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LCP-3-SCO-19-0102-1-PART B (NON-RETAIL COMMERCIAL CANNABIS REGULATIONS UPDATE)

SEPTEMBER 11, 2019 HEARING

EXHIBITS

1 – Proposed Amendments to IP Chapter 13.10

ATTACHMENT D

SECTIONS, 13.10.312, 13.10.332, 13.10.342, 13.10.650. 13.10.700 OF 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

Section 13.10.312(B) of the Santa Cruz County Code is hereby amended to make the following changes to the agricultural use chart:

| USE | CA | A | AP |
|--|--------------|-------------------|----------|
| Cannabis Cultivation (commercial) (subject to SCCC 13.10.650)^F | | | — |
| Indoor cultivation (existing legal structure, other than greenhouse) | 3 | 4 ^X /5 | — |
| New indoor cultivation structure (other than greenhouse) | | | — |
| Outside Coastal Zone and 1-mile buffer | | | |
| 0—2,000 square feet | 3 | 4 ^X /5 | — |
| > 2,000 square feet | 5 | 5 | — |
| Inside Coastal Zone + 1 mile | — | — | — |
| Greenhouse (existing legal), conversion, replacement, reconstruction, or structural alteration | | | |
| 0—20,000 square feet | 3 | 4 ^X /5 | — |
| > 20,000 square feet | 5 | 5 | — |
| Greenhouse (new) | | | |
| Outside Coastal Zone and 1-mile buffer | | | |
| 0—2,000 square feet | 3 | 4 ^X /5 | — |
| > 2,000 square feet <u>2,000—20,000 square feet</u> | 5 | — | — |
| <u>>20,000 square feet</u> | <u>4</u> | <u>—</u> | <u>—</u> |
| Inside Coastal Zone + 1 mile | — | — | — |
| Outdoor cultivation (or existing legal hoop house) | | | |
| Outside Coastal Zone and 1-mile buffer | 3 | 4 ^X /5 | — |
| Inside Coastal Zone + 1 mile | 4 | 4 ^X /5 | — |
| Hoop house (new) | | | |
| Outside Coastal Zone and 1-mile buffer | | | |
| 0—2,000 square feet | 3 | 4 ^X /5 | — |

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| USE | CA | A | AP |
|--|--------------|---|----|
| > 2,000 square feet | 3 | 5 | — |
| Inside Coastal Zone + 1 mile | — | — | — |
| Water tank (accessory to cannabis use) | 3 | 3 | — |
| Cannabis Distribution (subject to SCCC 13.10.650)^F | | | |
| Class 1***** | | | |
| Outside Coastal Zone and 1-mile buffer, new or existing legal structure | | | |
| 0—2,000 square feet | 3 | 3 | — |
| > 2,000 square feet | 5 | 5 | — |
| Inside Coastal Zone + 1 mile, existing legal structure | | | |
| 0—2,000 square feet | 3 | 3 | — |
| > 2,000 square feet | 5 | 5 | — |
| Class 2, existing legal structure | | | |
| Outside Coastal Zone and 1-mile buffer | 3 | — | — |
| Inside Coastal Zone + 1-mile | 5 | — | — |

^F With a license appropriate for zoning classification pursuant to ~~SCCC Chapter 7.128~~ [SCCC](#). 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 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 II

Section 13.10.332(B) of the Santa Cruz County Code is hereby amended to make the following changes to the commercial use chart:

| USE | PA | VA | CT | C-1 | C-2 | C-4 |
|--|----|----|----|-----|-----|---------------------------|
| Cannabis cultivation (commercial) (subject to SCCC 13.10.650)^F | | | | | | |
| Indoor cultivation (existing legal structure other than greenhouse) | | | | | | |
| < 5,000 square feet | — | — | — | — | — | 4 ₃ |
| 5,000 to 20,000 square feet | — | — | — | — | — | 5 ₃ |

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| USE | PA | VA | CT | C-1 | C-2 | C-4 |
|---|----|----|----|-----|-----|-----------|
| > 20,000 square feet | — | — | — | — | — | <u>63</u> |
| New indoor cultivation structure (other than greenhouse) | | | | | | |
| Outside Coastal Zone and 1-mile buffer | | | | | | |
| < 5,000 square feet | — | — | — | — | — | 4 |
| 5,000 to 20,000 square feet | — | — | — | — | — | 5 |
| > 20,000 square feet | — | — | — | — | — | 6 |
| Inside Coastal Zone + 1 mile | — | — | — | — | — | — |
| Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration | | | | | | |
| < 5,000 square feet | — | — | — | — | — | <u>43</u> |
| 5,000 to 20,000 square feet | — | — | — | — | — | <u>53</u> |
| > 20,000 square feet | — | — | — | — | — | <u>63</u> |
| Greenhouse (new) | | | | | | |
| Outside Coastal Zone and 1-mile buffer | | | | | | |
| < 5,000 square feet | — | — | — | — | — | 4 |
| 5,000 to 20,000 square feet | — | — | — | — | — | 5 |
| > 20,000 square feet | — | — | — | — | — | 6 |
| Inside Coastal Zone + 1 mile | — | — | — | — | — | — |
| Water tank (accessory to cannabis use) | — | — | — | — | — | 3 |
| Outdoor cultivation | — | — | — | — | — | — |
| Hoop house cultivation | — | — | — | — | — | — |

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

SECTION III

Section 13.10.342(B) of the Santa Cruz County Code is hereby amended to make the following changes to the industrial use chart:

| USE | M-1 | M-2 | M-3 |
|---|-----|-----|-----|
| Cannabis cultivation (subject to SCCC 13.10.650)^F | | | |

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| USE | M-1 | M-2 | M-3 |
|---|-----------|-----------|-----------|
| Indoor cultivation (existing legal structure, other than greenhouse) | | | |
| 0—10,000 square feet | <u>43</u> | <u>53</u> | <u>53</u> |
| > 10,000 square feet | <u>53</u> | <u>53</u> | <u>53</u> |
| New indoor cultivation structure (other than greenhouse) | | | |
| Outside Coastal Zone and 1-mile buffer | | | |
| 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 | — | — | — |
| Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration | | | |
| 0—10,000 square feet | <u>43</u> | <u>53</u> | <u>53</u> |
| > 10,000 square feet | <u>53</u> | <u>53</u> | <u>53</u> |
| Greenhouse (new) | | | |
| Outside Coastal Zone and 1-mile buffer | | | |
| < 2,000 square feet | 4 | 5 | 5 |
| 2,000—20,000 square feet | 5 | 5 | 5 |
| > 20,000 square feet | 6 | 6 | 6 |
| Inside Coastal Zone + 1 mile | — | — | — |
| Water tank (accessory to cannabis use) | 3 | 3 | 3 |
| Outdoor cultivation (or new or existing hoop house) | — | — | 5** |

[†] With a license appropriate for zoning classification pursuant to ~~SCCC~~ [Chapter 7.128-SCCC](#). 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 IV

Section 13.10.650 of the Santa Cruz County Code is hereby amended to read:

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:

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(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-SCCC~~; and (2) a currently valid State license required under California law. Except as expressly defined in this section, the definitions in SCCC 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-SCCC~~ 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, 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-SCCC~~) 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 Chapter 16.30-SCCC~~ or to sensitive habitat setback requirements under ~~SCCC Chapter 16.32-SCCC~~ 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

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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 one-quarter 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~~Chapter 16.32-~~SCCC~~ and for clearing exceeding one-quarter acre in any other area. In addition to meeting standards and regulations found in SCCC Title 16 and any other applicable regulation in SCCC 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 over excavation 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

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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 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 5,500 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, 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

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exceed six 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.

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(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-SCCC 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 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 (C)(2), (3) and (4) of this section, 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 10 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 10 acres (Class SU license) for parcels with a General

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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. No new structures, including hoop houses (defined as agricultural shade structures exempt from building permits under SCCC 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 ~~SCCC~~Chapter 7.128 ~~SCCC~~ 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, 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).

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(i) Total canopycannabis cultivation area 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:

| Zone/Class | Single Licensee | Co-Located (with approval of Licensing Official) |
|-----------------|--|---|
| CA/Class CA* | For single licensees on a single parcel, up to 2.5 percent of the size of the parcel <u>may be utilized for canopy, immature plant growth areas and/or nursery operations</u> , not to exceed 22,000 square feet. <u>An additional 1.25 percent of the size of the parcel may be utilized for nursery operations or immature plant growth areas or some combination of both, not to exceed eleven thousand (11,000) square feet.</u> | <p>For co-location on parcels smaller than 20 acres, up to five percent of the size of the parcel <u>may be dedicated to canopy, immature plant growth areas and/or nursery operations</u>, not to exceed one acre total among all licensees. <u>An additional 2.5 percent of the size of the parcel may be utilized for nursery operations or immature plant growth areas or some combination of both, not to exceed twenty-two thousand (22,000) square feet</u></p> <p>For co-location on parcels 20 acres or larger where cultivation is conducted outdoors or requires new structural development, up to five percent of the size of the parcel <u>may be utilized for canopy, immature plant growth areas and/or nursery operations</u>, not to exceed two acres total among all licensees. <u>An additional 2.5 percent of the size of the parcel may be utilized for nursery operations or immature plant growth areas or some combination of both, not to exceed one acre</u></p> <p>For co-location on parcels 10 acres or larger where cultivation takes place solely within permitted structures existing as of November 2016, <u>canopycannabis cultivation area</u> limits will be set by the Licensing Official.</p> |
| A/Class A | For single licensees on a single parcel, up to 1.5 percent of the size of the parcel, not to exceed 10,000 square feet. | <p>For co-location on parcels smaller than 20 acres, up to three percent of the size of the parcel, not to exceed 10,000 square feet total among all licensees.</p> <p>For co-location on parcels 20 acres or larger, up to 1.5 percent of the size of the</p> |

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| | | |
|---|--|--|
| | | parcel, not to exceed 22,000 square feet among all licensees. |
| RA/Class RA | Up to 1.25 percent of the size of the parcel, not to exceed 5,100 square feet on parcels between five and 10 acres in size. Up to 1.25 percent of the size of the parcel, not to exceed 10,000 square feet on parcels larger than 10 acres. | For co-location on parcels between five and 10 acres in size, up to 1.25 percent of the size of the parcel, not to exceed 5,100 square feet. For co-location on parcels larger than 10 acres, up to 1.25 percent of the size of the parcel, not to exceed 10,000 square feet. |
| C-4/Class C-4* M/Class M* | <u>Canopy may Nnot to exceed 22,000 square feet. Immature plant growth area may not exceed 11,000 square feet. Inside the Coastal Zone and one mile beyond the Coastal Zone, cultivation area shall not exceed 22,000 square feet.</u> | <u>Canopy may Nnot to exceed 22,000 square feet. Immature plant growth area may not exceed 11,000 square feet. Inside the Coastal Zone and one mile beyond the Coastal Zone, cultivation area shall not exceed 22,000 square feet.</u> |
| TP/Class TP** | Up to 1.25 percent of the size of the parcel, not to exceed 5,100 square feet on parcels between five and 10 acres in size. Up to 1.25 percent of the size of the parcel, not to exceed 10,000 square feet on parcels larger than 10 acres. | For co-location on parcels between five and 10 acres in size, up to 1.25 percent of the size of the parcel, not to exceed 5,100 square feet. For co-location on parcels larger than 10 acres, up to 1.25 percent of the size of the parcel, not to exceed 10,000 square feet. |
| SU-AG, SU-R-R, SU-R-M/Class SU | Up to 1.25 percent of the size of the parcel, not to exceed 10,000 square feet. | Up to 1.25 percent of the size of the parcel, not to exceed 10,000 square feet. |
| SU-I/Class SU | 22,000 square feet. | 22,000 square feet. |
| CG (A, RA, TP and SU-R-R, R-M or AG)/Class CG | 500 square feet. | Not eligible for co-location. |

* The Cannabis Licensing Official may set a larger cannabis cultivation area in CA zone districts, subject to the following criteria (see also SCCC 7.128):

- (i) Cultivation occurs on a single parcel, indoors, not inside the Coastal Zone or within one mile beyond the Coastal Zone.
- (ii) Development, including all site disturbance necessary to construct, reconstruct or remodel the building(s) and infrastructure to serve the buildings, including but not limited to parking, access, turn around, water supply, equipment, and storage, occurs only where the ground is covered with existing impermeable surface. The impermeable area where development will occur must have been duly permitted or be legally non-conforming

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pursuant to 13.10.260, 13.10.261, 13.10.262, and 13.10.265, and must have existed prior to April 18, 2019.

(iii) Development of an indoor cultivation structure on a CA parcel will include additional conditions of approval to ensure protection of agricultural resources.

~~*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 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 subsection (B)(9)(b) of this section.

(4) Setbacks.

(a) Commercial cannabis cultivation shall not be allowed within 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 one-quarter mile 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 200 feet of any habitable structure on a neighboring parcel. Outdoor commercial cannabis cultivation shall not be allowed within 400 feet of any habitable structure on a neighboring parcel.

(d) Commercial cannabis cultivation shall not be allowed within 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 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 10 acres, commercial cannabis cultivation shall not be allowed within 200 feet of a public right-of-way. This setback does not apply when the cultivation is entirely indoors.

(g) On parcels over 10 acres in size, commercial cannabis cultivation shall not be allowed within 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 100 feet of a perennial stream.

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- (i) Commercial cannabis cultivation shall not be allowed within 50 feet of an intermittent stream or within the setbacks required by ~~SCCC~~Chapter 16.30 (Riparian Corridor and Wetlands Protection) or SCCC 16.32-~~SCCC~~ (sensitive habitats).
- (j) Commercial cannabis cultivation shall not be allowed within 50 feet of an ephemeral stream or within the setbacks required by ~~SCCC~~Chapter 16.30 (Riparian Corridor and Wetlands Protection) or SCCC 16.32-~~SCCC~~ (sensitive habitats).
- (k) Commercial cannabis cultivation shall not be allowed within 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 one 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 nonprofit land trust.
- (n) The distance specified in this subsection 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 subsection 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~~Chapter 16.30 or SCCC 16.32-~~SCCC~~, 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 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 100 feet or eliminated, subject to a Level 5 approval process under this subsection (C)(4)(p).

(5) Height

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(a) New cannabis related structures in the A zoning district shall not exceed 28 feet in height.

(D) Commercial Cannabis Manufacturing.

(1) Zoning. Subject to the limitations set forth in subsections (D)(2) and (3) of this section, 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.

(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

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that contains a detached single-family dwelling. No manufacturing activities may be undertaken in a dwelling, whether as a home occupation pursuant to SCCC 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 five.

(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 one 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.

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(1) Zoning. Subject to the restrictions set forth in subsections (E)(2) and (3) of this section, 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 13.10.382, and in the CA Zone District within legal structures existing on the effective date of the ordinance codified in this section.

(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.

(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 distribution 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 one 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

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(such as topography or intervening vegetation or structures) reduce the setback distance necessary to protect the public interest. [Ord. 5272 § 7, 2018].

SECTION V

Section 13.10.700(C) of the Santa Cruz County Code is hereby amended to add the following definitions:

“Cannabis cultivation area” means the sum of the canopy, immature plant growth area and the nursery square footage, as applicable.

“Cannabis distribution” means the activity of transporting cannabis or cannabis products between licensees, and any ancillary activity, such as cannabis flower packaging, pre-roll packaging or labeling products, or storage between transport, that is conducted in association with the distribution activity.

“Cannabis Nursery” means an operation with a Class N license engaged in activity or activities associated with producing clones, immature plants, and seeds. A cannabis nursery is a type of cultivation activity.

“Cannabis Processing” means all activities associated with the drying, curing, grading, trimming, rolling, storing packaging, and labeling of non-manufactured cannabis products. Cannabis processing is a type of cultivation activity.

“Canopy” means the designated area(s) at a licensed premises, except nurseries and processors, that will contain mature cannabis plants at any point in time, as follows:

(1) Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature cannabis plants at any point in time, including all of the space(s) within the boundaries;

(2) Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary that includes, but is not limited to, interior walls, shelves, greenhouse walls, hoop house walls, garden benches, hedgerows, fencing, garden beds, or garden plots; and

(3) If mature cannabis plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.

SECTION VI

Section 13.10.700(I) of the Santa Cruz County Code is hereby amended to add the following definition:

“Immature plant” or “immature” means a cannabis plant which has a first true leaf measuring greater than one half inch long from base to tip (if started from seed) or a mass of roots measuring greater than one half inch wide at its widest point (if vegetatively propagated), but which is not flowering.

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“Immature plant cultivation area” means the specific area on a site where activities associated with producing clones, immature plants, and seeds take place.