NEVADA COUNTY PLANNING COMMISSION 1 NEVADA COUNTY, CALIFORNIA 2 3 4 MINUTES of the meeting of December 8, 2022 1:30 p.m., Board Chambers, Eric Rood Administration 5 Center. 950 Maidu Avenue. Nevada City, California 6 7 8 MEMBERS PRESENT: Commissioners Greeno, Mastrodonato, Duncan and Ingram 9 **MEMBERS ABSENT:** Commissioner Milman 10 11 12 STAFF PRESENT: Planning Director Brian Foss, Principal Planner, Tyler Barrington, Deputy County Counsel, Rhetta VanderPloeg, Administrative Assistant, Shelley Romriell 13 14 15 16 **PUBLIC HEARINGS:** 17 1. Cannabis Ordinance Amendment 18 19 PLN22-0160; ORD22-2; EIS22-0012 20 **STANDING ORDERS:** Salute to the Flag - Roll Call - Corrections to Agenda. 21 22 **CALL MEETING TO ORDER:** The meeting was called to order at 1:31 p.m. Roll call was taken. 23 24 25 **CHANGES TO AGENDA:** Chair Duncan asked if there are any corrections to the agenda. 26 Director Brian Foss advised there were no changes to the agenda. 27 28 29 **PUBLIC COMMENT:** Members of the public shall be allowed to address the Commission on items not appearing on the agenda which are of interest to the public and are within the subject matter jurisdiction of 30 the Planning Commission, provided that no action shall be taken unless otherwise authorized by 31 Subdivision (6) of Section 54954.2 of the Government Code. None 32 33 34 Chair Duncan opened public comment at 1:31pm and with none coming forward, closed public comment 35 at 1:31pm 36 37 **COMMISSION BUSINESS:** None 38 **CONSENT ITEMS:** 39 40 41 1. Acceptance of the 2022-05-26 Planning Commission Hearing Minutes 42 **Approved** 43 44 2. Acceptance of the 2022-08-25 Planning Commission Hearing Minutes 45 Approved 46 47 3. Acceptance of the 2022-10-27 Planning Commission Hearing Minutes Approved 48 49 **PUBLIC HEARING:** 50 51 52 1:30 p.m. PLN22-0160; ORD22-2; EIS22-00012: The project is a Zoning Ordinance amendment to

Section L-II 3.30 of Chapter II Zoning Regulations to amend the County's Commercial Cannabis

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Cultivation Ordinance. The draft ordinance proposes the following general changes in addition to other minor changes, clarifications, and clean-up: 1) Allow adult use cultivation in addition to medical use cultivation. 2) Combine Commercial Cannabis Permit (CCP) and Administrative Development Permit (ADP) application/permitting process. 3) Add standards and requirements for additional license types for distribution, non-volatile manufacturing, microbusinesses, and retail sales. 4) Remove onsite residence requirement for adjacent parcels included in common ownership or control of overall Premises. 5) Allow a percentage of Support Area to be used for additional Canopy Area and/or manufacturing/distribution operations. 6) Allow aggregate parcel sizes of multiple parcels to be used to calculate allowed maximum canopy sizes. 7) Modification to setback requirements to increase setbacks for larger cultivation sites, modify setbacks to sensitive sites to be consistent with State requirements, and modify setbacks for shared property lines of a Premises. 8) Add parking requirements. PROJECT LOCATION: Countywide. **RECOMMENDED ENVIRONMENTAL DETERMINATION:** Recommend adoption of the 15164 Addendum to Environmental Impact Report (EIR18-0001, SCH#2018082023) and CEQA Findings. **RECOMMENDED PROJECT ACTION:** Recommend approval and adoption of the Nevada County Commercial Cannabis Cultivation Ordinance amendments to the Board of Supervisors, PLANNER: Brian Foss, Planning Director

Director Foss began his presentation and introduced Brad Stoneman and Alex Jewell, project consultants from Kimley-Horn and Associates who prepared the Environmental document for the proposed Cannabis Ordinance Amendment. Director Foss provided a background of the Cannabis Ordinance and provided a detailed explained the proposed amendments to the Ordinance.

Brad Stoneman provided explanation of the California Environmental Quality Act (CEQA) and the proposed Addendum. Mr. Stoneman explained the addendum is used for a previously approved project are updated or modified and attached to the previously certified Final Environmental Impact Report. Mr. Stoneman explained CEQA section 15162 to determine if an addendum can be used. Mr. Stoneman described the specific changes to the project in relation to all the environmental issue elements such as Aesthetics, Air Quality and GHG Evaluation, Biological Resources, Transportation and explained the Addendum findings.

Director Foss and Brad Stoneman concluded their presentation and offered to answer any questions.

Discussion was had between the Commissioners and Staff regarding setbacks and resources that may affect the setbacks along with the significant impact identified for odor of Cannabis which was accepted and adopted with the original EIR.

Chair Greeno opened for public comment.

Elise Timony spoke in terms of the reduction in price for Cannabis and the need for retail sales and the benefit to the Cannabis farmer, the benefit of microbusinesses and in support of the Cannabis amendment.

Andrea McKim spoke for Pat Holten, who was unable to speak, and who is representing the Sunshine Valley Association. She explained their HOA recently passed CC&R's amendments which would prohibit Commercial Cannabis business and asked for the amendment to be denied.

Wade Lofter spoke in terms of medicinal cannabis and the benefits it provides to cancer patients. The farmers, that are obeying the rules and trying to make it work legally and the Ordinance Amendment ensure that patients like himself have access to legal and safe cannabis. He explained the local dispensary provides medicinal cannabis at no cost because of donations from the farmers. He strongly supports the Cannabis Amendment.

Debbie Porter, who is representing the Golden Oaks Homeowners Association, spoke in opposition to the amendment and stated private roads that are paid for and maintained by residents are being overused by increased traffic to Cannabis grows. The increased traffic can increase the risk of fire as well as the electrical

load used at the Cannabis grow sites. Ms. Porter spoke of many hazards the cannabis grows are creating including skin conditions, allergies, and eye issues along with neurological issues. She stated the cannabis industry is not doing well and are asking for the County to save them and why the community is being asked to support the Cannabis growers so they can support themselves. Ms. Porter asked for the Board and Planning Commission not to approve this. There is too much cannabis, and the market is saturated.

Clarissa Rosario introduced herself as a Golden Oaks resident. She stated there are increased traffic on the roads however, there has not been a road traffic studies done to indicate if the roads are truly being impacted. She stated there are other environmental odors that can not be controlled such as wildfire odors. She stated the State and Nevada County support the right to farm and asked that the Board of Supervisors and Planning Commission approve this amendment and contrary to previous comments, she too has the support of many residents in Golden Oaks.

Patrick Mason, Fire Captain with Nevada County Consolidated Fire District, stated his concerns with the nonvolatile extraction process and the use of ethanol which is a Class 1B flammable liquid. His concerns revolve around the use of ethanol and would like to see these types of businesses in more of an industrial type of area instead of on private roads which can increase the response times of emergency services and often have reduced water availability. He also stated the applications do not always indicate the amount of employees/third party contractors that are on site working. For life protection, it's imperative they are aware of the true number of employees and cars on the property.

 Gianna Setoudeh, representing the South Yuba River Citizens League, spoke in support of the Amendment and explained their participation and support of the Cannabis Cultivation Industry and their work towards the application and permitting process to support a watershed friendly cultivation community.

Scott Galbraith introduced himself and spoke in support of microbusinesses and cannabis cultivation industry. He stated he is in support of the Cannabis amendment and to allow the ability for farmers to educate on the sustainable farming practices in the Cannabis Industries. He asked for the Planning Commission to recommend approval to the Board of Supervisors.

Menkin Nelson introduced herself and stated she believe the changes proposed are in line with the community's needs and appreciates the awareness towards the fledgling industry and the value it adds to our economy. She stated there are four areas of concern; Microbusinesses with retail allowed 1000sf outside of the support area. Proposed verbiage states that 1000sf of retail space would be considered as part of the support area, however the general plan already allows for retail on AG land, so why constrain it to the limits of the EIR. Many operational cultivation sites have built their support buildings to the 90% limit and are utilizing all the space for the support activities, as intended. Additional 1000sf retail stores would only add revenue into the county, with the potential for cross county retail near county lines and revenue generating construction. Additionally, retail spaces have different CA Building code requirements than storage, so many of the existing cannabis support buildings would not meet those requirements. An ability to conduct an independent Environmental Impact Review would move cultivation outside of AG zoning and away from established neighborhoods. The definition of Support Area should not include water tanks; it forces cultivators to play a square footage game that will directly reduce the amount of water accessible to local fire districts and the revised set back rules should only apply to new applicants, as they directly prohibit established cultivators from expanding; only giving the larger square foot benefit to new cultivators. She also stated there should only be a 100' setback to support facilities that are enclosed, have filtered ventilation and are non-light producing, as they do not show any exterior signs of cannabis use and already have a setback distance 3 times that of other non-descript commercial structures.

Lex Corwin owns and operates a cannabis farm and spoke in support of the Cannabis Ordinance Amendment and stated the increased canopy size is essential to allow farmers to continue to grow their business and employ more Nevada County residents. He would also like to support the setbacks for new cultivation sites and not for existing licensed farms.

Chris Hennis, Owner of Rock Creek Ranch, spoke in support of the Cannabis Ordinance Amendment as Cannabis is the largest growing crop in Nevada County. Cannabis is a very efficient crop and can produce approximately \$66,000 worth of product per acre as opposed to fruit and vegetables which produce approximately \$13,000 per acre. With water being a major concern due to the drought, the dollar value of Cannabis product produced per gallon of water is much higher than any other product. It is imperative that small craft farmers can compete on a competitive level with other legal grows within the State. The state setbacks are 600 feet however the County setbacks are 1000 feet which reduces the amount a farmer can produce. He asked for the County to align itself with State setbacks and approve this amendment.

Todd McIntyre stated there needs to be an environmental report for the large amount of water used for Cannabis grows and it doesn't make sense to increase the grow areas. How is the County going to regulate illegal grows and how is the County going to distribute the revenue correctly.

Susan Street, 33-year resident of Golden Oaks, stated there is a large cannabis grow near her, another one further up the road with a 3rd one going in. She stated there was an issue with the odor in her neighborhood and requested they do something to mitigate that. She continued by stating the growers were able to install a system that has decreased the smell. However, the odor in Nevada County, has now become a year-round smell. She is concerned why special accommodations are being made for Cannabis grow or Cottage Business. As a former business owner, she stated when the economy took a turn there were no special accommodations for their business, so why is the County allowing these accommodations to help Cannabis growers and not other businesses.

Pamela Emick spoke in opposition to the amendment and stated the County should be requesting CC&R's to be considered when applications are submitted for Cannabis grows. She stated Cannabis permits should not negate the CC&R's that homeowners are legally bound to. She also stated the Cannabis growers are using NID water however workers are constantly using self-maintained roads and the neighborhood should not have to support the public using their private roads. She is also concerned about the ingredients that are toxic and require ventilation which will impact the neighbors. She recommends that the Amendment should be negated, and the original Ordinance was never approved by the public.

Abraham Lewinsky, District IV resident, spoke in support of the Amendment, as the owner/operator of Green Hummingbird farm. He thanked the County for all their hard work and recommended this amendment be approved. He is concerned about the 150-foot setback as small farms need the increased canopy size. He would like the existing businesses to be grandfathered in to keep the 100-foot setback.

David Cooper spoke in support of the Amendment, as a farmer, and owner/operator of Hillcraft Farms, appreciates the pathway the County has created for Cannabis farms. He described his farm which included vegetables, horses, chickens, and Cannabis. He advised many farmers take sustainability seriously and requested business flexibility and the ability to continue to grow the Cannabis Industry. He also requested the new setbacks to be applied to new applications only as it would cause a great deal of strain on existing farmers.

Dr. Carolyn Johnson, representing the John Born Road Association, spoke in opposition to the amendment due to the original ordinance being a failure and stated this amendment is a band-aid and will not solve the problem. The Cannabis economy has collapsed, and the reality is, the market is owned by large growers within the State, that have large industrial complexes. Our local growers can't make a living without selling to out of state locations in which Cannabis is outlawed. She stated the Supervisors should be representing both residents and growers instead of just the growers. She referenced a grand jury report that stated 3500-4500 grows existed with a compliance rate of 2%. The enforcement of illegal grows is relied upon by citizens making reports and are usually required to make 14-15 reports before action is taken. She recommends the Ordinance needs to go back to the drawing board and also feels proper notification is not

being given to property owners. She stated her HOA is 50% of growers and will not vote to allow any changes to their CC&R's. She is concerned about the heavy road usage and vehicles used.

Barbara Bashall, who works for the Nevada County Contractors Association, spoke in opposition to the amendment due to large impacts to the community. She stated there needs to be provisions to reduce these impacts. Her concerns include increased canopy size, manufacturing and retail licenses which are going to increase traffic and odor smells in the neighborhoods. She stated there are areas in the County that are more appropriate for Cannabis grows than subdivisions which will impact quality of life. She requested an overlay zoning map prohibiting Cannabis in certain areas of the County. There is a large conflict in uses in neighborhoods. She is concerned that the County does not enforce CC&Rs, so it places a large burden on the neighborhood to take legal action against the growers.

Donna Jones, Penn Valley resident, spoke in opposition because she feels it does not address significant impacts to ground water. There are areas that rely on wells and there is a large increase of failed wells not only in Nevada county, but also within the State. She stated continued water issues have prohibited some grows from being successful. She stated the County should also publish where the legal grows are and it prohibits neighbors from knowing if the grow near them is legal or illegal. The increased setback will place a burden on neighbors and code compliance to target illegal grows for compliance.

David Cundiff, Co-Owner of Sugarfoot Farms, spoke in support for the Cannabis Ordinance and Amendment. He stated the current legislation mostly supports bulk wholesale where the farmers are made to outsource their product to other Cannabis businesses along the supply chain and the farmer is unaware of where their product ends up after leaving their farm. Farmers being able to take their own crops to market is fundamental. If cultivators can manufacture and package on site will make the farms more sustainable by using less packaging and countless gallons of gas for transporting product to other Cannabis businesses.

Brandon Reppond, licensed Cannabis farmer in North San Juan, spoke in support of the amendment and feels the County is finally working towards making Cannabis a viable and sustainable industry. He has worked with the County on so many buildings code and land use issues to become a licensed farmer. He supports microbusinesses as it will help the farmers to become a complete self-sufficient Cannabis business. Viability of Cannabis businesses is greatly increased when the profits are allowed to stay on the farm. He stated they are only asking for and needing the same tools as every other farmer.

Sebastian Gotla, Owner/Operator of Foothill River Farms, and a long-time resident of Nevada Count supports the Cannabis Ordinance and amendment. He has a small farm that takes pride in improving the lives of members in the community. When the original Ordinance was created, it was with the understanding it would be amended over time to include other licenses and now is the time to amend the ordinance. He supports allowing flowering plants over non-flowing plants that will allow farmers to increase productivity and could also add revenue to the business and to the local economy.

Barbara Johns owns a permitted Cannabis farm and is proud of the progress they have made as legal farmers. They are commercial farmers with slim margins working in compliance with honesty and hard labor supports the approval of the Cannabis amendment to help local farmers. She finds it would be beneficial to use some of the support area for maturing and flowering plants which could allow farmers to be profitable. They advocate the new setbacks for new farms only and allow current farmers to keep their current setbacks, so farmers are not required to move their entire farms 50 feet.

Diana Gamzon, Executive Director of the Cannabis Alliance, stated they are a trade organization representing over 200 cannabis businesses. She stated over 20% of all Organic Certified farms are located in Nevada Count. She stated the changes will provide the tools necessary to modestly adjust their business plans to adjust to the growing industry. In 2019, the Ordinance was passed as a cultivation only Ordinance with the knowledge that certain business licenses would be allowed in the future. The Cannabis Industry is not asking to be saved, or saying the industry is struggling, they are here as a continuance of the Ordinance development process. She stated they are looking at ways for the Ordinance to be amended to add the tools

that all farmers have. Any changes to setbacks need to apply to new applications only as moving an existing canopy could cause more land disturbance and environmental impacts. She stated type 6 manufacturing is creating salves, tinctures, bath salts and it is not large-scale manufacturing on the farm.

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John Foley, River Star Ranch Owner, is a Cannabis and Cattle farmer in South County and supports the Cannabis Ordinance and amendment being presented. He stated there needs to be a commonsense approach to Cannabis farming and stated its time to move forward and recommend the adoption of the Ordinance to the Board of Supervisors.

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Maggie Phillips Born stated the Cannabis Industry would love to be seen as any other farming industry that is allowed to be seen as agriculture with access to banking, loans and tax breaks and said they are only asking for tools to be able to operate just as any other business is allowed to operate. She supports the approval of the Amendment.

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Chair Greeno closed public comment.

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Discussion was had between Commissioners and Staff to address some of the questions that were asked. Director Foss advised 2/3 of the roads in the County are private roads and the County maintains approximately 1/3 of the roads and the County requires the property to prove they have legal access to the road, private or not, to receive a permit. He stated retail sales is applied through a Use Permit. He advised the water use issue was studied in 2019, in the original EIR, The County does not regulate ground water use for any type of agricultural or residential use. Water use was identified as a significant impact in the original EIR and similar to the odor issue, it was disclosed and after consideration, was adopted by the Board of Supervisors. He stated the fire departments are included in the review process of Use Permits and the local fire departments can apply more substantial protection for life and safety, it would be enforced with a licensed and permitted farm. He advised the application does ask for the farmers to disclose the amount of full and part time employees however, if it is not being reported correctly, it is not a flaw in the Ordinance. The intention of the new setbacks would apply to new applicants and expansions of existing farms, but existing farms do not need to move their support areas. However, any new canopy or support area would be required to meet the new setbacks. He stated Code Compliance is not 100% complaint driven and the 3 Cannabis Compliance officers are being directed to be more proactive in recent Board of Supervisor hearings. Director Foss advised the County does not enforce or ensure compliance with CC&Rs and the change in language is a recommendation and disclosure to applicants to be aware that they need to comply with their CC&Rs and they could be subject to a law suit. The County is not in a roll to approve or deny an application based on private homeowners' association rules and guidelines. He stated the Board of Supervisors meeting will be noticed on the website, mail, email and through the media. However, with 65,000 parcels in the County, we are unable to mail 65,000 notices.

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Discussion was had between Commissioners and Staff regarding the original Ordinance and the intention for the Ordinance to be amended and this is not a sudden unplanned change to the Ordinance.

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Commissioner Duncan asked if the County could address the CC&R issue to give the Homeowners Association more support and reduce the burden on residents to have to take legal action against other residents. She asked if we could add a box to the application that they have evidence that they are meeting their local CC&R's.

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Deputy County Counsel Rhetta VanderPloeg stated the County has no authority to speak to CC&Rs and HOA's. She stated the county can not grant or prohibit an application if they are meeting the zoning regulations. She advised the Commission can make a recommendation to add an additional cross reference to applications.

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Chair Duncan asked if there would be an increase in businesses in the County.

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Director Foss stated he could not address that as it would be speculation. It could be an incentive for a farmer to become legal but there is now way to tell if there would be more applications.

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Commissioner Ingram stated the Cannabis farmers do need to be allowed to operate as a regular Agricultural business however the Ordinance does not address the odor smell that is affecting neighbors.

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Discussion was had between Commissioners and Director Foss regarding increased traffic on private roads for retail sales and if the County is allowing this increased traffic.

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Director Foss advised retail at the grow sites would require a Use Permit which would require a traffic study. He also stated non store front retail would prohibits public access.

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Commissioner Mastrodonato asked if CC&Rs can prohibit this type of operation and amend their rules internally.

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Deputy County Counsel Rhetta VanderPloeg stated HOA's have their own Board to enforce their own CC&Rs.

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Commissioner Mastrodonato asked what changes the Board of Supervisors asked to be made in the Cannabis Ordinance.

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Director Foss stated the direction was to increase canopy size and license types and ways to utilize existing spaces or other uses such as manufacturing along with minor administrative changes.

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Commissioner Mastrodonato asked for the amount of illegal activity in the County.

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Director Foss advised the recent numbers he has heard are in the thousands, but the numbers are coming down.

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Discussion was had between Commissioners and Director Foss on the clarification on the clarification of microbusinesses.

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Senior Cannabis Compliance officer Thomas Maioli stated delivery of Cannabis was not being proposed but that a licensed cultivator with a distribution license can transport their own product to another qualified licensed holder. There would be no door-to-door sales.

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Diana Gamzon explained what a distribution license allows. She stated it allows Farmers to transport their own product instead of hiring a third party to transport the product. She stated the distribution license is through the State and is very strict.

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Discussion was had between Commissioners and Director Foss on clarification of the setbacks, and clarification on water usage and clarification that the original EIR is sufficient for the Addendum.

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Commissioner Ingram asked for clarification if the County can allow a grow within a HOA that prohibits grows.

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Deputy County Counsel Rhetta VanderPloeg stated the County can not prohibit grows per County Codes and Zonings based in individual CC&Rs. She stated the Commissioners can recommend the Planning Department to have some sort of cross checking for CC&Rs but the County can not prohibit the grow based on an independent HOA or CC&Rs. She stated they could recommend an affidavit or some sort of box to check that states the applicant is aware they are within an HOA and must comply with their CC&Rs but the County can not enforce CC&Rs.

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374 375 376	Commissioner Ingram asked if the County could approve a Cannabis grow within a HOA with CC&Rs that prohibit it.
377 377 378	Deputy County Counsel Rhetta VanderPloeg advised that is correct.
379 380 381	Commissioner Duncan stated she would like to put the onus back on the applicant to comply with their CC&Rs.
382 383 384 385 386 387	Deputy County Counsel Rhetta VanderPloeg stated she will work with the Planning Department to come up with some sort of acknowledgment from the applicant that they are complying with their CC&Rs however the acknowledgement would not be legally binding, and she would have to check and see if HOAs would have access to the acknowledgement. She stated she would caution that Planning Staff should not be knowledgeable on all CC&Rs.
388 389 390	Discussion was had between Commissioners and Deputy County Counsel Rhetta VanderPloeg on what type of acknowledgement could be used.
391 392 393	Chair Greeno stated he feels the Commission can make a recommendation, but this needs to be addressed at the Board of Supervisors.
394 395 396	Deputy County Counsel Rhetta VanderPloeg asked for clarification for Staff and County Counsel to work on some type of tool to be added to the application for an acknowledgement of an HOA.
397 398	Chair Greeno advised that is correct.
399 400 401 402	Motion by Chair Greeno to Recommend that the Board of Supervisors adopt a Resolution approving the Addendum to the Certified Final Environmental Impact Report (EIS18-0001, SCH# 2018082023) pursuant to Section 15162 and 15164 of the California Environmental Quality Act Guidelines
403 404	Second by Commissioner Duncan. Motion Carried on a 3/1 vote. (Commissioner Ingram voted no)
405 406 407	Motion by Chair Greeno to Recommend that the Board of Supervisors adopt the attached Ordinance (ORD22-2) amending Chapter II of the Nevada County Land Use and Development Code Sections L-II 3.30.
408 409	Second by Commissioner Duncan. Motion Carried on a 4/0 vote.
410 411 412	Chair Greeno adjourned the meeting at 4:52 p.m.
413 414 415 416	There being no further business to come before the Commission, the meeting was adjourned at 4:52 p.m. to the next meeting, at a date to be determined, in the Board of Supervisors Chambers, 950 Maidu Avenue, Nevada City.
417 418 419	Passed and accepted this day of , 2022.
420 421 422 423	Brian Foss, Ex-Officio Secretary