COUNTY OF SAN MATEO, PLANNING AND BUILDING DEPARTMENT

NOTICE OF INTENT TO ADOPT
NEGATIVE DECLARATION

A notice, pursuant to the California Environmental Quality Act of 1970, as amended (Public Resources Code 21,000, et seq.), that the following project: *Commercial Cannabis Cultivation Ordinance*, when adopted and implemented, will not have a significant impact on the environment.

FILE NO.: MNA 2017-00023

APPLICANT: San Mateo County

LOCATION: All lands designated as "Agriculture" on the San Mateo County General Plan Land Use Map. These lands are distributed throughout the Coastal Zone of unincorporated San Mateo County. Also, lands designated as "Open Space – Rural" or "Timber Production – Rural" on the San Mateo County General Plan Land Use Map where said lands have documented commercial agricultural operations for three consecutive years prior to adoption of the proposed ordinance.

PROJECT DESCRIPTION

The proposed ordinance will add a new chapter to Title 5 (Business Regulations) of the San Mateo County Ordinance Code (Chapter 5.148) to establish regulations and a license requirement for the cultivation of commercial cannabis in the unincorporated Area of San Mateo County. Under the proposed ordinance, commercial cultivation of cannabis will be permitted, subject to the issuance of a business license, in those areas identified in item 5, above. The County will only issue licenses for mixed-light (i.e. greenhouse) cultivation and greenhouse nursery cultivation operations. The proposed ordinance will not alter any existing County Zoning Regulations or Local Coastal Program provisions; as a result, construction of any new greenhouse structures for cannabis cultivation purposes will be subject to future discretionary review and permitting procedures. The proposed ordinance also limits the size and number of potential cannabis cultivation operations on a given site. Commercial cannabis cultivation operations will be able to occur in existing greenhouses under the proposed ordinance without additional environmental review, but subject to issuance of a ministerial business license.

The proposed ordinance seeks to protect existing agricultural use by requiring that commercial cannabis cultivation not displace any non-cannabis commercial agricultural production existing as of January 1, 2017. Alternatively, a person seeking to engage in commercial cannabis cultivation may offset a proposed cultivation site by relocating existing agricultural production to another area of the property on a 1:1 ratio, provided such relocation does not conflict with any applicable policy or regulation.

Indoor cultivation (in any building but a greenhouse) and outdoor cultivation for commercial purposes will continue to be prohibited in the unincorporated County. The ordinance will also establish setbacks from specified land uses, including residential areas, performance standards for such operations, and a process for the review of license applications. See Attachment A for the draft proposed ordinance.

FINDINGS AND BASIS FOR A NEGATIVE DECLARATION

The Current Planning Section has reviewed the initial study for the project and, based upon substantial evidence in the record, finds that:

1. The project will not adversely affect water or air quality or increase noise levels substantially.

2. The project will not have adverse impacts on the flora or fauna of the area.

3. The project will not degrade the aesthetic quality of the area.

4. The project will not have adverse impacts on traffic or land use.

5. In addition, the project will not:

    a. Create impacts which have the potential to degrade the quality of the environment.

    b. Create impacts which achieve short-term to the disadvantage of long-term environmental goals.

    c. Create impacts for a project which are individually limited, but cumulatively considerable.

    d. Create environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly.

The County of San Mateo has, therefore, determined that the environmental impact of the project is insignificant.

MITIGATION MEASURES included in the project to avoid potentially significant effects:

None

RESPONSIBLE AGENCY CONSULTATION

None

INITIAL STUDY

The San Mateo County Current Planning Section has reviewed the Environmental Evaluation of this project and has found that the probable environmental impacts are less-than-significant. A copy of the initial study is attached.

REVIEW PERIOD: October 18, 2017 – November 17, 2017

All comments regarding the correctness, completeness, or adequacy of this Negative Declaration must be received by the County Planning and Building Department, 455 County Center, Second Floor, Redwood City, no later than **5:00 p.m., November 17, 2017**.

CONTACT PERSON

Michael Schaller
Project Planner, 650/363-1849
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M. Schaller

Michael Schaller, Project Planner

County of San Mateo
Planning and Building Department

INITIAL STUDY
ENVIRONMENTAL EVALUATION CHECKLIST
(To Be Completed by Planning Department)

1. **Project Title:** Commercial Cannabis Cultivation Ordinance

2. **County File Number:** MNA 2017-00023

3. **Lead Agency Name and Address:** San Mateo County Planning Department
455 County Center, 2nd Floor
Redwood City, CA 94063

4. **Contact Person and Phone Number:** Michael Schaller, Senior Planner
650/363-1849

5. **Project Location:** All lands designated as "Agriculture" on the San Mateo County General Plan Land Use Map. These lands are distributed throughout the Coastal Zone of unincorporated San Mateo County. Also, lands designated as "Open Space – Rural" or "Timber Production – Rural" on the San Mateo County General Plan Land Use Map where said lands have documented commercial agricultural operations for three consecutive years prior to adoption of the proposed ordinance.

6. **Assessor's Parcel Number and Size of Parcel:** Various

7. **Project Sponsor's Name and Address:** San Mateo County Planning & Building Department
455 County Center, 2nd Floor
Redwood City, CA 94063

8. **General Plan Designation:** Agriculture (and Open Space – Rural and Timber Production – Rural where three consecutive years of commercial agricultural operations prior to the adoption of the proposed ordinance is documented).

9. **Zoning:** Primarily PAD (Planned Agriculture Development). However, there are a few parcels with the "Agriculture" land use designation that also are zoned RM-CZ (Resource Management - Coastal Zone). Commercial cultivation operations could also occur on land zoned RM-CZ or TPZ-CZ (Timber Production Zone – Coastal Zone) if the applicant can document that there have been three consecutive years of commercial agricultural operations on the parcel prior to the adoption of the proposed ordinance.

10. **Description of the Project:** The proposed ordinance will add a new chapter to Title 5 (Business Regulations) of the San Mateo County Ordinance Code (Chapter 5.148) to establish regulations and a license requirement for the cultivation of commercial cannabis in the unincorporated Area of San Mateo County. Under the proposed ordinance, commercial cultivation of cannabis will be permitted, subject to the issuance of a business license, in those areas identified in item 5, above. The County will only issue licenses for mixed-light (i.e. greenhouse) cultivation and greenhouse nursery cultivation operations. The proposed ordinance will not alter any existing County Zoning Regulations or Local Coastal Program

provisions; as a result, construction of any new greenhouse structures for cannabis cultivation purposes will be subject to future discretionary review and permitting procedures. The proposed ordinance also limits the size and number of potential cannabis cultivation operations on a given site. Commercial cannabis cultivation operations will be able to occur in existing greenhouses under the proposed ordinance without additional environmental review, but subject to issuance of a ministerial business license.

The proposed ordinance seeks to protect existing agricultural use by requiring that commercial cannabis cultivation not displace any non-cannabis commercial agricultural production existing as of January 1, 2017. Alternatively, a person seeking to engage in commercial cannabis cultivation may offset a proposed cultivation site by relocating existing agricultural production to another area of the property on a 1:1 ratio, provided such relocation does not conflict with any applicable policy or regulation.

Indoor cultivation (in any building but a greenhouse) and outdoor cultivation for commercial purposes will continue to be prohibited in the unincorporated County. The ordinance will also establish setbacks from specified land uses, including residential areas, performance standards for such operations, and a process for the review of license applications. See Attachment A for the draft proposed ordinance.

11. **Surrounding Land Uses and Setting:** Various

12. **Other Public Agencies Whose Approval is Required:** CalCannabis Cultivation Licensing

13. **Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code section 21080.3.1? If so, has consultation begun?:**

    No local Native American tribes have submitted requests to the County for consultation per PRC Section 21080.3.1. This particular Initial Study is focused upon the potential impacts of adoption of an ordinance and as such, there is no specific piece of land that is being considered for development. If in the future, an application to develop a specific piece of land is submitted to the County, then consultation, as required under PRC Section 21080.3.1 will occur at that time.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" or "Significant Unless Mitigated" as indicated by the checklist on the following pages.

	Aesthetics		Climate Change		Population/Housing
	Agricultural/Forest Resources		Hazards/Hazardous Materials		Public Services
	Air Quality		Hydrology/Water Quality		Recreation
	Biological Resources		Land Use/Planning		Transportation/Traffic
	Cultural Resources		Mineral Resources		Tribal Cultural Resources
	Geology/Soils		Noise		Utilities/Service Systems
	Mandatory Findings of Significance				

EVALUATION OF ENVIRONMENTAL IMPACTS

1. A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).

2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.

3. Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.

4. "Negative Declaration: Less Than Significant with Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from "Earlier Analyses," as described in 5. below, may be cross-referenced).

5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration (Section 15063(c)(3)(D)). In this case, a brief discussion should identify the following:

    a. Earlier Analysis Used. Identify and state where they are available for review.

    b. Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.

    c. Mitigation Measures. For effects that are "Less Than Significant with Mitigation Measures Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.

6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.

7. Supporting Information Sources. Sources used or individuals contacted should be cited in the discussion.

1. **AESTHETICS**. Would the project:				
	Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
1.a. Have a significant adverse effect on a scenic vista, views from existing residential areas, public lands, water bodies, or roads?				X
Discussion: The proposed ordinance will not authorize any new development by right. Existing greenhouse structures may be used for commercial cultivation of cannabis, subject to receipt of the required business license, but no new development activities would be permitted. The construction of new structures for cultivation (i.e. greenhouses) is still subject to existing permitting requirements, including discretionary Planning permits. Any future construction of new greenhouses and/or site development that could potentially be used for commercial cultivation will be subject to a separate permitting process at that time. Such a future permitting process will consider the impacts of the physical development of the parcel, including applicable design standards contained within the County Zoning Regulations and Local Coastal Plan, which are designed, in part, to protect scenic vistas and views from existing residential areas and public lands. **Source:** County of San Mateo, *Zoning Regulations;* County of San Mateo *Local Coastal Program*				
1.b. Significantly damage or destroy scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				X
Discussion: See discussion under Question 1(a). **Source:**				
1.c. Significantly degrade the existing visual character or quality of the site and its surroundings, including significant change in topography or ground surface relief features, and/or development on a ridgeline?				X
Discussion: See discussion under Question 1(a). In addition, the proposed ordinance provides that individuals engaging in commercial cannabis cultivation must ensure that no cannabis or cannabis products can be seen by persons on adjacent properties or from the public right-of-way; that cannabis operations shall be screened from public view by native, fire resistant vegetation; and that fencing shall be consistent with the surrounding area and shall not diminish the visible quality of the premises where the cultivation occurs or the surrounding area. (5.148.130(g); 5.148.160(i).) **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*				

1.d.	Create a new source of significant light or glare that would adversely affect day or nighttime views in the area?				X
Discussion: The proposed ordinance will not authorize or facilitate the construction of any new structures. Any future structural development that could potentially be used for commercial cultivation will be subject to the design review standards contained within the County's Local Coastal Plan, which include standards for outdoor lighting. Further, the proposed ordinance provides that all lighting shall be fully shielded, downward casting, and not spill over onto other structures, other properties, or the night sky; that all operations shall be fully contained so that little to no light escapes; and that light shall not escape at a level that is visible from neighboring properties or the public right of way between sunset to sunrise. (5.148.160(h).) **Source:** County of San Mateo *Local Coastal Program,* Proposed Ordinance, *Commercial Cultivation of Cannabis*					
1.e.	Be adjacent to a designated Scenic Highway or within a State or County Scenic Corridor?				X
Discussion: Some existing or future structures that may be used for commercial cultivation under the proposed ordinance may be located within designated Scenic Corridors. However, all cultivation operations must occur within enclosed buildings, specifically within mixed-light greenhouses. The greenhouse structures used for cultivation of cannabis will be visually indistinguishable from those used for any other agricultural operation. As such, any new structural development associated with such operations will be reviewed under the same visual resources standards of the LCP as all other agricultural structures. **Source:** County of San Mateo, *Zoning Regulations;* County of San Mateo *Local Coastal Program*					
1.f.	If within a Design Review District, conflict with applicable General Plan or Zoning Ordinance provisions?				X
Discussion: See discussion under Question 1(a). **Source:**					
1.g.	Visually intrude into an area having natural scenic qualities?				X
Discussion: See discussion under Question 1(e). **Source:**					

2. AGRICULTURAL AND FOREST RESOURCES. In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the State's inventory of forestland, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:

		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
2.a.	For lands outside the Coastal Zone, convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				X

Discussion: State law (California Business and Professions Code Section 26069(a)) defines cannabis as an agricultural product. As a result, the commercial cultivation of cannabis under the proposed ordinance is considered an agricultural use.

Source:

2.b.	Conflict with existing zoning for agricultural use, an existing Open Space Easement, or a Williamson Act contract?				X

Discussion: As stated above, the cultivation of cannabis is considered an agricultural operation. Operations may be allowed on lands under a Williamson Act contract as long as they comply with the requirements of the County's Land Conservation Act Uniform Rules and Procedures.

Source: County of San Mateo, *Zoning Regulations;* Proposed Ordinance, *Commercial Cultivation of Cannabis*

2.c.	Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forestland to non-forest use?				X

Discussion: As discussed above, the cultivation of cannabis is defined as an agricultural operation by State law. The proposed ordinance will allow cannabis cultivation subject to a business license within existing greenhouse structures, which will not cause the conversion of any farmland or forestland. The proposed ordinance seeks to protect existing agricultural use by requiring that commercial cannabis cultivation not displace any non-cannabis commercial agricultural production existing as of January 1, 2017. Alternatively, a person seeking to engage in commercial cannabis

cultivation may offset a proposed cultivation site by relocating existing agricultural production to another area of the property on a 1:1 ratio, provided such relocation does not conflict with any applicable policy or regulation.

There is the potential that a future operation could propose to convert existing forestland to commercial cultivation operation by proposing the development of new greenhouses. However, no such proposal is before the County at this time. If such an application for development of a new greenhouse structure were submitted, then the ramifications of such conversion would be considered at that time.

Source: County of San Mateo, *Zoning Regulations;* Proposed Ordinance, *Commercial Cultivation of Cannabis*

2.d.	For lands within the Coastal Zone, convert or divide lands identified as Class I or Class II Agriculture Soils and Class III Soils rated good or very good for artichokes or Brussels sprouts?				X
Discussion: See discussion under Question 2(c). **Source:**					
2.e.	Result in damage to soil capability or loss of agricultural land?				X
Discussion: See discussion under Question 2(c). **Source:**					
2.f.	Conflict with existing zoning for, or cause rezoning of, forestland (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))? *Note to reader: This question seeks to address the economic impact of converting forestland to a non-timber harvesting use.*				X
Discussion: See discussion under Question 2(c). **Source:**					

3. AIR QUALITY. Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:

		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
3.a.	Conflict with or obstruct implementation of the applicable air quality plan?				X

Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses subject to a business license. There is no evidence at this time that such operations will emit hazardous emissions that will violate standards contained in the 2010 Bay Area Clean Air Plan. There is the potential that future construction of greenhouses for cultivation could generate dust and particulate emissions akin to any typical construction project. Construction of any new greenhouses would require discretionary permits pursuant to the County's existing land use regulations. If such proposals are submitted in the future, they will be evaluated under CEQA for impacts at that time. Further, the proposed ordinance requires the use of renewable energy sources and prohibits fossil-fuel generators except for portable temporary use in emergencies. (5.148.160(m).) It also requires that commercial cannabis operations include proper ventilation and odor control filtration. (5.148.130(f).)

Source: Bay Area Air Quality Management District (BAAQMD), 2010. Bay Area 2010 Clean Air Plan. Proposed Ordinance, *Commercial Cultivation of Cannabis*

3.b.	Violate any air quality standard or contribute significantly to an existing or projected air quality violation?				X

Discussion: See discussion under Question 3(a).

Source:

3.c.	Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable Federal or State ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?				X

Discussion: See discussion under Question 3(a).

Source:

3.d.	Expose sensitive receptors to significant pollutant concentrations, as defined by BAAQMD?				X

Discussion: See discussion under Question 3(a).

Source:

3.e.	Create objectionable odors affecting a significant number of people?				X
Discussion: See discussion under Question 3(a). **Source:**					
3.f.	Generate pollutants (hydrocarbon, thermal odor, dust or smoke particulates, radiation, etc.) that will violate existing standards of air quality on-site or in the surrounding area?				X
Discussion: See discussion under Question 3(a). **Source:**					

4.	**BIOLOGICAL RESOURCES**. Would the project:				
		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
4.a.	Have a significant adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance does not authorize any new construction or modify any land use regulations. As a result, the proposed ordinance would not authorize any land disturbance that could result in any adverse impacts to sensitive habitats or species. Any impacts to biological resources due to the construction of any future greenhouse buildings that could potentially be used for cultivation will be subject to future discretionary review, including CEQA review. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
4.b.	Have a significant adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?				X
Discussion: See discussion under Question 4(a). Additionally, the proposed ordinance provides					

that runoff containing sediment or other waste or byproducts, including fertilizers and pesticides, shall not be allowed to drain to any storm drain system, waterways, or adjacent lands, and shall comply with all applicable state and federal laws, and that individuals must develop a plan for compliance before engaging in commercial cannabis cultivation. (5.148.160(j).) It also provides that individuals must provide a plan for storing, handling, and disposing of all waste by-products and, at a minimum, characterize the anticipated amount and types of waste generated, identify the designated holding area(s) for cannabis waste, and describe operational measures that are proposed to manage, track/identify, and dispose of cannabis waste in compliance with county and state standards. (5.148.160(q).) **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
4.c.	Have a significant adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				X
Discussion: See discussion under Questions 4(a), 4(b). **Source:**					
4.d.	Interfere significantly with the movement of any native resident or migratory fish or wildlife species or with established native resident migratory wildlife corridors, or impede the use of native wildlife nursery sites?				X
Discussion: See discussion under Questions 4(a), 4(b). **Source:**					
4.e.	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance (including the County Heritage and Significant Tree Ordinances)?				X
Discussion: See discussion under Questions 4(a), 4(b). **Source:**					
4.f.	Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Conservation Community Plan, other approved local, regional, or State habitat conservation plan?				X
Discussion: See discussion under Questions 4(a), 4(b). **Source:**					

4.g.	Be located inside or within 200 feet of a marine or wildlife reserve?				X
Discussion: See discussion under Question 4(a). **Source:**					
4.h.	Result in loss of oak woodlands or other non-timber woodlands?				X
Discussion: See discussion under Question 4(a). **Source:**					

5.	**CULTURAL RESOURCES**. Would the project:				
		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
5.a.	Cause a significant adverse change in the significance of a historical resource as defined in CEQA Section 15064.5?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed buildings (mixed-light greenhouses). Adoption of the proposed ordinance amendment does not authorize any new construction. Adoption of the proposed ordinance does not automatically authorize any adverse impacts to cultural or historic resources. Any potential impacts upon cultural or historic resources due to the construction of any future greenhouse buildings that could potentially be used for cultivation will be analyzed at that time for that specific project. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
5.b.	Cause a significant adverse change in the significance of an archaeological resource pursuant to CEQA Section 15064.5?				X
Discussion: See discussion under Question 5(a). **Source:**					
5.c.	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				X
Discussion: See discussion under Question 5(a). **Source:**					

5.d.	Disturb any human remains, including those interred outside of formal cemeteries?				X
Discussion: See discussion under Question 5(a). **Source:**					

6.	**GEOLOGY AND SOILS**. Would the project:				
		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
6.a.	Expose people or structures to potential significant adverse effects, including the risk of loss, injury, or death involving the following, or create a situation that results in:				X
	i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other significant evidence of a known fault? *Note: Refer to Division of Mines and Geology Special Publication 42 and the County Geotechnical Hazards Synthesis Map.*				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed buildings (mixed-light greenhouses). Adoption of the proposed ordinance amendment does not authorize any new construction. This category of impact is site specific. Any potential impacts due to construction on or affecting geologic resources/hazards will be analyzed at the time that a specific project is proposed on a specific piece of land using applicable standards. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
	ii. Strong seismic ground shaking?				X
Discussion: See discussion under Question 6(a)(i). **Source:**					
	iii. Seismic-related ground failure, including liquefaction and differential settling?				X
Discussion: See discussion under Question 6(a)(i).					

Source:				
iv. Landslides?				X
Discussion: See discussion under Question 6(a)(i). **Source:**				
v. Coastal cliff/bluff instability or erosion? *Note to reader: This question is looking at instability under current conditions. Future, potential instability is looked at in Section 7 (Climate Change).*				X
Discussion: See discussion under Question 6(a)(i). **Source:**				
6.b. Result in significant soil erosion or the loss of topsoil?				X
Discussion: See discussion under Question 6(a)(i). **Source:**				
6.c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, severe erosion, liquefaction or collapse?				X
Discussion: See discussion under Question 6(a)(i). **Source:**				
6.d. Be located on expansive soil, as noted in the 2010 California Building Code, creating significant risks to life or property?				X
Discussion: See discussion under Question 6(a)(i). **Source:**				
6.e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?				X
Discussion: See discussion under Question 6(a)(i). **Source:**				

7.	**CLIMATE CHANGE**. Would the project:				
		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
7.a.	Generate greenhouse gas (GHG) emissions (including methane), either directly or indirectly, that may have a significant impact on the environment?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction, and there is no evidence that the introduction of cannabis cultivation to existing greenhouses will significantly alter GHG generation from other agricultural uses. The construction of new greenhouses in the County will require future discretionary review, and is not permitted by right under the proposed ordinance. The generation of significant levels of GHG gasses due to the construction of any future greenhouse buildings will be analyzed at that time for that specific project using applicable standards. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
7.b.	Conflict with an applicable plan (including a local climate action plan), policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?				X
Discussion: See discussion under Question 7(a). **Source:**					
7.c.	Result in the loss of forestland or conversion of forestland to non-forest use, such that it would release signifi-cant amounts of GHG emissions, or significantly reduce GHG sequestering?				X
Discussion: See discussion under Question 7(a). **Source:**					
7.d.	Expose new or existing structures and/or infrastructure (e.g., leach fields) to accelerated coastal cliff/bluff erosion due to rising sea levels?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction. This category of impact is site specific. Any potential impacts due to construction on or near coastal cliffs/bluffs will be analyzed at					

the time that a specific project is proposed on a specific piece of land using applicable standards. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
7.e.	Expose people or structures to a significant risk of loss, injury or death involving sea level rise?				X
Discussion: See discussion under Question 7(d). **Source:**					
7.f.	Place structures within an anticipated 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction. This category of impact is site specific. Any potential impacts due to construction on or near lands within a mapped flood hazard area will be analyzed at the time that a specific project is proposed on a specific piece of land using applicable standards. **Source:**					
7.g.	Place within an anticipated 100-year flood hazard area structures that would impede or redirect flood flows?				X
Discussion: See discussion under Question 7(f). **Source:**					

8.	**HAZARDS AND HAZARDOUS MATERIALS**. Would the project:				
		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
8.a.	Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials (e.g., pesticides, herbicides, other toxic substances, or radioactive material)?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. The County's proposed ordinance does not require that this plant be grown organically. Therefore it is possible that individual growers will utilize commercial pesticides and/or herbicides as with other agricultural					

crops. The transportation, storage and use of commercial pesticides and herbicides is regulated by the State and overseen by the County Agricultural Commissioner. Hazardous materials (toxic substances or radioactive material) are regulated by the State and overseen by the County Environmental Health Director. Further, the proposed ordinance expressly requires growers who utilize hazardous materials to comply with all applicable county and state hazardous materials requirements (Sect. 5.148.160(p)). Additionally, the proposed ordinance provides that runoff containing sediment or other waste or byproducts, including fertilizers and pesticides, shall not be allowed to drain to a storm drain system, waterways, or adjacent lands, and shall comply with all applicable state and federal laws, and that individuals must develop a plan for compliance before engaging in commercial cannabis cultivation (Sect. 5.148.160(j)) It also provides that individuals must provide a plan for storing, handling, and disposing of all waste by products and, at minimum, characterize the anticipated amount and types of waste generated, identify the designated holding area(s) for cannabis waste, and describe operational measures that are proposed to manage, track/identify, and dispose of cannabis waste in compliance with county and state standards. (Sect. 5.148.160(q)). There is no evidence to suggest at this time that adoption of the ordinance will result in improper handling of such substances.

Source: Proposed Ordinance, *Commercial Cultivation of Cannabis*

8.b.	Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?				X

Discussion: See discussion under Question 8(a).

Source:

8.c.	Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				X

Discussion: In addition to the discussion under Question 8(a), this question is predicated upon activities/development occurring on a known, specific location. At the present time, it not known on a parcel by parcel basis where commercial growers will seek to establish growing operations. The proposed ordinance does require all commercial cultivation operations to be a minimum of 1,000 feet from all schools. In addition, as described under Question 8(a), any hazardous materials used for cultivation operations would be subject to regulatory oversight.

Source: Proposed Ordinance, *Commercial Cultivation of Cannabis*

8.d.	Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				X

Discussion: See discussion under Question 8(a) and (c).

Source:					
8.e.	For a project located within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, result in a safety hazard for people residing or working in the project area?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction. This category of impact is site specific. Any potential impacts due to construction on or near lands within two miles of an airport will be analyzed at the time that a specific project is proposed on a specific piece of land using applicable standards. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
8.f.	For a project within the vicinity of a private airstrip, result in a safety hazard for people residing or working in the project area?				X
Discussion: See discussion under Question 8(e). **Source:**					
8.g.	Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed mixed-light greenhouses. There is no evidence to conclude that implementation of the proposed ordinance will impair an adopted emergency response or evacuation plan. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
8.h.	Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction. This category of impact is site specific. Any potential impacts due to construction on or near lands within a mapped wildland fire hazard area will be analyzed at the time that a specific project is proposed on a specific piece of land using applicable standards. **Source:**					

8.i.	Place housing within an existing 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				X
Discussion: See discussion under Question 7(f). **Source:**					
8.j.	Place within an existing 100-year flood hazard area structures that would impede or redirect flood flows?				X
Discussion: See discussion under Question 7(f). **Source:**					
8.k.	Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				X
Discussion: See discussion under Question 7(f). **Source:**					
8.l.	Inundation by seiche, tsunami, or mudflow?				X
Discussion: See discussion under Question 7(f). **Source:**					

9.	**HYDROLOGY AND WATER QUALITY**. Would the project:				
		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
9.a.	Violate any water quality standards or waste discharge requirements (consider water quality parameters such as temperature, dissolved oxygen, turbidity and other typical stormwater pollutants (e.g., heavy metals, pathogens, petroleum derivatives, synthetic organics, sediment, nutrients, oxygen-demanding substances, and trash))?			X	
Discussion: This category of impact is both project and site specific. The proposed ordinance includes requirements for compliance with the Waste Discharge Requirements of the Regional					

Water Quality Control Board (see Section 5.148.160(k) of the attached draft ordinance). This section of the draft ordinance requires submittal of a wastewater treatment plan as part of the application process. Said plan will be reviewed by the County Environmental Health Department for compliance with applicable State and Local regulations. The plan must show how excess irrigation water or effluent form cultivation areas shall be directed to a treatment and distribution system, irrigation, greywater or bio-retention treatment system. Implementation of this requirement will reduce potential impacts due to wastewater treatment to a less than significant level. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*				
9.b.	Significantly deplete groundwater supplies or interfere significantly with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?			X	
Discussion: This category of impact is both project and site specific. As discussed previously, the commercial cultivation of cannabis is an agricultural operation. This category of impact is project specific. Section 5.148.160(r) of the proposed ordinance requires all applicants to identify a water source "adequate to meet all cultivation uses on a sustainable basis". The proposed water supply must be from a well or other source that has been legally permitted by the County. Implementation of this requirement will reduce potential impacts due to increases in stormwater runoff to a less than significant level. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*				
9.c.	Significantly alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in significant erosion or siltation on- or off-site?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction. This category of impact is site specific. Any potential alteration of existing drainage patterns due to construction of new or alteration of existing greenhouses will be analyzed at the time that a specific project is proposed on a specific piece of land using applicable standards. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*				
9.d.	Significantly alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or significantly increase the rate or amount of surface runoff in a manner that would result in flooding on-				X

	or off-site?				
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction. This category of impact is site specific. Any change in the amount of surface runoff due to construction of new or alteration of existing greenhouses will be analyzed at the time that a specific project is proposed on a specific piece of land using applicable standards. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
9.e.	Create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide significant additional sources of polluted runoff?				X
Discussion: See discussion under Questions 9(c) and 9(d). **Source:**					
9.f.	Significantly degrade surface or ground-water water quality?				X
Discussion: See discussion under Questions 9(c) and 9(d). **Source:**					
9.g.	Result in increased impervious surfaces and associated increased runoff?				X
Discussion: See discussion under Questions 9(c) and 9(d). **Source:**					

10.	**LAND USE AND PLANNING**. Would the project:				
		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
10.a.	Physically divide an established community?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction. That being said, all lands on which the proposed ordinance is applicable are located outside of established communities within San Mateo County. **Source:** Proposed Ordinance, San Mateo County *General Plan Land Use Map*					

10.b.	Conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the project (including, but not limited to, the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				X
Discussion: As discussed previously, the commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Indeed, the proposed ordinance requires all individuals seeking to engage in commercial cannabis cultivation to provide evidence that the proposed operation meets all state and county land use and zoning requirements. (Sect. 5.148.060(b)(10). There is no evidence that the ordinance will directly result in significant environmental impacts or will conflict with adopted plans or policies. Potential impacts caused by the development of vacant land with greenhouses will be examined if and when such projects are proposed and considered using applicable standards. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
10.c.	Conflict with any applicable habitat conservation plan or natural community conservation plan?				X
Discussion: See discussion under Question 10(c) **Source:**					
10.d.	Result in the congregating of more than 50 people on a regular basis?			X	
Discussion: Because neither the State nor the County's regulations for commercial cultivation have gone into effect, no actual proposals have been submitted at this time. Therefore, it is not known whether a commercial operation will result in the congregating of 50 or more employees on a regular basis. However, performance standards included in the proposed ordinance require any potential growing operation to comply with workplace safety standards, parking requirements, etc. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
10.e.	Result in the introduction of activities not currently found within the community?				X
Discussion: Commercial cultivation of cannabis for recreational purposes has, up to this point in time, not been legal. The adoption of new regulations at the State and Local level has introduced a new crop. However, State law recognizes cannabis as an agricultural product. And San Mateo County has an established agricultural greenhouse industry producing a wide variety of greenhouse crops. The proposed ordinance restricts cannabis cultivation to enclosed greenhouse structures. In addition, commercial cannabis cultivation is limited to the designated agricultural areas of the County. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
10.f.	Serve to encourage off-site development of presently undeveloped areas or			X	

	increase development intensity of already developed areas (examples include the introduction of new or expanded public utilities, new industry, commercial facilities or recreation activities)?				
Discussion: While it is possible that adoption of the proposed ordinance could lead to the development of new greenhouses on currently undeveloped agricultural land, development of a greenhouse complex on a vacant piece of agricultural land would be subject to an extensive review, permitting and mitigation process and could be extremely expensive depending upon the amount of improvements necessary to build the greenhouses (construction of roads, septic system, site grading/preparation, etc.). This also assumes that a potential development site has an adequate water source for irrigation, fire suppression and domestic consumption. Given development standards and these uncertainties, it would be speculative to assume that adoption of the proposed ordinance will lead to a significant increase in the development of greenhouse complexes within the County. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
10.g.	Create a significant new demand for housing?			X	
Discussion: While it is hoped that permitting the commercial cultivation of cannabis will lead to job creation, it is not anticipated that the number of potential jobs created in San Mateo County will result in a significant new demand for housing, above and beyond that demand which already exists. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					

11.	**MINERAL RESOURCES**. Would the project:				
		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
11.a.	Result in the loss of availability of a known mineral resource that would be of value to the region or the residents of the State?				X
Discussion: As discussed previously, the commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. In cases where a cultivation business is proposed within existing greenhouses, any impact to known mineral resources occurred when those buildings were originally constructed. Potential impacts upon mineral resources caused by the development of vacant land with new greenhouses will be examined if and when such projects are proposed. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
11.b.	Result in the loss of availability of a locally important mineral resource recovery site delineated on a local				X

	general plan, specific plan or other land use plan?				
Discussion: See discussion under Question 11(a). **Source:**					

12.	**NOISE**. Would the project result in:				
		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
12.a.	Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?			X	
Discussion: As discussed previously, the commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Greenhouses typically use fans to pull outside air into the building and circulate it, which does generate noise. The proposed ordinance clearly states that these commercial operations are subject to the County's noise regulations which does not exempt stationary noise sources associated with agriculture. Therefore, if the operation of a greenhouse air circulation system were to violate the noise standards contained in the County noise regulations, it would be subject to code enforcement action just as any other noise violation would. That being said, there are numerous greenhouses within the County with such air circulation systems. To the best of staff's knowledge, noise complaints associated with these buildings have been minimal. Also, as discussed previously any noise impacts that could be associated with the construction or use of new greenhouses for cultivation will be analyzed at the time such projects are proposed. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*				
12.b.	Exposure of persons to or generation of excessive ground-borne vibration or ground-borne noise levels?			X	
Discussion: See discussion under Question 12(a). **Source:**					
12.c.	A significant permanent increase in ambient noise levels in the project vicinity above levels existing without the project?			X	
Discussion: See discussion under Question 12(a). **Source:**					

12.d.	A significant temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?			X	
Discussion: See discussion under Question 12(a). **Source:**					
12.e.	For a project located within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, exposure to people residing or working in the project area to excessive noise levels?				X
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction. This category of impact is site specific. Any potential impacts due to construction on or near lands within two miles of an airport will be analyzed at the time that a specific project is proposed on a specific piece of land. **Source:**					
12.f.	For a project within the vicinity of a private airstrip, exposure to people residing or working in the project area to excessive noise levels?				X
Discussion: See discussion under Question 12(e). **Source:**					

13.	**POPULATION AND HOUSING**. Would the project:				
		Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
13.a.	Induce significant population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?			X	
Discussion: See discussion under Question 10(g). **Source:**					

13.b. Displace existing housing **(including low- or moderate-income housing)**, in an area that is substantially deficient in housing, necessitating the construction of replacement housing elsewhere?				X

Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction. As discussed previously, commercial cultivation will only be allowed on land designated as "Agriculture" on the San Mateo County General Plan Land Use map, or on land that has a documented history of agriculture. Proposed cultivation within existing greenhouses will by definition, not displace existing housing. New greenhouse construction will not displace existing housing because the proposed ordinance requires all commercial cultivation operations to be a minimum of 300 feet from an existing residence.

Source: Proposed Ordinance, *Commercial Cultivation of Cannabis*

14. PUBLIC SERVICES. Would the project result in significant adverse physical impacts associated with the provision of new or physically altered government facilities, the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

	Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
14.a. Fire protection?			X	
14.b. Police protection?			X	
14.c. Schools?				X
14.d. Parks?				X
14.e. Other public facilities or utilities (e.g., hospitals, or electrical/natural gas supply systems)?				X

Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction and substantially limits the size and number of cannabis cultivation operations on a site. While the construction of new greenhouses could potentially trigger the need for additional fire and police services, the likelihood is that new greenhouses will be scattered throughout the agricultural area of the County, making the possibility of needing additional facilities (due to the concentration of development) unlikely. The proposed ordinance includes detailed surveillance and alarm-system requirements, and requires all individuals seeking to engage in commercial cannabis cultivation to prepare and implement a fire prevention plan, which must, at a minimum, include emergency vehicle access and turn-around at the site,

vegetation management, and fire break maintenance around all structures. (Sect. 5.148.130(d) and (e); Sect. 5.148.160(g)). The proposed ordinance also requires inspections by the Sheriff's Office and applicable fire protection district. (Sect. 5.148.060(b)(12); Sect. 5.148 160(i)). Finally, the proposed ordinance includes a 1000-foot set-back from all schools, youth centers, and parks. (Sect. 5.148.160(d)).

Source: Proposed Ordinance, *Commercial Cultivation of Cannabis*

15. RECREATION. Would the project:				
	Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
15.a. Increase the use of existing neighborhood or regional parks or other recreational facilities such that significant physical deterioration of the facility would occur or be accelerated?				X

Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction. As was discussed previously, it is not anticipated that allowing commercial cultivation will result in a significant increase in the number of workers and/or residents who are working within this segment of the agricultural workforce.

Source: Proposed Ordinance, *Commercial Cultivation of Cannabis*

15.b. Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?				X

Discussion: See discussion under Question 15(a).

Source:

16. TRANSPORTATION/TRAFFIC. Would the project:				
	Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
16.a. Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and			X	

	relevant components of the circulation system, including, but not limited to, intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?				
Discussion: The commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. Adoption of the proposed ordinance amendment does not authorize any new construction and substantially limits on the size and number of cannabis cultivation operations on a site. As has been discussed previously, there is no evidence to suggest that the establishment of commercial cultivation within the agricultural areas of the County will generate significant new levels of traffic above what exists at the present time. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
16.b.	Conflict with an applicable congestion management program, including, but not limited to, level of service standards and travel demand measures, or other standards established by the County congestion management agency for designated roads or highways?				X
Discussion: See discussion under Question 16(a). **Source:**					
16.c.	Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in significant safety risks?				X
Discussion: The proposed ordinance is related to agricultural operations. There is no evidence to suggest that adoption of the ordinance will impact air traffic patterns in any way. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
16.d.	Significantly increase hazards to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				X
Discussion: As discussed previously, the commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. This category of impact is both site and project specific. No permit applications for commercial cultivation have been submitted yet, though circumstances dictate successful applications would be limited to an already existing greenhouse structure. The policy does not authorize the construction of new greenhouses, and potential impacts caused by the development of vacant land with greenhouses will be examined if and when such projects are proposed. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
16.e.	Result in inadequate emergency access?				X

Discussion: See discussion under Question 16(e). **Source:**				
16.f. Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?				X
Discussion: See discussion under Question 16(e). **Source:**				
16.g. Cause noticeable increase in pedestrian traffic or a change in pedestrian patterns?				X
Discussion: See discussion under Question 16(e). **Source:**				
16.h. Result in inadequate parking capacity?				X
Discussion: See discussion under Question 16(e). **Source:**				

17. TRIBAL CULTURAL RESOURCES. Would the project:				
	Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
17.a. Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				X
i. Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k)				X
Discussion: As discussed previously, the commercial cultivation of cannabis is an agricultural				

operation that, under the proposed ordinance, can only occur within enclosed greenhouses. This category of impact is both site and project specific. No permit applications for commercial cultivation have been submitted yet. Potential impacts caused by the development of vacant land with greenhouses will be examined if and when such projects are proposed.

Source: Proposed Ordinance, *Commercial Cultivation of Cannabis*

ii. A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. (In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.)				X

Discussion: See discussion under Question 17(a)(ii).

Source:

18. UTILITIES AND SERVICE SYSTEMS. Would the project:				
	Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
18.a. Exceed wastewater treatment require-ments of the applicable Regional Water Quality Control Board?			X	

Discussion: The proposed ordinance includes requirements for compliance with the Waste Discharge Requirements of the Regional Water Quality Control Board (see Section 5.148.160(k) of the attached draft Ordinance). This section of the draft ordinance requires submittal of a wastewater treatment plan as part of the application process. Said plan will be reviewed by the County Environmental Health Department for compliance with applicable State and Local regulations. The plan must show how excess irrigation water or effluent form cultivation areas shall be directed to a treatment and distribution system, irrigation, greywater or bio-retention treatment system. Implementation of this requirement will reduce potential impacts due to wastewater treatment to a less than significant level.

Source: Proposed Ordinance, *Commercial Cultivation of Cannabis*

18.b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	

Discussion: See discussion under Question 18(a).

Source:

18.c.	Require or result in the construction of new stormwater drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	

Discussion: As discussed previously, the commercial cultivation of cannabis is an agricultural operation that, under the proposed ordinance, can only occur within enclosed greenhouses. This category of impact is project specific. No permit applications for commercial cultivation have been submitted yet. Potential impacts caused by the development of vacant land with greenhouses will be examined if and when such projects are proposed. That being the case, Section 5.148.160(j) of the proposed Ordinance requires the submittal of a stormwater management plan for any new construction. Implementation of this requirement will reduce potential impacts due to increases in stormwater runoff to a less than significant level.

Source: Proposed Ordinance, *Commercial Cultivation of Cannabis*

18.d.	Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?			X	

Discussion: As discussed previously, the commercial cultivation of cannabis is an agricultural operation. This category of impact is project specific. No permit applications for commercial cultivation have been submitted yet. Section 5.148.160(r) of the proposed Ordinance requires all applicants to identify a water source "adequate to meet all cultivation uses on a sustainable basis". The proposed water supply must be from a well or other source that has been legally permitted by the County. Implementation of this requirement will reduce potential impacts due to increases in stormwater runoff to a less than significant level.

Source: Proposed Ordinance, *Commercial Cultivation of Cannabis*

18.e.	Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?			X	

Discussion: This category of impact is both site and project specific. No permit applications for commercial cultivation have been submitted yet. Most areas designated as "Agriculture" or that have been used for agriculture over the last three years tend to be outside of the boundaries of the County's various sewer districts. However, for those few areas that do fall within district boundaries, the individual sewer district's ability to provide service will be assessed at the time an application is

submitted. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
18.f.	Be served by a landfill with insufficient permitted capacity to accommodate the project's solid waste disposal needs?			X	
Discussion: At the present time, the County's landfill (Ox Mountain Landfill) still has capacity to serve the County's residents and businesses. As with all businesses and residences in the County, any potential cultivation business would be required to recycle and compost organic waste as much as possible. The county policy substantially limits on the size and number of cannabis cultivation operations on a site so it is not anticipated that these potential cultivation businesses will generate such a significant increase in solid waste that they overwhelm Ox Mountain's current capacity. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
18.g.	Comply with Federal, State, and local statutes and regulations related to solid waste?			X	
Discussion: See discussion under Question 18(f). **Source:**					
18.h.	Be sited, oriented, and/or designed to minimize energy consumption, including transportation energy; incorporate water conservation and solid waste reduction measures; and incorporate solar or other alternative energy sources?				X
Discussion: This category of impact is both site and project specific. No permit applications for commercial cultivation have been submitted yet. Section 5.148.160(r) of the proposed Ordinance requires required water conservation measures as part of the facility operations plan. Compliance with other measures such as incorporation of solar energy will be analyzed at the time an applicant for new development is submitted. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					
18.i.	Generate any demands that will cause a public facility or utility to reach or exceed its capacity?				X
Discussion: As discussed previously, the commercial cultivation of cannabis is an agricultural operation. This category of impact is project specific. No permit applications for commercial cultivation have been submitted yet and the county policy substantially limits on the size and number of cannabis operations on a site. There is no evidence to suggest that the proposed ordinance, in and of itself, will result in such an increase in demand as to cause any public facilities or utilities within the County to exceed their capacity. **Source:** Proposed Ordinance, *Commercial Cultivation of Cannabis*					

19. MANDATORY FINDINGS OF SIGNIFICANCE.				
	Potentially Significant Impacts	***Significant Unless Mitigated***	***Less Than Significant Impact***	***No Impact***
19.a. Does the project have the potential to degrade the quality of the environment, significantly reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?			X	
Discussion: The proposed ordinance has been written to include a number of application submittals intended to address the impacts of development of raw land as well as the reuse of existing greenhouses for commercial cultivation. With these requirements in place, it is not anticipated that the licensing of commercial cultivation operations will have a significant impact upon the environment. **Source:**				
19.b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)				X
Discussion: See discussion under Question 19(b). **Source:**				
19.c. Does the project have environmental effects which will cause significant adverse effects on human beings, either directly or indirectly?				X
Discussion: See discussion under Question 19(b). **Source:**				

RESPONSIBLE AGENCIES. Check what agency has permit authority or other approval for the project.

AGENCY	YES	NO	TYPE OF APPROVAL
U.S. Army Corps of Engineers (CE)		X	
State Water Resources Control Board		X	
Regional Water Quality Control Board		X	
State Department of Public Health		X	
San Francisco Bay Conservation and Development Commission (BCDC)		X	
U.S. Environmental Protection Agency (EPA)		X	
County Airport Land Use Commission (ALUC)		X	
CalTrans		X	
Bay Area Air Quality Management District		X	
U.S. Fish and Wildlife Service		X	
Coastal Commission		X	
City		X	
Sewer/Water District:		X	
Other:			

MITIGATION MEASURES		
	Yes	No
Mitigation measures have been proposed in project application.		X
Other mitigation measures are needed.		X
The following measures are included in the project plans or proposals pursuant to Section 15070(b)(1) of the State CEQA Guidelines:		

DETERMINATION (to be completed by the Lead Agency).

On the basis of this initial evaluation:

X I find the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared by the Planning Department.

I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because of the mitigation measures in the discussion have been included as part of the proposed project. A NEGATIVE DECLARATION will be prepared.

I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

M. Schaller

(Signature)

10/18/17

Date

SENIOR PLANNER

(Title)

Attachment A: Proposed Ordinance, *Commercial Cultivation of Cannabis*

County of San Mateo - Planning and Building Department

ATTACHMENT A

ORDINANCE NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * * *

AN ORDINANCE REPEALING CHAPTER 5.148, CONSISTING OF SECTION 5.148.010 TO SECTION 5.148.100, OF TITLE 5 OF THE SAN MATEO COUNTY ORDINANCE CODE AND REPLACING IT WITH A NEW CHAPTER 5.148, CONSISTING OF SECTION 5.148.010 TO SECTION 5.148.210, ESTABLISHING REGULATIONS FOR THE CULTIVATION OF COMMERCIAL CANNABIS IN THE UNINCORPORATED AREA OF THE COUNTY OF SAN MATEO

SECTION 1. RECITALS.

The Board of Supervisors of the County of San Mateo hereby finds and declares as follows:

WHEREAS, in 1996, voters of the State of California approved Proposition 215 (codified as California Health and Safety Code Section 11362.5), the intent of which was to enable persons in need of cannabis for medical purposes to use cannabis without fear of criminal prosecution under limited, specified circumstances; and

WHEREAS, in 2004, the California Legislature enacted Senate Bill 420 (codified as California Health and Safety Code Sections 11362.7, *et seq*.) to clarify the scope of Proposition 215, and to provide qualifying patients and primary caregivers with a limited defense to certain specified California criminal statutes; and

WHEREAS, in 2009, the Board of Supervisors enacted current Chapter 5.148 of the San Mateo County Ordinance Code, "Regulation of Collective Cultivation and

Distribution of Medical Marijuana," which, among other things, prohibited commercial activities involving cannabis, including, without limitation, advertising, sales, and profit related to cannabis; and

WHEREAS, on September 11, 2015, the California Legislature approved Assembly Bill 266, Assembly Bill 243, and Senate Bill 643, together constituting the "Medical Cannabis Regulation and Safety Act" ("MCRSA"), which established a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of medical cannabis for use by qualifying adults; and

WHEREAS, on November 8, 2016, the voters of the State of California enacted Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act (the "AUMA"), which established a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis for use by adults 21 years and older, and to tax the commercial growth and retail sale of cannabis; and

WHEREAS, on June 17, 2017, the California Legislature approved Senate Bill 94 ("SB 94"), which unified MCRSA and the AUMA into a single regulatory system; and

WHEREAS, SB 94, permits local jurisdictions to enact and enforce "reasonable regulations" to regulate the commercial possession, planting, cultivation, harvesting, drying, or processing of cannabis plants, including the complete prohibition of such commercial activities; and

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WHEREAS, SB 94 creates a licensing system whereby the State of California will issue licenses to businesses authorizing them to cultivate, distribute, transport, store, manufacture, process, and/or sell both medical and nonmedical cannabis and cannabis products, with such licenses to be issued beginning on January 1, 2018; and

WHEREAS, SB 94 mandates that California licensing authorities shall not approve an application for a State license if approval of the State license will violate the provisions of any local ordinance or regulation adopted in accordance with the requirements of SB 94; and

WHEREAS, SB 94 states that it shall not be interpreted to supersede or limit (1) "the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under this division, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to secondhand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed under this division within the local jurisdiction" or (2) "existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances, or enforcement of local license, permit, or other authorization requirements;" and

WHEREAS, under SB 94, however, the failure of a local jurisdiction to take any action regarding the regulation of commercial cannabis activities could result in the issuance of a State license by California licensing authorities; and

WHEREAS, (1) the Federal Controlled Substances Act, 21 U.S.C. §§ 801 *et*

seq., classifies cannabis/marijuana as a Schedule I Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United States, and that has not been accepted as safe for use under medical supervision; and (2) the Federal Controlled Substances Act makes it unlawful, under federal law, for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense cannabis; and

WHEREAS, in a series of memoranda issued in October 2009, June 2011, and August 2013 (the "Ogden" and "Cole" memos), the U.S. Department of Justice provided guidance to federal prosecutors concerning cannabis enforcement under the Federal Controlled Substances Act and generally advised that it is not likely an efficient use of federal resources to prosecute those persons or entities in compliance with a strong and effective state regulatory system for the cultivation and distribution of medical cannabis; and

WHEREAS, the federal government has not sanctioned the cultivation, sale, or possession of non-medical cannabis in any way, nor is there any guarantee the federal government intends to continue the enforcement policy reflected in the Ogden and Cole memos; and

WHEREAS, on December 13, 2016, the Board of Supervisors unanimously enacted a temporary 45-day moratorium on (1) all commercial or industrial use involving cannabis (including, without limitation, manufacture, processing, laboratory testing, labeling, storing, wholesale, distribution and retail) within the unincorporated area of the

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County and (2) outdoor planting, cultivation, harvesting, drying, or processing of cannabis plants for nonmedical use within the unincorporated area of the County, after determining that such a temporary moratorium was necessary and that the County required an opportunity to consider the various policy implications surrounding commercial cannabis activity in the County; and

WHEREAS, on January 24, 2017, the Board of Supervisors unanimously voted to extend the temporary moratorium until December 12, 2017; and

WHEREAS, San Mateo County has held multiple study sessions on the issue of commercial cannabis activity, formed working groups to study major policy issues surrounding commercial cannabis activity, and has solicited input from County stakeholders; and

WHEREAS, it is the purpose and intent of this Ordinance to implement California State law by providing a means for the reasonable regulation of cannabis cultivation in a manner that is consistent with State law and which addresses the needs and concerns of residents living within the unincorporated area of the County and the protection of the environment, water supply, public health, safety, and welfare; and

WHEREAS, this Ordinance only allows mixed-light cannabis cultivation and nurseries and prohibits (with a sunset provision that contemplates future action) all other cannabis activities that can be prohibited consistent with California law, including personal and commercial outdoor cannabis cultivation, indoor commercial cannabis cultivation, and other commercial cannabis activities within the unincorporated area of

the County, including, without limitation, manufacturing, testing, microbusinesses, and retail sales;

NOW THEREFORE, the Board of Supervisors of the County of San Mateo **ORDAINS** as follows:

SECTION 2. CHAPTER 5.148 OF TITLE 5 OF THE SAN MATEO COUNTY ORDINANCE CODE, CONSISTING OF SECTIONS 5.148.010 THROUGH 5.148.100, IS HEREBY REPEALED IN ITS ENTIRETY AND REPLACED WITH THE FOLLOWING:

5.148.010. Title.

This Chapter shall be known as Regulations of Cannabis in the Unincorporated Area of San Mateo County.

5.148.020. Definitions.

For the purposes of this Chapter, the following words and phrases shall have the meanings set forth herein:

a) **"Appealable Act"** means the denial of an Application under Section 5.148.080 of this Chapter, the denial of a request to renew a License under Section 5.148.090(c) of this Chapter, the suspension or revocation of a License under Section 5.148.170 of this Chapter, and/or any administrative remedy under Section 5.148.180 of this Chapter.

b) **"Applicant"** means a Person who has applied for a License under this Chapter.

c) **"Application"** means that form provided by the Department in accordance with this Chapter for the purpose of seeking a License.

d) **"Cannabis"** means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every

compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. Cannabis also means the separated resin, whether crude or purified, obtained from cannabis. Cannabis does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, Cannabis does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

e) **"Cannabis Concentrate"** means Cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this division. A Cannabis Concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

f) **"Cannabis Licensing Appeal Board"** shall be comprised of three (3) members appointed by the County Manager.

g) **"Cannabis Products"** has the same meaning as in California Health and Safety Code Section 11018.1.

h) **"Canopy"** means all areas occupied by any portion of a Cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one Cultivation Site.

i) **"Commercial Cannabis Activity"** includes the Cultivation, Manufacturing, Distribution, Processing, storing, Testing, packaging, labeling, transportation, delivery, or Retail Sale of Cannabis and Cannabis Products as provided for in this Chapter or under State rule, law, or regulation.

j) **"County"** means the County of San Mateo.

k) **"Cultivation"** means any activity involving the planting, growing, fertilizing, irrigating, harvesting, drying, curing, grading, trimming, and/or storing of Cannabis.

l) **"Cultivation Area"** means the total aggregate area(s) of Cultivation on a single Cultivation Site as measured by the outermost perimeter of each separate and discrete area of Cultivation and includes, without limitation, the space between plants within the Cultivation Area, the exterior dimensions of greenhouses, and

each room or area where Cannabis is grown.

m) **"Cultivation Site"** means a location where Cannabis Cultivation occurs.

n) **"Customer"** means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician's recommendation.

o) **"Department"** means the San Mateo County Planning and Building Department.

p) **"Distribution"** means the procurement, sale, and transport of Cannabis and Cannabis products between Licensees.

q) **"Indoor Cultivation"** means Cultivation indoors using exclusively artificial lighting.

r) **"License"** means a license issued by the County for Commercial Cannabis Activity.

s) **"Licensee"** means any Person issued a License by the County.

t) **"Manufacturing"** means compounding, converting, producing, deriving, or preparing, either directly or indirectly by chemical extraction or independently by means of chemical synthesis, Cannabis or Cannabis Products.

u) **"Microbusiness"** means a business as defined by Business and Professions Code Section 26070 which engages in Cultivation on an area less than 10,000 square feet and engages in Distribution, Manufacturing, and Retail Sales.

v) **"Mixed-Light Cultivation"** means Cultivation using light deprivation and/or any combination of natural and supplemental artificial lighting. Greenhouses and similar structures or spaces of sufficient size to permit entry enclosed with a nonporous covering or light deprivation systems are included in this category. This category does not include structures constructed of porous cloth or other porous material(s).

w) **"Nursery"** means for the purposes of this Ordinance a Licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and Cultivation of Cannabis. All authorized Nursery activities must occur within a greenhouse or similar structure described above in Section 5.148.020(v).

x) **"Outdoor Cultivation"** means Cultivation using no artificial lighting conducted in the ground, in containers outdoors, or in structures constructed of porous material(s).

y) **"Owner"** means any of the following:

1. A Person with an aggregate ownership interest of 20 percent or more in the Licensee or Applicant, unless the interest is solely a security, lien, or encumbrance.

2. The chief executive officer of the Applicant.

3. A member of the board of directors of the Applicant.

4. An individual who is, or will be, participating in the direction, control, or management of the Licensee or Applicant. For the purposes of this Chapter, participating in the direction, control, or management includes, without limitation, the following functions: (i) hiring or separating employees; (ii) contracting for the purchase or sale of Cannabis or Cannabis Products; and (iii) making or participating in policy decisions regarding Commercial Cannabis Activities.

z) **"Person"** includes any individual, firm, partnership, joint venture, association, corporation, limited liability company (LLC), estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

aa) **"Premises"** means the designated structure or structures and land specified in the Application that is owned, leased, or otherwise held under the control of an Applicant or Licensee where the Commercial Cannabis Activity will be or is conducted. The Premises shall be a contiguous area and shall only be occupied by one Licensee.

bb) **"Retail Sale"** means any transaction whereby, for any consideration, Cannabis or Cannabis Products is sold to a Customer, and includes the Delivery of Cannabis or Cannabis Products.

cc) **"State"** means the State of California.

dd) **"State License"** means a license to conduct Commercial Cannabis Activity issued by the State.

ee) **"Testing"** means the testing of Cannabis or Cannabis Products by an

authorized laboratory, facility, entity, or Person.

5.148.030. County Commercial Cannabis Activity License Required.

a) Any Person who intends to engage in a Commercial Cannabis Activity in the unincorporated area of the County shall obtain a License for each Premises in the unincorporated area where proposed Commercial Cannabis Activity is to occur.

b) Notwithstanding the above, any License issued under this Chapter does not provide any protection or immunity for any person from State or federal laws, or from prosecution pursuant to any applicable State or federal laws.

c) The fact that an Applicant possesses other types of State or County permits or licenses shall not exempt the Applicant from obtaining a License under this Chapter, nor shall the terms and conditions of any other such permit or license modify the requirements of a License granted under this Chapter.

5.148.040. Specific Non-Commercial Cannabis Activities Allowed.

a) The following Persons are exempt from the requirements of this Chapter:

1. A qualified patient, as defined by California Health and Safety Code Section 11362.7, who engages in Cannabis Cultivation exclusively for personal medical use but who does not provide, donate, sell, or distribute cannabis to any other Person; and

2. A primary caregiver, as defined by California Health and Safety Code Section 11362.7, who Cultivates Cannabis exclusively for the personal medical purposes of no more than five (5) specified qualified patients for whom he or she is the primary caregiver, but who does not receive remuneration for these activities except for compensation in full compliance with California Health and Safety Code Section 11362.765(c); and

3. A Person 21 years of age or older who engages in Cannabis Cultivation exclusively for personal non-medical use inside a private residence or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure as authorized by the County and California Health and Safety Code Section 11362.

5.148.050. Prohibited Cannabis Activity.

a) Only Licenses for Mixed-Light and greenhouse Nursery Cultivation of Cannabis will be issued by the County. The County shall only issue such Licenses for (1) lands designated as "Agriculture" by the County General Plan Land Use Map, and (2) other lands where commercial agricultural use has been conducted for the three years preceding the effective date of this ordinance, as verified by the Agriculture Commissioner. No other Commercial Cannabis Activities for either medical or non-medical purposes, including, without limitation, Outdoor Cultivation, Indoor Cultivation, Manufacturing, Testing, Microbusinesses, or Retail Sales, are allowed in the unincorporated area of the County. In addition, no personal non-medical Outdoor Cultivation is allowed in the unincorporated area of the County.

b) Notwithstanding the foregoing, the following Commercial Cannabis activities may occur in the unincorporated area of the County pursuant to a valid State License: transportation of Cannabis on public roads as expressly authorized under California Business and Professions Code Section 26080(b); and lawful delivery of Cannabis to a Customer, however, no physical location for such delivery service shall be permitted within the unincorporated area of the County.

c) The provisions of this section supersede the temporary moratorium enacted by the Board of Supervisors on January 24, 2017, which temporary moratorium shall automatically expire upon the effective date of this Ordinance.

d) The provisions of this section shall expire on December 31, 2018, unless expressly extended by the Board of Supervisors.

5.148.060. Commercial Cannabis Activity License Application Requirements.

a) Each Application shall be filed with the Department on the form provided and in the manner required by the Department. The Department, the County Division of Environmental Health, and the County Department of Agriculture/Weights and Measures, shall be responsible for administering the Application process as set forth in this Chapter.

b) In all cases, the Application shall contain, without limitation, the following information which Applicant shall certify under penalty of perjury is true and correct:

1. The name of the Applicant. For Applicants who are individuals, the Applicant

shall provide both the first and last name of the individual. For Applicants who are business entities, the Applicant shall provide the legal business name of the Applicant and, if applicable, the business trade name ("DBA") of the Applicant. In either case, a single individual who shall act as the primary contact shall be identified by the applicant.

2. The Commercial Cannabis Activity type the Applicant is applying for, including whether the proposed License will involve medical and/or non-medical Commercial Cannabis Activity.

3. A list of all State Licenses and any out-of-State or other local licenses, permits, or authorizations to conduct Commercial Cannabis Activity held by the Applicant, including the date the license was issued, the license number, and the licensing authority that issued the license, permit, or other authorization.

4. Whether the Applicant has been denied the right to conduct Commercial Cannabis Activity by the Department, State, or any other Cannabis licensing authority. The Applicant shall provide the type of license applied for, the name of the licensing authority that denied the application, and the date of denial.

5. The physical address(es) of the Premises and the Parcel Number(s) assigned to the Premises by the Assessor. The address of record for the Applicant. The telephone number for the Premises. The website address of the Applicant's business, if applicable. The email address for the Applicant's business, if applicable. Contact information for the Applicant's designated primary contact Person including the name, title, address, phone number, and email address of the individual. Contact information for the designated agent for service of process including the name, title, address, phone number, and email address of this individual.

6. All Applicants who are business entities shall provide the business organizational structure of the Applicant, for example, partnership, limited liability company (LLC), or corporation. The business-formation documents, which may include but are not limited to articles of incorporation, operating agreements, partnership agreements, and fictitious business name statements. The Applicant shall also provide all documents filed with the State, which may include but are not limited to articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and statements of partnership authority.

7. A list of every fictitious business name the Applicant is operating under

including the address where the business is located.

8. The Applicant shall supply the following financial information related to the proposed Commercial Cannabis Activity:

    i. A list of the Applicant's savings, checking, or other accounts maintained by a financial institution the Applicant intends to use in connection with the proposed Commercial Cannabis Activity. The Applicant shall provide for each account, the financial institution's name, the financial institution's address, account type, and account number;

    ii. A list of loans made to the Applicant for its use in conducting the proposed Commercial Cannabis Activity. For each loan, the Applicant shall provide the amount of the loan, the date of the loan, term(s) of the loan, security provided for the loan, and the name, address, and phone number of the lender;

    iii. A list of investments made to the Applicant for its use in conducting the proposed Commercial Cannabis Activity. For each investment, the Applicant shall provide the amount of the investment, the date of the investment, term(s) of the investment, and the name, address, and phone number of the investor; and

    iv. A list of all gifts of any kind given to the Applicant for its use in conducting the proposed Commercial Cannabis Activity. For each gift the Applicant shall provide the value of the gift or description of the gift, and the name, address, and phone number of the provider of the gift.

9. A complete list of every Owner. Each individual named on this list shall submit the following information: the full name of the Owner; the Owner's title within the Applicant entity; the Owner's date of birth and place of birth; the Owner's social security number or individual taxpayer identification number; the Owner's home address; the Owner's telephone number. This may include a number for the Owner's home, business, or mobile telephone; the Owner's email address; the date the Owner acquired an ownership interest in the Applicant entity; the percentage of the ownership interest held in the Applicant entity by the Owner; if applicable, the number of shares in the Applicant entity that the Owner holds; whether the Owner has a financial interest in any other business in the State. For purposes of this section "financial interest" means an investment into a business, a loan provided to a business, or any other equity interest in a business; a copy of the Owner's government issued identification; acceptable forms of identification are a

document issued by a federal, state, county, or municipal government that includes the name, date of birth, physical description, and picture of the person, such as a driver license; and a copy of the Owner's completed application for electronic fingerprint images submitted to the Department of Justice as required by California Business and Professions Code Section 26051.5(a) for a State License or, if the Owner has not completed such application, then the Owner shall submit fingerprints and other necessary information for a criminal background check to be conducted by the Department and/or a third-party authorized by the Department to perform background checks. All individual personal information provided by the Applicant, other than the name of the individual, will be protected from public disclosure unless otherwise required by law.

10. Evidence that the Applicant has the legal right to occupy and use the proposed Premises that complies with the requirements of the Department and the State. If the Applicant is not the landowner of the property upon which the Premises is located, the Applicant shall provide to the Department a document from the landowner that states that the Applicant has the right to occupy the property and acknowledging the Applicant may use the property for the Commercial Cannabis Activity for which the Applicant is applying. An Applicant shall also provide a copy of the rental agreement, as applicable. If the Applicant is the landowner of the property on which the Premises is located, the Applicant shall provide to the Department a copy of the title or deed to the property. The Applicant shall provide evidence that the proposed location meets all State and County land use and zoning requirements.

11. The Applicant shall submit to the Department with his or her Application a complete and detailed site plan of the proposed Premises, along with detailed plans showing the proposed location of all cannabis related activities, employee parking areas, all proposed improvements, and any other information determined by the Department to be necessary for the review of the application. The plans must be to scale and must comply with all State rules, laws, and regulations regarding Premises diagrams. If the proposed Premises consist of only a portion of a property, the plans must be labeled indicating which part of the property is the proposed Premises and how the remaining property is/will be used. The Applicant must provide evidence that the Premises complies with all setback requirements set forth in this Chapter.

12. The Applicant must submit to a pre-inspection of the Premises during regular business hours prior to the issuance of a License. Pre-inspections may include, without limitation, access by employees or agents of the following: the Department; County Code Compliance; County Division of Environmental

Health; the applicable Fire Protection Agency; the County Sheriff's Office; the County Department of Agriculture/Weights and Measures; and the County Health System.

13. Prior to Application processing, the Premises shall be free of any violations of State and local standards, including, without limitation, County building standards, County land use requirements, County zoning requirements, County health and safety standards, and applicable fire standards, for which Applicant has failed to submit a plan for compliance within a reasonable amount of time.

14. The Applicant must provide a detailed description and plan for hiring local residents and affirm that Applicant will comply with all applicable federal, state, and local wage and labor requirements.

15. The Applicant must submit a staffing plan for the proposed Commercial Cannabis Activity, an organizational chart that outlines the position and responsibilities of each employee, as well as the reporting or supervisory structure for each employee. Applicant shall also provide written proof (i.e., California driver's license, California identification card, or certified copy of birth certificate) that all supervisors and employees are 21 years of age or older.

16. For an Applicant with 20 or more employees, the Applicant shall attest that the Applicant has entered into a labor peace agreement, as required by California Business and Professions Code Section 26051.5(a)(5). Such agreement shall ensure full access for labor representatives to the Premises during regular business hours as allowed by the State.

17. If the Applicant has not yet received a State License, the Applicant shall attest that the Applicant is currently applying for a State license and provide adequate documentation to the Department demonstrating such application is currently pending. If the Applicant has already received a State License, the Applicant shall provide a copy of such State License(s).

18. The Applicant shall provide a valid seller's permit number issued by the State and evidence that Applicant has complied with all other State registration requirements for tax purposes. If the Applicant has not yet received a seller's permit from the State, the Applicant shall attest that the Applicant is currently applying for a seller's permit and provide adequate documentation to the Department demonstrating such application is currently pending.

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19. The Applicant shall provide proof that Applicant has complied with all State insurance requirements and proof that the Applicant has obtained a surety bond in the amount of not less than $25,000 payable to the Department to ensure payment for the costs of confiscation, storage, clean-up or abatement of any wastes, including regulatory oversight costs, and/or destruction of Cannabis when such costs are necessitated by a violation of this Chapter or other applicable federal, State, or local law. The surety bond shall be issued by a corporate surety licensed by the State and shall be in addition to any such bond required by the State.

20. The Applicant must submit a security plan for review and approval by the Department. The approved plan will be maintained by the Department and be made available to other County departments for the purposes of verification and inspections. At a minimum, the security plan will include: a description of the Applicant's video surveillance system, including camera placement and practices for the maintenance of video surveillance equipment; how the Applicant will ensure that all access points to the Premises will be secured, including the use of security personnel; and a description of the Applicant's security alarm system. The installation of security apparatus shall comply with all relevant permitting requirements, and shall not be installed until such permits are obtained.

21. The Applicant shall provide a detailed improvement and operations plan that demonstrate compliance with the all requirements of this Ordinance. The submitted plan shall, include, at a minimum, the following information as required by Sections 5.148.130 through 5.148.160 below:

    i. Proposed hours of operation;

    ii. Proposed improvement plan, identifying all the changes and improvements that will be made to the Premises, including without limitation changes to: site ingress and access; electrical, water, wastewater, storm water, parking and other infrastructure/facilities;

    iii. Employee parking and transportation plan;

    iv. Fire prevention plan;

    v. Lighting and security plan;

vi. Waste disposal plan;

vii. A water management plan including the proposed water supply, proposed conservation measures, and waste water discharge measures;

viii. Access restriction procedures, including measures ensuring that minors will not have access to Cannabis;

ix. Record keeping policy;

x. Track and trace measures;

xi. Odor prevention and ventilation measures;

xii. Energy usage plan;

xiii. Size, height, colors, and design of any proposed signage at the Premises;

xiv. A pest-management plan, if applicable; and

xv. Such other information as the Community Development Director determines is necessary to ensure compliance with State law and this Chapter.

22. The Applicant shall execute an indemnification agreement in the form provided by the Department, which agreement shall indemnify the County.

23. The Applicant shall attest that no Owner is a licensed retailer of alcoholic beverages or tobacco products,

c) Referral of application. The Department shall forward a copy of the Application to the following departments and agencies: the applicable Fire Protection Agency; the applicable water district(s); the County Sheriff's Office; the County Health System; and the County Assessor's Office.

d) An Application shall not be deemed complete until all required Application fees have been paid, and all comments submitted to Department have been addressed to the satisfaction of the Community Development Director.

5.148.070. Review, Approval, and Issuance of Commercial Cannabis Activity Licenses.

a) The Department, the County Division of Environmental Health, and the County Department of Agriculture/Weights and Measures shall review the Application and associated documents and shall require any additional information necessary to complete the Application. If the Department determines the Application is incomplete, the Department will provide notice to the Applicant, who shall have 30 days to complete all deficiencies. If the Applicant fails to complete the deficiencies within the 30-day period, the Application shall be deemed abandoned. The Applicant may reapply at any time following an abandoned Application. The Department will not refund any fees for incomplete or abandoned Applications.

b) Upon review of a complete Application, the Department shall grant the Application if the Applicant's proposed Commercial Cannabis Activities comply with the provisions of this Chapter and all additional requirements of the State and County Code.

c) Each License shall be granted for a one-year period and shall expire one year after the date of its issuance.

d) All Licenses shall include statements conveying the following information, displayed prominently on the License itself:

1. A warning that Licensees, Owners, supervisors, employees, and any other Persons involved in Commercial Cannabis Activities may be subject to prosecution under State or federal laws; and

2. An acknowledgment that, by accepting the License and engaging in a Commercial Cannabis Activity, the Licensee has released the County and its officers, insurers, sureties, servants, agents, supervisors, attorneys, employees, and representatives from and against any all liability, and will indemnify them, for any monetary damages related to or arising from issuance of the License, authorizing Licensee to engage in an authorized Commercial Cannabis Activity, enforcement of requirements or conditions related to the License, and/or revocation of the License.

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5.148.080. Grounds for Denial of an Application.

a) The Department shall deny an Application for a Commercial Cannabis License for any of the following reasons:

1. The Applicant made a knowingly false statement of a material fact in the Application or knowingly omitted a material fact from the Application;

2. The proposed Commercial Cannabis Activities do not fully comply with the requirements of this Chapter or any State law or regulation;

3. The Applicant failed to provide all information required in the Application and/or failed to allow a pre-inspection of the proposed Premises;

4. The Applicant has outstanding taxes, fees, or fines owed to the Department or to the County;

5. An Owner is subject to prosecution or has been convicted or sanctioned for an offense or violation set forth under California Business & Professions Code Section 26057(b)(4), (b)(6); or

6. An Owner has been sanctioned by the State or any other licensing authority for unauthorized Commercial Cannabis Activities or has had a State License or any other license for Commercial Cannabis Activities suspended or revoked in the three (3) years immediately preceding the date the Application is filed.

b) Notice of the decision to deny an Application specifying the reason(s) for the denial shall be provided in writing to the Applicant pursuant to the notice requirements of Section 5.148.200. The Applicant may appeal denial of its Application as set forth below in Section 5.148.190. No new Application(s) for a License on Premises where an Application has been denied shall be accepted for a period of six (6) months from the date of denial.

5.148.090. License Renewal.

a) To renew a License, a completed License renewal Application and renewal fee shall be received by the Department no fewer than sixty (60) calendar days before the expiration of the License. In the event the License is not renewed prior to the expiration date, it shall be deemed revoked and the Licensee must cease all Commercial Cannabis Activity until such time that the Licensee is

issued a new License from the Department. The Licensee and all Owners will be subject to enforcement actions set forth below in Section 5.148.180 for continuing operations after a License has expired without a renewal.

b) The License renewal Application shall contain, at minimum, the following:

1. The name of the Licensee. For Licensees who are individuals, the Licensee shall provide both the first and last name of the individual. For Licensees who are business entities, the Licensee shall provide the legal business name of the Licensee. All renewal applications shall identify a primary point of contact.

2. The License number and expiration date;

3. The Licensee's address of record and Premises address;

4. An attestation that all information provided to the Department in the original Application is accurate and current or a detailed explanation of any changes or discrepancies. If any of the documentation and information supplied by the Applicant in the original Application has changed, the Applicant shall submit updated information and documentation with the renewal form and shall provide such other information as the Department may require.

c) The Department shall deny any request for a License renewal for any of the following reasons:

1. The License renewal Application is filed fewer than sixty (60) calendar days before expiration of the License;

2. The Licensee does not fully comply with the requirements of this Chapter or any State rule, law, or regulation;

3. The Licensee has failed to provide all information required in the License renewal application and/or has failed to allow a requested inspection of the Premises;

4. The Licensee has any outstanding taxes, fees, or fines owed to the Department or to the County;

5. The License is suspended or revoked at the time of the request for License renewal;

6. The Licensee is subject to prosecution or has been convicted or sanctioned for an offense or violation set forth under California Business & Professions Code Section 26057(b)(4), (b)(6); or

7. The Licensee or an Owner has been sanctioned by the State or any other licensing authority for unauthorized Commercial Cannabis Activities or has had a State License or any other license, permit, or authorization for Commercial Cannabis Activity suspended or revoked between the time the original License was issued and the filing of the request for License renewal.

c) If a request for a License renewal is denied, a new Application may be filed pursuant to this Chapter. However, no new Application(s) for a License on Premises where an Application to renew a License has been denied shall be accepted for a period of six (6) months from the date of denial.

e) The License renewal application shall not be deemed complete until all renewal fees have been paid.

f) Notice of the decision to deny a request for a License renewal specifying the reason(s) for the denial shall be provided in writing to the Licensee pursuant to the notice requirements of Section 5.148.200. The Licensee may appeal the denial of a request for a License renewal as set forth below in Section 5.148.190.

5.148.100. License Nontransferable.

a) A License issued under this Chapter does not create any interest of value, is not transferable, and automatically terminates upon transfer of ownership of the License. Any change in the Owners requires a new Application pursuant to Section 5.148.060. In the event the License is not renewed prior to transfer of ownership, it shall be deemed revoked and the Licensee must cease all Commercial Cannabis Activity until such time that the Licensee is issued a new License from the Department. The Licensee and all Owners will be subject to enforcement actions set forth below in Section 5.148.180 for continuing operations after a License has expired without a renewal.

b) A License is issued to and covers only the Licensee with respect to the Premises identified on the License. The License does not run with the land.

5.148.110. Fees.

The filing of an initial Application and/or an Application for renewal of a License shall be accompanied by payment of such fees as the Board of Supervisors may establish to recover the cost of administration and enforcement of this Chapter. Such fees are non-refundable. Applicants and Licensees are responsible for the costs of inspections, investigations, and any other activity required pursuant to this Chapter. All fees and costs specified by this Chapter shall be established by resolution of the Board of Supervisors and may be amended from time to time.

5.148.120. Taxes.

All Licensees shall comply with any County-imposed Commercial Cannabis Activity taxes that may be enacted.

5.148.130. General Operational Requirements.

a) Material Alterations to Premises. A Licensee shall not make a physical change, alteration, or modification of the Premises without the prior written approval of the Department. If a Premises is to be changed, modified, or altered, the Licensee is responsible for filing a request for premises modification with the Department and securing all necessary permits. Alterations or modifications requiring approval include, without limitation: (i) the removal, creation, or relocation of a common entryway, doorway, passage, or a means of public entry or exit, when such common entryway, doorway, or passage alters or changes limited-access areas within the Premises; (ii) the removal, creation, addition, or relocation of the Cultivation Site or Cultivation Area; and/or the addition or alteration of a water supply. The requirement of this Section is in addition to compliance with any other applicable State or local rule, law, or regulation pertaining to approval of building modifications, zoning, and land use requirements. In the event that the proposed Cultivation Site requires one or more discretionary permits (e.g., coastal development permit for construction of a greenhouse in the coastal zone), said permits must be secured prior to the issuance of the License.

b) Compliance with Law. A Licensee, its employees, agents, and officers must obey all applicable County and State rules, laws, and regulations.

c) Weights and Measures. All scales used for Commercial Cannabis Activities shall be the type evaluated and approved by the State Department of Food and

Agriculture and sealed by the County Department of Agriculture/Weights and Measures. All sealed packages shall conform to State labeling laws.

d) Surveillance.

1. At a minimum, the Premises shall have a complete digital video surveillance system in accordance with the approved security plan with a minimum camera resolution of 1280 × 1024 pixels. The surveillance-system storage device or the cameras shall be transmission control protocol (TCP)/capable of being accessed through the internet. The video surveillance system shall be capable, at all times and in all lighting conditions, of effectively recording images. The video surveillance system must have the capabilities to produce a color still photograph from any camera image, live or recorded, of the Premises. Cameras must be immobile and in a permanent location.

2. Cameras shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the Premises, and allows for the clear and certain identification of any Person and activities in all areas required to be filmed. Areas that shall be recorded on the video surveillance system include, without limitation, the following: limited access areas; areas where Cannabis or Cannabis Products are weighed, packed, stored, quarantined, loaded and unloaded for transportation, prepared, or moved within the premises; areas where Cannabis is destroyed; security rooms; areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area; and entrances and exits to the Premises, which shall be recorded from both indoor and outdoor vantage points.

3. Cameras shall record continuously 24 hours per day and at a minimum of 20 frames per second. The physical media or storage device on which surveillance recordings are stored must be secured in a manner to protect the recording from tampering or theft. All video surveillance equipment shall have sufficient battery backup to support a minimum of four (4) hours of recording in the event of a power outage. Licensee must notify the Department of any loss of video surveillance capabilities that extend beyond four (4) hours. All video surveillance systems must be equipped with a failure notification system that provides prompt notification to the Licensee of any prolonged surveillance interruption and/or the complete failure of the surveillance system.

4. Surveillance recordings shall be kept for a minimum of 30 days. Recordings are subject to inspection by and copies of recordings shall be provided, upon

request, to employees or agents of the following: the Department; County Code Compliance; County Division of Environmental Health; the applicable Fire Protection Agency; the County Sheriff's Office; the County Department of Agriculture/Weights and Measures; and the County Health System. All records applicable to the surveillance system shall be maintained on the Premises. At a minimum, Licensees shall maintain a map of the camera locations, direction of coverage, camera numbers, surveillance equipment maintenance activity log, user authorization list, and operating instructions for the surveillance equipment.

5. Recorded images shall clearly and accurately display the time and date. Time is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory (PDT/PST Time zone)

e) Alarm System. A Licensee shall maintain an alarm system in accordance with the approved security plan as required by the Department and the State. A Licensee shall also ensure a licensed alarm company operator or one or more of its registered alarm agents installs, maintains, monitors, and responds to the alarm system. All information related to the alarm system, monitoring, and alarm activity shall be made available upon request to employees or agents of the following: the Department; County Code Compliance; County Environmental Health Services; the Fire Department; the County Sheriff's Office; the County Department of Agriculture/Weights and Measures; and the County Health System.

f) Ventilation. All premises shall be equipped with odor control filtration and ventilation system(s) to control odors and mold. No operable windows or exhaust vents shall be located on any building façade that abuts a residential use or zone. Exhaust vents on rooftops shall direct exhaust away from residential uses or zones. This section shall not apply to operation of exclusively Type 4 – Nursery licenses.

g) No Public View. A Licensee shall ensure that no Cannabis or Cannabis Products can be seen by persons on adjacent properties or from the public right-of-way.

h) Signage. A Licensee is required to meet all on-site and off-site sign requirements and advertising requirements of the Department and the County. Signs shall be limited to on-site wall and projecting signs. No monument, illuminated, architectural canopy, pole, marquee, roof, temporary, digital, window, or off-site signs are permitted.

i) Inspections. Premises shall be subject to inspections by County and State agencies, including, without limitation, the Department, County Code Compliance, County Division of Environmental Health, the applicable Fire Protection agency, the County Sheriff's Office, the County Department of Agriculture/Weights and Measures, and the County Health System. Agents or employees of such agencies shall have unrestricted access to the Premises, including, without limitation, all rooms, buildings, structures, facilities, and limited access areas, for the purpose of conducting inspections during regular business hours. If a Licensee refuses an inspection or interferes with an authorized County department conducting an inspection, the Department may temporarily suspend the Licensee's License and order the immediate cessation of all Commercial Cannabis Activities on the Premises. For purposes of appeal, a suspension will be treated as a revocation and shall be governed by Section 5.148.170(b).

j) Display of License. The current License, State License, and an emergency contact phone number shall be prominently displayed on the Premises where it can be viewed by State agencies, County departments, or other local agencies.

k) No Consumption on Premises. Consumption of Cannabis or the sale or consumption of alcohol shall not be allowed on the Premises. No employee or agent of the Licensee shall solicit or accept any Cannabis or alcohol products from any customer or vendor while on the Premises.

l) Limited-Access Areas. Limited-access areas include, without limitation, the following: storage area(s) for Cannabis and Cannabis Products; storage area(s) for pesticides and other agricultural chemicals; holding area(s) for Cannabis scheduled for destruction; Cannabis packaging area(s); Cannabis composting and refuse area(s); and security room(s) and area(s) where surveillance-system storage devices are located. A Licensee shall only permit authorized individuals to enter limited-access areas. Authorized individuals include individuals employed by the Licensee, as well as any outside vendors, contractors, or other individuals who have a *bona fide* business reason for entering the limited-access area. An individual who is not an authorized individual for purposes of entering limited-access areas shall not enter limited-access areas at any time for any reason. An individual in limited-access areas who is not employed by the Licensee shall be escorted by individuals employed by the Licensee at all times within limited-access areas. An individual who enters limited-access areas shall be at least 21 years of age. The Licensee shall maintain a log of all authorized individuals who are not employees that enter limited-access areas. These logs shall be made available to the Department upon request.

m) Monitoring Premises. The Licensee shall be responsible for monitoring conduct on the Premises and within the parking areas under Licensee's control to assure behavior does not adversely affect or detract from the quality of life for adjoining residents, property owners, and businesses. The Licensee shall properly manage the Premises to discourage illegal, criminal, or nuisance activity on the Premises and any parking areas. Loitering is prohibited on or around the Premises or the area under control of the Licensee. "No Loitering, Drinking of Alcoholic Beverages, or Smoking of Cannabis" signs shall be posted in and outside of the Premises. The Premises and all associated parking, including the adjacent area under the control of the Licensee and any sidewalk or alley, shall be maintained in an attractive condition and shall be kept free of obstruction, trash, litter, and debris at all times.

n) Parking Requirements. Adequate on-site parking and delivery drop off and pick up zones shall be provided. The number of parking spaces shall be equal or greater to the maximum number of employees that will be on the premises at any one time. Alternatively, the Applicant/Licensee can provide a plan for transporting employees to and from the site. The location of all parking areas and delivery drop off and pick up zones shall be within existing areas of the site that have been used for these or other similar purposes, unless all necessary permits required to establish new parking areas and/or delivery drop off and pick up locations have been secured.

o) Packaging and Labeling. Prior to sale or delivery all Cannabis or Cannabis Products shall be packaged and labeled in a manner consistent with all State requirements.

p) Notification to Department. A Licensee shall provide the Department with notice in writing, either by mail (to 455 County Center, 2nd Floor, Redwood City, CA 94063) or electronic mail (to plngbldg@smcgov.org) to the attention of the Community Development Director, within 24 hours of the following:

1. A criminal conviction rendered against the Licensee;

2. A civil penalty or judgment rendered against the Licensee;

3. Notice of revocation of a State License or other local authorization to conduct Commercial Cannabis Activities;

4. The Licensee becomes aware of, or has reason to suspect, a diversion, theft, loss, or any other criminal activity involving its Commercial Cannabis Activities.

5.148.140. Record Retention.

a) A Licensee shall keep and maintain the following records for at least seven (7) years:

1. Financial records including, without limitation, bank statements, sales invoices, receipts, tax records, and all records required by the California State Board of Equalization, other State of California agencies, the Department, or other County departments;

2. Personnel records, including each employee's full name, social security, or individual tax payer identification number, date of beginning employment, and date of termination of employment if applicable;

3. Training records, including, without limitation, the content of the training provided and the names of the employees that received the training;

4. Contracts with other Licensees;

5. Limited-access area logs and copies of current versions of any applicable plans required under this Chapter, including, without limitation, security plan, waste disposal plan, water management plan, water conservation plan, access restriction procedures, record keeping policy, odor and ventilation measures, energy usage plan, fire prevention plan, parking plan, and pest management plan; and

6. State License and permits, licenses, and other local licenses, permits, or authorizations to conduct Commercial Cannabis Activity.

b) A Licensee shall provide all books and records for review by the Department or its designee upon request. Records shall be kept in a manner that allows the Department, or its designee, to review the records in either hard copy or electronic form, whichever the Department requests. A Licensee may contract with a third party to provide custodial or management services of the records; however, such a contract shall not relieve the Licensee of its responsibilities under this Chapter.

5.148.150. Track and Trace Program.

a) A Licensee must have an established account in a State-approved track and trace system prior to engaging in any Commercial Cannabis Activities. A Licensee may use any track and trace program approved by State agencies and shall comply with all State laws, rules, and regulations relating to track and trace, including, without limitation, system unique identifier (UID) requirements, user requirements, reporting requirements, and inventory requirements.

b) The Licensee is responsible for the accuracy and completeness of all data and information entered into the track and trace system. Data entered into the track and trace system must be accurate. Inaccuracies, if not corrected, may result in enforcement action against the Licensee.

c) The Licensee shall designate at least one track and trace system administrator who shall complete initial training prior to accessing the system and participate in ongoing training as required by the Department, the State, and/or their respective agents/designees. The designated administrator must maintain an accurate and complete list of any other track and trace system administrators and users and update the list immediately when changes occur.

d) It is a violation of this Chapter for any Person to intentionally misrepresent or falsify information entered into the track and trace system. The Licensee shall monitor all notifications from the track and trace system and resolve all the issues included in the notification in the time frame specified in the notification. A Licensee shall not dismiss a notification from the track and trace system until the Licensee resolves the issues identified in the notification.

5.148.160. Cultivation Requirements.

a) Cultivation Types Allowed. The following State License types, as defined by California Business and Professions Code Section 26061, will be permitted in the unincorporated County, subject to issuance of a Commercial Cannabis License: Type 1B – Cultivation, Specialty Mixed-Light, Small; Type 2B – Cultivation, Specialty Mixed-Light, Small; Type 3B – Cultivation, Mixed-Light, Medium; and Type 4 – Cultivation, Nursery. No Indoor Cultivation (i.e., State License Type 1A – Cultivation, Specialty Indoor, Small; Type 2A – Cultivation, Indoor Small; Type 3A – Cultivation, Indoor, Medium; Type 5A – Cultivation, Indoor, Large), Outdoor Cultivation (i.e., State License Type 1 – Cultivation, Specialty Outdoor, Small; Type 2 – Cultivation, Outdoor, Small; Type 3 – Cultivation, Outdoor, Medium; Type 5 Cultivation, Outdoor, Large) or Microbusinesses (State License Type 12)

shall be allowed. Nursery licenses shall only be issued for mixed-light growth.

b) Number of Licenses. The Department will not restrict the total number of Licenses an Owner is authorized to hold at any point in time, provided the Owner's total authorized Canopy, as indicated in the Licenses, does not exceed a maximum of 66,000 square feet on a single parcel or across multiple parcels and meets all State and County requirements. Multiple Cultivation Licenses may be located on the same parcel if each Premises has a unique entrance and immovable physical barriers between uniquely Licensed Premises. All Licensees must meet all applicable State and County land use and zoning requirements. Licensees are prohibited from commingling Cannabis from other Premises.

c) Square Footage Limitations. The total combined square footage of the Cultivation Area shall not exceed the maximum size thresholds as established by the applicable State License set forth in California Business and Professions Code Section 26061.

d) Property Setbacks. All structures associated with Cultivation shall be setback a minimum of 100 feet from property lines, a minimum of 300 feet from residences and businesses on surrounding properties. The 300-foot setback from residences and businesses shall be measured from the nearest exterior wall of the residence/business to the nearest exterior wall of the structure associated with Cultivation. All Premises shall also be setback a minimum of 1,000 feet from any properties designated for residential use by the San Mateo County General Plan, any school providing education to K-12 grades, public park, youth center as defined by California Health and Safety Code Section 11353.1, and any alcohol or drug treatment facility as defined by California Health and Safety Code Section 11834.02. The 1,000-foot distance shall be measured in a straight line from the closest property line of the residentially designated or otherwise protected site to the closest property line of the parcel with the Cannabis Cultivation.

e) Building Requirements. All structures used for Cultivation, including greenhouses or similar structures shall comply with all applicable State or local building regulations, zoning, and land use requirements. Cultivation uses that provide access to the public including, but not limited to, employees, vendors, contractors, business partners, members, customers, or patients shall meet State or local requirements for accessibility including accessible parking, accessible path of travel, restrooms, and washing facilities.

f) Agricultural Production Protection. Where a proposed Cultivation Site is located within a County-designated Agricultural Zone, Cultivation shall not displace any

non-Cannabis commercial agricultural production existing as of January 1, 2017. However, a Licensee may offset a proposed Cultivation Site by relocating existing agricultural production to another area of the property where the Premises is located on a 1:1 ratio, provided such relocation does not conflict with any applicable policy or regulation. If the proposed Cultivation Site is located on a parcel under a Land Conservation Act (Williamson Act) contract, the Licensee must comply with all San Mateo County Land Conservation Act Uniform Rules and Procedures before engaging in Commercial Cannabis Activities. A plan for compliance with this Section shall be proposed at the Application stage.

g) Fire Code Requirements. A Licensee shall prepare and implement a fire prevention plan, which shall include, at minimum, emergency vehicle access and turn-around at the Cultivation Site, vegetation management, and fire break maintenance around all structures. The plan for compliance with this Section shall be proposed at the Application stage.

h) Lighting. All lighting shall be fully shielded, downward casting, and not spill over onto other structures, other properties or the night sky. All operations shall be fully contained so that little to no light escapes. Light shall not escape at a level that is visible from neighboring properties or the public right of way between sunset and sunrise.

i) Security and Fencing. All Mixed-Light Cultivation Sites shall be screened from public view by native, fire resistant vegetation, and vehicle access fenced with locking gates. Fencing shall be consistent with the surrounding area and shall not diminish the visual quality of the Premises or surrounding area. Razor wire, chain link, and similar fencing is not permitted. Security measures shall be designed to ensure emergency access in compliance with fire safety standards. All structures used for Cultivation shall have locking doors to prevent free access. A plan for compliance with this Section and the surveillance, alarm, and monitoring requirements set forth above in Section 5.148.130 shall be proposed at the Application stage. Security plans will be confidential to the extent authorized by law.

j) Runoff and Storm water. Runoff containing sediment or other waste or by-products, including, without limitation, fertilizers and pesticides, shall not be allowed to drain to the storm drain system, waterways, or adjacent lands, and shall comply with all applicable State and federal regulations. A plan for compliance with this Section shall be proposed at the Application stage.

k) Wastewater Discharge. Licensees shall submit verification of compliance with the Waste Discharge Requirements of the applicable Regional Water Quality

Control Board, or waiver thereof. Excess irrigation water or effluent from Cultivation activities leaving the Cultivation Site shall be directed to a sanitary sewer (with permission from sewer authority), wastewater treatment and distribution system, irrigation, greywater or bio-retention treatment system. If discharging to a wastewater treatment and distribution system, a system capacity evaluation by a California-licensed civil engineer shall be included in the wastewater management plan. All domestic wastewater shall be disposed of in a permanent sanitary sewer or on-site wastewater treatment system (OWTS) with demonstrated adequate capacity and in compliance with County Ordinance Code Section 4.84. A plan for compliance with this Section shall be proposed at the Application stage. The plan must, at minimum, identify the amount of wastewater, excess irrigation, and domestic wastewater anticipated, as well as treatment and disposal facilities.

l) Pest Prevention. All Cannabis and Cannabis Products shall be kept commercially clean in respect to established pests of general distribution so that exposure to such pests is under effective control. Licensees shall comply with all applicable State and federal pesticide laws and regulations, including, without limitation, those enforced by the State Department of Pesticide Regulation. A plan for compliance with this Section shall be proposed at the Application stage. The plan must, at minimum, include the product name and active ingredient(s) of all pesticides to be applied to Cannabis during any stage of plant growth and integrated pest management protocols, including chemical, biological, and cultural methods the Licensee anticipates using to control or prevent the introduction of pests on the Cultivation Site.

m) Energy Use. Electrical power, including, without limitation, for illumination, heating, cooling, and ventilation, shall be provided by on-grid power with 100% renewable energy source or on-site zero net energy renewable source. The use of generators is prohibited, except for portable temporary use in emergencies only. A plan for compliance with this Section shall be proposed at the Application stage.

n) Noise Limits. Noise generated at the Premises shall comply with the County's Noise Control requirements set forth Ordinance Code Section 4.88.010, *et seq*.

o) Occupational Safety. Licensees shall comply with all applicable federal, State, and local laws and regulations governing California Agricultural Employers, which may include: federal and State wage and hour laws, CAL/OSHA, OSHA, and the California Agricultural Labor Relations Act.

p) Hazardous Materials. Licensees who utilize hazardous materials shall comply

with all applicable County and State hazardous materials requirements. Use of a Carbon Dioxide (CO2) gas enrichment system requires a safety plan approved by the applicable Fire Protection Agency, and visible posting of the approved plan at Cultivation Site. All employees shall be trained on the safety plan on an annual basis.

q) Waste Management. All Cannabis waste must be properly stored and secured to prevent access by the public. All garbage and refuse on the Cultivation Site shall be accumulated or stored in nonabsorbent, water-tight, vector resistant, durable, easily cleanable, galvanized metal or heavy plastic containers with tight fitting lids. No refuse container shall be filled beyond the capacity to completely close the lid. All garbage and refuse on the Cultivation Site shall not be accumulated or stored for more than seven (7) calendar days, and shall be properly disposed of before the end of the seventh (7^{th}) day. All non-Cannabis waste, including, without limitation, refuse, garbage, green waste, and recyclables, must be disposed of in accordance with County and State codes, laws and regulations. A plan for compliance with this Section shall be proposed at the Application stage. The plan must address the storing, handling, and disposing of all waste by-products of Cultivation and, at minimum, characterize the anticipated amount and types of waste generated, identify the designated holding area(s) for Cannabis waste, and describe the operational measures that are proposed to manage, track/identify, and dispose of Cannabis waste in compliance with County and State standards.

r) Water Usage. Licensees must identify a water supply source adequate to meet all Cultivation uses on a sustainable basis for the Premises, provide the Department with proposed conservation measures, demonstrate that Licensee is in compliance with all statutes, regulations, and requirements of the State Water Resources Control Board, Division of Water Rights, and allow the Department and/or other County departments access to the Premises to monitor water usage. Domestic water sources must be from a source permitted by the County. A plan for compliance with this Section shall be proposed at the Application stage, applicants are encouraged to work with the San Mateo County Resource Conservation District for help in plan development.

5.148.170. Revocation of License.

a) Any of the following shall be grounds for revocation of a License:

1. Failure to comply with the terms and conditions of the License.

2. Any act or omission that violates the requirements of this Chapter, the County Code, or State rule, law, or regulation.

3. Any act or omission that results in the denial, revocation, or suspension of the Licensee's State License.

4. The License was granted on the basis of false material information, written or oral, provided knowingly or negligently by the Licensee.

5. Conduct of Commercial Cannabis Activities in a manner that constitutes a nuisance, where the Licensee has failed to comply with reasonable conditions to abate the nuisance.

6. Violation of the County's "Three Strikes" Penalty set forth below in Section 5.148.180.

b) Notice of the revocation of a License shall be provided in writing to the Licensee pursuant to the notice requirements of Section 5.148.200. The revocation is subject to appeal as set forth below in Section 5.148.190. However, while an appeal of a revocation is pending, the Licensee shall not engage in any Commercial Cannabis Activities.

5.148.180. Enforcement and Penalties.

a) In addition to the authority of the Department to revoke or suspend any License pursuant to Section 5.148.170 above, the Department may also elect to pursue one or more of the administrative remedies set forth in this Section. Any activity in violation of this Chapter is hereby deemed a *per se* nuisance. It shall be a separate offense for each and every day during any portion of which any violation of, or failure to comply with, any provision of this Chapter is committed, continued, or allowed.

b) Notwithstanding the amount of administrative penalties set forth in Section 1.40.080 of this Code, civil penalties for violation of this Chapter shall be assessed as follows:

1. A Person engaged in Commercial Cannabis Activities without a License shall be subject to a civil penalty up to three times (3x) the amount of the License fee.

2. A Licensee who violates this Chapter shall be subject to fines as follows:

i. One thousand dollars ($1,000.00) for the first violation of this Chapter;

ii. Three thousand dollars ($3,000.00) for the second violation of this Chapter within a two-year period;

iii. Five thousand dollars ($5,000.00) for the third violation of this Chapter within a two-year period.

c) If a Licensee violates this Chapter more than three times within a two-year period that Licensee's License is hereby automatically revoked, and no Commercial Cannabis Activities shall be allowed on the Licensee's Premises for a minimum period of three (3) years. In addition, the Owner shall be subject to a "black-out period" during which the Owner may not apply for or renew any License for any Premises. The black-out period shall continue for a minimum of three (3) years. The Owner must also pay any outstanding fines or fees before applying for a License.

d) The administrative remedies in this Chapter are in addition to and do not supersede or limit any and all other remedies provided by law. The remedies provided in this Chapter are cumulative and not exclusive.

5.148.190. Appeal to Cannabis Licensing Appeal Board.

a) All appeals of an Appealable Act shall be heard by the Cannabis Licensing Appeal Board.

b) Any Applicant, Licensee, or other Person (i.e., a Person engaging in Commercial Cannabis Activity without a License) who receives notice of an Appealable Act shall have fifteen (15) calendar days from the service of the notice to submit a written request for a hearing before Cannabis Licensing Appeal Board. Failure to timely submit the written request for a hearing shall be deemed a waiver of the right to challenge the Appealable Act and a failure to exhaust administrative remedies. If the hearing is not timely requested, the Appealable Act shall be deemed final.

c) Upon receipt of a timely written request for a hearing, the Cannabis Licensing Appeal Board shall set a date for a hearing to be held within sixty (60) days of receipt of the request, unless an immediate threat to the public health, safety, and welfare necessitates an earlier hearing date. Notice of the hearing, including the time, date, and location of the hearing, shall be served in accordance with the

requirements set forth in Section 5.148.200 of this Chapter.

d) The Cannabis Licensing Appeal Board is authorized to conduct hearings, issue subpoenas, receive evidence, administer oaths, rule on questions of law and the admissibility evidence, prepare a record of the proceedings, and render decisions on any Appealable Act.

1. In any proceeding before the Cannabis Licensing Appeal Board, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Cannabis Licensing Appeal Board, or designee, shall have the power to administer oaths and affirmations and to certify to official acts.

2. All parties to hearings before the Cannabis Licensing Appeal Board shall have the opportunity to testify, introduce exhibits, call and examine witnesses, and cross examine opposing witnesses on any matter relevant to the issues. Hearings shall be informal, and need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be admitted for any purpose, but shall not be sufficient, in itself, to support a finding unless it would be admissible over objection in civil actions. The rules of privilege and of official or judicial notice shall be effective to the same extent as in civil actions. Irrelevant or repetitious evidence shall be excluded.

3. The Cannabis Licensing Appeal Board may postpone the hearing date upon good cause shown, continue the hearing during the course of the hearing, and make such other procedural orders and rulings as it deems appropriate during the course of the hearing.

e) Within thirty (30) calendar days after the close of the final hearing, the Cannabis Licensing Appeal Board shall issue a written decision, including a statement of the basis for the decision. The decision by the Cannabis Licensing Appeal Board is a final action that is not subject to any further administrative remedy.

f) All costs of an appeal shall be borne by the appellant. Such costs shall be established by resolution of the Board of Supervisors and may be amended from time to time.

5.148.200. Notice Requirements.

Wherever this Chapter requires notice to an Applicant, Licensee, and/or other Person, such notice shall be given in writing and shall be delivered either by personal delivery or by certified U.S. mail, postage prepaid, return receipt requested. Service by mail shall be deemed complete at the time of deposit in the United States Mail receptacle. In addition, any such notice may be posted at the physical address of the Premises on the date of the mailing of notice.

5.148.210. Severability.

If any provision of this Chapter is held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, the remaining provisions of this Chapter shall not be invalidated.

SECTION 4. EFFECTIVE DATE. This Ordinance shall be effective 30 days from the date of its passage.

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