MONTEREY COUNTY

RESOURCE MANAGEMENT AGENCY

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INITIAL STUDY

I. BACKGROUND INFORMATION

Project Title:	Medical Marijuana Regulations	
File No.:	REF150048	
Project Location:	County-wide	
Name of Property Owner:	Not Applicable	
Name of Applicant:	County of Monterey	
Assessor's Parcel Number(s):	County-wide	
Acreage of Property:	County-wide	
General Plan Designation:	See Text	
Zoning District:	See Text	

Lead Agency:	County of Monterey	
Prepared By:	Craig W. Spencer	
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II. DESCRIPTION OF PROJECT AND ENVIRONMENTAL SETTING

A. Description of Project:

The project consists of proposed County ordinances to establish local permitting requirements and regulations for medical marijuana operations in the unincorporated areas of the County. The County of Monterey is developing and will consider adopting the following three ordinances:

- 1. An ordinance amending Title 21 (non-coastal zoning) of the Monterey County Code adding certain medical cannabis activities as "uses allowed subject to a use permit in each case" in specified zoning districts and adding a new chapter (Chapter 21.67 of the Monterey County Code) containing land use regulations for commercial medical cannabis activities in the inland areas of the County (Source: IX.1);
- 2. An ordinance amending Title 20 (coastal zoning) of the Monterey County Code adding certain medical cannabis activities as "uses allowed subject to a coastal development permit in each case" in specified zoning districts and adding a new chapter (Chapter 20.67 of the Monterey County Code) containing land use regulations for commercial medical cannabis activities in the coastal areas of the County. *This ordinance will be substantively similar to the inland ordinance with the only differences being references to the applicable code sections, zoning districts, and permit requirements unique to the coastal zone.* (Source IX.2); and
- 3. An ordinance adding Chapters 7.90 and 7.95 to the Monterey County Code, containing regulations and procedures for operation of medical cannabis activities by a person or business in the unincorporated areas of the County. Chapter 7.90 would require all persons operating a commercial cannabis activity to obtain a Commercial Medical Cannabis Permit and Chapter 7.95 would require qualified patients or primary caregivers cultivating up to 100 square feet of canopy area for personal medical use to obtain a Personal Medical Cannabis Permit (Source: IX.3).

The draft ordinances amending Title 20 and Title 21 of the Monterey County Code ("Zoning Ordinances") would require a Coastal Development Permit in the coastal zone or Use Permit in the inland zone to conduct a commercial medical cannabis activity on a property in the unincorporated areas of the County. As such, commercial medical cannabis activities are conditionally allowed land uses, in specified zoning districts, and the appropriate authority to approve those permits has discretion whether or not to grant or deny the permit based on standards set forth in the ordinance. The draft Zoning Ordinances designate the Planning Commission as the appropriate authority to grant or deny a Coastal Development Permit or Use Permit for commercial cannabis activities. Required findings to grant a Use Permit for a commercial medical cannabis activity vary by activity type but generally include the following:

- 1. The activity, as proposed, will comply with all of the requirements of the State and County;
- 2. The activity will not be located within 600 feet of a school, public park, or drug recovery facility.
- 3. The activity as approved and conditioned, will not result in significant unavoidable impacts on the environment.
- 4. The activity includes adequate measures that address the federal enforcement priorities for cannabis activities including providing restrictions on access to minors, prohibiting use or possession of firearms at the premises, and ensuring that medical cannabis and

medical cannabis products are obtained from and supplied only to other permitted licensed sources within the State; and

5. Other findings specific to the activity type including security requirements, accreditation for testing facilities, quality control and safety procedures, minimization of nuisance issues such as odor control, lighting, loitering, and hours of operation, and environmental policies for water and energy use.

These permits run with the land but may have specific time limits on the effective dates or periodic renewal requirements (Source IX. 1 and 2).

In addition to requiring a Use Permit for the medical cannabis land use, operators must obtain a Commercial Medical Cannabis Permit to conduct the activity. The draft ordinance adding Chapters 7.90 and 7.95 to the Monterey County Code (Business Permits) would require a Commercial Medical Cannabis Permit (Chapter 7.90) or a Personal Medical Cannabis Permit (Chapter 7.95) to operate a cannabis activity. Unlike the discretionary land use permits, the Cannabis Permit would be issued to a person or business engaged in a cannabis activity; these permits do not run with the land and must be renewed annually. Business Permits are ministerial in nature meaning that if certain objective requirements enumerated in the ordinance are met, the permit will be approved. The Director of Planning is designated as the appropriate authority to grant or deny these Business Permits, upon consultation with and recommendations from other agencies (Sheriff, Health, Agricultural Commissioner). Requirements for a Commercial Medical Cannabis Permit (Chapter 7.90) include the need to operate on land approved for such use, background checks for property owners, operators and employees, restrictions and requirements for business operations, and requirements for regular inspections by County officials.

Cultivation of medical cannabis for personal use by a qualified patient or primary caregiver on behalf of a qualified patient, in an amount of up to 100 square feet of total canopy area on any one site, and not for sale or distribution, will not require a Use Permit or Coastal Development Permit, unless required by other provisions of law but will require a Personal Medical Cannabis Permit per Chapter 7.95. Requirements for this permit, which would be issued ministerially include setbacks from property lines, minimum security measures, and proper storage of pesticides and fertilizers, odor control, and maximum wattage usage for grow lights in connection with the cultivation. This permit will be issued to individuals and will require renewal every year (Source IX. 3).

Together, the draft ordinances are intended to regulate land uses and business operations involving the commercial cultivation, manufacturing, distribution/transportation, testing, and dispensing of medical cannabis in compliance with relevant state and local laws. The ordinances apply regulations to an existing unregulated land use to help prevent and reduce environmental impacts that are known to result from unpermitted baseline cannabis activities. The ordinances provide for local review, inspection and oversight of cannabis activities that have not previously existed. New regulations include ministerial requirements for personal cultivation of cannabis by a qualified patient or primary caregiver.

Certain County regulations may be preempted under State law when regulations are adopted (estimated 2018). Because of the unique legal circumstances, the baseline considerations, and the unknown future conditions, this document will focus primarily on the draft ordinances as they

pertain to commercial medical cannabis activities; which have also been referred to as collective or cooperative activities (Source IX. 1, 2, 3, 4, 12 and 13).

The County may consider adoption of permit application fees for medical cannabis activities in connection with this project. In addition, the County may also consider taxing the commercial medical cannabis activities regulated by the proposed ordinances. Imposition of such a tax would require a decision by the Monterey County Board of Supervisors to submit the tax measure to the voters and approval by the voters.

Medical Cannabis Uses Allowed Pursuant to the Proposed Ordinances

Consistent with the licenses types established in the Medical Marijuana Regulation and Safety Act (Business & Professions Code §§ 19300, et seq.; the "MMRSA"), the subject ordinances would specifically provide local permitting of commercial medical cannabis cultivation, manufacturing, testing, dispensing, distribution and transportation, and personal cultivation of medical cannabis by qualified patients or primary caregivers. The tables below outline the types of uses and the zoning districts in which medical cannabis activities may be permitted. (Sources: IX. 1, 2, 3, and 4)

Medical Cannabis Cultivation Uses – Agricultural activities involving the planting, growing,		
harvesting, drying, curing, grading, or trimming of cannabis.		
Zoning Districts Allowed	MMRSA License Type	Use Description
Inland (Title 21) - may be permitted subject to a Use Permit in each case: • Agricultural Industrial	Type 1A	Specialty Indoor – Indoor cultivation using exclusively artificial lighting of a size less than or equal to 5,000 square feet of total canopy on a premise.
 (AI) Light Industrial (LI)¹ Heavy Industrial (HI) Farmland (F) within a 	Type 1B	Specialty Mixed-light – Cultivation using a combination of natural and supplemental artificial lighting, up to 5,000 square feet of total canopy size on a premise.
structure that was legally established prior to January 1, 2016.	Type 2A	Small Indoor – Indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet of total canopy size on a premise.
Coastal (Title 20) - may be permitted subject to a Coastal Development Permit in each case:	Type 2B	Specialty Mixed-light – Cultivation using a combination of natural and supplemental artificial lighting, between 5,001 and 10,000 square feet of total canopy size on a premise.
 Agricultural Industrial [AI (CZ)] Light Industrial 	Type 3A	Indoor – Cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet of total canopy size on a premise.
 [LI (CZ)]¹ Heavy Industrial [HI (CZ)] 	Type 3B	Mixed-light – Cultivation using a combination of natural and supplemental artificial lighting, between 10,001 and 22,000 square feet of total canopy size on a premise.

• Coastal Agricultural Preserve [CAP (CZ)] within a structure that was legally established prior to January 1, 2016.	Type 4	Nursery – Cultivation that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of medical cannabis.
Prohibited in all zoning districts (Title 20 & 21)	Type 1	Specialty outdoor – Outdoor cultivation using no artificial lighting, less than or equal to 5,000 square feet of total canopy size.
	Type 2	Small Outdoor – Outdoor cultivation using no artificial lighting, between 5,001 and 10,000 square feet of total canopy size.
	Type 3	Outdoor – Outdoor cultivation using no artificial lighting, from 10,001 square feet to one acre of total canopy size.

¹ Within the Light Industrial (LI) zoning in the inland area and the Light Industrial [LI (CZ)] zoning in the coastal zone Type 3A, 3B, and 4 state license types are not permitted.

<u>Medical Cannabis Manufacturing Uses</u> – An industrial use involving the production of raw medical cannabis either directly or indirectly, by extraction methods, chemical synthesis, or process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product.

Zoning Districts Allowed	MMRSA License	Use Description
 Inland (Title 21) - May be permitted subject to a Use Permit in each case: Agricultural Industrial (AI) Light Industrial (LI) Heavy Industrial (HI) Farmland (F) zoning district within a structure that was legally established prior to January 1, 2016. Coastal (Title 20) - May be permitted subject to a Coastal Development Permit in each case: Agricultural Industrial [LI (CZ)] Light Industrial [LI (CZ)] Heavy Industrial [HI (CZ)] Coastal Agricultural Preserve [CAP (CZ)] zoning district within a structure that was legally established prior to January 1, 2016. 	Type 6	Manufacturing Level 1 – For manufacturing sites that produce medical cannabis products using nonvolatile solvents.
Inland (Title 21) May be permitted in the Heavy Industrial (HI) Zoning District subject to a Use Permit. Coastal (title 20) may be permitted in the Heavy Industrial [HI (CZ)] Zoning District subject to a Coastal Development Permit.	Type 7	Manufacturing Level 2 – For manufacturing sites that produce medical cannabis products using volatile solvents.

Medical Cannabis Testing – An industrial use including a facility or site that offers or performs		
tests to determine the chemical compounds of medical cannabis or medical cannabis products.		
Zoning Districts Allowed	MMRSA License	Use Description
 Inland (Title 21) - may be permitted subject to a Use Permit: Agricultural Industrial (AI) Light Industrial (LI) Heavy Industrial (HI) 	Type 8	Testing – For testing of chemical profiles and contaminants of medical cannabis and medical cannabis products.
 Coastal (Title 20) - may be permitted subject to a Coastal Development Permit: Agricultural Industrial [AI (CZ)] Light Industrial [LI (CZ)] Heavy Industrial [HI (CZ)] 		

<u>Medical Cannabis Dispensary Uses</u> – A commercial use including a facility where medical cannabis, medical cannabis products, or devices for the use of medical cannabis, are offered, either individually or in any combination, for retail sale, including an establishment that delivers.

Zoning Districts Allowed	MMRSA License	Use Description
Inland (Title 21) - may be permitted subject to a Use	Type 10	Dispensary, General – Facilities where medical cannabis, medical cannabis products, or devices
Permit:		for the use of medical cannabis or medical
• Light Commercial (LC)		cannabis products are offered, either
• Heavy Commercial (HC)		individually or in any combination for retail
Coastal (Title 20) - may be		sale, including an establishment that delivers medical cannabis and medical cannabis products as part of a retail sale.

permitted subject to a Coastal	Type 10A	Dispensary: No More Than three Retail Sites –
Development Permit:	• •	For no more than three dispensaries state-wide
Coastal General		where medical cannabis, medical cannabis
Commercial [CGC (CZ)]		products, or devices for the use of medical
		cannabis or medical cannabis products are
		offered, either individually or in any
		combination for retail sale, including an
		establishment that delivers medical cannabis
		and medical cannabis products as part of a retail
		sale.

I	Medical Cannabis Distribution and Transportation – An industrial use involving the
	wholesale purchase, transportation, and storage of medical cannabis form a cultivator, or medical
	cannabis products from a manufacturer, for sale to a dispensary.

cannable products from a manufacturer, for sale to a dispensary.		
Zoning Districts Allowed	MMRSA License	Use Description
Inland (Title 21) - may be	Type 11	Distribution – For the procurement, sale, and
permitted subject to a Use		transport of medical cannabis and medical
Permit:		cannabis products between entities permitted or
• Heavy Commercial (HC)		licensed under the other types provided.
Agricultural Industrial	Type 12	Transportation – For the transfer of medical
(AI)		cannabis or medical cannabis products from the
• Light Industrial (LI)		permitted business location of one licensee to
• Heavy Industrial (HI)		the permitted business of another licensee.
Coastal (Title 20) - may be permitted subject to a Coastal Development Permit: • Heavy Commercial [HC (CZ)] • Agricultural Industrial [AI (CZ)] • Light Industrial [LI (CZ)] • Heavy Industrial [HI (CZ)]		

Personal Cannabis Cultivation – Cultivation of medical cannabis for personal use by a qualified patient (a person with a valid doctor's recommendation to use cannabis for medical purposes) or by a primary caregiver for a qualified patient.

Zoning Districts Allowed	MMRS License	Use Description
Permitted in all Inland Zoning Districts subject to a Personal Medical Cannabis Permit and the requirements outlined in Chapter 7.95.	N/A	Cultivation of medical cannabis for personal use by a qualified patient or primary caregiver on behalf of a qualified patient, in an amount of up to 100 square feet of total canopy area on any one site, and not for sale or distribution ² .
Permitted in all Coastal Zoning Districts subject to a Personal Medical Cannabis Permit and the requirements outline in Chapter 7.95.		

² Personal grows are exempt from State license requirements under the Medical Marijuana Regulation and Safety Act.

B. Surrounding Land Uses and Environmental Setting:

Monterey County is over 3,300 square miles in size and is bordered to the west by the Pacific Ocean, to the North by Santa Cruz County, to the South by San Luis Obispo County, and to the east by San Benito County, Fresno County, and Kings County. Within the County's borders lie 12 incorporated cities: Carmel, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad. Monterey County contains a large variety of built and natural settings including rich farmland, mountain ranges, the Los Padres National Forest, a scenic coastline, and residential, commercial, and industrial developments (Source IX. 7).

Cities within Monterey County are pursuing their own regulations. In addition, other jurisdictions within the State have adopted or are contemplating adoption ordinances that influence pressures to supply medical cannabis products within unincorporated areas of Monterey County. The following table provides a status of medical cannabis regulation for each City within the County.

City	Status of Regulation
Carmel	Prohibited
Del Rey Oaks	One medical cannabis dispensary has been permitted. Other
	commercial medical cannabis uses are prohibited.
Gonzales	Gonzales is in the process of drafting regulations for a
	limited number of operations.
Greenfield	Greenfield has adopted an ordinance providing for
	permitting and regulation of dispensaries, cultivation, and
	manufacturing
King City	King City is in the process of drafting regulations for a

	limited number of operations.
Marina	Prohibited
Monterey	Prohibited
Pacific Grove	Prohibited
Salinas	Salinas has adopted regulations that allow a limited number
	of commercial cannabis operations.
Sand City	Prohibited
Seaside	Prohibited
Soledad	An urgency ordinance has been adopted prohibiting all
	commercial medical cannabis activities.

Outside of Monterey County, regulations and operations in other jurisdictions have influenced the County's ordinances and influenced demand for medical cannabis operations in the County. For instance, the City of San Jose regulations require dispensaries to obtain product grown in specified jurisdictions including the County of Monterey. San Francisco and Oakland permit medical cannabis dispensaries in more populated areas and those dispensaries have demands for products supply that has increased pressures to produce in Monterey County. Santa Cruz County also permits limited cultivation and dispensaries. These neighboring operations that may look to expand to Monterey County or purchase products originating from Monterey County.

Within Monterey County, the subject ordinances will be applicable County-wide, in both the Inland and Coastal areas but not including the Cities. The ordinances, as drafted, would allow cultivation of medical cannabis for personal use by a qualified patient or primary caregiver on behalf of a qualified patient, in an amount of up to 100 square feet of total canopy area on any one site, and not for sale or distribution in all zoning districts. Commercial medical cannabis activities would require discretionary permits as well as annual Commercial Medical Cannabis Permits and would be allowed only in certain zoning districts which include, commercial, industrial, or farmland zoning districts depending on the type of use proposed. The specific zoning designations where commercial medical cannabis activities may be conditionally permitted are further described below:

<u>Commercially zoned lands</u>. Light Commercial (LC), Heavy Commercial (HC), Coastal General Commercial [CGC (CZ)], and Moss Landing Commercial [MLC (CZ)] zoned properties are generally located near population centers in places like Pajaro, Aromas, Moss Landing, Big Sur, Prunedale, Carmel, Carmel Valley, Chualar, San Ardo, Bradley, Pine Canyon, and Lockwood. These areas are concentrated near city boundaries and along highway corridors such as Highway 101, Highway 68, and Highway 1 (Source IX. 5). These properties typically contain man made features such as buildings, parking lots, and ornamental landscaping and accommodate a broad range of commercial uses such as stores, shops, restaurants, theaters, service stations, warehousing, storage facilities, repair facilities, fabrication shops, and offices (Source IX. 7, 8, 9, 10, 11, 12, and 13).

<u>Industrial zoned lands</u>. Agricultural Industrial (AI), Light Industrial (LI), Heavy Industrial (HI) zonings, both inland and coastal (coastal zonings contain a "CZ" in parenthesis at the end), are generally located along major transportation routes such as Highway 1 and Highway 101. These properties typically contain man made features such as large buildings, parking lots, and ornamental landscaping. Industrially zoned properties accommodate a broad range of industrial

uses such as processing, warehousing, fabrication shops, contractor's operations, repair facilities, distribution facilities, laboratories, trucking operations, mining operations, junk yards, and some commercial uses (Source IX. 7, 8, 9, 10, 11, 12, and 13).

<u>Agricultural zoned lands.</u> Farmlands (F), and Coastal Agricultural Preserve [CAP (CZ)] zoning districts are generally located along the northern boundary of the County, down the coast towards the City of Marina and extending south around the City of Salinas through the Salinas Valley. Agriculturally zoned lands become more sporadic in location toward the southern boundary of the County. The primary land uses within these agricultural zones are row crops, vineyards, greenhouses, hoop houses, dwelling units, and agricultural support facilities. However, some sites may contain farm worker housing or other agricultural related structures and uses. These properties tend to be large in size with zoning and General Plan/Land Use Plans allowing 40 acre minimum lot sizes. Effects in this setting will be limited to existing greenhouses and existing agricultural support facilities (indoor cultivation and manufacturing uses only). (Source IX. 7, 8, 9, 10, 11, 12, and 13)

Baseline Conditions: County's zoning ordinances (Titles 20 and 21) do not currently specifically regulate the use of land or structures for cultivation, processing, or dispensing of medical marijuana. Until July 2015, cannabis activities were considered by County as uses of a similar character to other uses listed in the County zoning ordinances and were regulated as such. Additionally, any cannabis activities were subject to state law requirements pertaining to medical marijuana. On July 7, 2015, the Board of Supervisors of the County adopted Interim Ordinance No. 5254 temporarily prohibiting the establishment of new medical marijuana dispensaries and the collective or cooperative cultivation of medical marijuana in the unincorporated area of Monterey County, pending development of permanent regulations (the subject ordinances). The Board of Supervisors has since twice extended the Interim Ordinance and amended it to expand exemptions to the ordinance, enabling certain cannabis operations who were legally established under state law prior to July 7, 2015 to seek necessary County permits under existing County regulations. The Interim Ordinance, as amended and extended, is currently in effect through February 26, 2017. Adoption of the proposed ordinances would create a specific County regulatory structure that did not previously exist that would limit the zoning districts where commercial cannabis activity could occur, would require Use Permits with land use requirements and an annual business permit with operational controls on those activities, and would require personal cultivators to obtain ministerial permits. The ordinance also curtails unpermitted activities, requiring existing commercial medical cannabis activities to obtain all required County permits, licenses, and entitlements within one year from the effective date of the ordinances or terminate their operations. (Sources IX. 6, 12, and 13)

C. Other public agencies whose approval is required:

The California Coastal Commission will be responsible for certifying amendments to Title 20 (coastal zoning) before that ordinance takes effect.

In addition, pursuant to the State Medical Marijuana Regulation and Safety Act, the Bureau of Medical Marijuana Regulation within the Department of Consumer Affairs has been created to administer and enforce the provisions of the new State Law. Various State agencies have been given responsibilities under the law including the Board of Equalization, the California

Department of Food and Agriculture, The Department of Fish and Wildlife, the State Department of Public Health, the State Water Resources Control Board, and the Department of Pesticide Regulation. Each one of these agencies is responsible for promulgating rules for and/or reporting information regarding the issuance of State licenses for commercial cannabis activities in California.

Other State and local agencies may be involved in the County's permitting process. Each Use Permit or Coastal Development permit will be subject to the California Environmental Quality Act (CEQA). The permitting process and CEQA review may include consultation with responsible agencies. Some projects may also require permitting from other jurisdictions based on relevant laws and regulations applicable at the time of review. (Source IX. 4).

III. PROJECT CONSISTENCY WITH OTHER APPLICABLE LOCAL AND STATE PLANS AND MANDATED LAWS

Use the list below to indicate plans applicable to the project and verify their consistency or nonconsistency with project implementation.

General Plan/Area Plan	\boxtimes	Air Quality Mgmt. Plan	\boxtimes
Specific Plan		Airport Land Use Plans	
Water Quality Control Plan	\boxtimes	Local Coastal Program-LUP	\boxtimes

General Plan/Area Plan:

The goals and policies contained in the 2010 General Plan do not specifically address medical cannabis activities such as cultivation (commercial or personal), manufacturing, testing, dispensary, and distribution and transportation. The General Plan considered agricultural operations such as cultivation, processing facilities, and support facilities that were in compliance with all local, state, and federal laws. Medical cannabis activities were not contemplated in the General Plan because cannabis is a Schedule I controlled substance and is still illegal under federal law. Due to unique issues with medical cannabis activities including the federal legal status, the need for security, and processes involved in operations, separate considerations from typical agricultural uses are warranted. Even when considering medical cannabis activities as a unique industry, the draft ordinances have been found to be consistent with the goals and policies contained in the General Plan. Consistency with each element of the General Plan is described below.

Land Use Element – The General Plan Land Use Element designates the general distribution, location, and extent of land uses within unincorporated Monterey County. Goal LU-1 calls for the promotion of appropriate and orderly growth and development while protecting desirable existing land uses.

The commercial medical cannabis uses within the proposed regulations would only be allowed with approved permits and based on zoning. Indoor commercial cultivation, manufacturing, and testing activities for commercial medical cannabis are permitted within Agricultural Industrial, Light Industrial, and Heavy Industrial zoning districts. Goal LU-5 encourages a full range of industrial development that is compatible with surrounding land uses and economically *Medical Marijuana Regulations Initial Study* Page 12 REF150048

beneficial to the area. The commercial cannabis industry is expected to create a source of new jobs. Prior to establishing any of those uses, the medical marijuana operator must first obtain a Use Permit. In doing so, analysis of the project would require a finding for consistency with the General Plan.

Indoor and mixed-light commercial cultivation of medical cannabis is also permitted within the Farmland zoning district, provided cultivation takes place within a structure that was legally established prior to January 1, 2016. This regulations has been found to be consistent with the land use designations of agricultural lands and the Agriculture Element (see discussion below) as commercial greenhouses are considered ancillary structures that support agricultural uses.

Circulation Element - The Circulation Element identifies the general location and extent of existing and proposed major transportation facilities for vehicle, rail, air, water, and bicycle transportation including goals relative to major roadways, movement of people and goods, scenic highways, and public transit. Policies within the Circulation Element are aimed at achieving appropriate levels of service, maintaining roads and public transportation systems for the efficient movement of people and goods, and protecting a system of scenic highways in the County. Policy C-2.1 of the General Plan requires land uses that require concentrated commodity movements to be located with adequate access to necessary transportation facilities. The proposed ordinances are designed to concentrate commercial medical cannabis activities in areas with convenient access to major roads and highways through the zoning restrictions. The areas where commercial cannabis activities may be allowed already support agricultural, industrial, or commercial uses with access to move goods. All commercial medical cannabis activities will require discretionary permits that include consideration of traffic impacts and require transportation improvements where necessary to maintain appropriate levels of service.

Conservation and Open Space Element – Goal OS-1 calls for retention of the character and natural beauty of Monterey County through the preservation, conservation and maintenance of natural resources and agricultural operations. The limitation of the intended uses, restrictions to specific zoning districts, and permit requirements ensure consistency with this goal as uses will be confined to existing structures within limited areas of the Farmland zone and to commercial or industrial areas that are typically already disturbed with man-made improvement. In addition, the permit process would require review of the development for proper siting and design of improvements and operations. Although medical cannabis activities are not specifically identified as an agricultural operation in the General Plan, medical cannabis cultivation is considered an agriculture use for the purposes of State law. The draft ordinances also contain regulations that require alternative fuel vehicles for distribution and transportation facilities, require renewable energy for indoor cultivation consistent with General Plan goals OS-9 and OS-10 protecting air quality and encourage reductions in greenhouse gas emissions.

Safety Element - The Safety Element establishes policies and programs to protect the public from risks associated with seismic, geologic, flood, and wildfire hazards. The Safety Element also identifies sources of noise and provides policies addressing existing and foreseeable noise problems. The subject ordinance would permit agricultural, industrial, or commercial uses in zones already designated for such uses. Therefore, the ordinances would not subject people to increased risks from geologic, flood, or fire hazards. The ordinances, as well as

the California Building Code require consideration of design and improvements to minimize potential hazards from geologic, fire, and flood consistent with General Plan policies. As part of the permitting process, consideration of fees to cover a proportionate fair share of the costs for emergency services can be considered. In addition, the County may consider a tax on the industry that could further fund for emergency services. The medical cannabis industry is not anticipated to create a new source of significant levels of noise and the industrial/agricultural uses considered in the ordinance are not a sensitive noise receptor themselves.

Public Services Element – The Public Services Element addresses critical infrastructure and service issues, including water supply and conservation, water quality, parks, wastewater collection and disposal, solid waste management, and key social services such as schools, libraries and medical care. Pursuant to policies under Goal PS-1, discretionary permits for commercial medical cannabis activities cannot be approved unless they have or can provide adequate public services and facilities. The ordinance would require discretionary permitting of new commercial medical cannabis activities and it would only allow such uses in areas that are already zoned to allow for similar uses. Adequate source of water, meaning a long-term sustainable water supply pursuant to Policies PS-3.1 and 3.2, adequate sewage disposal, and adequate solid waste services will be required prior to approval of any new commercial cannabis activity. The ordinance only allows indoor operations and any improvements to structures will be evaluated for adequate drainage and runoff controls to protect water quality. No new residential uses would be allowed requiring new demands on parks, libraries, or schools in the area.

Agriculture Element – Goal AG-1 calls for the promotion of long-term protection, conservation, and enhancement of productive and potentially productive agricultural land. Cannabis cultivation is an agricultural operation yet the plant is typically grown in pots rather than planted directly into the soils. Cannabis uses have been determined to be unique agricultural operations due to its legal status under Federal law, and as such, it will not be treated the same as other agricultural products within the Monterey County Code. Commercial medical cannabis activities in Farmland zoning districts are limited to indoor or greenhouse settings within existing legally established structures. This limitation results in the protection of productive agricultural lands while allowing some limited operations for new cannabis cultivation.

Policies contained within Goal AG-2 provide opportunities for the retention, development, and expansion of agriculture-related enterprises and agricultural support uses essential to the continuing viability of the agricultural industry. Cultivation of medical cannabis is not considered to be a Routine and Ongoing Agricultural Activity pursuant to Policy AG-3 because of issues not found with typical agricultural operations such as the Federal legal status. However, it can be considered to be an agriculture-related enterprise. Therefore, permitting of indoor cultivation would be consistent with this goal. Consistency is further supported by Policy AG-2.1, which identifies greenhouses to be a compatible and appropriate use in the Farmland zoning district. In addition, requiring new cultivation activities to take place within existing greenhouses would be consistent with Policy AG-2.4 as it minimizes the impacts to surrounding agricultural lands. Hoop hoses are not considered greenhouses for purposes of the draft ordinances.

Economic Element – Goals ED-1 and ED-2 call for development of jobs and business opportunities as well as the support of economic growth within key industries. Agriculture and

agriculture-related enterprises are key industries within Monterey County. Regulations providing for medical cannabis activities and the creation of a market with a new supply and demand would spark economic growth in Monterey County. These activities would generate new revenue based on permits, taxes, and the creation of new cannabis related jobs and businesses.

Housing Element – The Housing Element assesses housing needs, evaluates the current housing market in the County, and identifies programs that will meet housing needs. The subject ordinances would not allow or prohibit any forms of housing and would not conflict with programs identified to meet the housing needs in Monterey County. Permitting medical cannabis activities will not conflict with housing policies.

CONSISTENT

Air Quality Management Plan:

Consistency with the AQMP is an indication of a project's cumulative adverse impact on regional air quality (ozone levels). It is not an indication of project-specific impacts, which are evaluated according to the Air District's adopted thresholds of significance (see discussion in Section VI.3). Inconsistency with the AQMP is considered a significant cumulative air quality impact (Source IX. 14 and 15).

Projects related directly to population growth will generate population-related emissions (e.g., motor vehicles, residential heating and cooling emissions). Population-related emissions have been forecast in the AQMP using population forecasts adopted by AMBAG. Thus, population-related projects which are consistent with these forecasts are consistent with the AQMP. The subject ordinances would permit commercial, industrial, and agricultural uses of existing properties and do not have any substantial effect on population in the County.

The ordinances would limit the number of new uses that may be permitted by restricting the zones and the circumstances under which the uses may be permitted. Impacts are further limited by the eventual need for State licensing and the limits on the size of areas that may be cultivated on a premise. Any new stationary source of emissions that may be permitted pursuant to the proposed ordinances would be evaluated through a permit process. Permits for stationary source emissions may be required for laboratory hoods used in testing facilities of for diesel engines used in industrial or agricultural processes. With the exception of personal cultivation, all commercial medical cannabis activities will be located indoors and mostly within existing facilities. No new uses designated as a control measures are anticipated.

Foreseeable increases in on-road transportation emissions are anticipated with the permitting of new transportation and distribution facilities. The ordinances contain requirements for alternative fuel vehicles in transportation fleets. These uses will be located in industrial zones with convenient access to major transportation routes. Permit requirements will include analysis of needs for road or intersection improvements to obtain or maintain desired levels of service. The County is preempted by State law from prohibiting transportation of cannabis on County roads. The on-road transportation impacts will not impair efforts to address transportation impacts including promote public transit options, synchronizing intersection controls, and the ordinances, include the need for alternative fuel vehicles in the operations.

Indoor cannabis cultivation can be an energy intensive use due to the need for artificial lighting and other related activities that require electric power. Measures are included in the ordinances that require on-site renewable energy generation to off-set at least half of the energy demand for indoor cultivation to minimize air quality impacts from electricity generation (Source IX. 1, 2, 3, 14 and 15).

CONSISTENT

Water Quality Control Plan

The objective of the Water Quality Control Plan for the Central Coastal Basin, or Basin Plan, is to show how the quality of the surface and ground waters in the Central Coast Region should be managed to provide the highest water quality reasonably possible. Water Quality objectives are provided that are considered to be necessary to protect present and probable future beneficial uses, and a program of implementation to achieve the water quality objectives is outlined in the form of control measures.

To prevent water quality problems, waste discharge restrictions are used. The waste discharge restrictions can be implemented through Water Quality Certification, National Pollutant Discharge Elimination System (NPDES) permits, waste discharge requirements/permits (WDRs), discharge prohibitions, enforcement actions, and/or "Best Management Practices". The County has existing permit regulations for the review of development applications that implement these control measures including Chapter 16.08 (Grading), Chapter 16.12 (Erosion Control), and Chapter 16.14 (Urban Stormwater Quality Management and Discharge). The County, in compliance with State and Regional Water Board requirements, reviews all applications for development to ensure that appropriate permits and standards are met that protect water quality for future beneficial uses. The subject ordinances will require permits that trigger this review. Adoption of ordinances will aid in enforcement efforts that could reduce impacts to water quality from unpermitted or illegal cannabis operations. Regulations are also included in the ordinances that aid in protecting water quality including restrictions on storing fertilizers and pesticides. Because the ordinances only permit indoor or greenhouse cannabis operations, foreseeable grading activities as a result of the ordinances are limited related to the potential construction of new structures on industrial zoned properties. The ordinances do not permit physical improvements to the land rather they would consider the use of the land for a cannabis operation. Solid waste generated from the commercial medial cannabis industry will also be addressed through permitting requirements and will likely be handled at permitted landfills operated by the Salinas Valley Solid Waste Authority or the Monterey Peninsula Waste Management District. With permitting controls in place, the subject ordinances will not conflict with the Water Quality Control Plan (Source IX. 1, 2, 3, and 16).

CONSISTENT

Local Coastal Program - LCP

LCP was adopted pursuant to the California Coastal Act of 1973. It includes four Land Use Plans and six Coastal Implementation Plans. The four Land Use Plans include:

- The North County Land Use Plan
- The Del Monte Forest Land Use Plan
- The Carmel Area Land Use Plan; and

• The Big Sur Coast Land Use Plan

These Land Use Plans act as the General Plan for the covered areas within the coastal zone. The Land Use Plans contain policies for development in the coastal zone, protect public access to the shoreline and coastal resources, and promote orderly and thoughtful development. With the exception of the Del Monte Forest Land Use Plan, each of the Land Use plans contains policies protecting and promoting coastal agriculture and coastal dependant or related industrial and commercial uses. The subject ordinances would provide for certain commercial medical cannabis activities within specified zoning districts subject to a Coastal Development Permit in each case. The areas and circumstances under which a Coastal Development Permit may be considered are confined to indoor or greenhouse sites in the industrial zoning districts and existing structures within the Coastal Agricultural Preserve zoning district. The ordinances would provide for a land use rather than a physical development and foreseeable physical development associated with the use is limited to industrial and commercial space. In communicating with California Coastal Commission staff, medical cannabis uses do not, as a use, conflict with Coastal Act policies however, depending on the specifics of each operation, Local Coastal Plan policies may apply. Because of the limitations in the ordinances, impacts on coastal access, scenic views, environmentally sensitive habitats, forest resources, hazards development, soils, and cultural resources would be minimal to non-existent. New commercial cannabis activities would be subject to Coastal Development Permits in each case and any new physical development would be subject to existing permitting requirements and policy regulations.

Given the regulations contained in the draft ordinances, commercial medical cannabis activities are likely to be concentrated in the North County Land Use Plan area. Del Monte Forest, Big Sur, and Carmel areas contain little stock of existing industrial sites or agricultural lands with suitable greenhouse structures to support a significant number of cannabis operations (Source IX. 8, 9, 10, 11, and 13).

Water supply is a concern associated with cultivation; however, water supply for agricultural uses is a priority (North County Land Use Plan Policy 2.5.3A.1). Without the subject ordinances, industrial lands and agricultural operations could support other uses or crops that have their own water demand. However, cannabis operations will require Coastal Permits that ensure that water supply and other relent LUP factors are considered in permitting. For the majority of agricultural and industrial operations, there is no existing limit on water use.

Local Costal Program (LCP) includes Monterey County Zoning Ordinance Title 20 (Coastal Implementation Plan Part 1) which is proposed to be amended as part of this project. The ordinances contain measures that are intended to promote consistency with the Land Use Plans and the Coastal Act.

CONSISTENT

IV. ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED AND DETERMINATION

A. FACTORS

The environmental factors checked below would be potentially affected by this project, as discussed within the checklist on the following pages.

Aesthetics	Agriculture and Forest Resources	☑ Air Quality
☑ Biological Resources	Cultural Resources	Geology/Soils
Greenhouse Gas Emissions	Hazards/Hazardous Materials	Hydrology/Water Quality
☐ Land Use/Planning	☐ Mineral Resources	□ Noise
□ Population/Housing	☑ Public Services	□ Recreation
☐ Transportation/Traffic	Utilities/Service Systems	Mandatory Findings of Significance

Some proposed applications that are not exempt from CEQA review may have little or no potential for adverse environmental impact related to most of the topics in the Environmental Checklist; and/or potential impacts may involve only a few limited subject areas. These types of projects are generally minor in scope, located in a non-sensitive environment, and are easily identifiable and without public controversy. For the environmental issue areas where there is no potential for significant environmental impact (and not checked above), the following finding can be made using the project description, environmental setting, or other information as supporting evidence.

☐ Check here if this finding is not applicable

FINDING: For some topics, including those that are not checked off above, there is no potential for significant environmental impact to occur from either construction, operation or maintenance of the proposed project and no further discussion in the Environmental Checklist is necessary.

EVIDENCE:

VI.2 <u>Agricultural and Forest Resources.</u> The Medical Marijuana Regulation and Safety Act designates medical cannabis cultivation as an agricultural use for the purposes of the Act. The project does not include construction of any physical improvements on the land. As it applies to farmlands and forested areas, the project allows commercial medical cannabis cultivation and manufacturing associated with cultivation in farmland zones, subject to discretionary permits in each case. No new uses would be permitted in forested areas. Cannabis cultivation and

manufacturing would only be permitted within structures that were legally established prior to January 1, 2016 to avoid impacts related to the potential for construction on new structures within the farmland zones. Limiting operations to existing facilities avoids impacts to farmlands and forest lands. Existing unpermitted operation often occur in forest lands causing negative impacts; however, the ordinance will prohibit these uses and encourage location of cannabis operations in zones that would not impact forest resources. Therefore, the project will not result in conversion of farmlands or forestlands or conflict Williamson act contracts (Source IX. 1, 2, 3, and 4).

VI.5 <u>Cultural Resources</u>. The project consists of ordinances that establish permit requirements and regulations for cannabis activities in the County. Because no construction of any type is proposed with the project, the project will not cause a substantial adverse change in the significance of a historical resource, a change in the significance of an archaeological resource, or directly or indirectly destroy a unique paleontological resource or site or unique geologic feature. Any future development pursuant to the project (Zoning Amendments) would have to be evaluated independently in order to ascertain that the future development would not impact cultural resources. With the exception of personal medical cannabis uses which are already allowed in all zoning districts, contemplated commercial uses will be confined indoors within commercial or industrial zoning districts, or in farmlands within existing greenhouses or industrial type agricultural support facilities (Source IX. 1, 2, and 3).

VI.6 <u>Geology and Soils</u>. The project consists of ordinances that establish permit requirements and regulations for medial cannabis activities in the County. No construction of any type is proposed with the project. As a result, the project will not expose people or structures to potential substantial adverse effects involving rupture of a known earthquake fault, strong seismic ground shaking, seismic-related ground failure, landslides, result in substantial soil erosion or loss of topsoil, be located on a geologic unit or unstable soil, be located on expansive soil, or 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. Any future development pursuant to the project would have to be evaluated independently against geological and soil criteria. Contemplated uses will be confined indoors within commercial or industrial zoning districts or in farmlands within existing greenhouses or industrial type agricultural support facilities. These areas are already zoned and designated to allow uses of a similar character and the project will not increase or exacerbate any potential impacts related to geology and soils (Source IX. 1, 2, and 3).

VI.11 <u>Mineral Resources</u>. The project consists of ordinances to establish permit requirements and regulations for medial cannabis activities in the County. No construction of any type is proposed with the project. As a result, the project will not result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state or in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan (Source IX. 1, 2, and 3).

VI.12 <u>Noise</u>. The project consists of ordinances to establish permit requirements and regulations for medical cannabis activities in the County. No construction of any type is proposed with the project. Permitted operations will be indoors, within the farmland, industrial, and commercial zoning districts, which by design limits noise impact. As a result, the project will not result in exposure of persons to or generation of noise levels in excess of standards established in the *Medical Marijuana Regulations Initial Study Page 19 REF150048*

General Plan or noise ordinance, generation of excessive groundborne vibration or noise levels, have a substantial permanent increase in ambient noise levels, have a substantial temporary or periodic increase in ambient noise levels. The contemplated uses are not sensitive to noise, are not anticipated to create a new source of noise or vibrations, and will not be located near sensitive noise receptors due to limitations on locations within the ordinances (Source IX. 1, 2, and 3).

VI.13 <u>Population/Housing</u>. The project consists of ordinances to establish permit requirements and regulations for medical cannabis activities in the County. No construction of any type is proposed with the project, no form of subdivision is considered, and no new housing or infrastructure that could induce housing growth are contemplated. As a result, the project will not induce substantial population growth in the area or displace existing housing or people necessitating the construction of housing elsewhere (Source IX. 1, 2, and 3).

VI.15 <u>Recreation</u>. The project consists of ordinances to establish permit requirements and regulations for medical cannabis activities in the County. No construction of any type is proposed with the project, no form of subdivision is considered, and no new housing or infrastructure that could induce housing growth are contemplated. As a result, the project will not increase the use of existing parks or recreational facilities, or include development or expansion of new parks or recreational facilities. In addition, regulations contained within the ordinance require a minimum setback of 600 feet from parks or recreational facilities (Source IX. 1, 2, and 3).

Fees and Taxes. Permit fees and submittal of a tax to a vote are fiscal activities related to the ordinances. They would not in themselves cause a direct or indirect physical change in the environment or result in a commitment to a specific project. While fees and taxes are part of the whole of actions, these actions individually would not be considered a "project" as defined in Section 15378 of the California Environmental Quality Act.

B. DETERMINATION

On the basis of this initial evaluation:

- ☑ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☐ 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 revisions in the project have been made by or agreed to by the project proponent. A MITIGATED 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.
- ☐ I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one

effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature

Craig Spencer

Date
Associate Planner

V. 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 in the parentheses following each question. 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 project-specific screening analysis).
- 2) All answers must take into account the whole action involved, including offsite as well as onsite, 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 Section XVII, "Earlier Analyses," 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: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 8) The explanation of each issue should identify:
 - a) The significance criteria or threshold, if any, used to evaluate each question; and
 - b) The mitigation measure identified, if any, to reduce the impact to less than significance.

1.	AESTHETICS		Less Than Significant		
Wo	uld the project:	Potentially Significant Impact	With Mitigation Incorporated	Less Than Significant Impact	No Impact
a)	Have a substantial adverse effect on a scenic vista?				\boxtimes
b)	Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				
c)	Substantially degrade the existing visual character or quality of the site and its surroundings?				\boxtimes
d)	Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?			\boxtimes	

VI. ENVIRONMENTAL CHECKLIST

Discussion/Conclusion/Mitigation:

Aesthetics 1 (a), 1(b), and 1(c) – No Impact.

No construction of any type is proposed with the project. Contemplated medical cannabis uses would only be permitted within the industrial, commercial, or farmland zoning districts and only within a structure. Some industrial, commercial, and farmland zoning districts are visible from scenic roads and vistas; however, the project would have no effect on the permit requirements and policies pertaining to new development. Uses permitted pursuant to the subject ordinances would only be located within existing structures or in a structure that was legally established pursuant to Monterey County Code irrespective of the use. *The contemplated uses are similar in nature to uses already allowed or allowed with permits in the respective zones so the project will not impact the visual character of the site or surroundings* (Source IX. 1, 2, and 3).

Aesthetics 1(d) – Less Than Significant.

Indoor and mixed-light cannabis cultivation involve the use of artificial lighting to aid in the cultivation process. Indoor lighting within commercial or industrial buildings is not likely to create a new source of light as viewed from the exterior of the building but indoor lighting can be seen within a greenhouse. Although there is currently no restriction on the use of lighting within a greenhouse there has traditionally been little or no impact on light and glare as a result of the absence of lightings restrictions in greenhouse operations. The more likely source of light and glare would stem from the need for heightened security measures. Security measures are necessary for cannabis operations given the current market value and social stigma of cannabis. Security will likely include outdoor lighting at various entry points to the area containing cannabis operations.

Exterior lighting improvements will be subject to the County's lighting criteria and policies requiring motion sensors, and directed lighting to illuminate only the area intended. *With these ordinances applied, the project will have a less than significant impact on light and glare* (Source IX. 1, 2, 3, 7, 12, and 13).

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 Dept. 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 forest land, 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.

Woi	uld the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a)	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?				
b)	Conflict with existing zoning for agricultural use, or a Williamson Act contract?				\boxtimes
c)	Conflict with existing zoning for, or cause rezoning of, forest land (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))?				
d)	Result in the loss of forest land or conversion of forest land to non-forest use?				\boxtimes
e)	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 forest land to non-forest use?				\boxtimes

Discussion/Conclusion/Mitigation:

No Impact - See Section IV.A

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.

Wa	ould the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a)	Conflict with or obstruct implementation of the applicable air quality plan?				\boxtimes
b)	Violate any air quality standard or contribute substantially to an existing or projected air quality violation?			\boxtimes	
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)?				
d)	Result in significant construction-related air quality impacts?				\boxtimes
e)	Expose sensitive receptors to substantial pollutant concentrations?			\boxtimes	
f)	Create objectionable odors affecting a substantial number of people?			\boxtimes	

Discussion/Conclusion/Mitigation:

Air Quality 3(a) and 3(d) – No Impact

As discussed in Section III of this document, the project will not conflict or obstruct implementation of the air quality plan. The project includes consideration of ordinances that create permit requirements and regulations for medical cannabis uses and do not include, changes to population within the County, construction of any structures, or any physical improvements to the land. *Therefore, the project will not conflict with the Air Quality Management Plan or result in significant construction-related air quality impacts* (Source IX. 1, 2, 3, and 15).

Air Quality 3(b) and 3(c) – Less Than Significant

Applicable air quality criteria for evaluation of the project's impacts are federal air pollutant standards established by the U.S. Environmental Protection Agency (EPA) and reported as National Ambient Air Quality Standards (NAAQS), and the California Ambient Air Quality Standards (CAAQS), which are equal to or more stringent than the federal standards. The California Air Resources Board (CARB) coordinates and oversees both state and federal air quality control programs in California. The CARB has established 14 air basins statewide. Monterey County is located in the North Central Coast Air Basin (NCCAB), which is under the

jurisdiction of the Monterey Bay Unified Air Pollution Control District (MBUAPCD). The CARB has established air quality standards and is responsible for the control of mobile emission sources, while the MBUAPCD is responsible for enforcing standards and regulating stationary sources. At present, Monterey County is in attainment for all federal air quality standards and state standards for Carbon Monoxide (CO), Nitrogen Dioxide (NO₂), and fine particulate matter ($PM_{2.5}$). Monterey County is in non-attainment for PM_{10} and is designated as non-attainment-transitional for the state 1 hour and 8 hour ozone standards (Source IX. 14 and 15).

The project includes consideration of ordinances establishing regulations for medical cannabis uses within specified zoning districts. It would not include consideration of any grading, development, or physical changes to the environment and it is not expected to generate a significant source of traffic on unpaved road given the zoning restrictions in the ordinance. Construction, grading, and travel on unpaved roads are major contributors to PM_{10} . The ordinances will require a Use Permit or Coastal Development Permit for all commercial medical cannabis activities in the future. Each permit or application for a permit will be evaluated for potential conflicts with Air Quality standards based on the circumstances of each case.

Ozone is not emitted directly into the air, but is formed by the reaction of volatile organic compounds (VOCs) and nitrogen oxides (NOx) in the presence of heat and sunlight. VOCs are emitted by a variety of sources, including motor vehicles, chemical plants, refineries, and other factories. NOx is emitted by motor vehicles, electric power plants, and other combustion sources. Ozone can be transported into an area from pollution sources found hundreds of miles upwind. Much is being done to combat cumulative air quality impacts on both a local and state level. Vehicular emission standards are being tightened, rebates and incentives are being offered for renewable energy sources, equipment is becoming more efficient and energy production is getting cleaner.

The uses contemplated in the subject ordinances will require the use of motor vehicles for transportation of products and for employee commuting. In addition, cultivation of cannabis indoors will necessitate the use of artificial lighting for plant growth which can lead to a significant increase in energy consumption at these indoor cultivation sites. The ordinance promotes State efforts to address transportation related impacts by requiring alternative fuel vehicles in transportation fleets, by requiring the production of on-site renewable energy for indoor cultivation, and by allowing these activities only in areas that already have access to major transportation routes.

Section 21.67.080.B.10 of the ordinance amending Title 21 with the same policy to be added the ordinance amending Title 20, requires that alternative fuel vehicles used as part of any new transportation or distribution fleet to reduce traffic related emissions. Section 21.67.050.B.9 of the ordinance amending Title 21, with the same language to be added to the ordinance amending Title 20, requires that on-site renewable energy systems be provided for indoor cultivation sites and such systems will be required to have a generation potential equal to or greater than one-half (1/2) of the anticipated energy demand for the operation. Overall, the uses contemplated within the subject ordinances, will be located in areas that are designated for uses of a similar character and nature. As such, the uses are not anticipated to increase cumulative air quality impacts above the baseline conditions. Distribution and transportation facilities are already allowed with permits in the industrial zoning districts (not specific to cannabis-related transportation) without

regulations regarding fleet fuel efficiency. Dispensaries will be located in commercial areas that are already zoned for retail sales, and other uses will be permitted in similar zoning districts encouraging clustering of cannabis activities to improve efficiency in operations.

The ordinances require a Use Permit or Coastal Development Permit for all commercial medical cannabis activities. Those permits will include review of the type of application to ensure that appropriate measures are included in the application to minimize or mitigate project-specific traffic impacts and other air quality related concerns including the need for air district permits for any new testing or manufacturing processes related to the medical cannabis industry (Source IX. 1, 2, 3, 7, 14, and 15). *The project will have a less than significant impact on air quality standards and cumulative pollutant criteria.*

Air Quality 3(e) – Less Than Significant

The siting of a project can greatly influence the significance of an impact on local air quality, particularly if sensitive receptors would be affected. A "sensitive receptor" is generally defined as any residence including private homes, condominiums, apartments, and living quarters; education resources such as preschools and kindergarten through grade twelve (k-12) schools; daycare centers; and health care facilities such as hospitals or retirement and nursing homes. A sensitive receptor includes long term care hospitals, hospices, prisons, and dormitories or similar live-in housing.

Contemplated commercial medical cannabis activities will be appropriately sited away from sensitive receptors on large lots within the Farmland zones, or in industrial districts which tend to be located away from sensitive receptors as a function of land use zoning and planning. Commercial zoning districts may be located closer to housing and other sensitive receptors. However, the uses that may be permitted in commercial zones are limited. Contemplated commercial cannabis activities are not anticipated to include any significant stationary pollutant emissions sources or significantly increase impacts from mobile pollutant emission sources. As described in the discussion above, commercial medical cannabis activities will be sited in areas that already allow similar uses and are mostly located near major transportation corridors.

In the past, medical cannabis cultivation has occurred unregulated in remote areas with little access to public services including electrical services. Many times cultivation and manufacturing operations are powered by on-site portable generators. Generators have localized air quality impacts and are regulated by the Air District. The proposed ordinance would only allow cultivation indoor or in existing greenhouses. The majority of existing greenhouses and industrial sites where cultivation could occur have power from PG&E and will not require continued use of generators.

All commercial cannabis operations will require approval of a Use Permit which will include evaluation of the types of operations, the proximity of those operations to sensitive receptors, as well as any requirements for air district permits based on the individual application. Traffic will also be evaluated based on the circumstances of each application. Consideration of the proposed ordinances will not result in any new operations that affect pollutant concentrations. Each application for the uses established by the ordinances will be evaluated through the Use Permit or Coastal Development Permit process. (Source IX. 1, 2, 3, 7, 8, 9, 10, 11, and 14) *The project will have a less than significant impact on sensitive receptors*.

Air Quality 3(f) – Less Than Significant

Proper siting of a new land use can minimize or eliminate significant impacts to local or regional air quality and minimize impacts of odors. Cannabis has a strong odor that may be objectionable to some people. Odors can be transported by wind and do not always remain at the source. Prevailing winds from the west can transport odors east toward odor receptors. The subject ordinances would permit certain commercial cannabis activities indoor or within an existing greenhouse in the farmland zone, the industrial zone, or in a commercial zone and would permit small personal cannabis activities in all zoning districts. Odors from cannabis operations may be detectable from off site.

California Health and Safety Code Section 11362.77 describes medical cannabis as an agricultural product for the purposes of the Medical Marijuana Regulation and Safety Act. Health and Safety Code Section 41705 exempts agricultural operations from odor related nuisances. Farmlands tend to have large lot sizes and therefore can incorporate large setbacks from neighboring uses and from sensitive receptors. Within the Farmland zone, odors are already prevalent from a variety of crops and odors produced by fertilizer treatments. Even with the appropriate siting, cannabis uses can subject some people to objectionable odors.

Section 21.67.100.D.11 of the ordinance amending Title 21, with the same language to be added to the ordinance amending Title 20, and Section 7.90.100.A.7 of the ordinance adding Chapter 7.90, requires all applicants for a commercial medical cannabis activity to submit odor control measures and devices for consideration with each permit and to incorporate odor prevention devices and techniques for all commercial cannabis operations. Discretionary permits are required for all new commercial cannabis activities within the County and as part of review of these permits, site specific circumstances including wind patterns, nearby land uses, and appropriate odor control measures for each application will be provided. Given current regulatory conditions, the proposed provisions for addressing odor within the ordinances, restrictions on location of commercial cannabis activities, and the need for a Use Permit, *the project is not likely to subject a substantial number of people to objectionable odors*.

Section 7.95.100(B) and (D) of the ordinance adding Chapter 7.95 requires all qualified patients and primary caregivers to obtain a Personal Medical Cannabis Permit. The new proposed regulations within Chapter 7.95 require odor prevention devices, and minimum setbacks from property lines that have not been applied in the past. These requirements will reduce impacts of cannabis related odors from current conditions by imposing new requirements for this use. Given current regulatory conditions, and the proposed provision for addressing odor within the ordinance, *the project is not likely to subject a substantial number of people to objectionable odors*.

4.	BIOLOGICAL RESOURCES	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No
W	ould the project:	Impact	Incorporated	Impact	Impact
a)	Have a substantial 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 Game or U.S. Fish and Wildlife Service?				
b)	Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?				
c)	Have a substantial 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?				
d)	Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				
e)	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?			\boxtimes	
f)	Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?			\boxtimes	

Discussion:

Monterey County contains a diverse array of natural communities, ranging from oak woodlands in the Salinas Valley, to beach dunes near Fort Ord, to the Elkhorn Slough in North County. Natural vegetation throughout the County is typical of that occurring in the coastal ranges and interior valleys of central California. The two most common types of natural habitat are oak woodland on middle and upper elevations, and grassland in lower elevations such as valleys. There are numerous federally listed endangered and threatened species and other CEQA-defined special status species in the County. More than 70,000 acres in the County are designated as critical habitat by the U.S. Fish and Wildlife Service (USFWS).

Conclusion:

Biological Resources 4(a), 4 (b), 4(c) and 4(d) - Less Than Significant

Although there are numerous biological resources found throughout Monterey County, the subject ordinances would restrict commercial medical cannabis uses and the potential for development associated with those uses to already disturbed areas that contain existing development. By restricting commercial medical cannabis activities to indoor spaces or within existing greenhouses, within certain zoning districts, the need for security fencing that might restrict animal movement is limited because the operations will be within structures that can be secured with locked doors.

Commercial medical cannabis operations would be limited to specified zoning districts, restricted in size, and require approval of either a Use Permit or Coastal Development Permit and a Commercial Medical Cannabis Permit. Areas where commercial cannabis activities could be permitted primarily contain urban habitat. Urban habitat is a developed habitat type; it includes all areas that are planted and maintained as landscaped areas. These habitats are often host to a wide array of invasive species. Urban areas have marginal value for wildlife because of human disturbance and a lack of vegetation. Wildlife species that use these areas are typically adapted to human disturbance. Wildlife species associated with urban residential and suburban areas include western scrub jay, northern mockingbird, house finch (Carpodacus mexicanus), rock pigeon (Columba livia), raccoon, opossum (Didelphis virginiana), striped skunk (Mephitis mephitis), western fence lizard, and gopher snake (Pituophis melanoleucus) (Mayer and Laudenslayer 1988). None of these wildlife species are given a special status designation under local, state, or federal law.

Personal cultivation would be allowed in all zoning districts without a Use Permit or Coastal Development Permit unless required by other provisions of the Monterey County Code. Without the ordinances, personal cultivation does not require discretionary permitting provided related improvements or development are not regulated by existing County codes. Examples of existing regulations that may apply to personal cultivation with or without the subject ordinances include restrictions on development within or near environmentally sensitive habitat, among other things. These regulations will remain in effect under the subject ordinances. Personal cultivation is limited to 100 square feet of total canopy area and would typically be an ancillary use (garden/landscaping) on a developed lot.

The permit review process will include review of proposed development, including any proposed fencing, to avoid impacts to special status species, riparian habitats, other sensitive natural communities, federally protected wetlands, or native resident or migratory wildlife corridors in compliance with existing local and state regulations. (Source IX. 1, 2, 7, 8, 9, 10, 11, 12, and 13) *Therefore, the project will have a less than significant impact on sensitive species, protected habitats, and wildlife corridors*.

Biological Resources 4(e) - Less than significant

Project implementation will not conflict with any local policies or ordinances protecting biological resources or conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan.

The subject ordinances include provisions for establishing medical cannabis uses within the inland and coastal areas of the County. Development within the inland areas are governed by the 2010 Monterey County General Plan (including in the Cachagua, Central Salinas Valley, Greater Monterey Peninsula, Greater Salinas, North County, South County and Toro Areas Plans; the Carmel Valley Master Plan; the Fort Ord Master Plan; and the Agricultural and Winery Corridor Plan), and the Monterey County Zoning Ordinance (Title 21), and the Monterey County Code. Areas within the Castroville Community Plan boundary are governed by the 1982 Monterey County General Plan and the Castroville Community Plan and areas within Fort Ord are subject to the Fort Ord Base Reuse Plan and the 1982 General Plan.

Within the coastal areas of the County, development is subject to the Local Coastal Program (LCP). The LCP includes the 1982 Monterey County General Plan, the Monterey County Zoning Ordinance (Title 20), and Land Use Plans (LUP) for four specific geographical regions including the Big Sur Coast, Carmel Area, Del Monte Forest, or North County Coastal Land Use Plans with their accompanying Implementation Plans.

These governing documents contain goals and policies that call for the conservation and protection of listed species and critical habitats resulting in guiding developments that would avoid, minimize or mitigate impacts to biological resources. In addition, Titles 20 and 21 include implementation regulations that provide development standards for the protection, maintenance, and, where possible, enhancement and restoration of environmentally sensitive habitats.

The proposed regulations do not include provisions that would allow developments to be inconsistent with General Plan, Land Use Plan, or zoning regulations. In fact, any new uses established pursuant to the proposed regulations would be subject to the applicable goals, policies, and regulations for the protection and conservation of biological resources (Source IX. 1, 2, 3, 7, 8, 9, 10, 11, 12, and 13). *Therefore, the project will not conflict with policies protecting biological resources*

Biological Resources 4(f) - No Impact

Permits have been issued for HCPs for the Post-Ranch Inn (Big Sur), Sarment (Carmel Highlands), and Wildcat Line LP (Carmel Highlands). All three of these areas are within coastal areas of the County and none of them would be permitted for a commercial medical cannabis activity because none of these locations have a zoning that would provide for such use under the subject ordinances. The Fort Ord area is subject to the Installation-Wide Multispecies Habitat Conservation Plan at Former Fort Ord and updates to that plan are currently in progress. The Fort Ord area is currently zoned Public/Quasi-Public but the Fort Ord Base Reuse Plan and the 1982 General Plan contain areas that are designated for industrial and commercial land use. Areas designated for commercial or industrial use will be required to be developed in a manner consistent with the Base Reuse Plan, and all applicable policies and regulations of the Monterey County Code. The proposed project would not permit any new development and any future development will be evaluated. Any potential medical cannabis use within a legally established structure would not conflict with the HCP for the Fort Ord area. (Source IX. 1, 2, 3, 7, 8, 9, 10, and 11) *Therefore, the project will not conflict with any habitat management plan*.

5. W	CULTURAL RESOURCES	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a)	Cause a substantial adverse change in the significance of a historical resource as defined in 15064.5?				\boxtimes
b)	Cause a substantial adverse change in the significance of an archaeological resource pursuant to 15064.5?				\boxtimes
c)	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				\boxtimes
d)	Disturb any human remains, including those interred outside of formal cemeteries?				\boxtimes

Discussion/Conclusion/Mitigation: No Impact - See Section IV.A

6.	GEOLOGY AND SOILS	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No
Woul	ld the project:	Impact	Incorporated	Impact	Impac
ac	xpose people or structures to potential substantial dverse effects, including the risk of loss, injury, or eath involving:				
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 substantial evidence of a known fault? (Source:) Refer to Division of Mines and Geology Special Publication 42.				
ii) Strong seismic ground shaking?				\boxtimes
iii	i) Seismic-related ground failure, including liquefaction?				\boxtimes
iv	v) Landslides?				\boxtimes
b) R	esult in substantial soil erosion or the loss of topsoil?				\boxtimes
th ar	e located on a geologic unit or soil that is unstable, or hat would become unstable as a result of the project, nd potentially result in on- or off-site landslide, lateral preading, subsidence, liquefaction or collapse?				\boxtimes

6. GEOLOGY AND SOILS Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
 Be located on expansive soil, as defined in Chapter 18A of the 2007 California Building Code, creating substantial risks to life or property? 				\boxtimes
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?				\boxtimes

Discussion/Conclusion/Mitigation:

No Impact - See Section IV.A

7. GREENHOUSE GAS EMISSIONS Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
 a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? 				
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?			\boxtimes	

Discussion/Conclusion/Mitigation:

Greenhouse Gas Emissions 7(a) and 7(b) – Less Than Significant

Activities such as fossil fuel combustion, deforestation, and other changes in land use result in the accumulation of GHGs such as carbon dioxide (CO2) in our atmosphere. An increase in GHG emissions results in an increase in the Earth's average surface temperature, which is commonly referred to as global warming. Global warming is expected, in turn, to affect weather patterns, average sea level, ocean acidification, chemical reaction rates, precipitation rates, etc., in a manner commonly referred to as climate change.

According to the Federal Environmental Protection Agency (EPA), a GHG is any gas that absorbs infrared radiation in the atmosphere. This absorption traps heat within the atmosphere creating a "greenhouse" effect that is slowly raising global temperatures. GHGs include water vapor, CO2, methane (CH4), nitrous oxide (N2O), halogenated chlorofluorocarbons (HCFCs), ozone (O3), perfluorinated carbons (PFCs), and hydrofluorocarbons (HFCs). Naturally occurring GHGs include water vapor, CO2, CH4, N2O, and O3. Many human activities add to the levels of most of these naturally occurring gases. CO2 is released to the atmosphere when solid waste, fossil fuels (oil, natural gas, and coal), and wood and wood products are burned. N2O is emitted during agricultural and industrial activities, as well as during combustion of solid waste and

fossil fuels. CO2 and N2O are the two GHGs released in greatest quantities from mobile sources burning gasoline and diesel fuel. Methane, a highly potent GHG, results from off-gassing associated with agricultural practices and landfills, among other sources.

Much is being done at the State and local level to address GHGs emissions and combat global warming. California passed and signed into law Assembly Bill 32 – The Global Warming Solutions Act of 2006 (AB 32). AB 32 codifies the State's GHG emissions target by directing CARB to reduce the State's global warming emissions to 1990 levels by 2020. In addition, Executive order S-3-05 was issued by Governor Schwarzenegger in 2005 establishing GHG reduction targets for the state to include the same targets described in AB 32 and reduction of GHG emissions by 80% below 1990 levels by 2050. Since that time, CARB, CEC, the Public Utilities Commission, and the Building Standards Commission have all been at work on regulations that will help meet the goals of AB 32 and S-3-05.

Some highlights of State actions include Senate Bills 1078 and 107 – Renewable Portfolio Standards (RPS) that obligates investor-owned utilities (IOUs), energy service providers (ESPs) and community choice aggregators (CCAs) to procure an additional 1% of retail sales per year from eligible renewable sources until 20% is reached, no later than 2010; and Assembly Bill 1493 – Greenhouse Gas Emission Standards for Automobiles requires fewer CO₂ emissions from new automobile tailpipes. SB1078/107 makes energy production cleaner thus significantly reducing the GHGs attributable to energy production and consumption and AB1493 makes cars and light trucks more fuel efficient significantly reducing transportation related GHG emissions.

Locally, the County has adopted the 2010 General Plan. The 2010 General Plan calls for the preparation and adoption of a Climate Action Plan to reduce GHGs in Monterey County consistent with AB 32 targets. The County has not yet adopted a Climate Action Plan but efforts have progressed to this end. As is the practice for most government agencies within the State, the County is exploring opportunities to reduce energy demand, increase renewable energy generation, promote alternative fuel vehicles, mass transit, and non-motorized transportation uses, and minimize waste at landfills. In addition, the Association of Monterey Bay Area Governments (AMBAG) has adopted a Metropolitan Transportation Plan and Sustainable Communities Strategy pursuant to Senate Bill 375. SB 375 was passed in 2008 and requires Metropolitan Planning Organizations (MPOs) in California to reduce per capita vehicle miles traveled through a coordinated land use and transportation plan.

The project includes ordinances that would provide permit requirements and regulations for commercial medical cannabis activities and would not permit any new physical change to the environment that will result in GHG emissions. However, commercial medical cannabis activities if and when permitted pursuant to the subject ordinances will have direct and indirect greenhouse gas emissions. The medical cannabis activities considered in the ordinances would increase energy demand at cultivation sites and it would likely be dependent on motor vehicles for employee commutes and distribution networks.

Section 21.67.080.B.10 of the ordinance amending Title 21, with the same policy to be added the ordinance amending Title 20, requires that alternative fuel vehicles be provided as part of any new transportation or distribution fleet to reduce traffic related emissions consistent with the Goals of the State and draft Climate Action Plan strategies locally. Section 21.67.050.B.9 of the ordinance amending Title 21, with the same language to be added to the ordinance amending *Medical Marijuana Regulations Initial Study* Page 34 REF150048

Title 20, requires that on-site renewable energy systems be provided for indoor cultivation sites and such systems will be required to have a generation potential equal to or greater than one-half (1/2) of the anticipated energy demand for the operation. Renewable energy generation will offset increase energy demand and the corresponding GHG emissions and the energy production source consistent with State and local goals. New uses will only be allowed in certain zoning districts and under specified circumstances. The land use tie and anticipated locations of new operations are appropriately sited to link these operations with transportation networks consistent with the Sustainable Communities Strategy.

Any new operations involving direct GHG emissions from site-specific activities, including manufacturing processes will be considered through the Use Permit or Coastal Development process. It should also be noted that the ordinances provide for medical cannabis activities that are similar in nature to uses already allowed, and in some cases already occurring, within a commercial, industrial, or agricultural zoning district and these new cannabis uses will be supplementing some activities that are already emitting GHGs. With measures to minimize GHGs emissions from transportation and energy use, combined with the need to evaluate projects individually through a Use Permit or Coastal Development Permit process, the project will not substantially contribute to GHG emissions on the whole of the subject and will not conflict with any plans for the reduction of GHGs (Source IX. 1, 2, 3, and 7). *Therefore the project is will have a less than significant impact related to Greenhouse Gas Emissions*.

8. W	HAZARDS AND HAZARDOUS MATERIALS	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a)	Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?				
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?				
c)	Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?			\boxtimes	
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?				
e)	For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?				

8. HAZARDS AND HAZARDOUS MATERIA Would the project:	LS Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				\boxtimes
g) Impair implementation of or physically interfere with adopted emergency response plan or emergency evacuation plan?	n an			\boxtimes
h) Expose people or structures to a significant risk of lo injury or death involving wildland fires, including wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	,		\boxtimes	

Discussion:

The project involves the consideration of ordinances that would provide permit requirements and regulations for commercial medical cannabis activities and is not an action to authorize or permit any specific use, activity, or physical improvement. However, commercial medical cannabis activities considered in the ordinances such as cultivation and manufacturing will likely involve the use of hazardous materials once permitted. Hazardous materials common in cannabis activities include petroleum products, fertilizers, herbicides, and pesticides. However, no pesticides have been approved on the federal or state level for use on cannabis. Additionally, volatile cannabis manufacturing processes will likely involve the use of pressurized gases or solvents that pose an explosion risk or release of chemicals that can subject people to hazardous conditions.

Conclusion:

Hazards and Hazardous Materials 8(a), 8(b), and 8(c) – Less Than Significant Section 21.67.050.B.7 of the ordinance amending Title 21, with the same language to be added to the ordinance amending Title 20, Section 7.90.110.E of the ordinance adding Chapter 7.90, and Section 7.95.100.E of the ordinance adding Chapter 7.95 require that all pesticides and fertilizers be properly labeled and stored to avoid contamination through erosion, leakage, or other form of release.

Section 7.90.110.D of the draft ordinance adding Chapter 7.90 and Section 7.95.100.F of the ordinance adding Chapter 7.95 prohibit the use of hazardous, flammable or explosive substances in cannabis manufacturing.

Section 21.67.060.B.6 of the ordinance amending Title 21, with the same language to be added to the ordinance amending Title 20, requires any employees of a medical cannabis manufacturing facilities operating potentially hazardous equipment to be trained on the proper use of equipment and on the proper hazard response protocols in the event of equipment failure.

Section 21.67.100.E.3 of the draft ordinance amending Title 21, with the same language to be added to the ordinance amending Title 20, will require applicants for manufacturing operations to submit a plan detailing storage protocol and a hazard response plan for the operations.

In addition, a Use Permit or Coastal Development Permit will be required for all commercial medical cannabis activities. Each permit will be evaluated based on the specifics of the application including proximity to other land uses, types of materials and operations that may be hazardous and appropriate measures to avoid subjecting people to those hazards.

Even with these regulations in place, volatile manufacturing would only be permitted in Heavy Industrial zoning districts. The Heavy Industrial zoning accommodates a variety of industrial uses that may involve hazardous substances or processes including propane distributors among other uses. Additionally, in the event that a Heavy Industrial area is located near a school, there is a mandatory setback for all cannabis operations of 600 feet which would prohibit commercial medical cannabis activities in that area (Source: IX. 1, 2, and 3). As written, uses considered in the ordinances will have a less than significant impact from the risk of release of hazardous materials or explosion.

Hazards and Hazardous Materials 8(d), 8(e), 8(f), 8(g) - No Impact

The project includes consideration of ordinances that would establish permit requirements and regulations for commercial medical cannabis activities. It does not permit any specific activity or improvement on any one site. A Use Permit or Coastal Development Permit will be required prior to allowing any new use or development related to medical cannabis activities. Permit considerations will include review of project location. Because the project does not permit any improvement or alteration, and each application submitted pursuant to the subject ordinances will be reviewed based on the circumstances of each case, *the project will not create significant hazards from location in areas with hazardous materials, subject people to hazards through location near a public or private airstrip, or interfere with an emergency evacuation plan (Source: IX. 1 and 2).*

Hazards and Hazardous Materials 8(g) - Less Than Significant

The draft ordinances would limit commercial medical cannabis activities to areas zoned for commercial, industrial, or agricultural use. These locations tend to be urbanized or irrigated crop lands with little potential for hazards from wildland fires. However, there are a few pockets of commercial, industrial, or agricultural zones that interface with wildland areas. The project does not include consideration of any residences. All new development and commercial cannabis activities will be required to meet Fire Code standards through Use Permit, Coastal Development Permit, and/or Building Permit review and requirements. Where necessary, sprinkler systems, defensible space, emergency access, and other fire related measures will be applied. With appropriate review of applications submitted pursuant to the subject ordinances, the *project is anticipated to have a less than significant impact on the potential for injury or death from wildfires* (Source: IX. 1 and 2).

9.	HYDROLOGY AND WATER QUALITY		Less Than		
Wo	uld the project:	Potentially Significant Impact	Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a)	Violate any water quality standards or waste discharge requirements?			\boxtimes	
b)	Substantially deplete groundwater supplies or interfere substantially 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)?				
c)	Substantially 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 which would result in substantial <u>erosion or siltation</u> on- or off-site?				
d)	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in <u>flooding</u> on- or off-site?				
e)	Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?				
f)	Otherwise substantially degrade water quality?			\boxtimes	
g)	Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				
h)	Place within a 100-year flood hazard area structures which would impede or redirect flood flows?				\boxtimes
i)	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?				\boxtimes
j)	Inundation by seiche, tsunami, or mudflow?				\boxtimes

Hydrology and Water Quality 9(a) – Less Than Significant Impact

As discussed in Section III of this document, the project will not violate any water quality standards or waste discharge requirements of the Water Quality Control Plan for the Central Coast Basin, or Basin Plan. To prevent water quality problems, waste discharge restrictions will

be used. The waste discharge restrictions can be implemented through Water Quality Certification, National Pollutant Discharge Elimination System (NPDES) permits, waste discharge requirements/permits (WDRs), discharge prohibitions, enforcement actions, and/or "Best Management Practices". The County has existing permit regulations for the review of development applications that implement these control measures including Chapter 16.08 (Grading), Chapter 16.12 (Erosion Control), and Chapter 16.14 (Urban Stormwater Quality Management and Discharge). The County, in compliance with State and Regional Water Board requirements, reviews all applications for development to ensure that appropriate permits and standards are met that protect water quality for future beneficial uses. The subject ordinances will require permits that trigger this review. Regulations are also included in the draft ordinances that aid in protecting water quality including restrictions on storing fertilizers and pesticides. Because the ordinances only permit indoor or greenhouse cannabis operations, foreseeable grading activities as a result of the ordinance are related to the potential construction of new structures on industrial zoned properties. The ordinances do not permit physical improvements to the land rather they would consider the use of the land for a cannabis operation. Solid waste generated from the cannabis industry will also be addressed through permitting requirements and will likely be handled at permitted landfills operated by the Salinas Valley Solid Waste Authority or the Monterey Peninsula Waste Management District. With permitting controls in place, the subject ordinances will not violate any water quality standards or waste discharge requirements (Source: IX. 1, 2, 3, and 16).

Hydrology and Water Quality 9(b) and 9(f) -Less Than Significant Impact

Consistent with the licenses types established in the Medical Marijuana Regulation and Safety Act (MMRSA), the subject ordinances would specifically provide local permitting of medical cannabis cultivation, manufacturing, testing, dispensary, distribution and transportation, and the cultivation of medical cannabis for personal grows. The tables in Section II categorize and outline the types of uses and the zoning districts in which they may be permitted.

Water supply for any proposed operation would be addressed on a case-by-case basis. Projects in the inland areas of the County would be required to comply with General Plan Policy PS-3-1, which requires proof of long-term, sustainable water supply, both in quality and quantity to serve the project. Within the coastal areas, proposed operations would be required to comply with Land Use Plans water supply policies. For projects using small water systems or on-site agricultural water systems, well water capacity will be considered for each application by the Monterey County Environmental Health Bureau. In addition, any new wells constructed to supply water for cannabis operations will need to comply with General Plan requirements for new well construction including assuring that the new well will not adversely affect neighboring wells or in-stream flows.

Currently, agricultural operations generally do not have water use restrictions, and may cultivate crops and water them without oversight on use or methods. The subject ordinances require that all cannabis cultivation activities incorporate water conservation measures, water capture systems, water recycling, or grey water systems in their operations in order to minimize use of water where feasible (*See* Section 21.67.050.B.8 with same language to be added to the Coastal ordinance). As such, adoption of ordinances to operate a commercial medical cannabis activity on a property in the unincorporated areas of the County would have a *less than significant impact*

on County's regulations concerning groundwater supplies and would introduce no new impacts related to the depletion of the groundwater supply (Source: IX. 1, 2, 4, 7, 8, 9, 10, and 11).

Hydrology and Water Quality 9(c)-9(e) -Less Than Significant Impact

The proposed ordinances to establish regulations for commercial medical cannabis uses within specified zoning districts will have a less than significant impact on substantially altering the existing drainage pattern of the site or area. This includes the alteration of the course of a stream or river in a manner that would result in substantial erosion or siltation on or off-site, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on or offsite or create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff. Under the proposed zoning ordinances, commercial medical cannabis uses would be allowed to operate, subject to a discretionary permit, in the Farmlands (F) and Coastal Agricultural Preserve [CAP (CZ)] zoning districts, commercially and industrially zoned lands such as, Light Commercial (LC), Heavy Commercial (HC), Coastal General Commercial [CGC (CZ)], and Moss Landing Commercial [MLC (CZ)] zoned properties, and in the Agricultural Industrial (AI), Light Industrial (LI), Heavy Industrial (HI) zonings.

In the F and CAP zoning districts, the uses are limited to existing legal greenhouses and agricultural support facilities (indoor cultivation and manufacturing uses only). This will avoid the proliferation of greenhouses and agricultural support facilities that have the potential of substantially alter the existing drainage and runoff. In the other zoning districts, where new facilities may be constructed, these proposals would be required to comply with all applicable State and County regulations. The County of Monterey has existing permit regulations for the review of development applications that implement these control measures including Chapter 16.08 (Grading), Chapter 16.12 (Erosion Control), and Chapter 16.14 (Urban Stormwater Quality Management and Discharge). (Source IX. 1 and 2). *With these controls in order, the project will have a less than significant impact.*

Hydrology and Water Quality 9(g) - 9(i) - No Impact

Development in the flood-prone fertile valleys of the County has resulted in flooding conditions mostly in the Salinas Valley, but also in the Carmel, Pajaro, Big and Little Sur Valleys. The 100-year floodplain expands across the entire length of the County along the major river systems including the Salinas, Carmel, San Antonio, and Nacimiento Rivers with some areas falling within 500-year floodplain. The proposed project are ordinances establishing regulations for medical cannabis uses in certain zoning districts would not result in any land use changes or future development that could not otherwise occur. Any future applications for a medical cannabis use, subject to the proposed ordinances, will be evaluated in a case by case basis (Source IX. 1 and 2). Thus, the *proposed project would not expose people or property to flood hazards or increasing any risks associated with flood exposure. No flood related impacts would occur.*

Hydrology and Water Quality 9(j) - No Impact

A risk of seiche can occur if development occurs adjacent to an inland body of water and a seismic event, such as an earthquake, causes significant water displacement. The proposed project are ordinances establishing regulations for medical cannabis uses in certain zoning districts and does not include any land use changes that would introduce elevated risk of

exposure to tsunami. Any future applications for a medical cannabis use, subject to the proposed ordinances, will be evaluated in a case by case basis (Source IX. 1 and 2). Therefore, *flooding as a result of seiche, tsunami, or dam failure would not be directly related to the proposed project.*

10. LAND USE AND PLANNING	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No
Would the project:	Impact	Incorporated	Impact	Impact
a) Physically divide an established community?				\boxtimes
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?				
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?			\boxtimes	

Discussion/Conclusion/Mitigation:

Land Use and Planning 10(a) - No Impact

The project includes consideration of ordinances that would establish permit requirements and regulations for commercial medical cannabis activities. It does not permit any specific activity or improvement on any one site. A Use Permit or Coastal Development Permit will be required prior to allowing any new use or development related to cannabis activities. The uses contemplated in the ordinances would be located in areas where similar uses are already allowed. There is no form of subdivision included in the project description or any changes in zoning designations, land use designations, or the nature of uses within existing zones that could physically divide established communities (Source: IX. 1, 2, and 3). *Therefore, the project will not divide an established community*.

Land Use and Planning 10(b) – Less Than Significant

The project includes ordinances amending zoning regulations in both the Inland and Coastal areas of the County. The amendments include adding certain commercial medical cannabis uses as "A Use allowed subject to a Use Permit [or Coastal Development Permit] in each case", as well as providing a new chapter within the zoning ordinances providing regulations specific to each of the uses added. Uses provided in the subject ordinances are limited by zoning so that the added uses are similar to other uses already allowed within those zoning districts. For instance the Farmland and Coastal Agricultural Preserve zoning districts allow cultivation, greenhouses, and agricultural support facilities subject to permits in some cases. Medical cannabis cultivation and manufacturing (support facilities) would be added to the list of uses. The same is true for Industrial testing, distribution, and manufacturing and commercial retail uses and dispensing.

In addition to the correlation between land use, zoning allowances, and similar uses, environmental regulations have been incorporated in the ordinances consistent with policies contained in the General Plan and Local Coastal Program. For an analysis of consistency of the

ordinances with the General Plan and Local Coastal Program see Section III of this document. The ordinances will require that all commercial medical cannabis activities obtain a Use Permit or Coastal Development Permit. These discretionary permits will ensure that each individual application for the uses added by the subject ordinances comply with the applicable plans and regulations. In order to approve a Permit for a commercial cannabis operation, a finding that the approval will not result in significant impacts on the environment must be made (Source IX. 1, 2, and 3). *Therefore there will be a less than significant impact regarding conflicts with existing regulations, plans, or policies adopted for the purpose of avoiding or mitigating environmental effects.*

Land Use and Planning 10(c) – Less Than Significant

The project includes consideration of ordinances that would establish permit requirements and regulations for commercial medical cannabis activities. It does not permit any specific activity or improvement on any one site. A Use Permit or Coastal Development Permit will be required prior to allowing any new use or development related to cannabis activities.

Habitat Conservation Plans have been approved for the Post-Ranch Inn (Big Sur), Sarment (Carmel Highlands), and Wildcat Line LP (Carmel Highlands). All three of these areas are within coastal areas of the County and none of them would be permitted for a commercial cannabis activity because none of these locations have a zoning that would provide for such use under the subject ordinances. The Fort Ord area is subject to the Installation-Wide Multispecies Habitat Conservation Plan (HMP) at Former Fort Ord and updates to that plan are currently in progress. The Fort Ord area is currently zoned Public/Quasi-Public but the Fort Ord Base Reuse Plan and the 1982 General Plan contain areas that are designated for industrial and commercial land use. Areas designated for commercial or industrial use within the Base Reuse Plan will be required to be developed in a manner consistent with the Base Reuse Plan. Industrial or commercial uses within the Fort Ord area can be established in a manner consistent with the HMP.

By some accounts, cannabis operations sometimes occur within State or Federal park lands and protected open spaces. While this type of activity would likely not be permitted or allowed due to existing regulatory restrictions, there are no specific regulations in place regarding where and how cannabis operation can occur. The subject ordinances would improve the situation by providing for appropriate locations, outside of natural communities and providing clear regulations improving enforcement activities for operations that do not comply. (Source IX. 1, 2, 3, 5, and 7). *Therefore, the project will not conflict with any applicable habitat conservation plan or natural community conservation plan.*

11. MINERAL RESOURCES Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				\boxtimes
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?				\boxtimes

No Impact - See Section IV.A

12. W	NOISE	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
	• •	mpaci	meorporated	mpaci	mpact
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?				\boxtimes
b)	Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?				\boxtimes
c)	A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?				\boxtimes
d)	A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?				\boxtimes
e)	For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				
f)	For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				

Discussion/Conclusion/Mitigation: No Impact - See Section IV.A

13. POPULA Would the project	TION AND HOUSING	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
directly (for ex businesses) or	tial population growth in an area, either ample, by proposing new homes and indirectly (for example, through ads or other infrastructure)?				\boxtimes
· •	antial numbers of existing housing, ne construction of replacement housing				\boxtimes
	antial numbers of people, necessitating n of replacement housing elsewhere?				\boxtimes

No Impact - See Section IV.A

14. Would	PUBLIC SERVICES	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
provisi faciliti faciliti enviro service	initial adverse physical impacts associated with the ion of new or physically altered governmental es, need for new or physically altered governmental es, the construction of which could cause significant nmental impacts, in order to maintain acceptable e ratios, response times or other performance ives for any of the public services:				
a)	Fire protection?			\boxtimes	
b)	Police protection?			\boxtimes	
c)	Schools?				\boxtimes
d)	Parks?			\boxtimes	
e)	Other public facilities?			\boxtimes	

Discussion/Conclusion/Mitigation:

Public Services 14 (a, b, c, d, and e) - Less Than Significant

Unpermitted cultivation of cannabis is currently occurring in the County. These cultivation activities often occur in remote areas, sometimes in parklands, where public services are not readily accessible and emergency service response time are longer. Regulatory enforcement actions of the County for unpermitted cannabis activities often require Sheriff involvement due

to the nature of these operations. This will not change with the subject ordinance; however, it is intended that by providing an option for permitting of cannabis operations unpermitted activity will be reduced.

As drafted, the ordinances would prohibit cultivation outdoors, prohibit cultivation on or within 600 feet of a park, and limit commercial medical cannabis activities to areas and zones that are more accessible from population centers where services already exist. For those operations attempting to get permitted under the subject ordinances, a Use Permit or Coastal Development Permit will be required. Permit considerations will include consideration for adequate public services and facilities on a case by case basis. Enforcement and permitting activities will be address through existing service locations and no new or expanded public service facilities are proposed or anticipated to address the contemplated uses (Source IX. 1, 2, and 3). The project would not directly require construction or improvement of any new facilities and would have *a less than significant impact on public services and facilities*.

Public Services 14 (c) – No Impact

The project does not include any form of subdivision or residential uses that would necessitate new school facilities (Source IX. 1, 2 and 3).

15. RECREATION Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?				\boxtimes

Discussion/Conclusion/Mitigation:

No Impact - See Section IV.A

16. We	TRANSPORTATION/TRAFFIC	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
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 relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?				
b)	Conflict with the goals, objectives, and policies of the 2010 Regional Transportation Plan for Monterey County, including, but not limited to level of service standards and travel demand measures, or other standards established by the Transportation Agency for Monterey County (TAMC) for designated roads or highways?				
c)	Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that result in substantial safety risks?				\boxtimes
d)	Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				\boxtimes
e)	Result in inadequate emergency access?				\boxtimes
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?			\boxtimes	

Transportation/Traffic 16(a), 16(b), and 16(f) - Less Than Significant

The project includes consideration of ordinances that would lead to the permitting of medical cannabis related agricultural, industrial, and commercial uses with associated traffic from employee commutes, retail sales (for dispensaries), and distribution/transportation of products.

Circulation policies in the General Plan establish minimums levels of service for County Roads and Intersections and provide direction for coordinated circulation improvements and promotion of alternative transportation systems. Controls for traffic related impacts are tied to analysis of traffic impacts from development. The project does not permit any specific activity or development that would increase traffic. A Use Permit or Coastal Development Permit will be required prior to allowing any medical cannabis related use or development. Each application for development will be evaluated for traffic related impacts through the permit process. Evaluation will include any requirements for circulation improvements or fair-share contributions to ensure that adequate levels of services are maintained at intersections and on streets, roads, and highways.

The Transportation Agency of Monterey County (TAMC), Regional Transportation Plan (RTP) and the Sustainable Communities Strategy (SCS), adopted by the Association of Monterey Bay Area Governments (AMBAG) contain goals and policies aimed at reducing the need to drive by improving access to alternative transportation options and by consolidating land uses to reduce the need to drive. The subject ordinances would add medical cannabis related uses to the uses allowed in zoning districts that already provide for similar uses. Existing agricultural, industrial, and commercial zonings already have, or are anticipated to have, uses that generate traffic. Industrial and agricultural transportation and distribution centers already exist within the County and are generally clustered near major transportation routes to provide convenient movement of goods. Commercial zonings are located near population centers and along transportation routes to provide people with access to goods and services in close proximity to their jobs and residences. Other than medical cannabis dispensaries, the medical cannabis activities are not linked to public transit, bicycle, or pedestrian facilities. Medical cannabis activities require security to keep people out for safety purposes. As applications for medical cannabis activities are reviewed, traffic impact fees may be applied to cover fair-share costs of maintaining localized and regional transportation systems (Source IX. 1, 2, 7, 8, 9, 10, and 11). The project will not conflict with transportation policies of the 2010 General Plan, the RTP, the SCS or other plans adopted to ensure adequate transportation facilities in the County.

Transportation/Traffic 16(c) – No Impact

The project does not include significant changes in population or require any changes to air traffic patterns. Business-related air travel associated with the medical cannabis activities contemplated would likely use existing airports with existing air traffic patterns and are not anticipated to result in a significant increase in demand that would necessitate changes in air-traffic (Source IX. 1, 2, and 3). *Therefore the project will have no impact on air traffic patterns or levels that might result in a substantial safety risk.*

Transportation/Traffic 16(d) and 16(e) – No Impact

The project does not include permitting of any new improvements that might increase traffic or change traffic patterns or circulation. Each application made pursuant to the ordinances would be evaluated through a Use Permit or Coastal Development Permit process. The evaluation would include any improvements associated with the requested medical cannabis activity including driveway encroachments, new roads or road improvements, site distance, and adequate access and turn-around space for emergency vehicles. In general, the uses contemplated in the ordinances would be located within existing buildings. Any construction of new structures or roads would be subject to existing regulations and permitting requirements including review by County Planning, Public Works, the applicable Fire Districts, and responsible agencies (Source IX. 1, 2, and 3). *Therefore the project would not create hazards or result in inadequate emergency access*.

17. We	UTILITIES AND SERVICE SYSTEMS ould the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a)	Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				\boxtimes
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?				\boxtimes
c)	Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				\boxtimes
d)	Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?			\boxtimes	
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?				
f)	Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?			\boxtimes	
g)	Comply with federal, state, and local statutes and regulations related to solid waste?			\boxtimes	

Utilities and Service Systems 17(a), 17(b), 17(c), and 17(e) - No Impact

The project includes consideration of ordinances that would establish permit requirements and regulations for commercial medical cannabis activities. It does not permit any specific activity or improvement that might generate wastewater or result in construction of new storm water facilities. A Use Permit or Coastal Development Permit will be required prior to allowing any new use. All improvements to land and structures will be subject to existing regulations and permit requirements.

The ordinances considered herein apply in a variety of zoning districts throughout the County (see project description). Depending on the specifics of each site, some of the uses considered by the ordinances could be served by on-site septic systems and some may be required to connect to existing wastewater treatment services. Storm water facilities will likely be provided on-site and may include existing infrastructure in commercial and industrial zoning districts. Each application for a medical cannabis activity made pursuant to the subject ordinances will include consideration, through the permit process, of the method of wastewater disposal, the capacity of *Medical Marijuana Regulations Initial Study* Page 48 REF150048

the applicable system to accommodate the intended use, and the need to address storm water runoff. In general, the uses considered in the ordinances are additive to a list of uses already allowed in the applicable zones or areas. Medical cannabis activities are not likely to generate more wastewater or storm water runoff than uses of a similar nature already provided by the County Code without the project (Source IX. 1, 2, 3, 12, and 13). *Therefore, there will be no impact as a result of wastewater treatment or construction of storm water facilities.*

Utilities and Service Systems 17(d) - Less Than Significant

The ordinances considered herein apply in a variety of zoning districts throughout the County (see project description). The source of water for each project will depend on the location and whether or not services are available. Operations may rely on ground water from private wells, particularly in the Farmland and Coastal Agricultural Preserve zoning districts, or on water from existing water service providers, mostly in the commercial and industrial zones. With the exception of cultivation, the medical cannabis activities will be similar in nature to uses already permitted in the applicable zoning districts (e.g. manufacturing/food processing, transportation/distribution, dispensaries/retail stores, and testing/research facilities).

There are no definitive studies readily accessible regarding water consumption of cannabis plants or the comparison of water needed for cannabis plants against other crops that are typically found in greenhouses or grown indoors. Some reports indicate that cannabis plants require approximately 6 gallons of water per day per plant while other reports indicate that cannabis plants require approximately 1 gallon of water per day. Most sources recognize that the water demand of cannabis cultivation is not a one-size fits all calculation. Many factors including location, plant maturity, and soils affect the water needed to grow a cannabis plant. Because the project would only permit cultivation indoors or within an existing greenhouse, rain will not play a role reducing water demand. Therefore, for the purposes of this review, water demand is anticipated to be on the high end.

New significant sources of water demand can have an impact on existing water service providers in Monterey County (water supplied by wells are addressed in the Hydrology and Water Quality Section of this document). There are three main regional water districts that oversee water resources within their territory. The Monterey Peninsula Water Management District is responsible for the area covering the peninsula from Seaside through Carmel and reaching south east through Carmel Valley; The Pajaro Valley Water Management Agency is responsible for an area covering the northern end of Monterey County from moss landing east to Aromas; and the Monterey County Water Resources Agency oversees the remaining areas of the County.

Within the Monterey Peninsula Water Management District (MPWMD), California American Water (Cal-Am) is the main water service provider. Cal-Am is currently under a cease and desist order from the State Water Board to stop over pumping the Carmel River (the main water source). Water availability in the Cal-Am service district is limited. Water permits from MPWMD and new service connections from Cal-Am are not permitted to exceed base-line water needs. Within the Cal-Am service district, permits for cannabis related activities will be reviewed for water demand and will be referred to MPWMD, as necessary, for a water permit. Efforts are currently underway to construct a desalinization plant to supplement water supplies in this district. Until new sources of water become available, applicants will need to demonstrate

that their project will not require a new water connection or an increase in water demand from what exists on-site prior to any permits being approved.

Within the Pajaro Valley Water Management Agency (PVWMA) territory water availability is limited. Pajaro Sunny-Mesa is the main service provider in the PVWMA territory. In the Inland zones, the County restricts residential development due to groundwater overdraft and nitrate contamination issues in North County (General Plan Policy NC-1.5). In the Coastal zone, the North County Land Use Plan restricts development dependent upon groundwater until an adequate supply of water to meet long-term needs can be assured (Policy 4.3.5.7); however, one of the key policies of the North County land use plan is to promote and protect coastal dependant agricultural lands and uses. In both the Coastal and Inland areas on North County, applications for permits pursuant to the subject ordinances will be evaluated for water needs and impacts thereof. Cannabis-related activities that rely on increased ground water demand may be restricted if the water demand is found to be inconsistent with land use plan goals and policies or if the increased water demand would lead to a significant environmental impact. In all cases, if an operation were to propose a connection to the Pajaro Sunny-Mesa water district, a can and will serve letter from the district will need to be provided with the permit application materials.

Within the Monterey County Water Resources Agency (WRA) territory, there are a number of water service providers. The Marina Coast Water District severs the Marina/Fort Ord area. Water availability in the Fort Ord area is limited to the amount allocated to each jurisdiction for the reuse of the former army base. Any proposed cannabis operation in Fort Ord would be subject to water availability restrictions. In addition to Marina Coast, water districts exist in the Salinas area, San Ardo, and San Lucas and there are numerous County service districts that operate community water systems spread throughout the County. In the inland areas of County, General Plan policies would apply to new permit requirements. Policy PS-3.1 prohibits new development that would use water without proof of a long-term, sustainable water supply to serve the development. An exception is provided for development within Zone 2C of the Salinas Valley groundwater basin provided the County, and WRA study and evaluate groundwater data in the area. Studies are currently in progress. Until the study is concluded, there is a rebuttable presumption that a long term water supply exists in Zone 2C. Even with the presumption that a water supply exists in this area, any new permit for cannabis activities that propose connection to a water district will be evaluated by WRA and require a can and will serve letter from the water provider prior to approval.

Even with permit review and approval standards applied, the County recognizes certain water limitations exist within the County. Agricultural operations generally do not have water use restrictions and may cultivate crops and water them without oversight on use or methods. The subject ordinances require that all cannabis cultivation activities incorporate water conservation measures, water capture systems, water recycling, or grey water systems in their operations in order to minimize use of water where feasible (See Section 21.67.050.B.8 with same language to be added to the Coastal ordinance). (Source IX. 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, and 18)

As drafted and with the requirement for all commercial medical cannabis activities to be permitted with a discretionary permit, the project will ensure that sufficient water supplies and entitlements are available to serve any new cannabis related activity.

Utilities and Service Systems 17(f) and 17 (g) - Less Than Significant

The ordinances do not permit physical improvements to the land rather they would consider the use of the land for a medical cannabis operation. Solid waste generated from the medical cannabis industry will also be addressed through permitting requirements and will likely be handled at permitted landfills operated by the Salinas Valley Solid Waste Authority (SVSWA) or the Monterey Regional Waste Management District (MRWMD). The landfill operated by MRWMD has approximately 45 million cubic yards of remaining capacity that is anticipated to be sufficient to accommodate solid waste disposal through 2107. SVSWA has approximately 6 million cubic yards of capacity at the Johnson Canyon Landfill that is anticipated to be sufficient through 2040. Approval of the ordinance would not substantially affect the ability of the solid waste disposal with existing capacity.

Both districts are implementing regulations and operational improvements to meet waste diversion requirements of the California Integrated Waste Management Act of 1989 including composting, recycling, public education, and other programs to promote waste diversion goals. *Adoption of the subject ordinances would require consideration of waste generation for each individual permit and would not by itself conflict with any solid waste regulations* (Source IX. 1, 2, 3, 5, 7, and 18).

VII. MANDATORY FINDINGS OF SIGNIFICANCE

NOTE: If there are significant environmental impacts which cannot be mitigated and no feasible project alternatives are available, then complete the mandatory findings of significance and attach to this initial study as an appendix. This is the first step for starting the environmental impact report (EIR) process.

Does the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Have the potential to degrade the quality of the environment, substantially 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?				
b) Have impacts that are individually limited, but cumulatively considerable? (Source:) ("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)?				
c) Have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?				

- (a) As drafted, the subject ordinances would allow commercial medical cannabis activities in farmland, industrial, and commercial zoning districts. As described in Sections IV and VI.4 the ordinances would have a less than significant impact on biological resources and would have no impact on cultural resources given the limitations on areas or zones where medical cannabis activities could be permitted. In addition, the Medical Marijuana Regulation and Safety Act amends the Fish and Game code to require that the State adopt standards that ensure that water supplies necessary to support riparian areas and fish species are maintained and that standards for remediation of unpermitted cannabis activities are adequately addressed (Source IX. 1, 2, 3, and 4).
- (b) As drafted, the subject ordinances contain regulatory requirements that ensure that a variety of environmental concerns are addressed on a cumulative basis. Individually, each project will require discretionary review to ensure that applicable policies and regulations protective of environmental resources are addressed and a finding must be made prior to approving any commercial medical cannabis activities that such approval will not result in a significant impact on the environment (Source IX. 1, 2 and 3).
- (c) The subject ordinances contain regulations that address potential impacts on humans such as odor, air quality, water and waste water controls, zoning limits (for location), and it requires discretionary review of each application to ensure appropriate measures are taken to address health and safety concerns (Source IX. 1, 2, and 3).

Note: Authority cited: Sections 21083 and 21083.05, Public Resources Code. Reference: Section 65088.4, Gov. Code; Sections 21080(c), 21080.1, 21080.3, 21082.1, 21083, 21083.05, 21083.3, 21093, 21094, 21095, and 21151, Public Resources Code; *Sundstrom v. County of Mendocino*, (1988) 202 Cal.App.3d 296; *Leonoff v. Monterey Board of Supervisors* (1990) 222 Cal.App.3d 1337; *Eureka Citizens for Responsible Govt. v. City of Eureka* (2007) 147 Cal.App.4th 357; *Protect the Historic Amador Waterways v. Amador Water Agency* (2004) 116 Cal.App.4th at 1109; *San Franciscans Upholding the Downtown Plan v. City and County of San Francisco* (2002) 102 Cal.App.4th 656.

VIII. FISH AND GAME ENVIRONMENTAL DOCUMENT FEES

Assessment of Fee:

The State Legislature, through the enactment of Senate Bill (SB) 1535, revoked the authority of lead agencies to determine that a project subject to CEQA review had a "de minimis" (minimal) effect on fish and wildlife resources under the jurisdiction of the Department of Fish and Game. Projects that were determined to have a "de minimis" effect were exempt from payment of the filing fees.

SB 1535 has eliminated the provision for a determination of "de minimis" effect by the lead agency; consequently, all land development projects that are subject to environmental review are now subject to the filing fees, unless the Department of Fish and Game determines that the project will have no effect on fish and wildlife resources.

To be considered for determination of "no effect" on fish and wildlife resources, development applicants must submit a form requesting such determination to the Department of Fish and Game. Forms may be obtained by contacting the Department by telephone at (916) 631-0606 or through the Department's website at <u>www.dfg.ca.gov</u>.

Conclusion: The project will be required to pay the fee.

Evidence: Based on the record as a whole as embodied in the Planning Department files pertaining to REF150048 and the attached Initial Study / Proposed Negative Declaration.

IX. REFERENCES

- 1. Draft Ordinance amending the Inland Zoning Ordinance (Title 21 of the Monterey County Code)
- 2. The draft ordinance amending the Coastal Zoning Ordinance (Title 20 of the Monterey County Code) will contain the same regulatory controls as the draft ordinance amending Title 21. This ordinance is presumed to be substantially the same as the ordinance referenced in item 1 above.
- 3. Draft ordinance adding Chapter 7.90 to the Monterey County Code (Cannabis Permit)
- 4. The Medical Marijuana Regulation and Safety Act (codified as Chapter 3.5 of Division 8 of the Business and Professions Code)
- 5. Geographic Information Systems (GIS) software and maps.
- 6. Interim Urgency Ordinance Nos. 5254, 5256, and 5265
- 7. 2010 Monterey County General Plan
- 8. The North County Land Use Plan and Coastal Implementation Plan Part 2
- 9. The Del Monte Forest Land Use Plan and Coastal Implementation Plan Part 5
- 10. The Carmel Area Land Use Plan and Coastal Implementation Plan Part 4
- 11. The Big Sur Land Use Plan and Coastal Implementation Plan Part 3
- 12. Title 21 (Inland Zoning Ordinance)
- 13. Title 20 (Coastal Zoning Ordinance)
- CEQA Air Quality Guidelines, Monterey Bay Unified Air Pollution Control District, Revised February 2008

http://mbard.org/pdf/CEQA_full%20(1).pdf

- 15.
 2008 Air Quality Management Plan

 http://mbuapcd.org/wp-content/uploads/2015/01/2008-AQMP-Combined.pdf
- 16. Water Quality Control Plan for the Central Coastal Basin (June 2011).

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- 17. Zoning Maps for Monterey County
- 18. Website for the Local Agency Formation Commission for Monterey County http://www.co.monterey.ca.us/lafco/2010-2011/reports_CKH/MSRs_Maps_Links.htm