

Section 3.15

Other CEQA Issues

This section presents the evaluation of additional issues required by the California Environmental Quality Act (CEQA) that are not covered within the other sections of this Environmental Impact Report (EIR) for the Commercial Cannabis Cultivation and Manufacturing Regulations and Licensing Program (Program) in the County of Santa Cruz (County). Section 15126 of the state CEQA Guidelines requires that all aspects of a project must be considered when evaluating its impact on the environment, including planning, acquisition, development, and operation. Accordingly, in addition to the analysis provided in Section 3.0, *Introduction and Approach to Analysis*, this EIR must identify growth-inducing impacts and significant irreversible environmental changes that would potentially result from implementation of the Program. Accordingly, other CEQA issues include significant unavoidable environmental effects of the Program, significant irreversible environmental changes, growth-inducing impacts (including removal of obstacles to growth), and resource areas that are found not to be significant.

3.15.1 Significant Unavoidable Environmental Effects

CEQA Guidelines Section 15126.2(b) requires that an EIR describe any significant impacts that cannot be avoided, even with implementation of feasible mitigation measures. Where there are significant impacts, their implications and the reasons why the project is being proposed, notwithstanding their effect, should be described.

Based on the analysis presented in this EIR, implementation of the proposed Program would create significant and unavoidable direct or indirect impacts to air quality and transportation. The Program could increase the number of vehicle trips due to new employees, which would cause nitrogen oxides (NO_x) levels to exceed the applicable air quality thresholds. Since the County is currently in nonattainment for ozone, and NO_x is an ozone precursor, the Program's exceedance of the NO_x threshold makes this impact significant. Currently, there are no feasible mitigation measures that are available to reduce these impacts, so the impacts would be *significant and unavoidable*. See Section 3.3, *Air Quality*, for more detailed information. Additionally, increased vehicle trips associated with the Program would adversely affect level of service (LOS) roads, intersections, and highway segments within the urban, and some rural areas, of the County. Fee payment mitigation would not fully alleviate these impacts to a less than significant level because revenue sources would not be enough to improve each of these congested intersections, roads, and highways to acceptable levels of service. Therefore, even with the implementation of MM TRA-1.1, direct impacts would be *significant and unavoidable*. See Section 3.13, *Transportation and Circulation*.

Further, this EIR programmatically analyzes the secondary impacts of the Program on changing and expanding unregulated and unlicensed cannabis cultivation and manufacturing in the County. Secondary impacts of the Program would create significant and unavoidable impacts to all resource areas analyzed in Chapter 3, *Environmental Impact Analysis*, except for aesthetics and visual resources, which would have less than significant secondary impacts. This is because it is not possible for the County to completely eradicate all unregulated cannabis activity. These illegal activities would not necessarily adhere to existing County regulators and/or mitigation measures in this EIR, and could

therefore cause significant adverse impacts due to practices such as not following grading restrictions and causing erosion, using chemicals hazardous to biological resources, diverting streams and causing water supply and quality issues, and using diesel generators that contribute to air pollution and greenhouse gases (GHGs). Although this EIR introduces mitigation measures that would lessen these impacts through enforcement and surveys of unlicensed cannabis activities, as it is not possible to bring all unregulated cannabis activity into compliance with the Program, secondary impacts remain *significant and unavoidable*.

The reasons why the Program is being proposed, notwithstanding the significant impacts, are related to the Program objectives stated in Section 2.3.1, *Program Objectives*. As indicated, the Program is being proposed to regulate commercial cannabis cultivation and manufacturing of cannabis products within the County in a manner consistent with state law and encourages cultivators and manufacturers to operate legally and secure a license to operate in full compliance with County regulations, meet the local demand of cannabis products, improve the County's tax base, and prevent impacts of cannabis activities on children, sensitive populations, the natural environment, and public health and safety.

3.15.2 Significant Irreversible Environmental Changes

CEQA Guidelines Section 15126.2(c) requires a discussion of “*significant irreversible environmental changes which would be caused by the proposed project should it be implemented. Uses of nonrenewable resources during the initial and continued phases of the project may be irreversible since a large commitment of such resources makes removal or nonuse thereafter unlikely. Primary impacts and, particularly, secondary impacts (such as highway improvement which provides access to a previously inaccessible area) generally commit future generations to similar uses. Also, irreversible damage can result from environmental accidents associated with the project. Irrecoverable commitments of resources should be evaluated to assure that such current consumption is justified.*”

Analysis of environmental impacts of the proposed Program considers effects on the environment from future commercial cannabis cultivation and manufacturing activities anticipated under the Program. Construction and operation of cannabis cultivation and manufacturing facilities in the County would entail the commitment of non-renewable energy resources; human resources; and natural resources, such as lumber and other forest products, sand and gravel, asphalt, steel, copper, lead, other metals, and water resources, most of which are non-renewable or locally limited natural resources. Resources that would be permanently and continually consumed during the life of the Program include water, electricity, and fossil fuels, as well as landfill space; however, the amount and rate of consumption of these resources would not result in the inefficient or wasteful use of resources, as further described in Section 3.14, *Utilities and Energy Conservation*. Compliance with all applicable building codes and County ordinances, as well as General Plan and proposed Program mitigation measures, would ensure that natural resources are conserved to the maximum extent feasible. Additionally, it is possible that new technologies or systems will emerge in the future, or will become more cost-effective or user-friendly, to further reduce the reliance on nonrenewable natural resources. While future construction activities and operational activities anticipated to occur under the Program would result in the irretrievable commitment of nonrenewable energy resources (primarily in the form of fossil fuels, including fuel oil, natural gas, and gasoline for automobiles and construction equipment), consumption of such resources is associated with any development in the region, and are not unique or unusual to the proposed Program.

The Program would allow for cannabis cultivation and manufacturing within former quarry sites in the County. There are currently four closed quarries that may allow for cannabis licensing consistent with any applicable quarry restoration or management plan. As the quarry sites must be non-operational and all onsite activities would be subject to restrictions of quarry restoration or management plans, the Program would have no adverse effect on non-renewable quarry products (see also, Section 3.15.4, *Effects Not Found to be Significant*).

The Program would not be expected to result in environmental accidents that have the potential to cause irreversible damage to the natural or human environment. While cannabis cultivation and manufacturing activities anticipated to occur under the Program would result in the limited use, transport, storage, and disposal of hazardous materials, all activities would comply with applicable state and federal laws related to hazardous materials transport, use, and storage, which would significantly reduce the likelihood and severity of accidents that could result in irreversible environmental damage. See Section 3.8, *Hazards and Hazardous Materials*, for more detailed information. The Program's significant irreversible environmental changes would be *less than significant*.

3.15.3 Growth-Inducing Impacts

Section 15126.2(d) of the CEQA Guidelines requires consideration of a project's potential to foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. This potential economic or population growth is known as the project's growth-inducing impact and is distinguished from the direct economic, population, or housing growth of a project because it is an indirect result of implementation of a project that would not have taken place in the absence of the project. Growth inducement can be a result of new development that increases employment levels, removes barriers to development, or provides resources that lead to secondary growth. Growth-inducing impacts are caused by those characteristics of a project that tend to foster or encourage population and/or economic growth, either directly or indirectly. Inducements to growth include the generation of construction and permanent employment opportunities in the support sectors of the economy. Indirect inducements to growth include the establishment of infrastructure, increased service capacity, or other conditions that would potentially lead to growth in surrounding areas or growth of a certain type of use. Induced growth in any area should not be assumed to be necessarily beneficial, detrimental, or of little significance to the environment. It should, however, be analyzed for an understanding of how it could potentially affect the surrounding environment.

The proposed Program could result in three types of growth-inducing impacts: 1) the creation of short- and long-term employment opportunities which draw newcomers to the region; 2) the associated increase in housing demand; and 3) expansion of utilities and infrastructure.

As discussed in Section 3.12, *Population, Employment, and Housing*, the proposed Program would potentially generate up to 6,516 full-time equivalent (FTE) cannabis cultivation employees and approximately 600 FTE cannabis manufacturing employees, for a total of 7,116 new employees in the County cannabis industry. Standard operation of cannabis cultivation and manufacturing facilities would require a number of full-time employees depending on the size of the operation, as well as seasonal harvesting staff, some of which could be hired from the existing local labor market, but often mostly consist of a group of cannabis harvesters traveling from harvest to harvest throughout the region. Consequently, there would be an incremental increase of new workers that could commute to

cannabis sites and potentially relocate to urban areas in the vicinity of cultivation and manufacturing sites as a result of implementation of the Program. Secondary effects attributed to backfill of new employees' current jobs could result in a slight increase in employment generation. Further, as a result of a potential influx of new employees, related impacts would likely occur due to increased commuter traffic and associated air quality impacts, particularly generation of GHGs and ozone precursors.

This increase in employment due to the Program would have a potential commensurate increase in demand for housing within the County, although a portion of these jobs would potentially be absorbed by existing residents. While the increase in housing demand from cannabis industry employees may be substantial, the County maintains programs and policies to ensure adequate provision of housing to meet ongoing demands, particularly when the demand is generated from local industries, including Measure J and the Housing Element. The County's affordable housing impact fee program and MM POP-1.1, Affordable Housing Fee for Agricultural Buildings Used for Commercial Cannabis, would address increased demand for housing from new employment generated by the Program.

The Program would also potentially generate 228 new residential units, which would directly support 615 additional residents, under the Project scenario. While the Program does include new residential development, some new residences would be occupied by cannabis employees already residing in the County, which limits the growth-inducing effects of the Program. However, the commercial nature of the Program could generate an appeal for people to move to and permanently reside in the County.

The proposed Program would also result in development of new utility infrastructure, including potentially new wells and other water supply sources and energy infrastructure, to support cannabis cultivation and manufacturing operations in rural areas. The Program would also require the construction, widening, and extension of rural roads and driveways in relatively undeveloped areas to provide adequate emergency and non-emergency access. The construction of new homes in rural areas of the unincorporated County would also improve road, utility, and water supply access in areas where this infrastructure does not currently exist. These improvements in rural areas could introduce access to currently inaccessible and/or unbuildable areas of the County and, in doing so, remove physical barriers to development in these rural areas and facilitate improved access and circulation within the vicinity, thereby contributing to growth-inducing effects. New development in rural areas of the County could have adverse impacts related to erosion, water quality and supply, and biological resources, but existing County building and development regulations would ensure that new development adheres to County standards through the licensing process.

Ultimately, although there is potential for induced development and population growth within the rural areas of County, it is anticipated that the Santa Cruz County Code (SCCC) which applies to all development in the County would ensure that adverse effects are addressed on a site-by-site basis. Further, the Program does not include any changes to the land use under the General Plan and would not result in any increase in capacity for new development in the County through upzoning or lot splits. Additionally, development would incrementally increase in rural areas as individual property owners realize development potential on site by site basis, resulting in gradual growth-inducing impacts that would not create immediate significant expansion and demand; therefore, these effects would be *less than significant*.

3.15.4 Effects Not Found to be Significant

CEQA Guidelines Section 15128 requires a statement briefly indicating the reasons that various possible significant effects of a project were determined not to be significant and were therefore not discussed in detail in the EIR. For this EIR, issues related to noise and minerals were found not to be significant as discussed below.

Noise

The proposed Program would not have the potential for significant impacts associated with noise. Chapter 8.30, *Noise*, of the SCCC serves as the County's Noise Ordinance, and restricts offensive noise within the County. The Noise Ordinance establishes noise thresholds during day and night hours, and describes the process for citations and misdemeanor charges if the ordinance is not adhered to. The Santa Cruz County General Plan (General Plan) Chapter 6, *Public Safety and Noise*, includes Objective 6.9, which aims to prevent new noise sources from increasing the existing noise levels above acceptable standards and eliminate or reduce noise from existing objectionable noise sources. Noise Policy 6.9.1, *Land Use Compatibility Guidelines*, establishes noise exposure standards for various land uses, shown in Figure 6-1 of the General Plan. Cannabis cultivation and manufacturing activities would fall under the land use category of "Industrial, Manufacturing, Utilities, and Agriculture" and would be required to conform to that category's noise exposure standard. These existing regulations would ensure that commercial cannabis cultivation and manufacturing activities do not produce noise levels exceeding the County's thresholds and standards.

Cannabis cultivation and manufacturing, by their nature, do not generate high levels of noise. Outdoor cannabis cultivation involves typical agricultural practices, including tilling soil, sowing seeds, irrigating soil, and harvesting mature plants. Noise could be generated by farm equipment and possible truck traffic during peak harvest activities, but these noise sources are generally compatible with the agricultural zoning and uses allowed on within the Program's area of eligibility, including the Project and the More Permissive Project. Similarly, greenhouse cultivation would generate noise from farm equipment, but noise levels would typically be reduced as activities would occur inside the greenhouse, which would buffer any noise to some degree. Greenhouses may use fans or blowers that could generate low levels of ambient noise that would not be perceptible beyond the building or property line. Indoor cultivation has few sources of noise other than heating, ventilation, and air conditioning (HVAC) and dehumidification equipment that can generate a low hum from fans or blowers. Typically, HVAC and dehumidification occurs within the structure and is not perceptible outside the building or property. Manufacturing noise is also very low and is associated with operation of extraction machinery, including rosin presses and carbon dioxide (CO₂) extraction machines. These machines are generally silent with low levels of hums or hisses during operation. Other forms of manufacturing, such as hash washing and infusions, have no substantial sources of noise.

The Program includes features that would ensure that any noise generated by cannabis cultivation or manufacturing would not adversely affect sensitive receptors. For cultivation, three or more citations for violation of SCCC Chapter 8.30, *Noise*, within a single year, or use of a generator for non-emergency purposes or illegal hazardous materials for cultivation of cannabis, would be grounds for license revocation. Cannabis cultivation must be set back from sensitive receptors, including schools, parks, and habitable structures, as described in Chapter 2, *Project Description*, which would ensure sensitive receptors are not adversely affected. For manufacturing, the facility shall not receive more than one

citation for violation of SCCC, Chapter 8.30, *Noise*, within a single year. Manufacturing would be licensed within buildings, which would sufficiently contain the low levels and incidences of noise. These requirements for licensing would reduce noise levels on sites currently utilizing generators to power their facilities or generating any noise in conflict with the County's noise ordinance. Considering that noise generated from cannabis cultivation and manufacturing is low and the Program includes requirements to minimize noise sources and noise impacts on sensitive receptors, the Program would have no impact related to noise.

Mineral Resources

The proposed Program would not have the potential for significant impacts associated with mineral resources. SCCC Chapter 16.54, *Mining Regulations*, serves as the County's Mining Ordinance, and regulates mining operations in the County. General Plan Chapter 5, *Conservation and Open Space*, includes a Mineral Resources Element. Objective 5.16, Mineral Resources, aims to ensure that the rehabilitation and future use of quarry sites are in accordance with safety, conservation, habitat preservation, restoration, and open space values and state mining laws. Mineral Resources Policy 5.16.2 denotes the compatibility of proposed land uses on Mineral Resource lands, and include agriculture as a compatible use. As described in Chapter 2, *Project Description*, the Program would allow cannabis cultivation and manufacturing within the M-3 industrial zoning district, which has an associated Quarry (Q) land use designation/overlay for existing quarries in the County and allows for mineral extraction. There are four closed and four active quarries in the County. Currently, the reclamation plans for each of the quarries in the County designate the end use as some form of open space. If uses other than open space are proposed, an amendment to the quarry's Reclamation Plan would be required, as well as other applicable permits and approvals. Consequently, quarries may accommodate cultivation and manufacturing following future closure and with amendments to quarry reclamation plans. These existing regulations and standards would ensure that commercial cannabis cultivation and manufacturing activities are consistent with quarry reclamation plans and do not adversely affect mineral resources in the County. Therefore, the Program would have no impact related to mineral resources.