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Prepared April 23, 2021 (for May 14, 2021 Hearing)

To: Commissioners and Interested Persons
From: Susan Craig, Central Coast District Manager

**Subject: San Luis Obispo County LCP Amendment Number LCP-3-SLO-21-0023-1-
Part B (Cannabis Ordinance Updates)**

Proposed Amendment

San Luis Obispo County proposes to modify the Implementation Plan (IP) component of its LCP related to commercial cannabis activities. Specifically, the proposed amendment would: 1) update the Definitions section with regard to cannabis manufacturing, processing, extraction, and infusion to be consistent with the California Department of Food and Agriculture's definitions for these cannabis activities; 2) clarify and refine the application requirements to establish a cannabis operation; 3) eliminate the existing prohibition on new cannabis cultivation operations that only allowed those operators previously registered with the County as a cannabis cooperative or collective to cultivate cannabis (meaning anyone can now apply to the County for a new cannabis cultivation operation); 4) provide additional limits on cannabis manufacturing within the agricultural land use designation; 5) update the standards for security fencing, lighting, and setbacks for cannabis cultivation operations.

Overall, the proposed amendments are relatively minor in scope and mostly serve to clarify terms and procedures related to cannabis permitting and operations. 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*

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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 existing LCP cannabis ordinance's 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 simply clarifies and refines existing standards for consistency with other state laws and regulations, in addition to providing more robust application requirements to ensure that cannabis operations adequately protect coastal resources. For example, new applications for indoor cannabis operations must include an analysis of expected energy demand prepared by a Certified Energy Analyst and must include specific steps to minimize the energy demand and greenhouse gas emissions associated with the project. Fencing and/or walls around outdoor cannabis cultivation sites are required to minimize visual impacts to the surrounding area. Any outdoor lighting used for security purposes must be motion activated only and be directed downward and to the interior of the site to prevent the light source from being seen offsite and to limit impacts to wildlife. Interior lighting must not be visible from outside the facility between one hour before dusk and one hour before dawn (e.g., via the use of blackout tarps or other shielding). And the LCP's required setbacks from riparian habitat, wetlands, and other environmentally sensitive habitat areas remain in effect for cannabis operations. In addition, the proposed amendment clarifies that cannabis manufacturing on agricultural land is limited to manufacturing of cannabis that has been grown on the site. As such, the proposed 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.

California Environmental Quality Act (CEQA)

CEQA Section 21080.5(d)(2)(A) prohibits a proposed LCP or LCP amendment from being approved if there are feasible alternatives and/or feasible mitigation measures available that would substantially lessen any significant adverse effect that the LCP or LCP amendment may have on the environment. Although local governments are not required to satisfy CEQA in terms of local preparation and adoption of LCPs and LCP amendments, many local governments use the CEQA process to develop information about proposed LCPs and LCP amendments, including to help facilitate Coastal Act review. In this case, the County exempted the proposed amendment from environmental review (citing CEQA Section 26055(h)).

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The Coastal Commission is not exempt from satisfying CEQA requirements with respect to LCPs and LCP amendments, but the Commission's LCP/LCP amendment review, approval, and certification process has been certified by the Secretary of the Natural Resources Agency as being the functional equivalent of the environmental review required by CEQA (CCR Section 15251(f)). Accordingly, in fulfilling that review, this report has discussed the relevant coastal resource issues with the proposal and has concluded that approval of the proposed amendment is not expected to result in any significant environmental effects, including as those terms are understood in CEQA.

Accordingly, it is unnecessary for the Commission to suggest modifications (including through alternatives and/or mitigation measures) as there are no significant adverse environmental effects that approval of the proposed amendment would necessitate. Thus, the proposed amendment will not result in any significant adverse environmental effects for which feasible mitigation measures have not been employed, consistent with CEQA Section 21080.5(d)(2)(A).

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 virtual meeting on May 14, 2021. If you have any questions or need additional information regarding the proposed amendment or the method under which it is being processed, please contact Susan Craig at the Coastal Commission's Central Coast District Office via email at Susan.Craig@coastal.ca.gov. If you wish to comment on the proposed amendment and/or object to the proposed minor LCP amendment determination, please do so via regular mail (directed to the Central Coast District Office) or email (by emailing centralcoast@coastal.ca.gov) by 5:00 p.m. on May 7, 2021.

Procedural Note - LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on March 10, 2021. The proposed amendment affects the LCP's IP only, and the 60-working-day deadline for the Commission to take action on it is June 4, 2021. Thus, unless the Commission extends the action deadline (it may be extended by up to one year by the Commission per the Coastal Act), the Commission has until June 4, 2022 to take a final action on this LCP amendment.

Exhibit 1: Proposed Amendment Text