finding, upon recommendation of the Licensing Official, that the exception is appropriate because physical conditions specific to the distribution facility (such as topography or intervening vegetation or structures) reduce the setback distance necessary to protect the public interest.

SECTION VIII

Section 13.10.382 of the Santa Cruz County Code shall be amended to add the following new subsection (C), and subsection (D) shall be renumbered accordingly:

(C) Non-Retail Commercial Cannabis Uses.

(1) Commercial cannabis cultivation uses may be permitted within the Special Use (SU) District, subject to all applicable requirements of SCCC Section 13.10.650 and Chapter 7.128, where the General Plan designation is “R-R” (Rural Residential), “R-M” (Mountain

Residential), “AG” (Agriculture) or “I” (Heavy Industry). Where the General Plan designation is R-R, R-M, or AG, cultivation uses may be permitted subject to the limitations applicable under SCCC Sections 13.10.312(B) and 13.10.650 in the RA zone district. Where the General Plan designation is I, cultivation uses may be permitted subject to the limitations applicable under SCCC Sections 13.10.342(B) and 13.10.650 in the M-3 zoning district.

(2) Commercial cannabis manufacturing uses may be permitted within the Special Use (SU) District, subject to all applicable requirements of SCCC Section 13.10.650 and Chapter 7.128, where the General Plan designation of the parcel is “R-R” (Rural Residential), “R-M” (Mountain Residential), “AG” (Agriculture) or “I” (Heavy Industry). Where the General Plan designation is R-R, R-M or AG, manufacturing uses may be permitted subject to the limitations applicable under SCCC Sections 13.10.312(B) and 13.10.650 in the RA zone district. Where the General Plan designation is I, manufacturing uses may be permitted subject to the limitations applicable under SCCC Sections 13.10.342(B) and 13.10.650 in the M-3 zoning district.

(3) Class 1 cannabis distribution may be permitted within the Special Use (SU) District, subject to all applicable requirements of SCCC Section 13.10.650 and Chapter 7.128, where the General Plan designation of the parcel is “R-R” (Rural Residential), “R-M” (Mountain Residential), “AG” (Agriculture) or “I” (Heavy Industry). Where the General Plan designation is R-R, R-M or AG, Class 1 distribution uses may be permitted subject to the limitations applicable under SCCC Sections 13.10.312(B) and 13.10.650 in the RA zone district. Where the parcel has a General Plan designation of I, Class 1 distribution uses may be permitted subject to the limitations of SCCC Sections 13.10.342(B) and 13.10.650 for the M-3 zoning district. Class 2 cannabis distribution may be permitted within the Special Use (SU) District, subject to all applicable requirements of SCCC Section 13.10.650 and Chapter 7.128, where the General Plan designation is Service Commercial/Light Industry (C-S) or I. Class 2 distribution uses on these parcels may be permitted subject to the limitations of SCCC Sections 13.10.342(B) and 13.10.650 for the M-3 zoning district.

SECTION IX

The following definition shall be added to Section 16.01.020 of the Santa Cruz County Code:

“Environmental Coordinator” means the Planning Director of the County of Santa Cruz or designee.

SECTION X

This ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Business and Professions Code section 26055(h). That section states that Division 13 of the Public Resources Code does not apply to the adoption of an ordinance that requires discretionary review and approval of permits, licenses, or other authorizations to engage in

commercial cannabis activity if such discretionary review includes any applicable environmental review required under Division 13. In addition, the amendment to SCCC section 16.01.020 does not constitute a "Project" within the meaning of CEQA, Section 21065, because it does not constitute an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and is otherwise exempt from CEQA pursuant to CEQA Guideline 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION XI

Should any section, clause, or provision of this Ordinance be declared by the courts to be invalid, the same shall not affect the validity of the Ordinance as a whole, or parts thereof, other than the part so declared to be invalid.

SECTION XII

This ordinance shall take effect in areas outside the Coastal Zone on the 31st day after the date of final passage, and shall take effect in areas within the Coastal Zone on the 31st day after the date of final passage, or upon certification by the Coastal Commission, whichever is later.