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 Subject: EIR Comments

GreenTrade agrees with the findings of the County Environmental Impact Report. Their finding that the proposed option referred to in the report as the "Most Permissive Alternative" strikes a fair compromise between the needs of all parties, will encourage the highest degree of participation in the regulatory process. As demonstrated by the EIR findings, the success of the program rests entirely on achieving participation. It is our recommendation that the County adopt the recommendations set forth in the "Most Permissive Alternative" studied in the report, with the following additions:

1. *COTTAGE LICENSING*- Include regulations and language creating an additional license type equivalent to the "Type 1C, or "specialty cottage" state license type, which would allow for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, of 2,500 square feet or less of total canopy size for mixed-light cultivation, up to 25 mature plants for outdoor cultivation, or 500 square feet or less of total canopy size for indoor cultivation, on one premises." We recommend the following three tiered system:

Tier 1: Specialty Cottage

Zones: CA, A, RA, C-4, M-1, M-2, M-3, TP, SU

Acreage: 2.5 acre minimum

Parameters: Outdoor 2500 square feet or up to 25 plants
 Mixed Light 2500 square feet
 Indoor 500 square feet

Setbacks: In compliance with 7.126

Recommendation for a 2.5 acre minimum is to accommodate long-term local cultivators who operated in compliance with SCCC Ordinance 7.126. These cultivators will not otherwise qualify under the draft SCCC Ordinance 7.128, without having to relocate their gardens, families and homes thereby suffering economic devastation.

Tier 2: Small Specialty Cottage*

Zones: CA, A, RA, RR, C-4, M-1, M-2, M-3, TP, SU

Acreage: One acre minimum

Parameters: Outdoor 500 square feet up to 25 plants
 Mixed Light 500 square feet
 Indoor 500 square feet

Setbacks: In compliance with 7.128

*Represents the Level One Cultivator License in SCCC Ordinance 7.128

Tier 3: Home Specialty Cottage - Indoor Only**

Zones: All Zones

Acreage: No minimum

Parameters: 200 square feet maximum

Setbacks: In compliance with SCCC Ordinance 7.128

MICROBUSINESSES- allow licensees the opportunity to apply for and receive Type 12/Microbusiness licenses.

DEFINITION OF THE TERM CANOPY- It is our recommendation that, for the purpose of determination of garden size, the term “canopy” be defined to include the net vegetative area of mature plants only, and that plants which are not in a flowering state not be considered when calculating canopy size. This recommendation is based upon previously referenced “Text of Proposed Regulations” made by the Department of Food and Agriculture, which recommended the following method be used to calculate canopy:

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

As previously stated, the “Text of Proposed Regulations” regulations referenced here has since be withdrawn due to the passage of MAURSA, but because MAUCRSA’s cultivation regulations are substantially similar to the MCRSA regulations for which the text was written, it is likely that this, or a very similar, definition will appear in future regulations.

SENSIBLE FIRE POLICY- Greentrade recommends defining cannabis cultivation as a Type U (Utility and Miscellaneous) usage rather than Type F-1 (Moderate-Hazard Factory Industrial), which has been suggested, and includes significantly harder to meet requirements, including water storage of 120,000 gallons and twenty foot wide access roads. These requirements are inconsistent with other industries, and the associated costs and logistics create a barrier of entry so high as to discourage cultivators from even attempting to apply for licensing. In addition, it is not appropriate for an outdoor farm to be classified as a “Moderate-Hazard Factory Industrial” usage for code purposes.

MULTIPLE LICENSES PER PARCEL- Previous proposals allowed for only one cultivation license to be granted per parcel, regardless of the size of the parcel. Our recommendation is to allow multiple licenses per parcel. This recommendation is based upon the previous “Text of Proposed Regulations” made by the Department of Food and Agriculture in January 9, 2017 when developing rules for the predecessor (the Medical Cannabis Regulation and Safety Act a.k.a. “MCRSA”) of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which was not passed until July 2017. The “Text of Proposed Regulations” (see Section 8602) explicitly allows for “multi-tenant cultivation” on a single property. When MCRSA was repealed by the passage of MAUCRSA, the Department of Food and Agriculture withdrew its entire above referenced “Text of Proposed Regulations” and is in the process of developing new recommendations in light of the changes caused by MAUCRSA. The legal framework for cannabis cultivation under MAURSA has not been significantly changed from the MCRSA regulations, so common sense dictates that use of a single parcel by multiple licensees will be recommended again, as MAUCRSA is generally more liberal than the previous MCRSA.

NURSERIES- cannabis breeders and nurseries have significantly different needs for their sites. We recommend that future regulations include a section creating a license type to correspond with the California state Type 4 nursery license. These regulations should allow additional space not counted towards canopy limits to be used for non-commercial research and

development.

CONTINUITY OF OPERATION- in order to participate in licensing, existing cultivation operations need the option to continue operating while their applications are processed. As is already being prepared by the state (which intends to offer temporary licensing before the end of the year), the county should offer some option to allow cultivators to enter the licensing application process while still continuing to cultivate.

DISTRIBUTION- licensed distributors will be required to broker any legal sale of cannabis. The County should include a provision creating a license type for distributors as set forth in MAUCRSA.

INCENTIVES AND GRADUATED LICENSING FEES- excessive initial licensing fees will discourage participation in the programing. Reasonable licensing rates will be effective to assist in more applicants. In addition, incentivize, organic-equivalent cultivation, compassion programs, living wage employment and participation by women, people of color, and historically marginalized groups.

ALIGNMENT WITH STATE LAW- conflicting local and state law consistently creates confusion and accidental non-compliance with regulations. We recommend that any regulations passed are written to mirror state law, and particularly MAUCRSA to the greatest extent possible.

The EIR recognizes that unregulated cannabis gardens are the greatest danger to the County's environment, and therefore achieving a high level of participation will be the key to any regulatory programs effectiveness. We believe that including these additions to any future county cannabis regulations will help maximize participation while also allowing the local cannabis industry to operate successfully.