



Legislation Text

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Memorandum

Date: February 6, 2023

To: The Honorable Lake County Board of Supervisors

From: Mireya G. Turner, Community Development Director
Andrew Amelung, Cannabis Program Manager

Subject: Consideration of Recommendations from the Cannabis Ordinance Task Force regarding Zoning Districts and Permit Types for Various Cannabis-Related Businesses; and Request for Board Direction

Executive Summary: Since its formation by the Board of Supervisors on July 12, 2022, the Cannabis Ordinance Task Force (COTF) has met regularly, working on a number of draft ordinances which were Board priorities, and more recently, on recommendations for revising the current cannabis policy. Attached please find a list and table of recommended cannabis-related business types, the zoning districts in which those businesses could operate, and the level of permitting required. These recommendations were reviewed by the Agriculture Advisory Committee on October 10, 2023, and November 20, 2023, without any recommended changes. The Planning Commission considered the recommendations at their meeting on December 14, 2023, and did not recommend any changes, though they did request the addition of a table showing zoning district and permit levels for wineries, to aid in consideration, which has been added as Table 2 below. The materials used for reference by the COTF, Agricultural Advisory Committee, and Planning Commission are included as Attachments 1 and 2.

The COTF recommendations include agriculture, commercial, and industrial zoning districts. There are new business types and uses, existing uses in additional locations, and changes in the level of permit required. The Community Development Department offers three type of land use planning permits:

- Zoning Permit- is a ministerial permit; the application is approved if it is compliant with the regulations. Ministerial permits do not go through environmental review.
- Minor and Major Use Permits- are discretionary. Both permits include agency review, environmental review, and conditional consideration of either the Zoning Administrator (minor use permit), or Planning Commission (major use permit). For brevity, titles of zoning districts are listed below, and omitted elsewhere in this memorandum.

Base Zoning Districts included in recommendations:

APZ Agriculture Preserve Zone
A Agriculture

TPZ	Timber Preserve Zone
RL	Rural Lands
RR	Rural Residential
SR	Suburban Reserve
C1	Local Commercial
C2	Community Commercial
C3	Service Commercial
CR	Resort Commercial
CH	Highway Commercial
M1	Commercial and Manufacturing
M2	Heavy Industrial
MP	Industrial Park
U	Unclassified
PDC	Planned Development Commercial

A summary of recommendations from the COTF are provided in Table 1. The recommendations from COTF are conceptual in nature. Staff requests direction from the Board of Supervisors regarding the types of cannabis-related businesses, zoning districts and permit level requirements. This direction will return to the COTF and will direct their work on development standards, specific to the types of cannabis business land uses that they Board is willing to consider in a draft ordinance at a future meeting. That draft ordinance will also be considered by the Agriculture Advisory Committee and the Planning Commission, in order to bring recommendations from those bodies, to the Board for its consideration.

Table 1, *Summary of COTF Recommendations*

New Business/License Type Name	Notes	COTF Recommendation
Type 5 Large Cannabis Cultivation	This is a newly available license type at the state level. It is for cultivation of over one acre of canopy. Since Lake County already allows cultivation of over one acre, the addition of Type 5 is administrative only, and will keep our Code permit titles synchronized with the state.	Allow Type 5 with an approved major use permit, in the same zoning districts where Type 3 Medium Cannabis Cultivation, is permitted.
Shared Manufacturing	This allows multiple permittees to use the same manufacturing facility, similar to how multiple food purveyors can share a commercial kitchen.	Allow this new business type to be applied to both Type 6 Non-volatile, and Type 7 Volatile Manufacturing.

Type 9 Retail Delivery Only	This would allow for a retail establishment with no storefront access	Allowing this type of business to be available to permitted cultivators. The business model discussed included tourists visiting a cultivation site, with the ability to purchase local products to be delivered to where they are staying. Additionally, increasing location options for retail could alleviate the pressure on the C2 zoning district, where community Main Streets are located.
Type 10 Retail Storefront with Onsite Consumption	The state defers to local jurisdictions regarding onsite consumption of cannabis products.	Allow onsite consumption in connection to a retail storefront establishment, as follows: <i>Minor Use Permit</i> PDC, C2; APZ, A, TPZ, RL, RR - as incidental use to approved cultivation site; M1, M2, MP, C3 - as incidental use to approved processing or manufacturing sites <i>Major Use Permit</i> C1, CH, CR SR - incidental to approved cultivation site
Temporary Cannabis Special Events	This would allow for a cannabis special event, with limited onsite consumption. By state law, a cannabis special event requires a licensed event coordinator, and only licensed retailers may sell their products.	Allow temporary special events with an approved zoning permit, in all zoning districts where cannabis-related businesses are allowed (APZ, A, TPZ, RL, SR, C1, C2, C3, CR, CH, M1, M2, MP, PDC), with the exception of RR.
Existing Business Types in New Locations	Notes	COTF Recommendation
Type 4 Nursery	Currently allowed with an approved minor use permit in APZ, A, TPZ, RL, RR, and SR; and PDC with a major use permit.	Addition of M1, M2, and MP with minor use permit, and C3 with approved major use permit
Processor	Currently allowed with approved major use permit in APZ, A, TPZ, and RL	Addition of C3, M1, M2, and MP, with an approved minor use permit.
Type 6 Non-volatile Manufacturing	Currently allowed with approved major use permit in APZ, A, TPZ, RL, RR, C3, M1, M2, and PDC.	Addition of MP zoning district with a major use permit.

Type 7 Volatile Manufacturing	Currently allowed with major use permit in M2.	Addition of M1 and MP zoning districts with a major use permit.
Type 10 Retail Storefront	Currently, cannabis retail businesses are a use by right (no Planning Permit required) in C2, and with an approved major use permit in C1.	Allow retail storefront in the following zoning districts: <i>Minor Use Permit</i> C2, CR, CH, PDC; APZ, A, TPZ, RL, RR - incidental to approved cannabis cultivation site; C3, M1, M2, MP - incidental to approved cannabis processing or manufacturing site. <i>Major Use Permit</i> C1; SR - incidental to approved cannabis cultivation site.
Type 11 Distributor	Currently allowed with major use permit in C3, M1, M2, and PDC	Allow with a minor use permit, as an incidental use to approved cultivation site, in APZ, A, TPZ, RL, RR, and SR.
Type 12 Microbusiness	Currently allowed with a major use permit in APZ, A, TPZ, RL, and RR	Allow with a minor use permit in C2, C3, M1, M2 and MP.
Changes in Permit Level	Notes	COTF Recommendation
Type 13 Distributor - Transport Only	This use type allows a Permittee to transport their products, and products of other licensees. Currently requires major use permit in C2, C3, M1, M2, and PDC.	Removal of use permit requirement, to be allowed only as an incidental use to approved cultivation, processing, or manufacturing site in APZ, A, TPZ, RL, RR, SR, C2, C3, M1, M2, MP, and PDC
Type 13 Distributor - Transport Only - Self Distribution License	This use type allows a Permittee to transport only their own product, to another licensee. Currently allowed with an approved minor use permit in APZ, A, TPZ, RL, RR, SR, C2, C3, M1, M2, and PDC.	Addition of MP zoning district; Removal of the minor use permit requirement, to be allowed (APZ, A, TPZ, RL, RR, SR, C2, C3, M1, M2, MP and PDC) only as an incidental use to an approved cultivation, processing, or manufacturing site.

No Changes Recommended

There are no COTF recommendations of amendments to the following cannabis business types and permit level:

Type 1, 2, and 3 - Specialty, Small and Medium Cultivation

Type N and P Manufacturing

Type 8 Cannabis Testing Laboratory

Table 2. *Permit requirements for small and large wineries (includes options for wine-related and special events, tasting rooms, and retail sales) by Zoning District*

Zone	Small Winery	Large Winery
APZ	MUP	UP
A	MUP	UP
TPZ	--	--
RL	MUP	UP
RR	MUP	UP
SR	UP	UP
PDC	UP*	UP*

* In PDC, the winery could be part of a Specific Plan of Development, processed as a Major Use Permit.

ENVIRONMENTAL REVIEW

The purpose of this item is to obtain Board direction of which cannabis-related businesses, zoning districts, and permit types the Board supports developing further. The Board direction will result in recommendations that will be incorporated into a future new regulatory framework. That framework, the draft ordinance, will undergo environmental review prior to consideration of adoption by the Board. At this point, recommendations are conceptual and cannot reasonably be of any impact to the environment.

If not budgeted, fill in the blanks below only:

Estimated Cost: _____ Amount Budgeted: _____ Additional Requested: _____ Future Annual Cost: _____

Purchasing Considerations (check all that apply):

☒ Not applicable

☐ Fully Article X. <https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodel=COOR_CH2AD_ARTXPU_S2-38EXCOBI>- and/or Consultant Selection Policy <[http://lcnnet.co.lake.ca.us/Assets/Intranet/Policy/Policies+\\$!26+Procedures+Manual/Ch4_2021v2.pdf](http://lcnnet.co.lake.ca.us/Assets/Intranet/Policy/Policies+$!26+Procedures+Manual/Ch4_2021v2.pdf)>-Compliant (describe process undertaken in "Executive Summary")

☐ Section 2-38 <https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodel=COOR_CH2AD_ARTXPU_S2-38EXCOBI> Exemption from Competitive Bidding (rationale in "Executive Summary," attach documentation, as needed)

☐ For Technology Purchases: Vetted and Supported by the Technology Governance Committee <<http://lcnnet.co.lake.ca.us/Assets/Intranet/Intranet+Forms/Information+Technology/AdvPlan.pdf>> ("Yes," if checked)

☐ Other (Please describe in Executive Summary)

Consistency with Vision 2028

<<http://www.lakecountyca.gov/Government/Directory/Administration/Visioning/Vision2028.htm>> (check all that apply):

☐ Not applicable

☒ Well-being of Residents Recovery

☐ Public Safety

☐ Disaster Prevention, Preparedness,

☒ Economic Development

☐ Infrastructure

☒ County Workforce

☒ Community Collaboration

☐ Business Process Efficiency

☐ Clear Lake

Recommended Action: Staff seeks Board direction on the COTF recommendations regarding the cannabis related business types, zoning districts, and permit levels.