

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT
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**ADOPTED****F11b**

Prepared November 20, 2020 (for December 11, 2020 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-20-0062-2
(Cannabis Regulations Update)**

Proposed Amendment

Santa Cruz County proposes to modify the Implementation Plan (IP) component of its LCP related to non-retail commercial cannabis activities. Specifically, the proposed amendment would: 1) update the definition of “cannabis cultivation” to clarify that it is an agricultural activity (as opposed to a commercial activity), consistent with the California Department of Food and Agriculture’s updated definition; 2) make corresponding changes to the permitting levels for various cannabis activities including designating cannabis cultivation, distribution, and transport as principally permitted uses in the Commercial Agriculture (CA) zoning district; 3) add “Transport Only” (i.e., a license for someone who solely transports, but does not store or hold title to cannabis or cannabis products) as a new license/use (i.e., distinguishing “transport only” from the “cannabis distribution” license), and allowing it in all zoning districts except the Special Use (SU) zoning district; 4) update the enforcement section, including adding appeal and administrative hearing processes; 5) add a new prohibition on advertising to minors; and 6) require that licenses only be issued following approval of a Best Management and Operation Practices (BMOP) plan to ensure that all cannabis activities conserve natural resources and have as minimal an impact as possible on the surrounding environment.

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:

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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 existing LCP cannabis 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 cannabis cultivation in existing structures or the use of existing structures for non-retail cannabis distribution, thereby streamlining the review process. In addition, any cannabis activities that qualify as development would continue to be processed via a CDP subject to substantive LCP standards that are not changed through this LCP amendment.¹ 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.

¹ Because cannabis cultivation/distribution is limited to outdoor cultivation/existing structures (i.e., no new structures can be constructed for cannabis activities) and because cannabis is an agricultural crop (and harvesting for agricultural purposes does not meet the definition of development under IP Section 13.20.040), many types of cannabis activities may not qualify as development requiring a CDP. Additionally, structures typically associated with agricultural activities can qualify for an agricultural exclusion in Santa Cruz County, including the construction, improvement, and expansion of agricultural support facilities (including barns and storage buildings), the improvement/expansion of greenhouses (if ground coverage is not increased by more than 25% or 10,000 square feet, whichever is less), and limited fencing (see IP Sections 13.20.073 and Coastal Commission Exclusion Orders E-82-4 and E-82-4-A5 for the complete list of agricultural exclusions), provided all such activities are consistent with the terms and conditions of the Commission-adopted exclusion orders. Thus, some limited cannabis-related development may be categorically excluded from CDP requirements; however, cannabis-related development that is a unique/atypical (and not "normal") agricultural activity, or that has the potential for coastal resource impacts (e.g., a six-foot-tall solid fence or a new illuminated greenhouse that adversely impacts public views) would not be eligible for an exemption or exclusion, and thus would require a CDP that protects coastal resources as directed by the LCP (including in terms of protecting public views, environmentally sensitive habitat, etc.). In sum, the LCP includes a suite of tools to provide and streamline cannabis and other agricultural activities more broadly, but also to ensure coastal resources are protected.

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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)).

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 December 11, 2020. 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 Coastal Commission's Central Coast District Office via email at Rainey.Graeven@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 December 4, 2020.

Procedural Note - LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on November 13, 2020. The proposed amendment affects the LCP's IP only, and the 60-working-day deadline for the Commission to take action on it is February 16, 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 February 16, 2021 to take a final action on this LCP amendment.

Exhibit 1: Proposed Amendment Text

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LCP-3-SCO-20-0062-2 (CANNABIS REGULATIONS UPDATE)

DECEMBER 11, 2020 HEARING

EXHIBIT

Exhibit 1: Proposed Amendment Text

ORDINANCE NO. _

ORDINANCE AMENDING SECTIONS 13.10.312, 13.10.332, 13.10.342, 13.10.650 AND 13.10.700 OF THE SANTA CRUZ COUNTY CODE REGARDING NON-RETAIL COMMERCIAL CANNABIS OPERATIONS

The Board of Supervisors of the County of Santa Cruz hereby finds and declares the following:

WHEREAS, the Board of Supervisors of the County of Santa Cruz (the “Board”) directed the Cannabis Licensing Office (“CLO”) and the Planning Department to prepare amendments to various sections of the Santa Cruz County Code (“SCCC”) in order to increase the number of non-retail commercial cannabis licensees and reduce the time it takes to grant licenses for non-retail commercial cannabis operators; and

WHEREAS, on January 28, 2020, the Board of Supervisors directed the CLO to propose revisions to the Cannabis Program, specifically sections in SCCC 13.10 and SCCC 7.128, to achieve an increase in licenses and to reduce review time; and

WHEREAS, the Planning Commission held a public hearing on the proposed changes to the Cannabis Program at its meeting of April 22, 2020, and prepared a recommendation for Board consideration; and

WHEREAS, the Board of Supervisors scheduled a public hearing on June 2, 2020, to consider the recommendations of the Planning Commission on the proposed amendments to SCCC 13.10 regarding the Cannabis Program; and

WHEREAS, the Board of Supervisors scheduled a public hearing on June 16, 2020, to consider their recommendations on the proposed amendments to SCCC 13.10 and 7.128; and

WHEREAS, the Board of Supervisors finds that the proposed amendments are consistent and compatible with the Santa Cruz County General Plan and all components of the Local Coastal Program implementing ordinances; and

WHEREAS, the Board of Supervisors finds that the proposed amendments comply with the California Coastal Act; and

WHEREAS, the proposed amendments to the SCCC are not subject to the California Environmental Quality Act (“CEQA”) pursuant to Business and Professions Code section 26055(h) because CEQA 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;

NOW, THEREFORE, the Board of Supervisors of the County of Santa Cruz hereby ordains as follows:

SECTION I

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

AGRICULTURAL USES CHART

KEY:

- A = Use must be ancillary and incidental to a principal permitted use on the site
- P = Principal permitted use (see subsection (A) of this section); no use approval necessary if P appears alone; ;- this applies to multiple parcels when those parcels are contiguous and under common ownership, as defined in SCCC 7.128.030.

USE	CA	A	AP
Cannabis Cultivation (commercial) (subject to SCCC 13.10.650)^F			—
Indoor cultivation (existing legal structure, other than greenhouse)	<u>P3</u>	4 ^X /5	—
New indoor cultivation structure (other than greenhouse)			—
Outside Coastal Zone and 1-mile buffer			
≤ —2,000 square feet	3	4 ^X /5	—
> 2,000 square feet	5	5	—
Inside Coastal Zone <u>and+ 1--mile buffer</u>	—	—	—
Greenhouse (existing legal) ^G ; conversion, replacement, reconstruction, or structural alteration			
≤ —20,000 square feet	<u>P3</u>	4 ^X /5	—
> 20,000 square feet	<u>P3</u>	5	—
<u>Greenhouse replacement, reconstruction or structural alteration, pursuant to SCCC 13.10.636(B) and (C)</u>	<u>BP3</u>	<u>5</u>	<u>—</u>
Greenhouse (new)			
Outside Coastal Zone and 1-mile buffer			
≤ —2,000 square feet	3	4 ^X /5	—
2,000—20,000 square feet	3/4 ^N	—	—

USE	CA	A	AP
>20,000 square feet	4	—	—
Inside Coastal Zone and ± 1-mile <u>buffer</u>	—	—	—
Outdoor cultivation (or existing legal <u>including</u> hoop house)			
Outside Coastal Zone and 1-mile buffer	P3	4 ^X /5	—
Inside Coastal Zone and ± 1-mile <u>buffer</u>	P3 /4 ^N	4 ^X /5	—
Hoop house (new)			
Outside Coastal Zone and 1-mile buffer			
0—2,000 square feet	3	4^X/5	—
>2,000 square feet	3	5	—
Inside Coastal Zone ±1 mile	—	—	—
Water tank (accessory to cannabis use)	P3	3	—
Cannabis Manufacturing (subject to SCCC 13.10.650)^F			
Class 1-2*****			
Outside Coastal Zone and 1-mile buffer, new or existing legal structure			
0-2,000 square feet			
Over 5 acre parcel	3	3/5*	—
Less than 5-acre parcel	3	5	—
Inside Coastal Zone + 1 mile, existing legal structure			
0-2,000 square feet			—
> 2,000 square feet			—
Class 3			
Outside Coastal Zone and 1-mile buffer, new or existing legal structure	4	—	—
Inside Coastal Zone + 1 mile, existing legal structure			
0-2,000 square feet	3	3/5*	—
> 2,000 square feet	5	5	—
Cannabis Distribution (subject to SCCC 13.10.650)^F			
Class 1*****			
Outside Coastal Zone and 1-mile buffer, new or existing legal structure			
<u>< 2,000 square feet (new structure)</u>	<u>3</u>	<u>3</u>	<u>—</u>

USE	CA	A	AP
≤ 0—2,000 square feet (<u>existing structure</u>)	<u>P3</u>	3	—
> 2,000 square feet (new structure)	4	5	—
> 2,000 square feet (existing legal structure)	<u>P3</u>	5	—
Inside Coastal Zone <u>and</u> ± 1-mile <u>buffer</u> , existing legal structure			
≤ 0—2,000 square feet	<u>P3</u>	3	—
> 2,000 square feet	<u>P3</u>	5	—
Class 2, existing legal structure			
Outside Coastal Zone and 1-mile buffer	<u>P3</u>	—	—
Inside Coastal Zone <u>and</u> ± 1-mile <u>buffer</u>	<u>P5</u>	—	—
<u>Transport Only</u>	<u>P</u>	<u>P</u>	<u>—</u>

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

^N Level 4 approval applies to all use permits where the parcel is adjacent to another parcel zoned PR or a parcel zoned A, AP, RA, RR, R-1, RB, RM, TP, SU which contains a residential structure.

^X 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 II

Section 13.10.322(B) of the Santa Cruz County Code is hereby amended to make the following changes to the residential use chart notes:

USE	RA	RR	R-1	RB	RM
Cannabis cultivation (commercial) (subject to SCCC 13.10.650) ^F					
Indoor cultivation (existing legal structure other than greenhouse)					
Outside Coastal Zone and 1-mile buffer	4 ^x /5	—	—	—	—
Inside Coastal Zone <u>and 1-mile buffer</u> ±1 mile	—	—	—	—	—

USE	RA	RR	R-1	RB	RM
New indoor cultivation structure (other than greenhouse)					
Outside Coastal Zone and 1-mile buffer					
0 <= 2,000 square feet	4 ^x /5	—	—	—	—
> 2,000 square feet	5	—	—	—	—
Inside Coastal Zone and 1-mile buffer +1 mile	—	—	—	—	—
Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration					
Outside Coastal Zone and 1-mile buffer					
0 <= 2,000 square feet	4 ^x /5	—	—	—	—
> 2,000 square feet	5	—	—	—	—
Inside Coastal Zone and 1-mile buffer +1 mile	—	—	—	—	—
Greenhouse (new)					
Outside Coastal Zone and 1-mile buffer					
0 <= 2,000 square feet	4 ^x /5	—	—	—	—
> 2,000 square feet	5	—	—	—	—
Inside Coastal Zone and 1-mile buffer +1 mile	—	—	—	—	—
Outdoor Cultivation (or existing including hoop house)					
Outside Coastal Zone and 1-mile buffer					
0 <= 500 square feet	4 ^x /5	—	—	—	—
> 500 square feet	5	—	—	—	—
Inside Coastal Zone and 1-mile buffer +1 mile	—	—	—	—	—
Hoop House (new)					
 Outside Coastal Zone and 1-mile buffer					
 0-2,000 square feet	4^x/5				
 >2,000 square feet	5				
 Inside Coastal Zone + 1 mile					
Water tank (accessory to cultivation)	3	—	—	—	—
Cannabis manufacturing (commercial) (subject to SCCC 13.10.650), ancillary to on-site commercial cannabis cultivation ^F					
Classes 1—2					

USE	RA	RR	R-1	RB	RM
Outside Coastal Zone and 1-mile buffer, new or existing legal structure					
0 <= 2,000 square feet	—	—	—	—	—
0 employees (not including owner)	3/5**	—	—	—	—
1-5 employees (not including owner)	5	—	—	—	—
> 2,000 square feet	5	—	—	—	—
Inside Coastal Zone <u>and 1-mile buffer+1 mile</u>	—	—	—	—	—
Class 3	—	—	—	—	—
Cannabis Distribution (subject to SCCC 13.10.650) ancillary to on-site commercial cultivation ^F					
Class 1					
Outside Coastal Zone and 1-mile buffer new or existing legal structure					
0 <= 2,000 square feet	3	—	—	—	—
> 2,000 square feet	5	—	—	—	—
Inside Coastal Zone <u>and 1-mile buffer+1 mile</u>	—	—	—	—	—
Class 2	—	—	—	—	—
<u>Transport Only</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>

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

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

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

SECTION III

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 <u>13.10.650</u>)^F						
Indoor cultivation (existing legal structure other than greenhouse)						

USE	PA	VA	CT	C-1	C-2	C-4
< 5,000 square feet	—	—	—	—	—	$\frac{1^{\wedge}P}{RG/3/4^N}$
5,000 to 20,000 square feet	—	—	—	—	—	$\frac{1^{\wedge}P}{RG/3/4^N}$
> 20,000 square feet	—	—	—	—	—	$\frac{1^{\wedge}P}{RG/3/4^N}$
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 <u>and 1-mile buffer</u> +1 mile	—	—	—	—	—	—
Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration						
< 5,000 square feet	—	—	—	—	—	3/4 ^N
5,000 to 20,000 square feet	—	—	—	—	—	3/4 ^N
> 20,000 square feet	—	—	—	—	—	3/4 ^N
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 <u>and 1-mile buffer</u> +1 mile	—	—	—	—	—	—
Water tank (accessory to cannabis use)	—	—	—	—	—	3
Outdoor cultivation	—	—	—	—	—	—
Hoop house cultivation	—	—	—	—	—	—
USE						
Cannabis Manufacturing (commercial)						
(subject to SCCC 13.10.650)^F						
Class 1 - 2						

USE	PA	VA	CT	C-1	C-2	C-4
Outside Coastal Zone and 1-mile buffer, new or existing legal structure	—	—	—	—	—	—
< 2,000 square feet	—	—	—	—	4**	<u>1RG/4</u>
2,000—20,000 square feet	—	—	—	—	5**	<u>1RG/5</u>
> 20,000 square feet	—	—	—	—	6**	<u>1RG/6</u>
<u>Outside Coastal Zone and 1-mile buffer, new structure</u>						
<u>< 2,000 square feet</u>					<u>4**</u>	<u>4</u>
<u>2,000—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 <u>and 1 mile buffer</u> +1 mile , existing legal structure						
< 2,000 square feet					4**	<u>1RG/4</u>
2,000 to 20,000 square feet					5**	<u>1RG/5</u>
> 20,000 square feet					6**	<u>1RG/6</u>
Class 3						
Outside Coastal Zone and 1-mile buffer, new or existing legal structure	—	—	—	—	—	—
< 2,000 square feet	—	—	—	—	—	4
2,000 to 20,000 square feet	—	—	—	—	—	5
> 20,000 square feet	—	—	—	—	—	6
Inside Coastal Zone <u>and 1 mile buffer</u> +1 mile , existing legal structure						
< 2,000 square feet	—	—	—	—	—	4
2,000 to 20,000 square feet	—	—	—	—	—	5
> 20,000 square feet	—	—	—	—	—	6
Cannabis Distribution (subject to SCCC 13.10.650)						
Class 1						
Outside Coastal Zone and 1-mile buffer, <u>new structure</u>						
<u>New Structure</u>						
<u>≤ 2,000 square feet</u>	—	—	—	—	—	3

USE	PA	VA	CT	C-1	C-2	C-4
> 2,000 square feet	—	—	—	—		5
<u>Outside Coastal Zone and 1-mile buffer, Existing legal structure</u>	—	—	—	—	<u>P**3**</u>	<u>P3</u>
Inside Coastal Zone <u>and 1-mile buffer+1 mile</u> , existing legal structure	—	—	—	—	<u>P**3**</u>	<u>P3</u>
Class 2						
Outside Coastal Zone and 1-mile buffer, or <u>new</u> existing legal structure					<u>P**</u>	<u>P</u>
<u>Outside Coastal Zone and 1-mile buffer new structure</u>					<u>4/5/6**</u>	<u>4/5/6*</u>
Inside Coastal Zone <u>and 1 mile buffer+1 mile</u> , existing legal structure					P**	P
<u>Transport Only</u>	<u>P</u>				<u>P</u>	<u>P</u>

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

^N Level 4 approval applies to all use permits where the parcel is adjacent to another parcel zoned PR or a parcel zoned A, AP, RA, RR, R-1, RB, RM, TP, SU which contains a residential structure.

[^] Level 1 Use Permit is only valid for cultivation when cultivation is done in conjunction with cannabis manufacturing and/or cannabis distribution.

^P Level 1 change of use process may be applied to cannabis uses within the C-4 zone district, subject to the criteria in SCCC 13.10.332(B) Commercial change of use within existing structures.

^{RG} Must be located within the Rodeo Gulch Zoning Overlay

** 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)(g).

SECTION IV

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			
Indoor cultivation (existing legal structure, other than greenhouse)			

USE	M-1	M-2	M-3
≤ 0 —10,000 square feet	<u>1^{RG}</u> /3/4 ^N	3/4 ^N	3/4 ^N
> 10,000 square feet	<u>1^{RG}</u> /3/4 ^N	3/4 ^N	3/4 ^N
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 <u>and 1-mile buffer</u> + 1 mile	—	—	—
Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration			
≤ 0 —10,000 square feet	3/4 ^N	3/4 ^N	3/4 ^N
> 10,000 square feet	3/4 ^N	3/4 ^N	3/4 ^N
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 <u>and 1-mile buffer</u> + 1 mile	—	—	—
Water tank (accessory to cannabis use)	3	3	3
Outdoor cultivation (or new or existing hoop house)	—	—	5**
Cannabis Manufacturing (subject to SCCC 13.10.650)^F			
<u>Classes 1 – 2</u>			
<u>Outside Coastal Zone and 1-mile buffer, existing legal structure</u>	<u>1^{RG}</u> /4	<u>4</u>	<u>4</u>
<u>Inside Coastal Zone and 1-mile buffer, existing legal structure</u>	<u>1^{RG}</u> /4	<u>4</u>	<u>4</u>
<u>Class 3</u>			
<u>Outside Coastal Zone and 1-mile buffer, existing legal structure</u>	<u>4</u>	<u>5</u>	<u>3</u>
<u>Inside Coastal Zone and 1-mile buffer, existing legal structure</u>			
<u>< 2,000 square feet</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>2,000—20,000 square feet</u>	<u>5</u>	<u>5</u>	<u>4</u>

USE	M-1	M-2	M-3
<u>> 20,000 square feet</u>	<u>6</u>	<u>6</u>	<u>5</u>
Classes 1-3			
Outside Coastal Zone and 1-mile buffer, new or existing legal structure			
< 2,000 square feet	4	5	3
2,000 - 20,000 square feet	5	5	3
Over <u>> 20,000 square feet</u>	6	6	3
Inside Coastal Zone and 1-mile buffer, existing legal structure			
< 2,000 square feet	4	5	4
2,000 to 20,000 square feet	5	5	4
> 20,000 square feet	6	6	5

Cannabis Distribution (subject to SCCC [13.10.650](#))^F

Class 1

Outside Coastal Zone and 1-mile buffer

Existing Legal structure	<u>1^{RG}/3</u>	3	3
New structure	4/5/6*	4/5/6*	4/5/6*

Inside Coastal Zone and 1-mile buffer

Existing Legal structure	<u>4/5/6*<u>1</u></u>	<u>4/5/6*<u>1</u></u>	<u>4/5/6*<u>1</u></u>
New structure	—	—	—

Class 2

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

<u>Existing Legal structure</u>	<u>1</u>	<u>1</u>	<u>1</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, existing legal structure

	<u>4/5/6*<u>1</u></u>	<u>4/5/6*<u>1</u></u>	<u>4/5/6*<u>1</u></u>
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Transport Only

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

^N Level 4 approval applies to all use permits where the parcel is adjacent to another parcel zoned PR or a parcel zoned A, AP, RA, RR, R-1, RB, RM, TP, SU which contains a residential structure.

^{RG} Must be located within the Rodeo Gulch Zoning Overlay

USE

M-1

M-2

M-3

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

SECTION V

Section 13.10.372(B) of the Santa Cruz County Code is hereby amended to make the following changes to the timber production use chart:

USE	Permit Required
Cannabis cultivation (subject to SCCC 13.10.650)^F	
Indoor cultivation (existing legal structure, other than greenhouse)	
Outside Coastal Zone and 1-mile buffer	4 ^X /5
Inside Coastal Zone and 1-mile buffer + 1-mile	—
New indoor cultivation structure (other than greenhouse)	
Outside Coastal Zone and 1-mile buffer	4 ^X /5
Inside Coastal Zone and 1-mile buffer + 1-mile	—
Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration	
Outside Coastal Zone and 1-mile buffer	4 ^X /5
Inside Coastal Zone and 1-mile buffer + 1-mile	—
Greenhouse (new)	
Outside Coastal Zone and 1-mile buffer	4 ^X /5
Inside Coastal Zone and 1-mile buffer + 1-mile	—
Outdoor cultivation (or new or existing hoop house)	
0 ≤ 500 square feet	4 ^X /5
> 500 square feet	5
Inside Coastal Zone and 1-mile buffer + 1-mile	—
Water tank (accessory to cannabis use)	3
Cannabis Distribution (subject to SCCC 13.10.650)^F	
Class 1	
Outside Coastal Zone and 1-mile buffer, existing legal structure	
Existing Legal structure	3

USE	Permit Required
New structure	5
Inside Coastal Zone <u>and 1-mile buffer</u> +1 mile	—
Class 2	—
<u>Transport Only</u>	<u>P</u>

^F With a license appropriate for zoning classification pursuant to ~~Chapter~~ SCCC 7.128-~~SCCC~~. 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.

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

SECTION VI

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:

(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 7.128; 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 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, 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 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 has~~ve~~ 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 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 16.32 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 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 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.

(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 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 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~~ 5 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~~ 5 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 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: 1) in CA and A zones outdoors; or 2) 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 (including 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.~~

(fe) 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 240 acres. The only exception to this is for those applicants who are on parcels of at least 10 acres where sufficient evidence exists that cannabis was being cultivated as of January 2013, and the use permit is granted no later than December 31, 2020. where sufficient evidence exists that cannabis was being cultivated as of January 2013; or (ii) on parcels of at least 20 acres.

(gf) Commercial cannabis cultivation with a Class CG license may be permitted within the CA, 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 7.128 applicable to a Class CG license are met.

(hg) 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).

(hi) Total cannabis 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 may be utilized for canopy, immature plant growth areas and/or nursery operations, not to exceed 22,000 square feet. 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. Cultivation area shall not exceed 22,000 square feet, for outdoor cultivation, within the coastal zone.	For co-location on parcels smaller than 20 acres, up to five percent of the size of the parcel may be dedicated to canopy, immature plant growth areas and/or nursery operations, not to exceed one acre total among all licensees. 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. Cultivation area shall not exceed one acre, for outdoor cultivation, within the coastal zone. 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

		<p>size of the parcel may be utilized for canopy, immature plant growth areas and/or nursery operations, not to exceed two acres total among all licensees. 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. Cultivation area shall not exceed two acres, for outdoor cultivation, within the coastal zone.</p> <p>For co-location on parcels 10 acres or larger where cultivation takes place solely within permitted structures existing as of November 2016, cannabis cultivation area 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 parcel, not to exceed 22,000 square feet among all licensees.</p>
RA/Class RA	<p>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.</p> <p>Up to 1.25 percent of the size of the parcel, not to exceed 10,000 square feet on parcels larger than 10 acres.</p>	<p>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.</p> <p>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.</p>
C-4/Class C-4 M/Class M	Canopy may not to exceed 22,000 square feet. Immature plant growth area may not exceed 11,000 square feet. Inside the Coastal Zone cultivation area shall not exceed 22,000 square feet.	Canopy may not to exceed 22,000 square feet. Immature plant growth area may not exceed 11,000 square feet. Inside the Coastal Zone cultivation area shall not exceed 22,000 square feet.
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.	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.

	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 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 (CA, 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 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.

**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, or any other method which may cause the pesticide to travel outside of the property boundary.

(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, except in the CA zone district where commercial cannabis cultivation shall not be allowed within 100 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.

(i) Commercial cannabis cultivation shall not be allowed within 50 feet of an intermittent stream or within the setbacks required by SCCC 16.30 (Riparian Corridor and Wetlands Protection) or SCCC 16.32 (sensitive habitats).

(j) Commercial cannabis cultivation shall not be allowed within 50 feet of an ephemeral stream or within the setbacks required by SCCC 16.30 (Riparian Corridor and Wetlands Protection) or SCCC 16.32 (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 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 16.30 or SCCC 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 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).

(q) Exceptions to the rules set forth herein for setbacks may be allowed, for indoor cultivation operations in the C-4 and M-1 zones, within the Rodeo Gulch Area Zoning Overlay, subject to a recommendation of the Licensing Official, that the exception is appropriate because physical conditions specific to the cultivation facility (such as topography or intervening vegetation or structures, etc.) reduce the setback distance necessary to protect the public interest.

(5) Height

(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.

(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 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.

(c) Exceptions to the rules set forth herein for setbacks may be allowed, for Class 1 and Class 2 manufacturing facilities, in the C-4 and M-1 zones, within the Rodeo Gulch Area Zoning Overlay, subject to a recommendation of the Licensing Official, that the exception is appropriate because physical conditions specific to the facility (such as topography or intervening vegetation or structures, etc.) reduce the setback distance necessary to protect the public interest.

(E) Cannabis Distribution.

(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.

(c) Cannabis distribution pursuant to a Transport Only license may be permitted only in the A (Agricultural), C-2 (Community Commercial), C-4 (Commercial Services), M-1 (Light Industrial), M-2 (Heavy Industrial), M-3 (Mineral Extraction Industrial), CA (Commercial Agriculture), PA(Professional and Administrative Offices) zoning districts and within the: RA (Residential Agricultural), RR (Rural Residential), R-1 (Single Family Residential), RB (Ocean Beach Residential), RM (Multifamily Residential), and TP (Timber Production) zone districts in accordance with SCCC 13.10.613 (Home occupation standards).

(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 Class 1 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.

(e) Transport Only distribution licensees may transport cannabis goods between State licensed cannabis businesses and are prohibited from storing cannabis goods.

(f) Transport Only distribution licensees must provide a designated off-street parking location.

(g) Transport Only distribution licenses for A, RA, RR, R-1, RB, RM and TP zone districts may only be issued where a residence is located on the licensee's parcel.

(h) Transport Only distribution licenses for A, RA, RR, R-1, RB, RM and TP zone districts must conform with home occupation standards.

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

(d) Exceptions to the rules set forth herein for setbacks may be allowed in the C-4 and M-1 zones, within the Rodeo Gulch Area Zoning Overlay, subject to a 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 V

Section 13.10.700(C) of the Santa Cruz County Code is hereby amended to add the following definitions and modify the definition of Cannabis distribution:

“Cannabis cultivation” means the planting, growing, developing, propagating, harvesting, drying, processing, 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. This definition should be read consistently with the definition for cannabis cultivation set forth in SCCC 7.128, to the extent there may be minor differences. Cannabis cultivation is considered by the County of Santa Cruz to be an agricultural activity

“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 State licensedes cannabis businesses, 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 definitions:

“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.

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