



**Nevada County Cannabis Regulation
Community Planning Process
Summary of Community Advisory Group (CAG)
Meeting #7, September 12, 2017**

Prepared by:



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September 2017

Introduction

On Tuesday, September 12, 2017, Nevada County convened the seventh meeting of the Community Advisory Group (CAG). The CAG includes 16 Nevada County residents who were appointed by the Board of Supervisors. The mission and charge of the CAG is to:

- Gather and analyze input from Nevada County community members with regard to perspectives on cannabis-related activities.
- Advise the Nevada County Board of Supervisors (BOS) regarding preparation of a revised ordinance to regulate cannabis-related activities in Nevada County.
- Formulate recommendations that Nevada County staff and the BOS can use to draft a revised County ordinance which regulates cannabis-related activities.

The CAG process is led by a four-person team that includes representatives from:

- MIG, Inc.: Daniel Iacofano, Lead Facilitator, and Joan Chaplick, Project Manager
- Nevada County: Sean Powers, Director, Community Development Agency, and Mali Dyck, Program Manager, Eligibility and Employment Services

This is the seventh of a series of meetings that will be conducted between May and September. The meeting notes are intended to provide a summary of key points of information, discussion topics, questions and agreements. The summary is not intended to serve as a transcription of the meeting. Meetings have been videotaped and are posted on the County website.

1. Welcome and Introductions

Daniel Iacofano, MIG facilitator, opened the meeting and led the group in the Pledge of Allegiance. He welcomed the CAG members and members of the public to the meeting. All 16 members of the CAG were in attendance.

Daniel reviewed the meeting agenda and objectives, and asked the CAG for adjustments to the CAG meeting #6 summary. Several CAG members requested a correction on page 4 regarding the number of gallons of water needed per plant per day for indoor cultivation of cannabis.

Daniel then presented general principles for developing the recommendations, which included the following:

- Be concise
- Respect and incorporate the opinions of fellow CAG members
- Focus on forward progress
- Spend time on CAG dialogue and discussion of the issues
- Summary will include CAG member qualifying comments

- CAG will provide general direction for policy setting

2. Directions and Recommendations for Major Topics

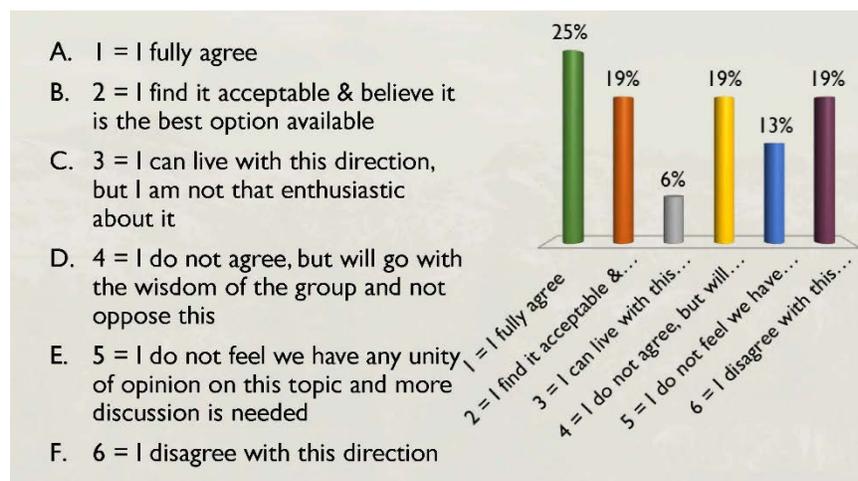
Daniel then led a discussion of directions and recommendations for major topics to be considered, as confirmed by the Board of Supervisors at their September 5, 2017 meeting. Using an electronic polling system, he asked CAG members to indicate their opinion regarding the topic on the following “level of agreement” scale:

- 1 = I fully agree
- 2 = I find it acceptable and believe it is the best option available
- 3 = I can live with this direction, but I am not that enthusiastic about it
- 4 = I do not agree, but will go with the wisdom of the group and not oppose this
- 5 = I do not feel we have any unity of opinion on this topic and more discussion is needed
- 6 = I disagree with this direction

On occasion, the topic was rephrased at the request of CAG members, and in those cases, Daniel repolled the topic. Also, some topics were simply voted on with a show of hands.

The following presents the results of the polling for each question and a summary of the discussion points. Some comments have been grouped and combined to reduce duplication of the responses.

Topic 1: Protect residential quality of life and prohibit outdoor cannabis activity in areas zoned R1, R2, R3.

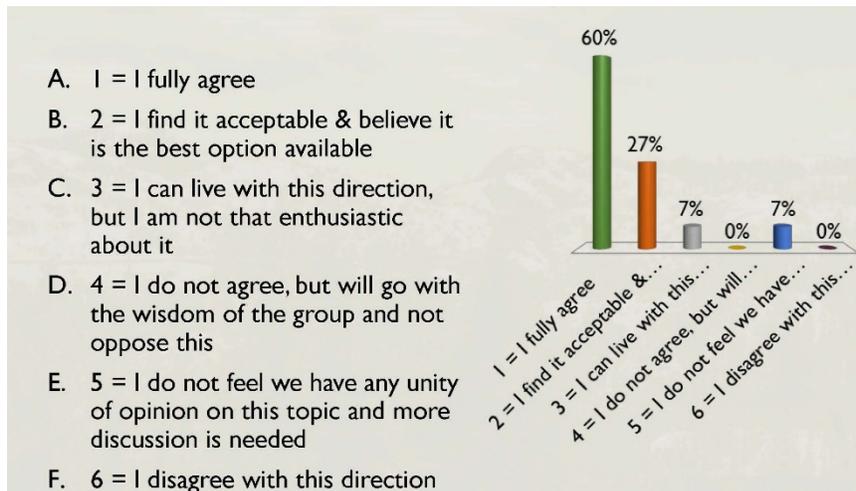


Comments and questions from CAG members included:

- Many CAG members agreed with prohibiting outdoor cannabis activity in R2 and R3.
- Several CAG members recommended distinguishing between R1 and R2-R3, believing outdoor cannabis activity could be allowed in R1 only if cultivated for personal use.
- It was recommended that the R1 question be discussed further, considering other elements such as parcel size, number of plants, slope and setbacks.
- Several CAG members insisted that the discussion about R1 should clearly distinguish personal use from commercial use.
- Several CAG members agreed with the statement as is, believing outdoor cultivation is not appropriate in any of the R-zones and that the ordinance should remain as simple as possible.
- The issue of guaranteeing appropriate security was brought up during the discussion.
- It was recommended that the group consider limiting the number of plants allowed outside in R1.
- Several CAG members identified the odor problem as central to the question, recommending considering different way to mitigate odor.
- One CAG member disagreed with the statement, recommending that the CAG consider where plants will be planted if they are banned here and the needs of those cultivating cannabis for medical purposes.
- Question from a CAG member: What is the range of R1 parcels in terms of size?
 - Response: Typically, R1 parcels range from ¼ to 2 acres.
- One CAG member was curious about the number of plants needed for medical purposes, thinking 8 joints a day seems like a lot.
 - Answer: For medical purposes, it is not a question of joints per day but other derivatives that are made from large quantities of cannabinoids that are the equivalent of up to 70 joints a day.
- Several CAG members explained that there are other modalities to ensure sufficient cannabis is available for medical purposes.
- A CAG member raised the question of the role of HOAs in regulating what is allowed in certain areas.

Topic 2: Make no distinction in the regulation of cannabis that is grown for medical, adult, or recreational uses or for personal use or commercial sale. Align Nevada County cannabis regulations with some of the license categories established by the State of California.

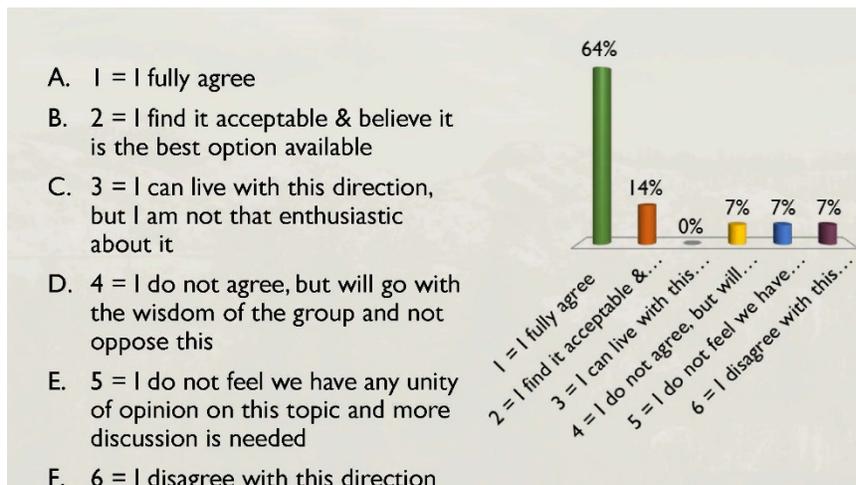
Several CAG members asked to separate the question into two parts. Daniel repolled the question based on the following statement: “Align Nevada County cannabis regulations with some of the license categories established by the State of California.”



Comments from the CAG members included:

- One CAG member stated that, although generally agreeing with this statement, they thought that there shouldn't be large farms in the County.

Daniel then repolled the question based on the following statement: “Make no distinction in the regulation of cannabis that is grown for medical or non-medical use.”



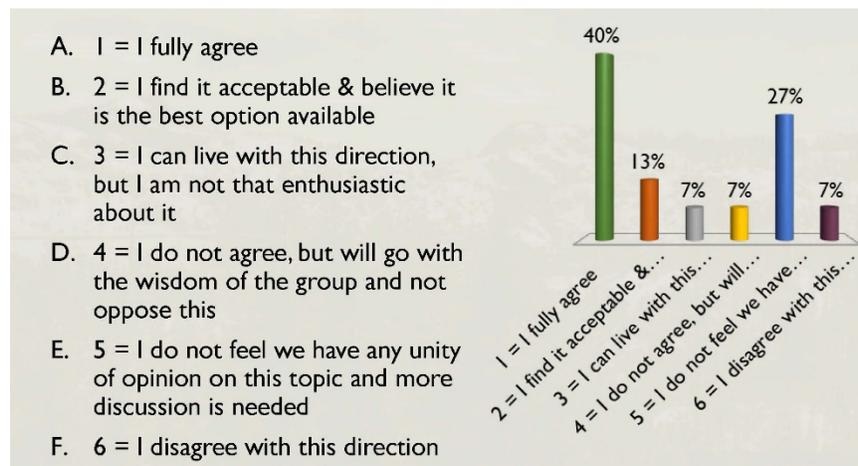
Comments from CAG members included:

- One CAG member recommended differentiating between strains of plants for the purpose of odor.

Daniel restated the second part of the question and asked for a show of hands from CAG members in agreement with the following statement: “Make a distinction in the regulation of cannabis that is grown for personal use or for commercial use.”

The group agreed fully on the need to distinguish between personal and commercial use.

Topic 3: Designate select areas of the County where cultivation areas of up to 5000 sq. ft. would be allowed. Small size cultivation sites will be defined as up to 5,000 square feet of total cultivation on one site.



Comments from CAG members included:

- Several CAG members were concerned with the fact that the statement does not align with state licensing categories. They asked for clarification on the definitions of small, specialty and medium size cultivation based on state definitions.
- One CAG member asked for clarification on whether this cultivation would be outdoors or in greenhouses.
- One CAG member raised concerns that the selection process would be political, but noting they would agree with the statement if the areas are designated with objective criteria.
- One CAG member recommended considering specialty and small cultivation as an economic opportunity for the County.
- It was mentioned that it is crucial to allow 5,000 sq. ft. grows in the County if the goal of the ordinance is to encourage growers to come into compliance.

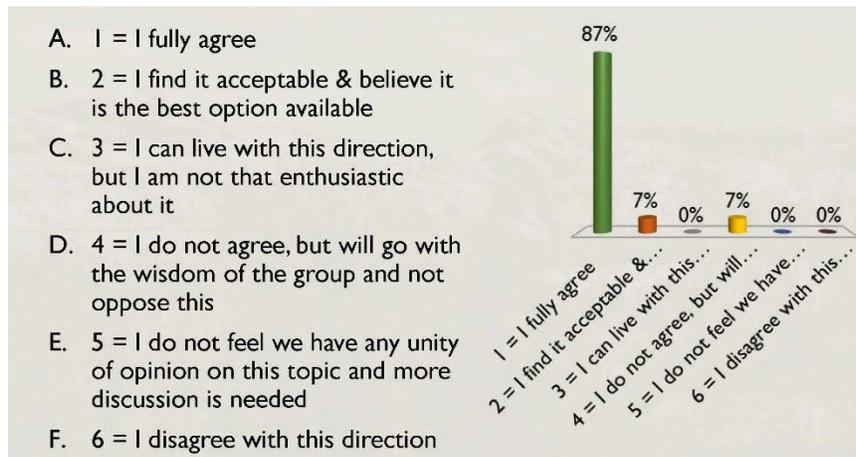
Topic 4: Develop a land use and zoning recommendation to limit the size and number of cultivation sites in designated areas and to prevent over-concentration of cultivation sites in any one area of the County, especially in areas zoned RE and RA.

There was no vote taken on this topic.

Comments from CAG members included:

- Several CAG members were concerned with allowing cultivation in RA and RE zones as they remain residential zones and are not fit for commercial cultivation.
- Other members believed that there is no reason for restricting commercial cultivation in RA and RE zones. Those zones were created with the intention of allowing people to start a business.
- Regulation based on parcel size makes more sense. Pushing cultivation into agricultural areas only will be problematic when trying to bring growers into compliance.
- One CAG member asked for clarification on types of businesses allowed in the RA zone.
 - Response: The definition of businesses allowed on RA is complicated and the planning department is struggling with the definition. It may be a small business, home-based business or light commercial use, not a full-blown retail shop.
- It is important to consider use permits, and think about the distinctions between types of use permits (conditional, discretionary, etc.).
- Several CAG members proposed encouraging vertical integration within the cannabis industry in the County.

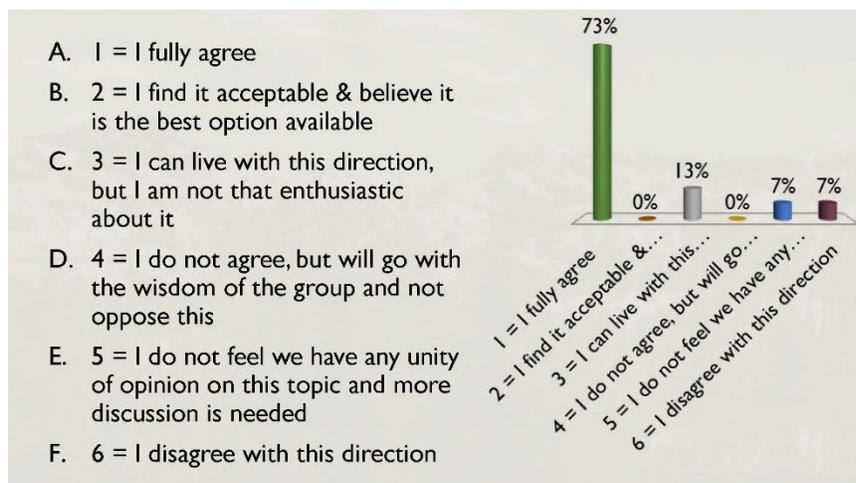
Topic 5: Conform to State regulations for regulation of cannabis with respect to water supply and quality and environmental protections.



Comments from CAG members included:

- The regulation should consider the uniqueness of the County in terms of water regulation, and we should consider very closely what the state regulations are.

Topic 6: Designate an area through land use for a testing lab to provide product quality assurance for medicinal use of cannabis.



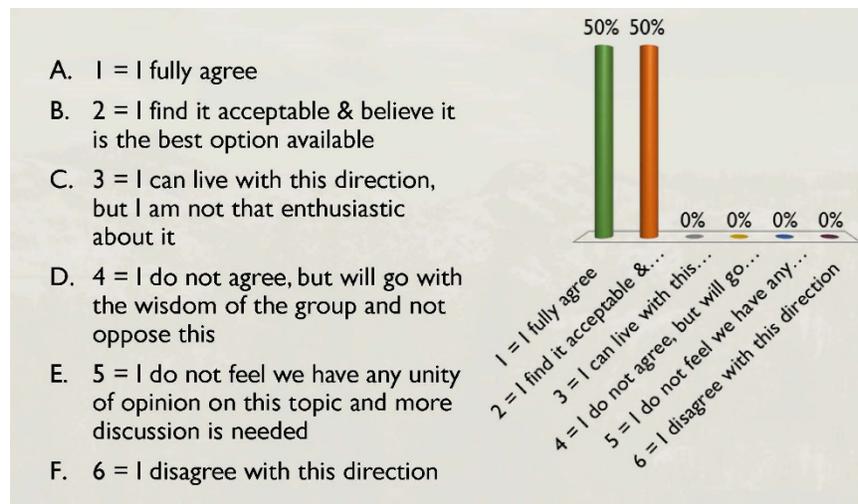
Comments from CAG members included:

- One CAG member disagreed with the statement, explaining that testing labs might not be needed in the County if there is sufficient volume of labs in the region.
- One member recommends distinguishing between two types of testing labs: a smaller in-house pre-screening lab, and larger full-blown state-licensed labs. They

recommended considering zoning appropriate for the two types. Also, there is a clear economic advantage to having a local testing lab, as it increases ease of business.

- It was argued that the County can have an impact on cultivation, but cities are more appropriate for testing labs.
- Several members explained that testing labs ensure the safety of the community, and it is therefore important to allow them in the County.
- One CAG member argued that a full-blown testing lab requires a major capital investment and doubts that there will be such investment in the County. However, a smaller pre-screening testing lab will be necessary in the County.
- Full-blown labs should be allowed in industrial areas because of traffic impacts. The smaller ones should be allowed in agricultural zoning.

Topic 7: Develop a permit application process based on criteria consistent with County policy for cannabis cultivation. For example, give preference to small scale farms owned by County residents.



There was 100% agreement among CAG members regarding this statement.

Topic 8: Require a permit for any personal grows beyond 6 plants.

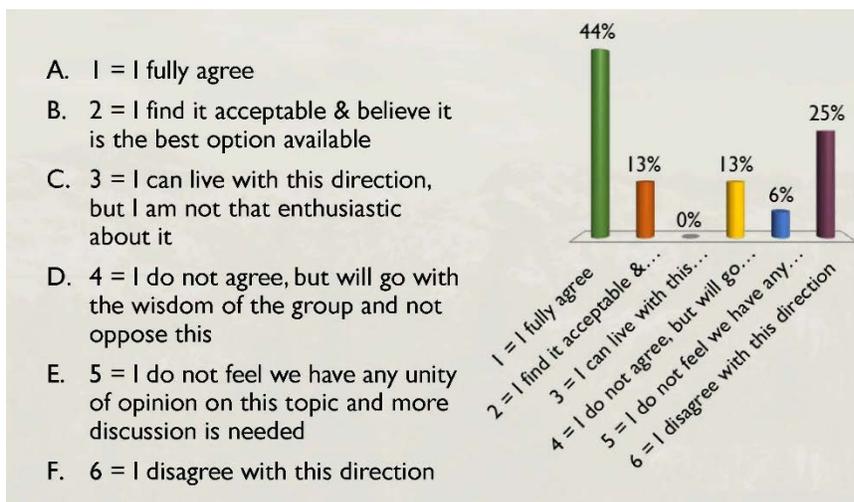


Comments from CAG members included:

- Several members expressed some confusion about the statement, asking to clarify whether the statement is referring to commercial cultivation.
- There was concern with the cost of such a permit.
- Several members disagreed with the statement if it meant allowing more than 6 plants for personal grows.

Topic 9: Require that a residence be located on cultivation sites. Allow a transition period for a residence to be complete if none exists at the cultivation site.

Several CAG members recommended discussing each part of the statement separately. Daniel asked CAG members to vote on only the first sentence of the statement: “Require that a residence be located on cultivation sites.”



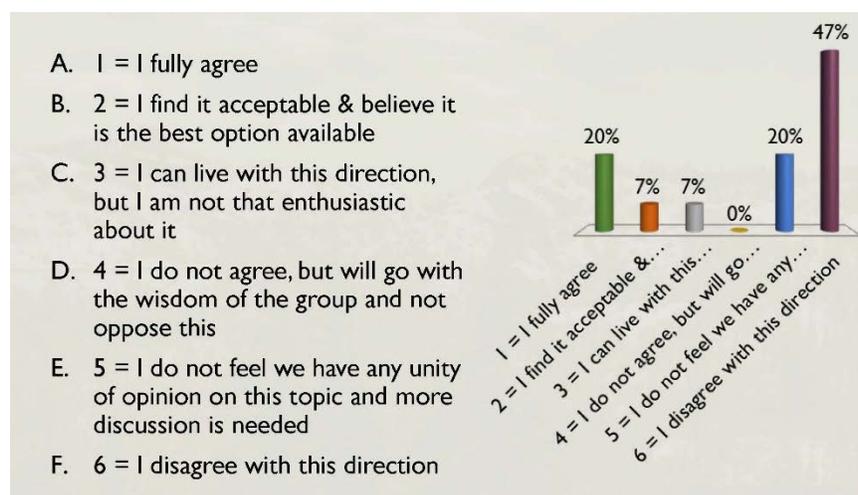
Comments from CAG members included:

- Several CAG members disagreed with the statement that the cultivator must be the owner of the land.
- One CAG member explained that if the ordinance adequately addresses the issues of sanitation and safety, there is no reason to require a residence on the cultivation site.
- Several members were of the opinion that requiring the grower to be resident of the County is fair, but requiring a residence adds significant cost to growers.

Daniel then invited the CAG to discuss the second part of the statement: “Allow a transition period for a residence to be complete if none exists at the cultivation site.”

- Several members agreed with the statement as long as the transition period is short.
- Several comments recommended there be some lenience or business friendly accommodations for those trying to come into compliance, as they already have many new requirements to comply with.
- One CAG member recommended considering a slow transition based on proven steps towards compliance.
- One CAG member raised concern about growers that are bouncing from County to County without coming into compliance, suggesting that the ordinance should therefore be written in a way that can address the problem of the non-compliant growers.
- A CAG member asked: how to regulate when the grower owns or lives on an adjacent property?

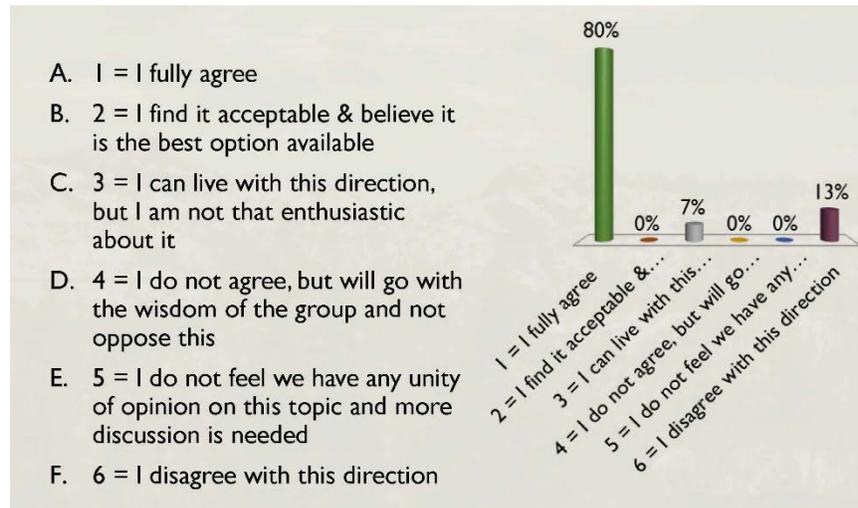
Topic 10: Maintain setbacks of 600 feet from cultivation sites to any active School, School Bus Stop, School Evacuation Site, Church, Park, Child Care Center, or Youth-Oriented Facility.



Comments from the CAG members included:

- There was a lot of discussion about whether the State regulation had been changed to 1,000-foot setbacks. Most of the discussion, and the vote, occurred while the group thought the State regulation called for 1,000 feet. However, upon further research, Sean declared the State regulations in the recently adopted trailer bill language was actually 600 feet for schools. The State trailer bill lists use and advertising with setbacks of 1,000 feet.
- Several CAG members disagreed with including bus stops in the setback requirements.
- One CAG member recommended that school evacuation sites be removed from the setback requirement.

Due to the confusion about the setbacks included in the State regulations, Daniel decided to repoll the question based on the following statement: “Conform to State regulations regarding setbacks, requiring 600 ft. setbacks from cultivation sites to any active school, park, child care center or youth-oriented facility.”



Topic 11: Provide a cure or grace period to allow time for grows with non-cultivation ordinance violations to be corrected and brought into compliance.



Comments from CAG members included:

- One CAG member asked why a transition period was needed.
 - Response: it depends on the violation. Certain violations might not have a transition period.
- One CAG member noted that the context of the industry needs to be considered, understanding that it has been completely unregulated until now, so it will need time and incentive to come into compliance.

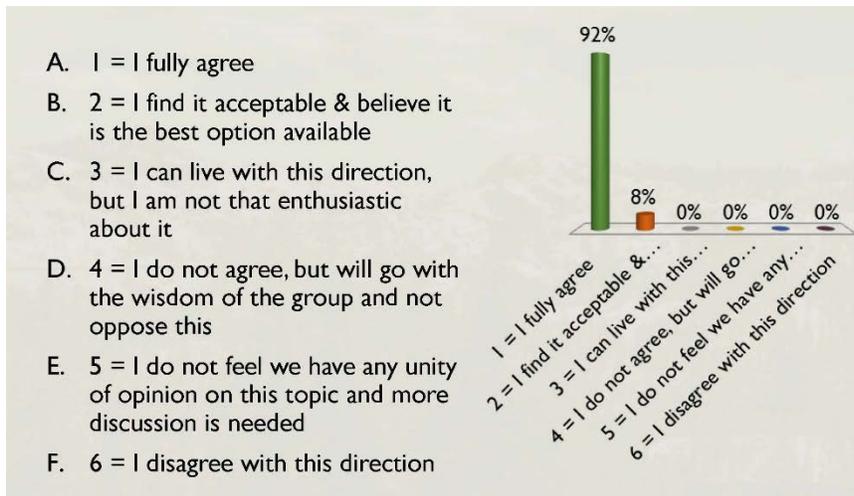
Topic 12: Implement the three-step permitting, inspection and enforcement process recommended by County staff at CAG meeting #3.



Comments from CAG members included:

- One CAG member was concerned with the live scan requirement that doesn't seem to make sense in this case.
 - Response: This topic is still unclear; more research is needed.

Topic 13: Develop a recommendation for safe product distribution and transport.



CAG members agreed with the statement.

Topic 14: Designate select areas of the County where specialty cottage size cultivation areas of up to 2,500 sq. ft. are allowed.



Comments from CAG members included:

- Several members expressed support for Type 1 and Type 2 licenses in the County, recommending further discussion on Type 2 licenses (up to 10,000 feet).

3. Public Comment

The following comments were contributed by members of the public:

- This is a political process and regulations will probably change in the next few years.
- If the purpose of regulation is to bring people into compliance, it makes sense for the County to make it as simple as possible for people to comply with State law.
- I implore Nevada County not to reproduce a “war on drugs” system, and hope the County will consider the great economic benefit of allowing cultivation.
- It’s important to make the process simple, specifically in terms of setbacks, and make discretionary allowances in certain conditions.
- As a medical user, I believe there is a need for more than 6 plants. I’d like to raise the question of commercial grows having allowable personal use.
- Today the speaker is a fully compliant grower, but to be in compliance many changes to her property had to be made. I question whether the odor actually smells bad or some are just reacting to the smell as morally wrong.
- The environmental impact of cannabis cultivation is very important and should be considered more seriously.
- It is important to have compassion for those that are sick in our community.
- I live in an RA zone and believe the zoning is intended to allow agricultural activity as long as it is of light impact. It’s important to consider the entire supply chain and business chain.
- One member of the public shared a process graphic they had created with the CAG. Currently building compliance is at 20% in the state. Based on this, the speaker advocated for a transition period to encourage compliance. They noted that setbacks for outdoor grows are completely out of line with what is happening currently.
- I recommend staying close to state law to ease the process, and discussing how to make the cannabis industry successful.
- I am against adding restrictions and in favor of adding testing facilities. I encourage following state regulations for the purpose of simplicity, in favor of a 3-5 year transition period.
- I advocate for Type 1 and Type 2 to be allowed in the County, or else 85% of growers won’t be able to comply with state law. A transition period is of great importance to this industry that has been out of compliance for years.

- I recommend encouraging compliance as we go forward. Would like to clarify that RA allows for small vineyards and tasting rooms. It's important for the CAG to discuss 10,000 ft. grows.
- Incentives are needed to encourage growers to come into compliance. The experience so far is that many aren't inclined to come into compliance. The grace period is very important.
- It's reasonable to allow for 2% of parcels to be for commercial cultivation; could have variable setbacks with different fees. Mixed-light licensing is needed in the County.

4. Next Steps

Daniel thanked everyone for their time and reminded everyone that the next CAG meeting is on October 10th.

Wallgraphic notes taken during the meeting are shown on the following page. Comment cards and comments submitted via email by participants are attached as Appendix A.

