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Prepared August 23, 2019 (for September 11, 2019 Hearing)

To: Commissioners and Interested Persons

From: Susan Craig, Central Coast District Manager
Rainey Graeven, Coastal Planner

**Subject: Santa Cruz County LCP Amendment Number LCP-3-SCO-19-0102-1-Part B
(Non-Retail Commercial Cannabis Regulations Update)**

Proposed Amendment

Santa Cruz County proposes to modify the Local Coastal Program (LCP) Implementation Plan (IP) to update standards for non-retail commercial cannabis activities. The proposed amendment slightly modifies the certified cannabis ordinance by changing the permitting levels¹ associated with various cannabis activities. For example, any conversion to marijuana cultivation (from another crop) within existing greenhouses over the size of 20,000 square feet that are located within the CA (Commercial Agriculture) zone will require a Level 3 permit (instead of a Level 5 permit); similarly, new marijuana cultivation within existing hoop houses in CA will require either Level 3 or 4² use permit within the coastal zone (instead of a Level 4 permit exclusively); Class 1 cannabis distribution in the CA zone located in existing buildings over 2,000 square feet in size will require a Level 3 permit (instead of a Level 5 permit); indoor marijuana cultivation in existing legal structures (including greenhouses and other structures) will require a Level 3 or Level 4 permit (depending on size) instead of a Level 4, 5 or 6 permit in the C-4 (Commercial Services) zoning district; and indoor marijuana cultivation in existing legal structures (other than greenhouses) in the M1, M2, and M3 (Light Industrial, Heavy Industrial, and Mineral Extraction Industrial) zoning districts will require a Level 3 permit (instead of a Level 4 or 5 permit).

¹ Santa Cruz County has application, processing, and review requirements for any permit application, approval, or policy amendment. These requirements vary with the complexity of the project involved and the amount and type of public participation required. There are two basic types of permits and approvals: Administrative permits and approvals and public hearing permits and approvals. Approval levels 1 through 4 are administrative and projects that do not require a public hearing, meanwhile approval levels 5 through 7 require a public hearing.

² Level 4 approval applies to all use permits where the parcel is adjacent to another parcel zoned PR (Parks, Recreation and Open Space) or adjacent to any parcel zoned A (Agriculture), AP (Agriculture Preserve), RA (Residential Agriculture), RR (Rural Residential), R-1 (Single-Family Residential), RB (Single-Family Ocean Beach Residential), RM (Multifamily Residential), TP (Timber Production), and SU (Special Use) that contains a residential structure.

The proposed amendments also include changing the IP reference from “Chapter” to “SCCC”, which stands for “Santa Cruz County Code.” The proposed amendments also add definitions to the LCP to further detail what qualifies as cannabis cultivation³ including: cannabis cultivation area, cannabis nursery, cannabis processing, canopy, and immature plants, and adds corresponding language to the cannabis cultivation chart, which specifies the total allowable cannabis activity per each license and each zoning district (i.e., it specifies the maximum cannabis canopy, nursery, and immature plant growth allowable within each license/zoning district). Finally, the proposed amendments also include a maximum height for all new cannabis-related structures in the A (Agriculture) zoning district of 28 feet; however, this would only apply to areas outside of the coastal zone because cannabis uses are already limited to existing structures within the coastal zone (including a one-mile buffer from the coastal zone). Overall, the proposed amendments are relatively minor in scope, and any cannabis activities that qualify as development would continue to be processed via a CDP subject to substantive LCP standards which are not changed through this LCP amendment. See **Exhibit 1** for the proposed amendment text.

Minor LCP Amendment Determination

Pursuant to Title 14 of California Code of Regulations (CCR) Section 13555, the Executive Director may determine that a proposed LCP amendment is “minor.” 14 CCR Section 13554 defines minor LCP amendments. Among other things, minor LCP amendments include:

14 CCR Section 13554(a). Changes in wording which make the use as designated in the zoning ordinances, zoning district maps or other implementing actions more specific and which do not change the kind, location, intensity, or density of use and which are found by the Executive Director of the Commission or the Commission to be consistent with the land use plan as certified by the Commission.

If the Executive Director determines that an amendment is minor, that determination must be reported to the Commission. If one-third or more of the appointed members of the Commission request that it be processed as a major LCP amendment, then the amendment shall be set for a future public hearing; if less than one-third of the appointed members of the Commission object to the minor LCP amendment determination, then the amendment is deemed approved and it becomes a certified part of the LCP.

The purpose of this notice is to advise interested parties of the Executive Director’s determination that the proposed LCP amendment is minor.

The proposed LCP amendment retains the entirety of the ordinance’s regulatory structure with regard to where and what type of cannabis activities and uses are allowed in the coastal zone, as well as the applicable standards such uses must meet in order to ensure protection of coastal resources. The proposed amendment merely changes the level of permit review necessary for marijuana cultivation in existing structures or the use of existing structures for non-retail marijuana distribution, thereby streamlining the review process. As such, the proposed

³ Cannabis cultivation is already an allowed use under the existing cannabis regulations, and thus the proposed amendments would not result in a change in use. In other words, the proposed amendments are intended to further detail what cannabis cultivation entails.

amendment does not change the kind, location, intensity, or density of use of land, and qualifies under the regulatory definition of a minor LCP amendment. (14 CCR Section 13554(a).)

California Environmental Quality Act (CEQA)

The Coastal Commission's review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA. (14 CCR § 15251(f).) The County exempted the proposed amendment from environmental review under CEQA Statutory Exemption 26055(h). Moreover, CEQA is not required for local preparation and adoption of an LCP (though the Commission may consider any environmental documentation which is prepared in relation to LCP development; and certification of said LCP by the Commission is still subject to CEQA requirements). (See Pub. Res. Code Section 21080.9.) This report has discussed the relevant coastal resource issues with the proposal, and has concluded that the proposed LCP amendment is not expected to result in any significant adverse impact on the environment. Thus, it is unnecessary for the Commission to suggest modifications to the proposed amendment to address adverse environmental impacts because the proposed amendment, as submitted, will not result in any significant environmental effects for which feasible mitigation measures would be required.

Coastal Commission Concurrence

The Executive Director will report this minor LCP amendment determination, and any comments received on it, to the Coastal Commission at its September 11, 2019 meeting at the Newport Beach Civic Center Council Chambers, 100 Civic Center Drive, Newport Beach, CA 92660. If you have any questions or need additional information regarding the proposed amendment or the method under which it is being processed, please contact Rainey Graeven at the Central Coast District Office in Santa Cruz. If you wish to comment on and/or object to the proposed minor LCP amendment determination, please do so by 5:00 p.m. on September 6, 2019.

Procedural Note - LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on August 22, 2019. It amends the IP only and the 60-working-day action deadline is November 19, 2019. (*See* Pub. Res. Code Sections 30513, 30514(b).) Thus, unless the Commission extends the action deadline (it may be extended by up to one year per Pub. Res. Code Section 30517), the Commission has until November 19, 2019 to take a final action on this LCP amendment.

Exhibit:

Exhibit 1: Proposed Amendment Text