



# Sonoma County Planning Commission **STAFF REPORT**

## Sonoma County Permit and Resource Management Department

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**FILE:** ORD15-0005  
**DATE:** October 13, 2016  
**TIME:** 1:05 p.m.  
**STAFF:** Amy Lyle, Planner III

**Board of Supervisors Hearing will be held at a later date and will be noticed at that time.**

### SUMMARY

**Applicant:** County of Sonoma

**Location:** The Medical Cannabis Land Use Ordinance will apply to agricultural, industrial, commercial, resource and residential zones within the unincorporated area of Sonoma County.

**Subject:** Medical Cannabis Land Use Ordinance

**PROPOSAL:** The County of Sonoma proposes to amend the Zoning Code to regulate cannabis uses consistent with the Medical Cannabis Regulation and Safety Act, including cultivation, nurseries, dispensaries, laboratories, manufacturing, distribution, and transportation. The proposed Medical Cannabis Land Use Ordinance would allow both personal and commercial cultivation of medical cannabis with certain limitations.

**Environmental Determination:** Based on the attached Initial Study, the proposed Medical Cannabis Land Use Ordinance, with associated standards, will not have a substantial adverse impact on the environment and a Negative Declaration is proposed.

**General Plan:** All, except Coastal Zone

**RECOMMENDATION:** Staff recommends that the Planning Commission hear the staff presentation and hold a public hearing. At the conclusion of the public input portion continue deliberations to Oct 27, 2016 for further discussion and straw votes on policy options, direct staff to return with any proposed Ordinance changes on November 3, 2016 for the Planning Commission's recommendation to the Board of Supervisors in December, 2016.

## **INTRODUCTION AND BACKGROUND**

### **INTRODUCTION**

On February 2, 2016, the Board adopted a Resolution of Intention directing staff to explore and develop comprehensive program for regulating the medical cannabis industry including cultivation, manufacturing, distribution, dispensaries, nurseries, testing and other related regulations. The primary goal of this policy initiative is to establish a comprehensive set of regulations consistent with new State laws that preserve our environmental resources, protect the health and safety of our communities, and ensure the industry contributes positively to the economic vitality of our County. This report provides an overview of the process and a summary of the proposed Medical Cannabis Land Use Ordinance (the Ordinance) that will permit a full range of medical cannabis land uses from “seed to sale”.

### **Goals of the Medical Cannabis Land Use Ordinance**

The primary goals of the proposed Medical Cannabis Land Use Ordinance are:

- Provide protection of health, safety, and environmental resources while balancing the need to provide safe access to medicine for qualified patients.
- Provide regulatory path to daylight underground industry with emphasis on providing greater opportunity for small growers and agricultural diversification.
- Provide opportunity for smaller scale growers on agricultural and industrial lands.

### **BACKGROUND**

The Medical Cannabis Regulation and Safety Act (“MCRSA”), consisting of AB 243 (Wood), AB 266 (Bonta) and SB 643 (McGuire), was signed into law by Governor Brown on October 9, 2015. This legislation established a comprehensive framework for the regulation of commercial cannabis, covering a broad array of topics including cultivation, nurseries, delivery, transportation, manufacturing, environmental standards and enforcement, general enforcement, advertising and labeling, employer/workplace restrictions, appellation/organic standards, fees and taxation, safety standards, criminal penalties, and tracking and tracing systems. MCRSA also establishes a dual licensing scheme under which anyone engaged in commercial cannabis activity must first obtain a local permit, and then a state license. The state law defers to local land use authority and local jurisdictions may ban cannabis uses altogether or further limit the allowances under state law.

While MCRSA took effect on January 1, 2016, the estimated start date for the new State licensing program is January 1, 2018. MCRSA requires local permits and commercial licenses for all commercial cannabis activities (except qualified patients and caregivers who cultivate up to a maximum of 100 square feet for each qualified patient, up to a maximum of 500 square feet for caregivers, on one parcel).

On November 8, 2016 California voters will consider whether to legalize nonmedical use of cannabis via Proposition 64, the Adult Use of Marijuana Act (AUMA). AUMA would allow local jurisdictions to decide whether to allow nonmedical cannabis uses, except for personal use and cultivation, which must be permitted indoors with reasonable regulations. The proposed Ordinance only pertains to medical cannabis, consistent with current state law under MCRSA. If AUMA passes, staff will seek direction from the Board on whether additional land use changes should be undertaken to address nonmedical cannabis.

With all of these considerations in mind, the County of Sonoma created the Marijuana Technical Advisory Committee (MTAC), which is comprised of representatives of the majority of county department and agency. The MTAC includes several working groups, including Agriculture and the Environment, Enforcement and Land Use, Taxation and Revenue, Economic Development and Jobs, and Health and

Human Services. Together these groups participated in public workshops held in each of the supervisorial districts and held numerous internal meetings to explore the many facets of the cannabis industry and its impacts on our community to develop staff recommendations informing a draft ordinance that will regulate the industry in Sonoma County.

### **Federal Oversight**

State and federal law governing medical cannabis are in conflict. Cannabis remains a controlled substance under federal law, specifically classified as a “Schedule I” drug, which is characterized by the Controlled Substances Act, 21 USC section 812(c), as having a high potential for abuse and lacking any accepted medical use. This conflict creates a dilemma for local governments and their law enforcement agencies.

Due to its federal regulatory status, medical cannabis is not considered a food source or drug and is unregulated by the US Food and Drug Administration (FDA) and the California Food and Agricultural Code. This is problematic for cannabis edibles and other manufactured products being produced in non-food grade facilities that are not licensed through the local Health Department. The State will eventually regulate medical cannabis edibles and packaging. The County Department of Health Services is proposing to establish local permit requirements and standards for cannabis manufacturing and dispensaries to address the public health and safety issues related to cannabis manufacturing.

Because cannabis cultivation and related uses remain illegal under federal law, greater security concerns and potential for criminal penalties remain. Cannabis’ regulatory status prevents operators from financing their enterprises in ways other businesses are permitted, forcing cannabis operators to function on a cash basis. The potential for cash to be stored at cannabis facilities presents additional security concerns that will be addressed in the permitting process.

### **COMMUNITY ENGAGEMENT AND FEEDBACK**

The Board of Supervisors Ad Hoc Committee on Cannabis (Ad Hoc Committee) and staff have conducted extensive community outreach including the establishment of a website, email listserve, project-dedicated email, online survey, town hall meetings in each supervisorial district, and meetings with various stakeholder interest groups. An estimated 600 people attended the town hall meetings and over 1,100 people responded to the online survey.

Through these efforts, the Ad Hoc Committee and staff have received feedback that many Sonoma County residents support a regulatory framework that legalizes commercial medical cannabis, supports safe and affordable access to medicine, and provides opportunities for existing local cannabis operations to come into compliance. Many residents also expressed concern about crime, public safety, odor and nuisance, and other associated environmental impacts of the cannabis industry. Many concerns were particularly heightened for residential neighborhoods and relate most often to cultivation.

Prior to the Planning Commission hearing, the Ad Hoc Committee will host a public workshop on October 6<sup>th</sup> at from 5:30 pm to 7:30 pm at the Glaser Center in Santa Rosa to provide an overview of the proposed Ordinance and the process for public review, adoption and implementation. An additional public workshop will be held on December 2, 2016 prior to the Board of Supervisors’ hearings.

### **PROJECT SCHEDULE**

The proposed Ordinance is the first step in the process intended to open the door and provide a pathway to legalization of the industry, primarily for existing local businesses engaged in the cannabis industry. It is anticipated that Phase II will be initiated by the Board to re-evaluate the permitting structure and possibly expand the opportunities in the near future when the state regulations are released. A major driver of the policy options being developed in this Phase I, is environmental mitigation. Under the California Environmental Quality Act (CEQA), the County must ensure mitigation of potential

environmental impacts through its regulatory requirements and permit standards. Given the newness of the industry, the initial recommendations will have more restrictive standards, and further opportunities will be provided once additional data, mitigation measures and best practices, are developed. For the Phase I, the schedule includes a presentation of the proposed Ordinance and a public hearing on October 13<sup>th</sup>, then continued discussion on October 27<sup>th</sup> to review the policy options and begin deliberations. The Commission will be asked to make a final recommendation on November 3<sup>rd</sup> so the proposed ordinance and the Planning Commission's recommendation can be heard by the Board of Supervisors in December and adopted before the end of the year.

Companion efforts are being developed including the development of permit requirements and regulations for dispensaries and manufacturing of edibles by the Department of Health Services. The Agricultural Commissioner has also developed Best Management Practices that parallel the North Coast Regional Water Quality Control Board's regulations for cultivators. The County Administrator's Office is assessing tax revenue options to ensure adequate resources are available to implement the regulations.

## **KEY ISSUES**

Sonoma County is situated in a unique position due to proximity to a primary cannabis growing region along the north coast, major population centers to the south and east, an ideal climate for cultivation, and an abundance of informed local business owners already familiar with the state licensing scheme. The cannabis industry is already a contributor to the economy and Sonoma County has been identified as a significant exporter of cannabis. As the cannabis industry increasingly integrates with the traditional economy, Sonoma County has an opportunity to significantly increase beneficial economic impact with through the proposed Ordinance.

The land use implications of allowing legalization and expansion of commercial medical cannabis land uses are analyzed within this staff report and discussion papers. There is a tendency for land uses to convert to the highest and best use over time, which means commercial cannabis uses have great potential to change the land use, rural aesthetic, economic, and environmental fabric of Sonoma County. The addition of cannabis as a new land use also increases pressure on an already tight housing and commercial real estate market. Major considerations include the environmental effects of the unregulated industry on our environmental resources, sensitive habitats, public safety and security issues (of particular concern in residential areas), water availability, wastewater disposal, access and fire hazards in remote areas, the public health and safety impacts (especially as they relate to the normalization of cannabis use and access by children), and the long term potential for increases in land values and conversion of land uses that may impact other sectors of the economy.

## **PROPOSED ORDINANCE**

The proposed Ordinance would amend the Sonoma County Zoning Code to regulate cannabis land uses consistent with MCRSA, including cultivation, nurseries, dispensaries, laboratories, manufacturing, distribution, and transportation. The staff recommendation is based on feedback from public outreach efforts, direction from the Ad Hoc Committee, the MTAC, numerous hours of research, and cannabis operation site visits. Permit thresholds are defined to match the state licensing types for the size of the cultivation area. A summary of the permit requirements and allowed uses for each zoning district is provided in the attached Land Use Table. The proposed Ordinance is provided as Exhibits A-E. The Initial Study of potential environmental impacts and proposed Negative Declaration are also attached. A series of Discussion Papers will be provided to the Commission on October 6<sup>th</sup> which will provide an array of policy options for the proposed Ordinance.

The proposed Ordinance includes optional "inclusion" and "exclusion" zoning districts which would allow flexibility for the Commission and Board of Supervisors to either restrict or allow certain cannabis uses in distinct communities.

The proposed Ordinance also includes requirements of operators that they have been a resident of Sonoma County for at least the last two years, and a requirement that the operator must own at least 51% of the business.

A major driver of the policy options being developed in the first phase of this policy initiative is environmental mitigation. Under CEQA, the County must ensure mitigation of potential environmental impacts through its regulatory requirements and permit standards. Given the newness of the industry, the initial recommendations will have more restrictive standards at first, with further opportunities afforded to industry operators once data is collected and additional mitigation measures and best practices are developed based on that data.

Small scale commercial cultivation would be allowed with a ministerial zoning permit, subject to standards, in agricultural and industrial zones. For purposes of this Ordinance “small scale” is considered the cottage, specialty and small license types up to 10,000 square feet for outdoor, and the cottage license type up to 2,500 square feet mixed light/greenhouses, and 500 square feet for indoor cultivation. All other cannabis support uses and larger cultivation operations would be subject to a use permit and further CEQA analysis. All permits would include an annual renewal requirement that provides an opportunity for site inspections for condition compliance and regulatory flexibility as this newly regulated industry grows.

The proposed Ordinance defines cannabis as an agricultural product separately from other agricultural crops or commodities due its unique nature as a controlled substance with increased security measures and the use of artificial lights and indoor growing environments. Cannabis cultivation structures, unlike traditional agricultural structures, would be subject to design review. As such, all land use regulations that apply to cannabis uses are grouped together separately from other agricultural uses in the special use regulations of the zoning code. Cannabis would not be protected under the “Right to Farm” Ordinance, which is intended to protect agricultural operations from being considered a nuisance by requiring a public disclosure to surrounding residential uses of potential incompatibility impacts such as noise, odor, or chemical use.

Cannabis operations are not currently listed as an allowed use in the Sonoma County Uniform Rules for Agricultural Preserves and Farmland Security Zones (“Uniform Rules”). A proposed companion amendment to the Uniform Rules would allow cannabis cultivation on land within an Agricultural Preserve under a Land Conservation Act contract as a compatible use, subject to the limits of 15% up to 5 acres for all compatible uses on the site. Cannabis would not be considered a “qualifying agricultural use” for a reduction in property taxes under the Uniform Rules for Agricultural Preserves and would not receive tax breaks for the area under cultivation. Under the proposed amendment to the Uniform Rules, cannabis would be considered a “compatible use” for lands under a Land Conservation Act contract, which would enable farmers to supplement their farm income with cannabis cultivation and retain their tax benefits on the balance of the agricultural land.

### **Personal Cultivation**

The proposed Ordinance includes a staff recommendation to allow personal cultivation for qualified patients and caregivers as a “use by right” in most zones (excluding urban residential zones). Residents would be allowed to cultivate 6 plants total, with the limit of 3 plants outdoors, per parcel. Cultivation could occur indoors within an accessory structure or garage subject to the Cultivation Standards (Exhibit B to the Ordinance). Staff’s recommendation seeks to find a compromise between enabling safe and affordable access for patients with the need to mitigate impacts on neighbors, which can be more pronounced with outdoor cultivation and cultivation within dense residential zones. The proposed Ordinance would supersede the Board of Supervisors’ prior Resolution 06-0846 providing cultivation guidelines as a defense to prosecution.

## **Commercial Cultivation**

The proposed Ordinance would define cannabis cultivation as: *“any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis for medical use, including nurseries, that is intended to be transported, processed, manufactured, distributed, dispensed, delivered, or sold in accordance with the Medical Cannabis Regulation and Safety Act (MCRSA) for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.”*

The proposed ordinance would allow a single entity to obtain multiple cultivation permits, but the total canopy cannot exceed one acre within Sonoma County. The Ordinance would also allow a single property owner to lease to multiple small-scale operators with ministerial zoning permits provided that the minimum lot size is met and the total area does not exceed the maximum allowed.

## **Outdoor Cannabis Cultivation**

Outdoor cultivation is similar to other types of row crops in that it is planted in the ground or in pots above ground, in open air subject to natural elements. Cannabis grown outdoors uses no artificial light but may have associated accessory structures for cannabis support uses such as growing immature plants, drying, storing, or trimming. Outdoor cultivation is generally fenced or visibly screened for safety purposes.

Outdoor cultivation would be allowed with a ministerial zoning permit in agricultural zones up to 10,000 square feet of canopy size subject to minimum lot size requirements, Cultivation Standards, and the Agricultural Commissioner’s Best Management Practices (Attachment B to the Negative Declaration). Larger outdoor cultivation operations, up to 43,560 square feet of canopy, would be allowed, subject to a use permit, in agricultural, and resource zones. “Cottage” cultivation would be allowed with a minor use permit in Rural Residential zones.

## **Indoor Cannabis Cultivation**

Indoor cannabis cultivation occurs completely indoors within permanent non-residential structures and there is typically no outside indication of cannabis cultivation. Indoor cultivation allows for greater control of the growing cycle by using artificial light to simulate sunlight. Indoor cultivation structures require air filtration systems and increased energy use compared to outdoor cultivation. Indoor cultivation operations may use water filtration systems.

Indoor cultivation would be allowed in agricultural and industrial zones with a zoning permit up to 500 square feet. “Specialty indoor” operations from 501-5,000 square feet on agricultural land would be restricted to existing structures. Larger indoor operations would be allowed with a use permit or minor use permit within industrial zones.

## **Mixed Light (Greenhouse) Cannabis Cultivation**

The proposed Ordinance would define mixed light cannabis cultivation as *“Cultivation using any combination of natural and supplemental artificial lighting. Includes greenhouses, hoop houses, hot houses and similar structures or light deprivation systems.”*

Mixed light cultivation operations are typically within greenhouses, membrane, shade or “hoop house” structures which can be darkened with tarps and lighted with artificial lights during part of the growing cycle. The proposed Ordinance would apply the same standards for mixed light cultivation to “hoop houses” or greenhouse structures. Mixed light operations would be allowed in agricultural areas up to 2,500 square feet with a zoning permit, and in the resource and rural residential zones with a minor use permit, subject to standards. Larger operations would be allowed with a use permit in agricultural and resource zones.

The proposed Ordinance would also provide clarity on where greenhouses (for both agriculture and cannabis uses) may be constructed within the County.

## **Commercial Cannabis Support Uses**

### ***Cannabis Nurseries***

A Cannabis nursery would be defined in the Ordinance as *“a licensee that produces only clones, immature plants, seeds, and other agricultural products for wholesale sale, used specifically for the planting, propagation, and cultivation of medical cannabis.”*

The proposed Ordinance would allow wholesale cannabis nurseries, with a conditional use permit, in agricultural, resource, and industrial zones. Cannabis nurseries would be allowed only for wholesale distribution. Retail distribution of cannabis clones and starter plants would be allowed only through a cannabis dispensary. Indoor/greenhouse nurseries within the Land Intensive Agriculture (LIA) zoning district would be limited to existing legally established structures to avoid conversion of land. Indoor cannabis nurseries would also be allowed within industrial zones.

### ***Testing/Laboratories***

Cannabis laboratories are defined as “a facility for testing, analysis, and/or research.” Similar types of lab uses include medical labs, soils, materials testing labs, and forensic labs. Laboratories are a necessary component of the cannabis licensing scheme because testing is required to be done on each cannabis crop to determine constituents such as cannabinoids (CBD’s), tetrahydrocannabinol (THC), pesticide residuals, mold, and fungus. The proposed Ordinance would limit cannabis laboratories to industrial zones with a conditional use permit, which is consistent with where other laboratories are allowed.

### ***Manufacturing***

The proposed Ordinance would allow manufacturing of cannabis products, including oils, tinctures and edibles using nonvolatile solvents within industrial areas subject to a use permit and would prohibit manufacturing with volatile solvents. Prohibited volatile solvents are defined to include butane, ether, isopropanol, ethanol, acetone, pentane, Hexanes, n-Heptane, and Naphtha. Manufacturing of cannabis with carbon dioxide, among other nonvolatile solvents, would be allowed.

### ***Dispensaries***

After a period of moratorium the Board of Supervisors adopted Ordinance No. 5715 on March 20, 2007 establishing land use regulations for medical cannabis dispensaries, now codified in Sonoma County Code Section 26-88-126. The Board amended this in 2012 to establish a cap of nine dispensaries. There are currently five permitted dispensaries and two in the application process.

The proposed Ordinance would continue to allow dispensaries with the cap of nine facilities, but would modify the existing dispensary regulations to reduce the separation criteria from sensitive uses from 1,000 feet to 600 feet (consistent with MCRSA), remove the Level I/Level II distinction, allow deliveries (only from permitted brick and mortar dispensaries), and allow the sale of vaporizing devices, clones and starter plants, and edible products subject to the permit requirements and regulations of the Sonoma County Department of Health Services.

### ***Distribution Facilities***

Distribution facilities are responsible for receiving cannabis from cultivators, sending cannabis to quality assurance and batch testing, distributing to and from manufacturing operations, and then distributing cannabis to a licensed dispensary. No retail sales can take place from a distribution facility. The proposed

Ordinance would allow distribution facilities within industrial areas subject to a use permit, which is consistent with where other similar uses are allowed.

### ***Transportation Facilities***

A cannabis transportation facility transports cannabis crops from the cultivation site to a distribution location, then to testing and manufacturing, and finally to dispensaries. No retail sales of cannabis can take place from a transportation facility. The proposed Ordinance would allow transportation facilities within industrial areas subject to a use permit, which is consistent with where other similar uses are allowed.

### **Enforcement**

Currently, enforcement of unlawful cannabis land uses is subject to an administrative abatement process, pursuant to Sonoma County Code, as well as other civil legal tools. The Ordinance would provide for increased civil penalties of \$500 for the first violation, \$750 for a second violation within twelve months of the first violation, and \$1000 for each additional violation within twelve months of the first violation. Additionally, the Ordinance provides for administrative citations for any violations of the proposed Ordinance.

### **Cannabis Data and Projected Permit Activity**

The California Department of Food and Agriculture (CDFA) is the responsible state agency for licensing of cannabis cultivation permits beginning in 2018. In August 2016, the CDFA released a statewide survey of potential commercial cannabis license applicants. The survey indicated the number of applicants for each category of cannabis license types by county. Based on this survey data and the maximum size of allowable canopy for each license type, staff compiled a projection of potential acreage and square footage of potential demand for cannabis uses.

The survey indicates that there are 791 potential applicants interested in establishing cannabis operations in Sonoma County, including 431 cultivation permits, 54 nurseries, 93 manufacturing, 11 testing laboratories, 51 dispensaries, 65 distributors and 86 transporters. It should be noted that some applicants may hold two license types at the same location. For example, a cultivation licensee may also hold a manufacturing license at the same location.

Based on the CDFA survey results and using the maximum canopy size allowed for each cultivation license type, staff has estimated a potential demand for 8,790,040 square feet of canopy area including 168 acres (7,318,080 square feet) of outdoor cultivation and 1,475,000 square feet of indoor cultivation.

Estimates provided by the Sonoma County Growers Alliance indicate that there may be as many as 10,000 existing cultivation areas in Sonoma County, 70 percent of which are less than 2,000 square feet of canopy area. Using an average of 1,000 square feet per site, staff approximates 160 acres of existing cultivation area devoted to small or cottage size cultivation and an additional 340 acres of larger operations estimated at 5,000 square feet each. The Sonoma County Growers Alliance estimates that 60 percent of the existing cultivation sites are within the resource zone (RRD) and 40 percent are located in the rural residential zones (AR and RR).

In addition, staff also evaluated the number of parcels within Groundwater Availability zones 1, 2, and 3 that meet the minimum parcel size requirements for cannabis cultivation under the proposed Ordinance to determine the feasibility and availability of land and the potential cumulative impacts. Assuming 5% of the eligible parcels apply for both zoning and use permits, staff approximates that 479 acres of combined (indoor and outdoor) cannabis cultivation could be permitted, with over 1,100 separate applications. Assuming 5% of eligible parcels apply for the ministerial zoning permits enabled by the Ordinance, staff approximates that 170 to 200 combined total (indoor and outdoor) acres of cultivation could be permitted (within groundwater availability zones 1, 2, and 3), with an anticipated 180 permit applications.



## **General Plan Consistency**

To amend the Zoning Code the Planning Commission is required to make findings that the new land use is consistent with the Sonoma County General Plan (GP 2020). GP 2020 was adopted in 2008 and provides a policy framework to guide decisions on land use, future growth, development, and conservation of resources within Sonoma County. Cannabis cultivation and associated operations were not specifically envisioned at the time of the 2008 adoption and is currently not permitted under the Sonoma County Zoning Code, yet Sonoma County is home to a large unregulated cannabis industry.

Cannabis cultivation and related land uses are in many ways similar to other agricultural, commercial and industrial land uses. However, cannabis remains illegal under federal law. As such, banking institutions cannot accommodate the cannabis industry and commercial cannabis transactions are conducted primarily on a cash basis. As a federally controlled substance, many landowners that receive federal grant assistance cannot participate in federally illegal activities. The high value of cannabis and cash basis of the industry attracts crime and heightens security concerns. For these reasons, the proposed Ordinance classifies cannabis separately from other land uses.

Although cannabis uses are classified separately, they can be found consistent with the General Plan's overall goals, objectives, policies and programs as similar to other general types of land use that are allowed in each land use category and related zoning district. Staff has evaluated the characteristics of each of the cannabis uses described above and recommends adding them to the appropriate zoning districts where similar uses are allowed under the General Plan Land Use Element. In addition to the Land Use Element, the proposed amendment must be found consistent with the other applicable goals, objectives and policies of the General Plan including the Agricultural Resources, Open Space and Resource and Conservation, and the Water Resources Elements. Specific use standards incorporated into the proposed Ordinance ensure consistency with the adopted General Plan policies. The various General Plan goals and policies applicable to the proposed medical cannabis uses are noted below:

**Goal AR-1:** *Promote a healthy and competitive agricultural industry whose products are recognized as being produced in Sonoma County.*

**Policy AR-4a:** *The primary use of any parcel within the three agricultural land use categories shall be agricultural production and related processing, support services, and visitor serving uses. Residential uses in these areas shall recognize that the primary use of the land may create traffic and agricultural nuisance situations, such as flies, noise, odors, and spraying of chemicals.*

**Policy AR-4f:** *Anticipated conflicts between a proposed new agricultural use and existing agricultural activities shall be mitigated by the newer use or application.*

**Policy AR-5b:** *Consider allowing the processing of non viticultural agricultural products where the processing is demonstrated to support projected or new agricultural production, provided that the processing use is proportional to the new production on site or in the local area.*

**Policy AR-8h:** *To the extent feasible, foster agricultural diversity by providing information to the agricultural industry through the Economic Development Board, UC Cooperative Extension, Agricultural Commissioner, Farm Bureau, and other agricultural organizations.*

**Objective OSRC-7.1:** *Identify and protect native vegetation and wildlife, particularly occurrences of special status species, wetlands, sensitive natural communities, woodlands, and areas of essential habitat connectivity.*

**Objective OSRC-7.2:** *Designate important Biotic Habitat Areas and update designations periodically using credible data sources.*

**Objective OSRC-7.3:** *Establish development guidelines to protect designated Biotic Habitat Areas and assure that the quality of these natural resources is maintained.*

**Objective OSRC-7.4:** *Where appropriate, support regulatory efforts by other agencies to protect biotic habitat.*

**Objective OSRC-7.5:** *Maintain connectivity between natural habitat areas.*

**Objective OSRC-7.6:** *Establish standards and programs to protect native trees and plant communities*

**Objective OSRC-8.2:** *Provide standards for land use and development in streamside conservation areas that protect riparian vegetation, water resources and habitat values while considering the needs of residents, agriculture, businesses and other land users.*

**Objective OSRC-14.4:** *Reduce greenhouse gas emissions by 25 percent below 1990 levels by 2015.*

**Policy OSRC-14e:** *Develop energy conservation and efficiency design standards for new development.*

**Policy OSRC-15c:** *Encourage and promote the use of renewable energy and distributed energy generation systems and facilities that are integral to and contained within existing and new development (e.g., solar thermal installations to provide space and water heating or solar electric installations for small commercial buildings or residences in rural areas, small wind energy systems to provide electricity to agricultural accessory structures, etc.).*

**Policy WR-1g:** *Minimize deposition and discharge of sediment, debris, waste and other pollutants into surface runoff, drainage systems, surface water bodies, and groundwater.*

**Policy WR-1h:** *Require grading plans to include measures to avoid soil erosion and consider upgrading requirements as needed to avoid sedimentation in stormwater to the maximum extent practicable.*

**Policy WR-1o:** *Require that commercial and industrial uses reduce and pretreat wastes prior to their entering sewer systems.*

**Policy WR-2e (formerly RC-3h):** *Require proof of groundwater with a sufficient yield and quality to support proposed uses in Class 3 and 4 water areas. Require test wells or the establishment of community water systems in Class 4 water areas. Test wells may be required in Class 3 areas. Deny discretionary applications in Class 3 and 4 areas unless a hydrogeologic report establishes that groundwater quality and quantity are adequate and will not be adversely impacted by the cumulative amount of development and uses allowed in the area, so that the proposed use will not cause or exacerbate an overdraft condition in a groundwater basin or subbasin. Procedures for proving adequate groundwater should consider groundwater overdraft, land subsidence, saltwater intrusion, and the expense of such study in relation to the water needs of the project.*

**Policy WR-4b:** *Use water effectively and reduce water demand by developing programs to:*

- (1) Increase water conserving design and equipment in new construction, including the use of design and technologies based on green building principles,*
- (2) Educate water users on water conserving landscaping and other conservation measures,*
- (3) Encourage retrofitting with water conserving devices,*
- (4) Design wastewater collection systems to minimize inflow and infiltration, and*

(5) *Reduce impervious surfaces to minimize runoff and increase groundwater recharge.*

**Policy WR-4h:** *Encourage and support conservation for agricultural activities that increase the efficiency of water use for crop irrigation, frost protection and livestock. Work with RWQCB and DWR to promote stormwater impoundments for agricultural uses.*

**Policy WR-4k:** *Where consistent with water quality regulations, encourage graywater systems, roof catchment of rainwater and other methods of re-using water and minimizing the need to use potable surface water or groundwater.*

**Policy WR-4l:** *Establish a program to revise County Codes to increase, where appropriate, the use of recycled water for new commercial, residential, and agricultural development.*

In summary, the key policy questions for the Commission are where commercial cannabis, and related support businesses should be permitted, and at what scale and intensity.

### **STAFF RECOMMENDATION**

Staff recommends that the Planning Commission hear the staff presentation and hold a public hearing. At the conclusion of the public input portion continue deliberation to Oct 27, 2016 for further discussion and straw votes on policy options, direct staff to return with any proposed Ordinance changes on November 3, 2016 for the Planning Commission's recommendation to the Board of Supervisors for consideration in December, 2016.

### **LIST OF ATTACHMENTS**

#### **DRAFT ORDINANCE**

- Exhibit A: Definitions
- Exhibit B: Allowed Land Uses and Specific Use Standards
- Exhibit C: Dispensary Regulations
- Exhibit D: Exclusion Combining Zone
- Exhibit E: Inclusion Combining Zone

Attachment A: SUMMARY LAND USE TABLE

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**Separate Attachment for Commissioners:** Negative Declaration with Attachments