



# Nevada County Cannabis Regulation Community Planning Process

## Summary of Community Advisory Group (CAG) Meeting #2, June 13, 2017

Prepared by:



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## Introduction

On Tuesday, June 13, 2017, Nevada County convened the second 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 second 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, lead 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. Approximately 50 people attended along with representatives of local media.

Daniel briefly reviewed the process for the CAG and the agenda and objectives for the meeting. The meeting objectives were to: review State-Related cannabis activities; review how other counties are approaching cannabis; and review and discuss potential allowable cannabis-related activities for Nevada County. He then provided a process update and reviewed how the CAG meeting topics would be organized as a series of phased discussions around five main topic areas including:

- Potential allowable uses at cultivation sites
- Land use and zoning requirements
- Permitting process
- Inspections, monitoring and enforcement
- Other: public health, tax revenue, etc.

## 2. Brief Review of State Activities Related to Cannabis Regulations

Daniel then introduced Joan Chaplick, who provided a brief overview of what is happening at the state level. At the agency level, there are three agencies with responsibilities related to cannabis regulation. State rulemaking is underway and will address a wide range of activities including licenses for testing labs, transporters, distributors, dispensaries and microbusinesses. They will also address licenses for cannabis cultivators and the establishment of a track and trace system and licenses for manufacturers of cannabis products such as edibles.

Concurrently, there is a political process where the state regulations will be addressed through a trailer bill to the state budget. It has been assigned SB 94 and AB 110. The new bills repeal the Medical Cannabis Regulation and Safety Act (MCRSA) and legislate both medical and adult use cannabis under an act called the Medical and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). The takeaway from this brief summary is that the effort to develop the state regulations is dynamic and we are still a few months away from having clear direction from the state.

## 3. Brief Review of How Other Counties are Addressing Cannabis

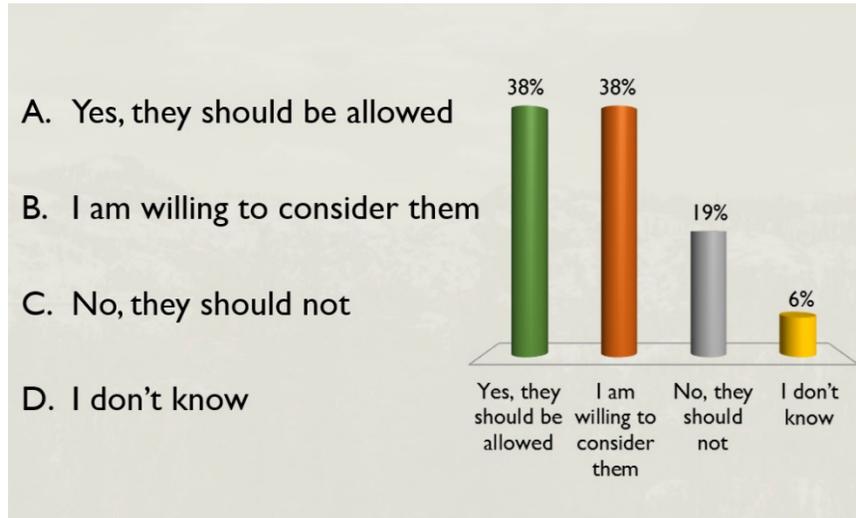
Joan then provided a brief review of a summary table of allowable cannabis activities for six counties including: Nevada, Sonoma, Yolo, Monterey, Sant Cruz and Placer. The intention was to provide a high-level overview of what some other counties were addressing within in their ordinances. The activities identified as “allowed” were restricted to specific zoning along with additional requirements. Sonoma and Monterey Counties stood out as allowing the widest range of cannabis-related uses.

## 4. Review and Confirmation of Potential Allowable Cannabis Related Activities for Nevada County

Daniel then led a discussion of potential allowable cannabis related activities. Using an electronic polling system, he asked CAG members to indicate their initial opinion regarding the topic. For each of the seven topics, he polled the CAG members, allowed time for discussion and then repolled the question to see if the discussion had influenced opinion. For most questions, he went around the table asking each member to share their opinion. For later questions, when time was more limited, he asked for a sampling of comments.

For each of the topics, it was clear that many CAG members were open to learning from the other participants and there were some changes to the responses for each of the questions. Please note - the polling results should not be considered a vote or construed as the position of the CAG. The polling was intended as a tool for hearing different points of view on the various topics. The following presents the results of the polling for each question, a summary of the discussion points and the results of the repolling that occurred right after the discussion. Some comments have been grouped and combined to reduce duplication of the responses.

*Question 1: Should home-based cannabis cultivation activities be allowed in Nevada County?*

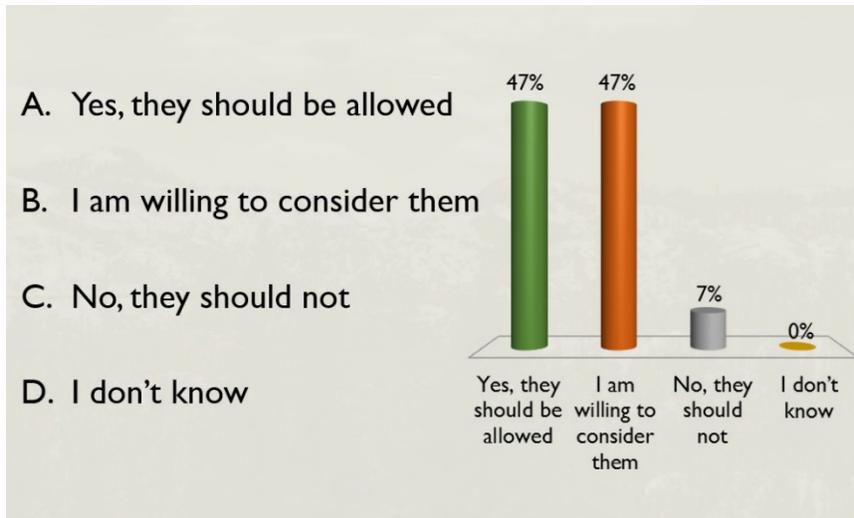


**Discussion**

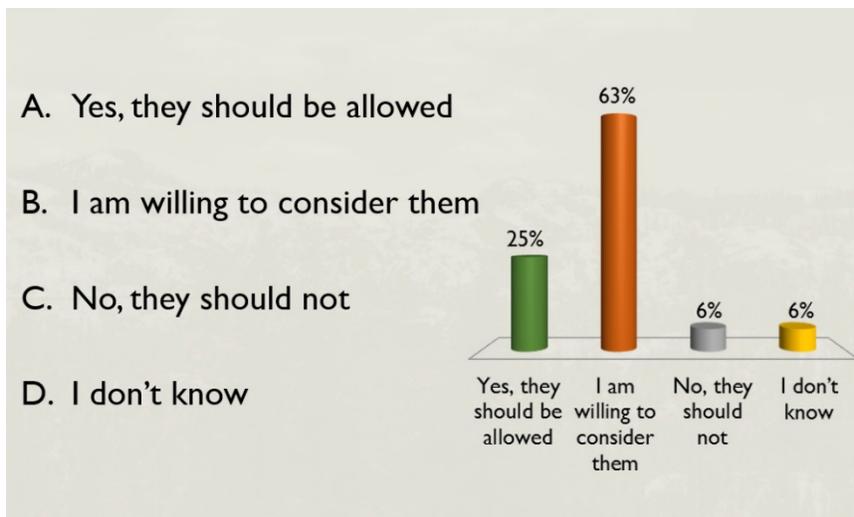
- It should be allowed for legitimate medical use. Patient access is important
- Want the emphasis to be on medical use
- Yes - with certain conditions imposed. The details are very important and it needs to be done right
- Want it to be small scale without any large grows
- Yes - if it is rural residential and small home-based - want to be able to prevent/discourage large corporate grows
- Major concerns regarding accessibility to youth if there are activities in homes
- Question is a bit vague - voted no to be safe
- Yes - to help preserve open space
- Conditions and zoning are important
- It's undeniable that it will occur, but have concerns about the conditions under which it does
- No - concerned about residential areas and impacts, including the smell
- Residential left me a bit vague - I voted no to be safe
- Concerns about allowing commercial activities in residential areas; not aware of any place in the state that allows this
- Had a question about Colorado and why it doesn't allow outdoor grows
- Yes - patient access, cultivation continues even when there is a ban so we need to create a pathway to where it is legitimate. What about putting it in ag areas?
- Home versus commercial - that is a big difference. What about home-based but in an ag zoned area? We would need to look at that differently

- “No” is a black and white response and we need an alternative ready for someone negatively impacted by a decision that puts them at risk
- Noted that the state trailer bill likely won’t have a lot of differentiation between medical and adult use
- Noted that the trailer bill will not scrap the work done to date; will likely use much of the foundational work

*Results of Repolling - Question 1*



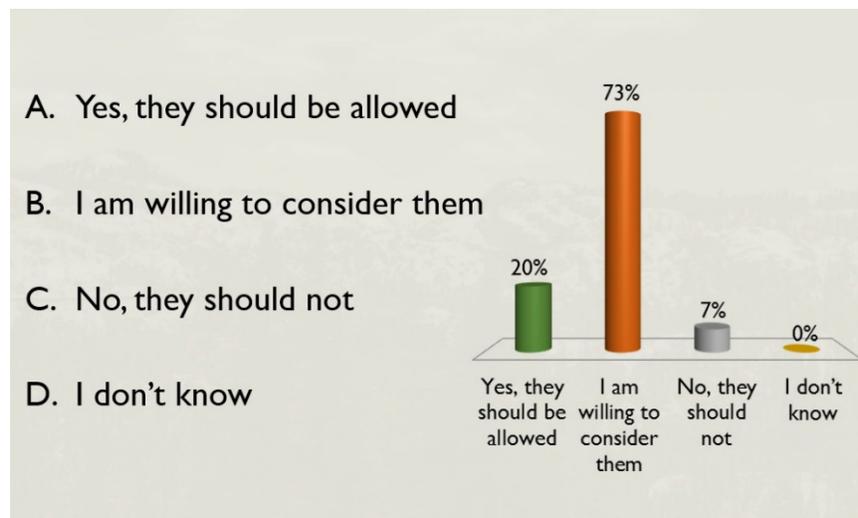
*Question 2: Should home-based cannabis manufacturing and processing be allowed in Nevada County?*



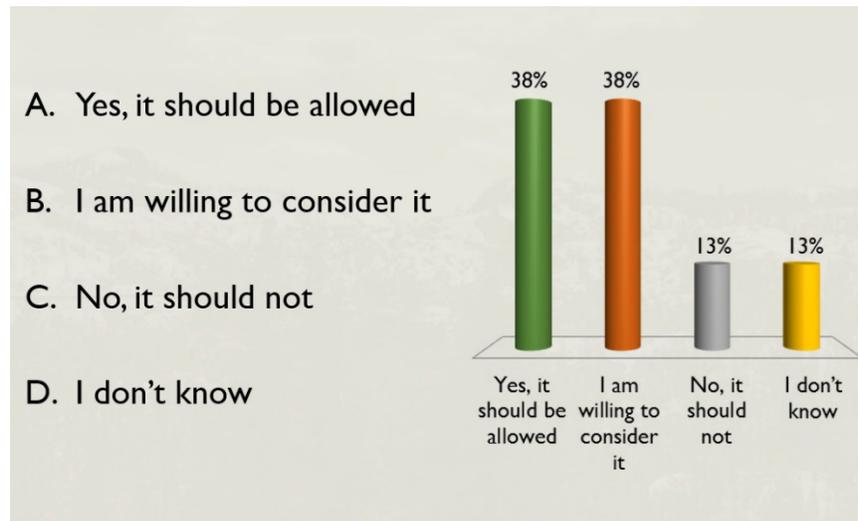
## Discussion

- Need to distinguish between manufacturing and processing - they are very different
  - Processing can include volatile and non-volatile substances
  - Processes can also include simple tinctures and infusions – need to differentiate
- With proper facilities and inspections, it should be allowed
- Processing doesn't necessarily mean dangerous
- Needs to be closely regulated, especially as it relates to kids
- If we concede this is an ag product, the ag ordinances are rather onerous and preclude the “mom and pop” scenario. How do we make them mesh with current ag requirements?
- No - should not be allowed in residential areas
- Should not happen in an unregulated home environment
- A home-based food business (brownies and cookies) would require a commercial kitchen
- Establish a local cooperative that includes a commercial kitchen
- Want products to meet food safety and pharmaceutical standards
- Yes - this is a rural county - we need these businesses to survive
- If you are selling - it triggers compliance with the regulations
- Manufacturing and processing should be home-based
- With clear oversight and inspection
- Local cooperation with dispensaries and community kitchens
- What are the traffic and road impacts?
- “Sell” is the distinction of home manufacturing and processing

### *Results of Repolling – Question 2*



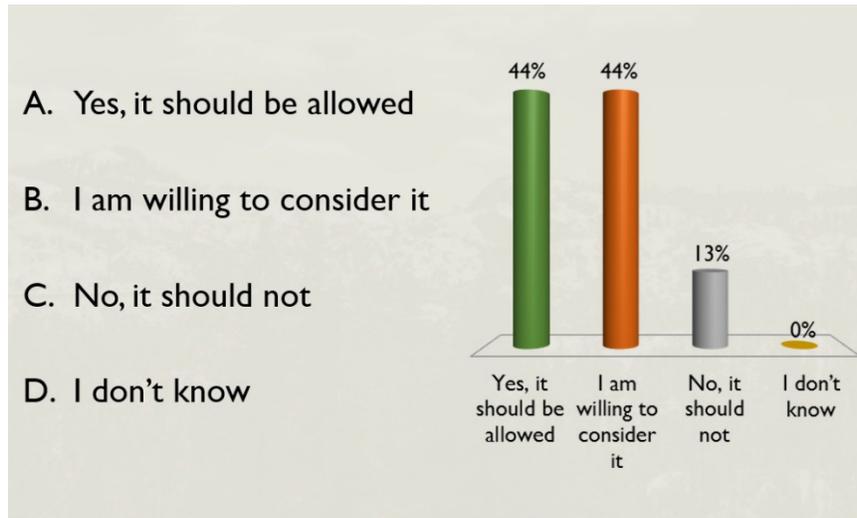
*Question 3: Should cannabis delivery/transportation from cultivation sites be allowed in Nevada County?*



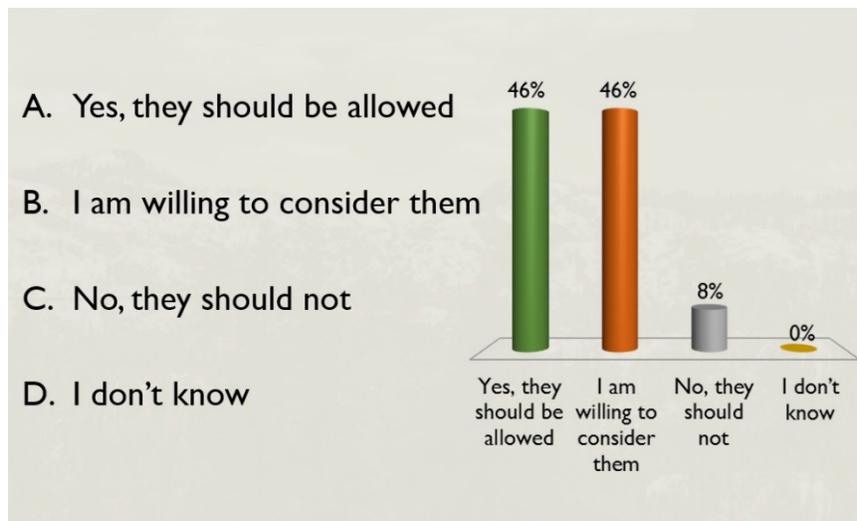
**Discussion**

- The product needs to move from one place to another so it should be allowed
- Need to distinguish between home deliveries or community distribution
- It needs to be done properly - who and how is very important
- State regulations will likely require bonded drivers, locked transport and other requirements
- Concerned about traffic impacts related to Highway 80
- It's already happening so we likely won't see an increase in activities
- Concerned about impacts to local, rural roads - don't want to see big trucks on these roads
- Need to differentiate between home delivery and moving the product for processing and distribution
- Activities need to be regulated

*Results of Repolling – Question 3*



*Question 4: Should cannabis testing labs be allowed in Nevada County?*

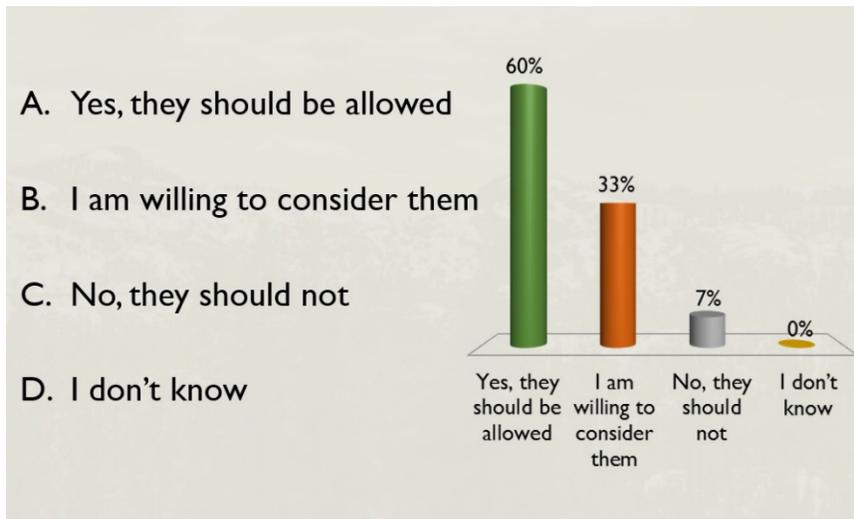


**Discussion**

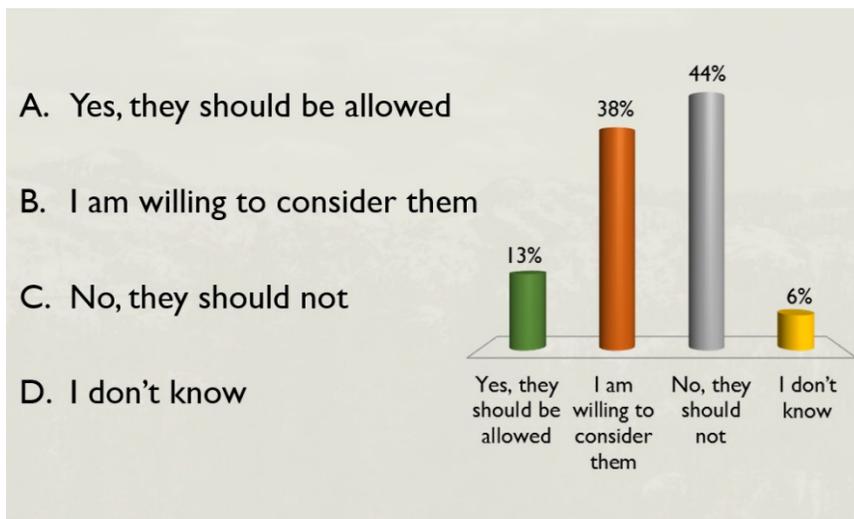
- No - we don't need to be the lab center for the area; labs are better located in an urban area
- Yes - having a lab nearby increases access which helps us have a safer product. The easier lab access is, the more likely that testing will be done
- If we do have a lab, we need to make sure the environment, water resources, etc. are protected
- Question - is there a home testing kit? Response: No - not at this time.
- Question - what happens if a batch tests positive? Response: there will be regulations for how it should be disposed of?

- It would be better for small business

*Results of Repolling – Question 4*



*Question 5: Should home-based sales of cannabis (including edibles) be allowed in Nevada County?*

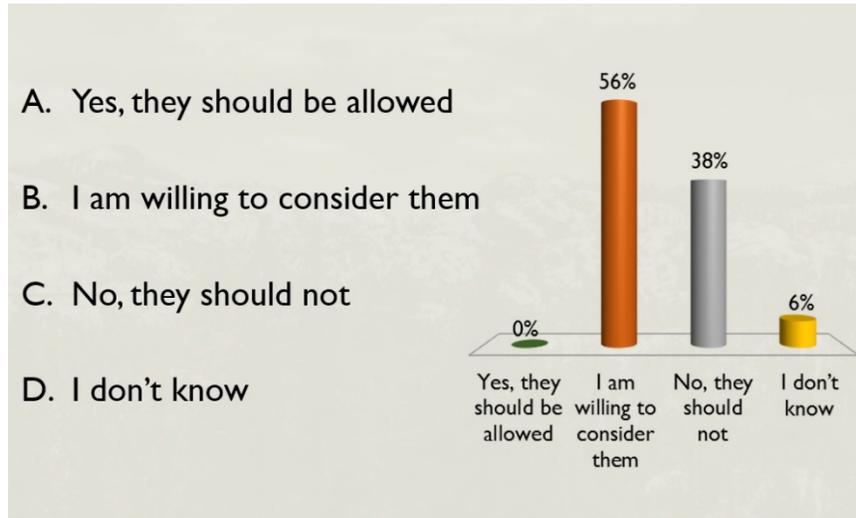


**Discussion**

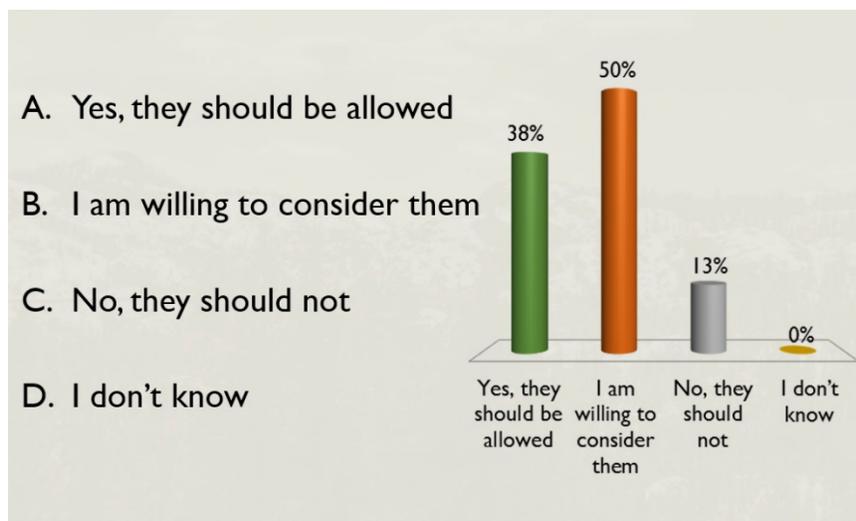
- If it was created in the county, we should be able to sell it
- Must meet the requirements
- Concerns about need for regulation of home-based business - food products require a commercial kitchen and this may be too expensive for most people
- Don't want to have sales going on in their neighborhood - but it makes a difference how many sites there are allowing it - 12 locations versus 100 locations makes a difference
- Consider local farm box subscription model - it's grown and sold in the county

- May be too complex for the County to regulate
- Depends whether we treat it like an agricultural product - for an ag product, for example, you have the right to sell potatoes from your property
- Should be able to sell but concerned about traffic impacts
- Liked the idea of a “Bud and Breakfast;” looked into requirements for a traditional B&B and found the regulations were onerous
- No - do not support because of dangers for children related to access to edibles; it’s very difficult to regulate a home environment
- Does not agree to comparisons with wine industry. Wine has a “kill-step” and maximum potency is regulated. Today’s cannabis can vary in strength and potency. Home-based businesses will have a hard time managing this
- We have been trying to get ag homestays allowed for ten years and still haven’t found a way to do it; the health regulations are a big consideration
- Food safety is important - we are not talking about Girl Scout cookies - this is a product that needs to be regulated
- Concerns about food safety and proximity to schools
- Should not happen in R-1 zoned areas
- Comment noted that proposed state legislation (SB 94) proposed that 60% of the tax generated would be directed to youth education, including grants to the schools through the Department of Education
- Need to consider the structure required to accomplish the inspections needed for regulating home-based commercial sales
- If we are going to allow commercial sales, we also need to provide the educational component; don’t want to replicate what happened with the tobacco industry where they only cover 10% of the costs of the impacts
- There is a big difference between medicinal use and bong hits - education needed to differentiate and help correct some of the misinformation that is out there
- Shouldn’t allow edibles that look like candies that are attractive to kids - there are other delivery systems; we are seeing some extreme events with kids getting access to edibles

*Results of Repolling – Question 5*



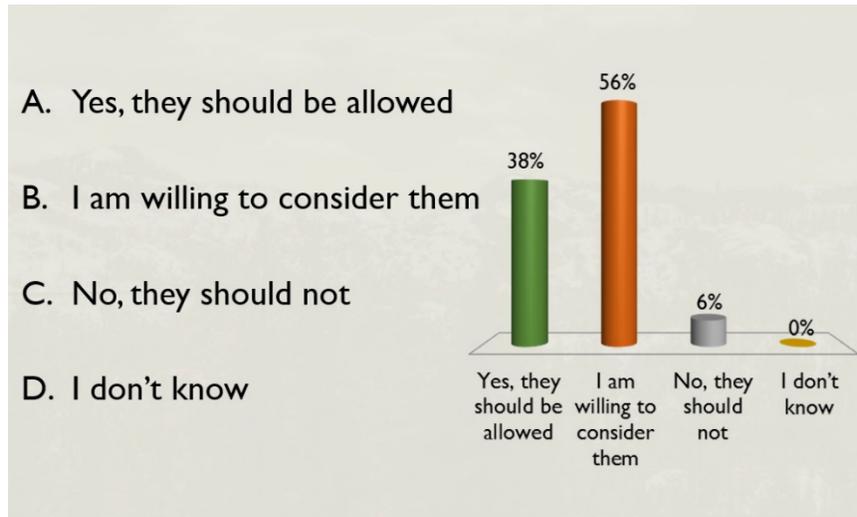
*Question 6: Should cannabis nurseries at cultivation sites be allowed in Nevada County?*



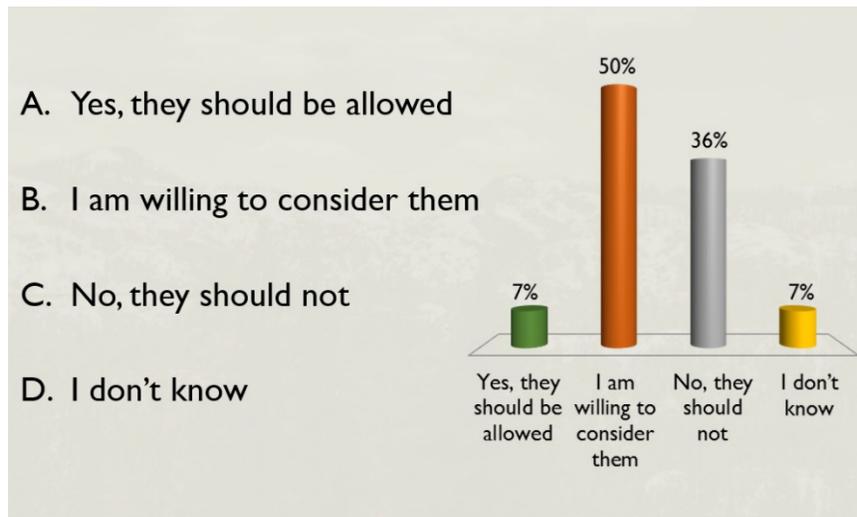
Due to limited time, Daniel asked those who selected “no” to share their opinions

- The expansions to the number of plants and the amount of land to be covered - starts to look like big business
- It was noted that nurseries are not selling full-grown plants; they are producing smaller clones so they don't require a huge amount of space
- Since cannabis is seasonal - nurseries provide the starts needed once the plant dies off to allow for year-round production

*Results of Repolling – Question 6*



*Question 7: Should cannabis tasting rooms at cultivation sites be allowed in Nevada County?*

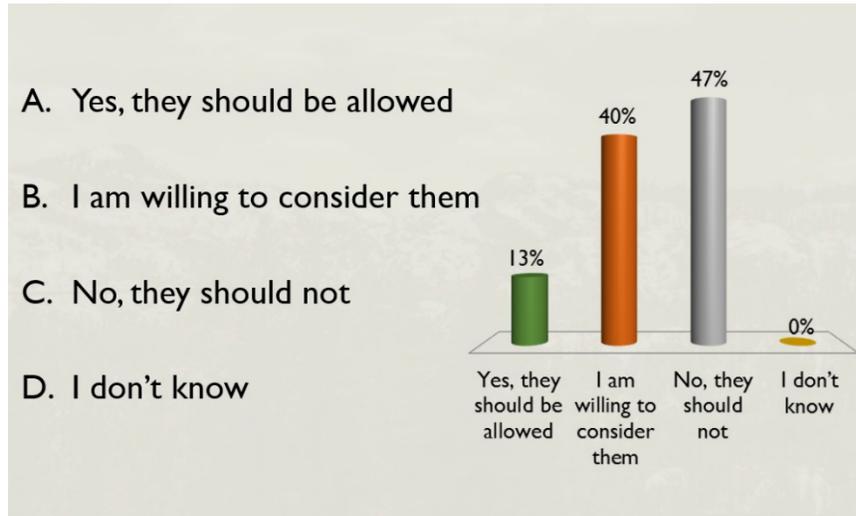


**Discussion**

- They fit in a dispensary but not at a home site
- Concerns about the number of stops on a tasting tour
- If it's medicine, why do you need tasting? Is taste relevant?
- Prefers the county is known for its arts and culture, not its cannabis tasting rooms
- Product needs to be tested
- Concerns about increased traffic; don't want limos going through the neighborhoods
- Concerns about traffic safety since there is no test yet

- Doesn't mind as long as it doesn't hurt others; doesn't like wine tasting but doesn't oppose it
- We are participating in a changing culture; we have mentioned negative impacts. In this process we are envisioning what could be different and our perspective is catching up

*Results of Repolling – Question 7*



Daniel closed the discussion and thanked the CAG members for their comments. The dialogue will be used to inform future agendas.

*Public Comment Period*

During the Public Comment Period, 15 people submitted speaker cards and were given up to 3 minutes each for their comments. The comment summary below lists the key issues described during their remarks. The summary omits personal details or history. Some speakers mentioned more than one topic and several speakers commented on similar topics.

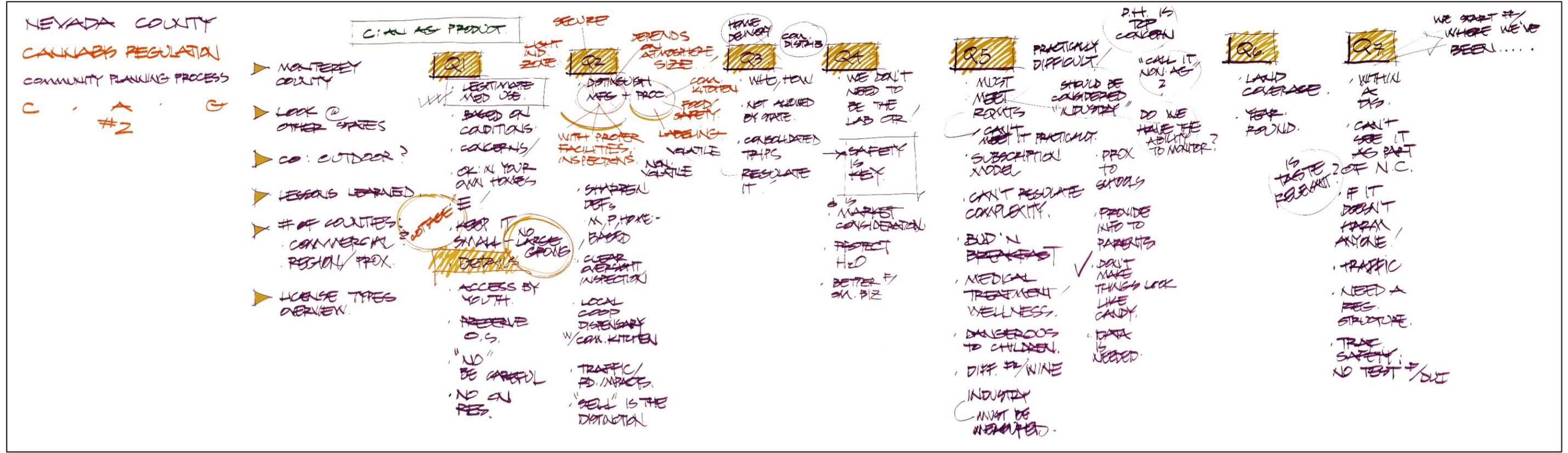
- Expressed appreciation to the CAG members for their efforts
- Want to heal the culture war in the county and believes a lack of understanding is at the source of the issue. This speaker had a nursery and garden and offered to provide a tour of his property.
- Manufacturing is an essential part of preparing product - for example; clean, high potency oils. Noted that little of his product is smoked.
- Encouraged that we go with what the state allows and the market place will sort it out
- Speaker had a handout (included in Comment Appendix) that described how cannabis revenue could be allocated to address key issues the County is dealing with. Believes taxes raised could be \$12M and discussed how it could be allocated to some key local services such as police services, homeless services, afterschool programs, and housing.

Noted that the revenue from low-income housing could perpetuate itself and allow us to build more.

- Suggested we think of the patient when talking about home-based cultivation. It could be something simple like making a lotion.
- Think about old people - we need delivery and transportation.
- We need testing labs so we get quality products.
- Nurseries - we need good plants to get good medicine.
- Things that looks attractive to kids should not be available.
- Home-based should be for personal use; commercial should get out of the home situation.
- If you are selling, you need to test and have a license.
- Can we ban the sale of bulk cans of butane? We have fished out thousands of canisters from streams, wells, etc.
- Shared experience that they had toured a lab that handled waste disposal very well.
- There's a micro-license being considered. Cottage industry - should be looked at too.
- CAG member comment regarding legislation proposed to address issues related to butane - there was agreement on this topic
- Disagree with opinions home-based manufacturing - want us to look at it.
- Do your due diligence and keep the trailer bill in mind. We are in crunch time.
- Cannabis is a plant and not a pharmaceutical; would love to produce products at home and sell them in a Nevada City dispensary.
- Want reasonable regulations.
- Don't want products made at dispensaries.
- Supervisors won't let us do a lot of what we are talking about.
- Delivery – yes, we need it since many people can't drive.
- Let's keep looking at the state regulations and be prepared.
- Some of the opinions are “still running on reefer madness.”
- Appreciates the process and described it as healing, balanced and fair.
- Heard many misstatements of policy and recommends that we bring in subject matter experts who can speak accurately to this.
- See this an opportunity to bring industry and economic development to our community. We have a lot of retirees and need to bring our income up. Cannabis industry can help with this and we haven't yet talked about the tax dollars.
- We should be focusing on the positive aspects of the process. Want to see the County embrace the medicinal - everybody gives back on the medical side.
- Shared the “starting gate theory” - if we open it right, everything will be ok. But the reality is - cannabis is already here so the sensible approach is good regulation. The State of California has organized the regulations - read them and educate yourself on cannabis.

- This is a beautiful place and cannabis is already to here. Community wants to get rid of bad actors and sheriff and supervisors are doing their jobs. Wants the process to consider preexisting non-conforming uses, and variances to help bring people into compliance.
- CB1 and CB2 receptors - you should pay attention to this and the endocannabinoid system. Can attract really bright people to our community.
- Commenter noted importance of medical cannabis and landlord won't allow her to smoke in her apartment; requested help.
- Sees potential for a robust locally owned industry that includes established farmers. Suggests we Issue permits with a grace period.
- Would like to see a school or college to certify people in the community and raise the bar.
- Supports testing labs to the fullest extent since a lab protects the consumer. Labs could generate significant revenue in the County. Noted experience with a special cannabis event that spent \$18,000 on lab testing.
- Supports the Sierra Foothills appellation.
- Need to give back to education, give back to agriculture, affordable housing - cannabis can pay - just need to sell a lot of licenses.
- Suggested a butane canister drop program.
- Nevada County Cannabis Alliance (NCCA) has supplied to the county - information about ordinances, city and town ordinances, updates on state language, trailer bill language, license types and related information and requested that it be shared with the CAG.
- NCCA also organizes tours and noted the importance of getting educated on other uses.
- Sierra County was cited as an example where advocates are working with the community to develop the ordinance.
- We should learn how other counties are handling the transition period. Things will be shifting. NCCA will have a survey coming out that will be widely distributed to collect information. It will also include economic data.
- State regulations are very important and we should be staying informed.
- Had questions about the permits, requirements, etc. that will be considered. May need to consider some discounts for permits. Also, set-backs should be adjustable because there are many oddly shaped properties that make it difficult to follow the law.
- Needs to be a huge discount for parents growing for our medicinal purposes for their children (medicine).
- Edibles are expensive - you wouldn't give it to your kids.
- Suggested looking at AB 6 (going through the home kitchen)
- Would vote for local dispensary

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.



**Nevada County Cannabis Regulation Community Planning Process**  
**CAG Meeting #2**  
**June 13, 2017**