

Agenda Item 3.0

TO C4 Members
FROM: Staff
DATE: November 16, 2015
SUBJECT: Summary Notes for November 3rd and 10th

Recommendation: Consider materials and provide direction to staff

Discussion: Summary notes attached for C4 meeting conducted on 11/3 and 11/10.
Corrected notes for 10/27 provided with agenda packet on Friday.

**Proceedings of the Santa Cruz County
Cannabis Cultivation Choices Committee (C4)
Tuesday, November 3, 2015
DRAFT Action Summary Minutes**

- I. The meeting was called to order at 9:00 a.m. Roll call was taken that confirmed 12 present 1 excused.
- II. *Changes to the Agenda* – There were no changes to the agenda
- III. *Accept Summary Notes:* The Committee accepted the summary notes for 10/20 and 10/27, then rescinded acceptance of the notes of 10/27 and returned them to staff to record a vote taken.
- IV. *Oral Communications* – Staff invited the public to address the Committee for a period of up to three minutes on items not on today's agenda.
- V. *Framing the Design Work:*

C4's consultants introduced an S curve to describe the stages and processes to build a bridge to legalization, with a reminder that building consensus is getting to the realm of "this is what I can live with". The context to conversation suggested that C4 not set standards no one will meet, design a license system people will use, be flexible, and incubate and spread best practices. Successful policy will require support from growers, it will protect the environment, it will provide a framework to build and scale new business and it will reflect Santa Cruz values: small scale, best practices, organic, friendly to the environment. Too many costs will keep growers in the gray and black market, insufficient regulatory and enforcement capacity will damage our reputation. Pick a lane -licensees must commit to a medical market. Is a regional approach possible? Different approaches for grandfathered businesses and new businesses. Enhanced environmental buffers for sensitive areas, habitat management plans, organic and tested, state of the art water and energy conservation systems.
- VI. *Reflections on Field Trips* – members who participated in field trips made a number of observations, including:
 - a. How do we address the issue of not having cannabis visible without ugly fences on the property line
 - b. Jon's farm in Corralitos appears to have ideal siting to address odor and neighbor issues
 - c. Regulatory framework needs to address safety
 - d. We have an individualistic industry with many single actors not necessary educated about best practices
 - e. The summit area below Los Cumbres has been devastated by large, unregulated grows

- f. How do we get a handle on the black market – a lack of effective enforcement has created a trust
- g. Our dispensaries appear to be doing a great job
- h. Neighborhoods are organizing to create water policies given unregulated cultivation
- i. Regulatory system needs to create a clear path to compliance
- j. We don't want corporate model – we should look to France's appellation system, where they protect quality with regulations.
- k. If we regulate effectively, we may see growers with bad practices leaving our county to areas where it is easier to grow
- l. We will be well served by visualizing where we want to be in 5 years.
- m. Promote open sourcing for seeds so corporations can't patent and restrict them.
- n. Regulatory system will have a civil first responder, with law enforcement involved if there's no compliance
- o. Large grows = land use permit
- p. Establish a commission to address the license system, which will be tiered by size

Comments were solicited from the public.

- VII. *Study and Q & A Session, presented by Community Prevention Partners, Mark Stanford, Jim Mosher, Brenda Armstrong, Shebreh Kalantari-Johnson* – members received an overview on the impacts of misuse of cannabis on youth development, data on use and access by youth in our County, issues associated with driving under the influence, a spike in use by youth post-legalization in Colorado, and strategies to affect community change. Jim Mosher suggested the following to guide policy development:

- a. Criminalization is not an effective policy strategy to protect public health and safety
- b. Large multi-national corporates should not be allowed to dominate the legal market
- c. Young people and other vulnerable populations need to be protected from harm and roads need to be kept safe

Mark Stanford followed with a review of the basic research on the impact of cannabis on developing brains of kids and reviewed CSAM and APP recommendations for policy on legalization (no use under 21, recognizes treatment with cannabinoid administration for kids with life-threatening or debilitation conditions, strict enforcement of rules to limit access, marketing and advertising to youth).

CCP provided Cannabis cultivation policy recommendations:

Keep it small, keep it local, with conditional use permits and an oversight commission, vigorously enforce underage furnishing laws, disallow practices, packaging and promotion that is attractive to youth, and protect the

community by limited the areas cannabis can be grown to industrial and ag areas, define public nuisance violations and enforce the rules.

VIII. *Recess*

IX. *Design Specifications for Protecting Youth and Neighborhoods* – Committee members broke into small groups to work through how the basic elements of the existing 99 plant ordinance acted to protect neighborhoods, youth and the environment, and reported out key issues:

- a. Enforcement is key, and needs to be well focused for the first two years
- b. Setback is important to keep cannabis out of view from kids, education is important
- c. Beware of targeting low income ethnic communities for cannabis use
- d. Personal grows lack regulation
- e. Can we include residence requirements?

X. *Recess*

XI. *Potential approaches to address common interests* – C4's consultant attempted to achieve areas of agreement on polling to assess public opinion (no agreement), economic analysis of local and regional industry (no agreement) and analysis of regulatory strategies and resources necessary to build capacity (no time, therefore no agreement). Also discussed was including guidelines for realtors, holding absentee landlords accountable, consideration of tax abatement to mitigate degraded areas, and a comprehensive strategy with law enforcement and natural resource management to clean up the summit. C4's consultant provided a roadmap of deliverables between now and December 1st to get direction for a draft report for the Board's 12/8 agenda.

XII. *Schedule and Closing Remarks* – The schedule was reviewed, with a question to answer at the next meeting whether C4 members had a preference for 2 meetings the week of 11/16, and no meeting Thanksgiving week. C4 members requested an end to presentations, rather a focus on interactive plenary sessions to develop policy recommendations. Next meeting to focus on the A through O provisions of the existing cultivation ordinance.

XIII. *Materials for Distribution* – these included a letter to the Board of Supervisors and C4 from the Fish and Game Advisory Commission with proposed environmental protections to be included in policy recommendations, a copy of an introduction to a framework for licensing submit by RCSC and an article from the Marijuana Business Daily on cannabis testing.

XIV. *Recess* – The meeting was recessed at approximately 2:40 with reminders

about attendance at the following community meetings, with staff to keep a roster of attendees for both.

A Conversation for representatives of the Cannabis Cultivation Choices Committee (C4), by residents of Bonny Doon and the North Coast.

Facilitated by Eric Olsen & Vivian Wright.

Date: November 12; Where: Bonny Doon School, 1492 Pine Flat Road, Santa Cruz, Ca 95060: 7p.m.

Eric Hammer and Kim Sammet have participated in organizing a Public Meeting on the Politics of Pot – an opportunity to learn about the MMRSA and the work of the Committee on Wednesday, November 18 at 6:00 pm.
Highlands Park Senior Center

**Proceedings of the Santa Cruz County
Cannabis Cultivation Choices Committee (C4)
Tuesday, November 10, 2015
DRAFT Action Summary Minutes**

- I. The meeting was called to order at 9:00 a.m. Roll call was taken that confirmed all 13 members were present.
- II. *Changes to the Agenda* – There were no changes to the agenda
- III. *Accept Summary Notes:* The Committee voted to defer consideration of the correction of the summary notes for 10/27 to the 11/17/15 meeting
- IV. *Oral Communications* – Staff invited the public to address the Committee for a period of up to three minutes on items not on today's agenda. Two members of the public addressed the committee.
- V. *Framing the Design Work:*

C4's consultant introduced slides to prompt thinking about statewide regulations related to agricultural activities and pesticide use, the amount of activity permitted in the mountains, competition for limited commercial space, a preference for a market driven approach rather than quotas, a phased, "go slow" approach that establishes a licensing framework with an initial round of applications, how to scale medical cannabis production, how to gain compliance and adoption of BMP's, introduced the concept of registration as a step towards the civil enforcement lane, and membership in a cannabis or ag membership organization that promotes BMP's. What is the number of patients in the County and the amount of medicine needed to meet those needs, how much of any of the State's medical cannabis market might be supplied by Santa Cruz, with an initial stage of licensing premised on a production volume necessary to produce X amount of months' worth of medicine, based on a yield of 20 grams per square foot as a test model. How best to allocate licenses among business types, how to build capacity to support a Commission or Bureau that would ID and promote best practices, build curricula, training, guide implementation of policy and build relationships among stakeholders, and what carrots and sticks might be deployed?
- VI. *Update from C4's Subcommittee that met with law enforcement-* C4's – C4 member Nick Bulaich provided an overview of four questions:
 1. If a local ordinance is adopted that allows (i.e. licenses) cultivation, distribution, delivery and/or sale of medical cannabis does SO have an obligation to enforce federal drug laws?
 2. Is SO obligated to provide information to a federal agency or official, if yes, under what circumstances?
 3. Does SO current license any activity?

4. Does SO currently enforce violations of a licensed activity?

Committee members expressed that overall the meeting was positive, with the following report:

- If the SO has a stake in designing a local ordinance, that input will make the regulations easier to enforce
- Once cultivation businesses are legitimized through a license or similar program that enforces BMP's, it would make it easier to target enforcement against those who choose to be non-compliant
- SO is in favor of an approach that limits by canopy size rather than plant count, and believes there are benefits to both neighborhoods and cultivators to get grows out of neighborhoods, and supports registration of personal grows.
- There was agreement that enforcement of the new regime was critically important, and an ideal amount of resources to enforce a new local regulatory framework, (assuming money was no object) would be a team of 6-8 officers.

VII. *Design Recommendations – Opening Statements:* There was a continued conversation about the role of law enforcement, the inequality in the current approach to enforcement, and a lack of transparency from law enforcement. There is a perceived randomness to who is subject to enforcement, with many “bad actors” not subject to enforcement, while those participating in the C4 process appear to be attracting the attention of law enforcement. This perception results in a sense that there is the threat of legal action related to participation in the C4 process. Some expressed that a way to address fear in the industry would be for the Board of Supervisors to immediately drop the 99 plant limit and move to a square footage of canopy model. A good working interim approach could be one that simply flipped the current ordinance inside out to eliminate the limited immunity approach, replace it with a permit/license structure, and remove the 99 plant limit in favor of a limit by canopy size.

A summary of opening remarks follows:

- a) Be careful of pushing all of the cultivation to South County, eliminate the 99 plant limit, and remove the exception for outdoor cultivation in the 2nd District
- b) There is always harm to restricting people's liberty (through a regulatory process), so restrictions need to be specific to protecting neighborhoods and the environment
- c) Eliminate the 99 plant limit, and craft a framework that addresses the current restriction that all cultivation must be only for in-county medical dispensaries, be cautious about regs that would eliminate commercial cultivation in sensitive areas of SLV - would prefer to see a case-by-case exceptions; C4 recommendations need to be in the context of the

community's input; and confirmed a fear of retribution by law enforcement for participating in the process

- d) Regulations need to define what is a neighborhood in a rural setting (and what would be permitted in that setting); there needs to be a realization that in the mountain area, only a percentage of the parcel may be usable for supporting cultivation; the framework needs to address the harm associated with absentee landlords; conversion of the forest environment to agriculture has risks to wildlife
- e) The process will be well served to separate where cultivation can take place from how cultivation should be conducted; it is better for neighborhoods and the industry to move commercial production out of neighborhoods; our framework needs to define how to grandfather/mother certain sites in or out; there was a caution not to separate out removing the 99 plant provision from the rest of regulatory package.
- f) There continues to be a lack of transparency from law enforcement which creates distrust in the community
- g) We'll want to craft something that will bring everyone into the fold. We're in a period of transition, after decades of prohibition. Committee to try to figure out ways to increase public acceptance for medicinal uses, and garner respect for the grower by the neighbors.

VIII. *Recess*

- IX. *Design Recommendations Continued* – Deploying green (yes), red (no) and yellow (maybe) cards committee members reviewed County Code Section 7.126.040 (A)-(O) provisions to determine whether there was agreement among members to retain any of these previously agreed upon policies. Results were recorded for review at the next meeting. Areas of discussion included how to accommodate existing family farms, whether an 21 and over age restriction was a barrier to developing a career in the industry, how security, crop visibility and illumination might be handled, whether/how to allow personal grows for more than one person on a parcel. Representatives from CAA distributed a policy statement and a proposed license matrix for consideration by C4.

X. *Recess*

- XI. *Presentation: Rulemaking and the Regional WaterBoards – Cultivation of Medical Cannabis* – Harvey C. Package, Section Manager of the Central Coast Water Board described the process required in MMRSA for regional Water Board to develop a coordinated strategy with the CA Department of Fish and Wildlife to regulate unauthorized diversions of water resources from streams, creeks, and springs, and the discharge of waste to surface and groundwater as a result of the cultivation of medical cannabis.

- XII. *Letter to C4 from the SCC Fish and Game Advisory Committee* – Members were directed to page 42 in the agenda packet to review the request by the Fish and Game Advisory Committee to have an opportunity to review and comment on policies developed by the Committee prior to those recommendations formally going to the Board of Supervisors. Included were 17 recommendations to provide environmental protections. Staff reviewed the recommendations and indicated that the Board Chair had responded to the Commission to advise them that the time crunch associated with the March 1st deadline would likely not permit the Commission's review of recommendations prior to (but concurrently with) them going to the Board.
- XIII. *Schedule and Closing Remarks* – The Committee agreed to keep the schedule as is for 11/17 and 11/24, with review of agenda materials on Thursday December 3rd at 3:00 in the Board Chambers at 701 Ocean Street. Given the short time remaining various recommendations were made for the short term, including the need to eliminate the 99 plant limit, and to try to gain agreement for general provisions for a single license category, with detail on additional tiers to follow. In this way C4 could occupy the field with overall general recommendations to regulate cultivation. Pros and cons of using a 10 x 10 as the single tier for commercial cultivation upon which to build the model were discussed.
- XIV. *Materials for Distribution* – these included a memo contrasting the production of wine grapes with the cultivation of cannabis, and various articles from *Marijuana Business Daily*.
- XV. *Recess* – The meeting was recessed at approximately 2:40 with reminders about attendance at the following community meetings:

A Conversation for representatives of the Cannabis Cultivation Choices Committee (C4), by residents of Bonny Doon and the North Coast. Facilitated by Eric Olsen & Vivian Wright.

Date: November 12; Where: Bonny Doon School, 1492 Pine Flat Road, Santa Cruz, Ca 95060: 7p.m.

Eric Hammer and Kim Sammet have participated in organizing a Public Meeting on the Politics of Pot – an opportunity to learn about the MMRSA and the work of the Committee on Wednesday, November 18 at 6:00 pm. Highlands Park Senior Center

Agenda Item 10.0

TO C4 Members
FROM: Staff
DATE: November 16, 2015
SUBJECT: Materials for distribution

Recommendation: Consider materials and provide direction to staff

Discussion: A letter to your Committee was received from Bonny Doon residents, and it is attached for your reference. There are a number of residents who have signed the letter.

November 12, 2015

Members of the Cannabis Cultivation Choices Committee (C4),

As homeowners and residents in Bonny Doon, and on behalf of many of our neighbors, we are writing to express our concerns with the profoundly negative impacts that the unregulated and out-of-control growth of cannabis is having in our neighborhoods. We do so in the hopes that the C4 Committee will address these issues and consider our suggestions in the recommendations you are due to make to the Board of Supervisors in early December.

Up front, we would like point out that we fully support access to medical cannabis for those with legitimate medical needs. We do not seek to deprive any person of needed medical care or relief. We also respect the privacy of our neighbors and the diversity of approaches to private land use in Bonny Doon. Yet we cannot stand by silently as we witness the rapid and unhealthy transformation of our neighborhoods through the proliferation of unregulated and illegal cannabis grows that are having a corrosive effect on our safety, our environment, and our quality of life. The negative impacts of these grows are often magnified by their density, with several small scale operations concentrated into one area.

Safety is our most significant concern. Growers are installing unsafe electrical systems, increasing the risk of fire. These operations often increase non-resident traffic (e.g. cars of workers who plant, tend and harvest; trucks to ship, even customers to buy) which make streets more unsafe for our children and pets, and adds maintenance costs to our private road associations. Given the thriving black market and high cash value of this crop, we are concerned about the criminal activity that these operations attract to our neighborhoods.

The proliferation of these operations leads to higher and unsustainable water use, adversely affecting our family wells and neighborhood water supplies. Clear-cutting practices, which are often associated with grow sites, have seriously negative impacts for water runoff and on our watersheds. We worry about the impacts of pesticides and rodenticides on our local environment and wildlife. While more of a nuisance, the odor – especially at key times of year –can be quite noxious and an unwelcome reminder of the problem.

Finally, our sense of community is being undermined. We watch as properties in our neighborhoods are converted to grow operations, often set up by people not living in the neighborhood or by people who move in only in order to use the property to grow and are not interested in being members of the community. Properties designed to serve as residences are being diverted to non-residential activities.

This uncontrolled situation is not only bad for our neighborhoods but is harmful to the legitimate medical cannabis industry and any potential future legal cannabis industry. Many of us who are sympathetic to commercial cultivation or reasonable personal grows are becoming increasingly disillusioned to the entire industry and the product.

In sum, cannabis cultivation in residential areas for commercial re-sale has real and negative impacts. We believe it is unfair to continue to allow the burden of production of cannabis in the County to fall on our neighborhoods. We seek changes in regulation to decrease its current scope and eventually to remove it entirely. Thus, we propose the following ideas for your consideration:

- 1) Prohibit commercial cultivation of cannabis in the Bonny Doon residential areas, including properties currently zoned residential agriculture. Commercial cultivation of cannabis could be located in areas in the county that are zoned for commercial agriculture or agriculture (CA or A).

- 2) Review the 10'x10' personal grow exemption to reduce its clear and obvious abuse, while ensuring that all legitimate needs for medical cannabis are met. Consider decreasing the size of the exemption and limiting the number of personal grows permitted in a concentrated area.
- 3) Ensure strong enforcement. Whatever policy solutions are put in place must be backed up with comprehensive enforcement that can go into effect quickly. These should not only focus on the large-scale illegal operations but provide meaningful recourse to community members adversely affected by the abuses of personal use and small-scale production.

We appreciate this opportunity to add our voices to your deliberations, and we stand by ready to answer any questions you may have and to lend our support to your important work.

Thank you for your attention to our concerns,

Sincerely,

Residents of Bonny Doon

Signatures attached in separate file