

9. Consider approving in concept an "Ordinance Enacting Chapter 7.138 of the Santa Cruz County Code Regarding Cannabis Farm Retail License Pilot Program," an "Ordinance Amending Section 13.10.640 of the Santa Cruz County Code Regarding Temporary Produce Sales Areas and Produce Stands," and an "Ordinance Amending Section 13.10.372 of the Santa Cruz County Code Regarding Allowance of Temporary Produce Sales Areas and Produce Stands in the Timber Production Zone District" allowing for retail cannabis sales at produce stands, approve the California Environmental Quality Act Addendum to the Final Environmental Impact Report for the Sustainability Policy and Regulatory Update, and take related actions
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County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Administrative Office

Subject: Chapter 13.10 amendments to allow temporary produce sales areas and produce stands within the Timber Production and Special Use Zone district and inclusion of Chapter 7.138 cannabis farm retail license

Meeting Date: March 11, 2025

Formal Title:

Consider approving in concept an "Ordinance Enacting Chapter 7.138 of the Santa Cruz County Code Regarding Cannabis Farm Retail License Pilot Program," an "Ordinance Amending Section 13.10.640 of the Santa Cruz County Code Regarding Temporary Produce Sales Areas and Produce Stands," and an "Ordinance Amending Section 13.10.372 of the Santa Cruz County Code Regarding Allowance of Temporary Produce Sales Areas and Produce Stands in the Timber Production Zone District" allowing for retail cannabis sales at produce stands, approve the California Environmental Quality Act Addendum to the Final Environmental Impact Report for the Sustainability Policy and Regulatory Update, and take related actions

Recommended Actions

1. Approval in concept "Ordinance Enacting Chapter 7.138 of the Santa Cruz County Code Regarding Cannabis Farm Retail License Pilot Program," "Ordinance Amending Section 13.10.640 of the Santa Cruz County Code Regarding Temporary Produce Sales Areas and Produce Stands," and "Ordinance Amending Section 13.10.372 of the Santa Cruz County Code Regarding Allowance of Temporary Produce Sales Areas and Produce Stands in the Timber Production Zone District" allowing for retail cannabis sales at produce stands, and schedule the ordinance for second reading and final adoption on March 25, 2025;
2. Approve the Addendum to the Final Environmental Impact Report for the Sustainability Policy and Regulatory Update;
3. Direct the Clerk of the Board to publish the Notice of Proposed Ordinance Summary in a newspaper of general circulation at least five days prior to the scheduled second reading and final adoption, no later than March 20, 2025, pursuant to Government Code Section 25124; and
4. Upon final adoption, direct the Community Development and Infrastructure Department to submit the amendments to the local coastal plan implementing ordinances to the California Coastal Commission for approval and certification.

Executive Summary

The Cannabis Licensing Office (CLO) has provided proposed amendment to SCCC Chapter 13.10.640 and 13.10.372 based on the Board motions on June 4 and October 29, 2024, to allow for cannabis sales following the Sustainability Plan update which allowed for produce stands and markets. The CLO has also provided a new SCCC chapter for Board consideration which would create a business license for this type of

activity via a three-year pilot program. The trio of code changes would allow for retail sales and cannabis consumption at licensed farms in the Commercial Agricultural (CA), Agricultural (A) Special Use (SU) and Timber Production (TP) zone district, based on the discretion of the Cannabis Licensing Official followed by a public notification and appeal process, similar to the Planning Divisions current practices.

Discussion

On November 14, 2023, the Board considered cannabis cultivation issues related to sustainable growth, economic development, and responsible cannabis regulation, in alignment with the 2023 Sustainability Plan updates. The Board discussed the matter and directed the CLO to conduct public meetings across various districts to collect public opinion. The motion from that meeting outlined specific discussion topics to be covered:

- Changes to canopy limits.
- Increases to cannabis cultivation area and greenhouses.
- Limited retail sale of cannabis goods grown and produced by cultivation licensees at the point of cultivation.
- Medicinal, educational and recreational options for on-site consumption.
- An onsite consumption pilot program.
- Changes to co-location options for non-retail commercial cannabis.

The Board instructed the CLO to facilitate community discussions on potential options to gain a deeper understanding of public concerns before considering any changes to the existing cannabis ordinance.

The CLO collaborated with Board members to identify key individuals and groups for targeted outreach to encourage attendance at the public meetings. Board members supported these efforts by including information about the meetings in their newsletters. The CLO promoted the meetings on their website and coordinated with the Public Information Officer to share updates across social media platforms, including NextDoor, X (formerly Twitter), and Facebook. A press release was also issued. The NextDoor post received 14,000 impressions, while the Facebook post garnered 1,100 impressions prior to the meetings.

Community meetings were conducted in districts one, two, four, and five. District three, which currently has no commercial cannabis businesses under County jurisdiction, did not host a meeting. The meetings were held in the evening and via a hybrid format, allowing community members to participate either in person or via Zoom.

The CLO presented a report of the results of the listening sessions to the Board on June 4, 2024. Community members expressed several concerns regarding this issue, including the lack of standards or testing for law enforcement to address impaired driving, the need to notify adjacent parcel owners, the current state of the county's road infrastructure, and security issues related to operating a primarily cash businesses, which could potentially attract crime. Concerns were also raised about allowing such businesses in any zoning district accessed by private roads, although currently, no non-retail commercial cannabis businesses are located on private roads. The lack of detailed information on this topic was a recurring concern at all meetings, as was a desire to understand the motivations behind these proposals. Community members also questioned whether there is a market for these types of businesses, noting that there are 12 cannabis tourism companies in California and that cannabis tourism in the United

States was estimated to be worth \$17.1 billion annually in 2021¹, with \$4.5 billion from direct sales and \$12.6 billion from ancillary spending. Additionally, some community members opposed any on-site consumption or retail sales at cultivation sites.

Another nuanced concern raised was the compatibility of right-to-farm practices and pesticide use on nearby agricultural parcels. It was suggested that repurposing agricultural land for retail purposes might not align with county policies. It was emphasized that the County should assess whether such usage is consistent with the surrounding land use.

Industry representatives, particularly those from the cultivation sector, generally supported this concept. They highlighted the potential community benefits of the educational component that could be included. Comparisons to the wine industry were frequently drawn to illustrate their points.

Suggestions for consideration on this topic included various operational limits, such as restricting business hours, capping the quantity of product sold, and limiting sales to products grown or produced from the material grown on-site (e.g., concentrates made from cannabis cultivated there). It was also suggested that special events like weddings should be prohibited, and that the sale of third-party cannabis products should not be allowed.

It was emphasized that evaluating the suitability of the parcel for such activities and the potential impacts on the neighborhood is necessary, especially in areas like Crest Drive where residential properties are situated directly next to CA zoned farms. Certain areas may be inappropriate for on-site consumption or sales due to their close proximity to residential properties.

The proposal for a wellness center received notable support from the public. This center would emphasize the medical aspects of the industry and offer shuttle transportation, and educational garden tours. Additionally, it would explore partnerships with local hotels.

The Crest Drive neighborhood in district two was actively engaged in all four listening sessions and continued to communicate their views through emails after the meetings. Generally, they opposed most proposals, emphasizing the need for additional data and clearer implementation details. Attendance from this group varied from three to five people at each meeting. They also sent six emails on the subject, prior to the June 4, 2024, listening session Board meeting. However, some members of this group supported the idea of onsite sales and consumption at farms, particularly under the framework of a wellness center that provided transportation to and from local hotels.

There appeared to be organized support within the broader community, as evidenced by written correspondence consisting of 13 emails sent prior to the June 4, 2024, listening session Board meeting. Most of this correspondence supported retail sales at farms.

¹ Yakowicz, Will and Rowan Kelleher, Suzanne (2022, May 29) Cannabis Tourism Is Now a \$17 Billion Industry-And It's Just Taking Off, *Forbes*
<https://www.forbes.com/sites/willyakowicz/2022/05/29/cannabis-tourism-is-now-a-17-billion-industry-and-its-just-taking-off/?sh=6bb4f1052056>

The report prompted a discussion that resulted in the Board directing the CLO to draft ordinances related to the items on the November 14, 2023, agenda item. These specifically included the following:

- a) Align the canopy limits across zone districts and license classes with their current co-location maximums.
- b) Remove the co-location option outlined under the non-retail commercial cannabis uses section of SCCC 13.10.650.
- c) Allow cultivators in good standing who have not been the subject of complaints to apply for an additional 2% canopy bonus of the parcel size every year.
- d) Allow CA-zoned parcels, less than 10 acres, to use the entire square footage of established greenhouses for cannabis production.
- e) Allow limited retail sales and consumption of cannabis goods grown by the licensee at the point of cultivation, similar to a winery.
- f) Allow current retail operators the option to have onsite consumption lounges.

Staff was further instructed to bring back the cultivation related items no later than the end of October and the items related to on-site consumption for retailers and cultivators no later than the end of 2024, including background information as it relates to economic impact analysis. This report is limited to retail sales and consumption at existing farms (item e). The Board previously reviewed the draft ordinance language during the October 29, 2024 meeting.

The Board directed staff to limit sales to an eighth of an ounce of cannabis flower per person per day. The Board discussed concentrates and extracts but did not include limits in the direction based on the limited manufacturing capabilities of cultivators in the County. Based on the Board discussion, staff included limiting manufactured products sales to be food grade (tinctures) and topical products. This addition would prohibit inhalable concentrates from being sold and consumed at farm stands.

Analysis of Proposed Amendments

The Board has indicated the desire to support our local cannabis industry while also balancing the needs of neighbors and maintaining appropriate regulation of the industry. To that end, the proposed trio of code amendments, which would allow existing cannabis farms the option of pursuing retail sales and on-site consumption at their farms, are intended to be a part of a three-year pilot program. The pilot program is suggested as a means to allow for responsible operational changes while also aiding County staff in gathering information and feedback from the operators, neighbors and the general public on these operations.

The proposed pilot program will require the Cannabis Licensing Official to review applications, make findings to determine if a site should be eligible for a business license, and make a CEQA determination about the site. The Official may conditionally approve an application which would trigger a public notification process, which mimics our Planning Department procedures, and would allow any member of the general public to appeal such determination. Appeals will be heard by an administrative hearing officer who shall render a final decision on the application.

Code amendments are suggested for two current code provisions and a new code section is added as follows:

1. The proposed amendments for SCCC Chapter 13.10.640 will allow for retail sales at existing farms via the produce stand allocation already within code. Currently produce stands are already allowed in the CA and A zones. The amendments allow for these activities to occur within the TP and SU zone district. The amendments also allow for the reuse of existing permitted commercial buildings to be used for produce stands. Key aspects of the existing regulations that will be applied to cannabis businesses include maintaining seasonal operations during production seasons only and limiting sales to what is grown or produced by the farm proprietor only.
2. The proposed amendment to SCCC Chapter 13.10.372 is limited to a cross-reference in the use charts for the TP zone district, which expressly allows the restrictions associated with produce sales areas and produce stands in Chapter 13.10.640 to apply.
3. Proposed SCCC Chapter 7.138 has been created to mimic our cannabis business licensing chapters. This chapter would only be applicable to cannabis farms which pursue a retail license. This chapter has been drafted as a pilot program for three years, allowing for two seasons of operations. We anticipate processing times associated with building permits and State licensure to prevent these sites from being operational for the first year of the pilot program. The license approval process mentioned above, including the public notification, and an appeal process are included in Chapter 7.138.

To address community input from the listening sessions we have included various requirements for all potential cannabis retail farms including:

- Clear grounds for license revocation including but not limited to;
 - Limited operational hours;
 - Violation of County signage requirements;
 - Noise violations;
 - Violation of State law;
- Official discretion based on various factors:
 - Distance to competing land uses;
 - Access from public roads;
 - Parking capacity;
 - View sheds;
 - Security plans;
- Prohibition on placement or use of a roadside billboard to advertise;
- Prohibition on packaging materials that contain cartoons or caricatures that may be appealing to minors, as determined by the Health Officer;
- Requirements that business must comply with California Labor Code Section 6404.5 (California smoke-free workplace requirements); and
- Prohibition of retail farms on private roads unless the applicant obtains approval from all landowners.

Additionally, licensees must record the number of visitors and vehicles which arrive on-site daily. This is a critical aspect of the pilot program that will provide the Board information if it considers allowing permanent code amendments in the future.

Research Findings

Staff spoke to a number of counties regarding agri-business style cannabis tours and on-site sales and consumption. Below is the result of that research.

There is currently one cannabis retail farm which allows for onsite sales permitted within the state. This site is located in Nevada County. The site allows visitors to see the farm operations from the retail area, but they are restricted from having physically touring the plant area.

A different business model is for the cannabis farms to have agricultural tours combined with sales through local cannabis retailers. This model occurs throughout the state and requires that farms have business relationships with third party tour companies and local retailers. This model developed because tourists want to see the cannabis plants at the farm and want the ability to purchase and consume the cannabis products that originated from the farm(s) they toured.

During discussions with tour operators, they all emphasized that the cannabis plants are the star of the tours. Visitors want to see and touch the cannabis and enjoy taking pictures in the fields. They also want to learn how the cannabis they are viewing is unique. Because visitors also want to sample the cannabis products they have seen on the tours, the tour companies take people to retailers which sell the cannabis from the farm toured. The last aspect that all the tour operators all mentioned is people need a place to safely consume their recently purchased cannabis as part of the tour experience. They cited the lack of consumption lounges and designated safe areas for consumption as a challenge for both tour operators and participants, with participants tending to seek out public places in nature, like beaches, or a hike in a public park for consumption areas.

One tour operator stated the best-case scenario for their company, their clients, and the cannabis farms is to allow for tours, retail sales and consumption at the farm. This would allow the tour companies to provide more time for secondary activities such as coffee shops, restaurants, wineries, and breweries, which creates more opportunities for non-cannabis spending.

Many of the cannabis tour companies have interactive tours with multiple destinations and activities that benefit the local economy. The table below displays a snapshot of various tour options in Northern California and along the Central Coast.

Locality	Activities	Duration	Price Per Person
Oakland	Dispensary and winery tour plus tasting	4 Hours	\$119
San Francisco	City tour plus stops at 3 consumption lounges	3 Hours	\$995
San Luis Obispo	Coffee roaster tour, visit 2 dispensaries, hike to see monarch butterflies	4 Hours	\$99

Grover Beach	Coffee roaster tour, visit 2 dispensaries, 1 hour of yoga on the beach	3 Hours	\$150
San Luis Obispo	Private Tour options with various farms	Unknown	Unknown
Humboldt County	4 day / 3 night all inclusive, 1 farm tour, 1 manufacturer tour, redwood hike, yoga, winery tour plus tasting	4 Days	\$3,000
Mendocino County	Half day farm tour	4 hours	\$250
Mendocino County	Picnic lunch, farm tour, dispensary visit, redwood hikes, winery tour	2 Days	\$1950
Ukiah	Lunch, farm tour, hash making tour, dispensary, restaurant	4 hours	\$1040
San Francisco	Lunch, farm tour, dispensary visit, restaurant	8-10 hours	\$1040
San Francisco	City lounge tour	3-4 hours	\$995
Humboldt County	Farm tour and discount on farm products at local dispensary - 3 versions featuring different farms	4 hours	\$150
Humboldt County	Visit two farms and discounts on their products at local dispensary	8 hours	\$225
Humboldt County	Cannabis farm tour, picnic lunch, winery tour plus tasting	6 hours	\$245
Sonoma	High tea, cannabis infused food and beverages	2 hours	\$99
Sonoma	Cannabis farm tour, lunch and local wine plus various additions available	2 Hours	\$150
Sonoma	Indoor grow tour, dispensary tour, winery or brewery tour plus various additions available	5 hours	\$599 - 4 people
Napa / Santa Rosa	Sunset cannabis farm and winery tour, catered dinner, wine tasting	4 hours	\$159

Health Services Agency Analysis

Health Services Agency Public Health Division (Public Health) has shared concerns about the expansion of the availability of cannabis at farm stands / farm consumption locations. These concerns include the need to raise awareness around potency of modern cannabis products; the potential for mental health conditions with prolonged cannabis use and use of high potency products; youth access to cannabis and the normalization of cannabis use on youth populations; impaired driving after cannabis use at a consumption location; second-hand smoke at consumption locations and the need for server training and oversight at consumption lounge locations. Additional details can be found in the attached Health Impact Assessment.

On today's agenda Public Health has a separate letter speaking specifically to the concerns around underage cannabis use. Public Health notes that additional requirements should be considered in the licensing process for retail consumption lounges and at farm locations in order to safeguard public health. Some of these the Board has already discussed and suggested that the Cannabis Licensing Office (CLO) include in Licensing requirements for these new business models. Public Health suggested requirements include: 1) prominent signage at farm stand locations as recommended by the County Health Officer and approved and verified by the CLO regarding the potential impacts of cannabis consumption and exposure to second-hand smoke; 2) limiting the amount of cannabis available for purchase at retail farm stands and for purchase to use in consumption lounges; 3) requesting businesses implement a designated driver or rideshare protocol at consumption locations; and 4) determining a complaint process for licensed locations that includes an annual review by the Cannabis Licensing Office during the license renewal process.

Adopting lessons learned from responsible alcohol retailers and on-site alcohol consumption licensees to reduce risk, Public Health recommends future consideration of a licensing requirement for evidence-informed responsible server training program, which could be verified during regular Cannabis Licensing Office inspections. However, no such standardized training exists locally or statewide. In lieu of this, the Cannabis Licensing Office will continue to work collaboratively with Public Health to identify alternative strategies which support safe consumption and workplace safety, and update licensing requirements as determined by recent advances in science and/or other developments occur in order to maintain positive public health standards related to cannabis in our community.

Economic Analysis

The available data to conduct a thorough economic analysis was limited. Many of the farms operating tours only have data on the money they make from the third-party tour companies, which ranges from \$100 - \$200 minimum per tour. The fees are based on the duration of the tour and the farms typically charged \$100- \$200 per hour to tour the facility.

The retail operators who partnered with the touring companies cited tourist spending from third party tours above \$200 per person, on average, which may reflect people buying up to the recreational limit during these tour stops. Operators also noted that tour guests usually buy more non-cannabis merchandise, specifically branded clothing.

During the listening sessions concern was raised by some retailers on farm sales competing with local retail outlets. Since there is only one farm that allows direct retail sales, there is insufficient data to address this concern. However, based on conversations and anecdotal data, a shift in local consumers from established retail

outlets to direct farm sales is unlikely for reasons of convenience, variety of choice and/or specific promotional opportunities available at regular retail sales outlets. The seasonal nature of retail farm sales, limited hours of operation, minimal product selection, tying farm sales to facility tours and the ability to restrict the number of visitors and/or number of tours, would likely hinder a shift in local consumer behavior from retail outlets to purchasing at a farm location. In addition, farm sales would effectively be restricted to flower only, while retailers have the ability to carry manufactured products derived from the cannabis grown on our local farms. Both farmers and retailers have told us they are currently working to create better local relationships based on the potential to have consumption at our existing retailers. The potential to have retail sales and consumption at the farms could improve these relationships and lead to more local products at our retailers.

During the October 29, 2024 Board meeting three retailers expressed economic concerns related to sales occurring at farms. Those concerns led the Board to directing staff to limit sales at farms to one eighth of an ounce of flower per person per day.

In discussions with our current farm licensees, different approaches to farm sales were noted. Many of the farms we spoke with will only conduct one tour a day. Other farms see the possibility of following a winery model where they are open three to four days a week for a few hours to allow for sales and consumption at the farm, but not necessarily tours where people get to walk through the plants.

From our interviews with tour operators, farms, and retailers and given that tourism is a major economic driver within our county, we speculate that there could be a small marginal increase to our CBT revenues with the advent of retail sales at cannabis farms. Many of our farms are interested in the possibility but not all are appropriate for these types of operations. A majority of our cannabis farms are outdoor cultivations and only have one to two harvest a year so they may not have cannabis to sell until July which would limit their operational window to July through October. The number and type of farms included in the pilot program will also impact the economics for the County cannabis business tax. Based on our discussions with tour operators, the minimum viable amount of retail farms is three in their experience, but to have a vibrant cannabis tourism market five to seven businesses would be better, allowing for a variety of locations for tours, a broader product selection and the opportunity for varied operational times. However, increasing cannabis business tax revenues through direct sales in the limited marketplace of farm sales, would likely be minimal based on the above limitations.

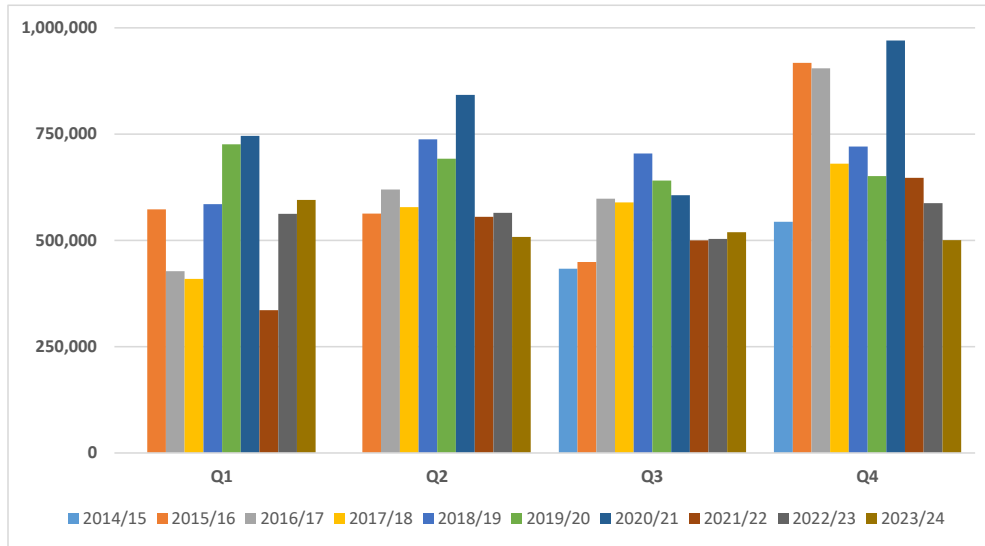
Our current Cannabis Business Tax (CBT) rate is 7% of gross receipts. CBT at the retail level has been somewhat consistent, with sales typically highest from June through November. Tax data is a lagging indicator, with June data indicating May sales. The average annual retail CBT is \$2,330,199 and the median is \$2,381,320 for the past ten years. Below are two data sets showing total retail CBT collected annually since the inception of the retail ordinance and sales by quarter for the same period.

Table 1: Annual Fiscal Year Retail Cannabis Business Tax

Taxes	TOTAL	Year to Year Change	Notes
2014/15	978,009		Collection of retail taxes begins in January 2015
2015/16	2,504,043	156.0%	

2016/17	2,551,209	1.9%	
2017/18	2,258,597	-11.5%	
2018/19	2,749,569	21.7%	
2019/20	2,710,709	-1.4%	COVID lockdown starts March 2020
2020/21	3,166,457	16.8%	COVID return to "normal" June 2021
2021/22	2,039,916	-35.6%	
2022/23	2,218,828	8.8%	
2023/24	2,124,650	-4.2%	
2024/25	561,170	-73.6%	

Table 2: Quarterly Fiscal Year Retail Cannabis Business Tax



While an increase to the CBT is hard to predict based on information received during our interviews and on-line research, we can provide you with some different scenarios that relate changes in gross sales to changes in CBT.

The FY 2023-24 CBT was \$2,124,650, which represents 7% of gross receipts on \$30,352,143 worth of sales. Each 1% increase to gross sales generates an additional \$21,247 in CBT based on this data set. Below is a table that shows how an increase to gross sales (in percentages and dollars) creates an increase in taxes, using the above data set as a starting point.

Table 3: Increase in Gross Sales to Increase in Taxes

Starting Point Gross Sales	% Increase to Gross Sales	Total Gross Sales With % Increase	Increase to Taxes	Total CBT Collected
30,352,143	1	30,655,664	21,247	2,145,897
	2	30,959,186	42,493	2,167,143
	5	31,869,750	106,233	2,230,883
	7	32,476,793	148,726	2,273,376
	10	33,387,357	212,465	2,337,115
	15	34,904,964	318,698	2,443,348
	20	36,422,572	424,930	2,549,580
	25	37,940,179	531,163	2,655,813

Based on this information as an example, retail farms would need to generate an additional \$1,517,607 (5%) in gross sales in order for the county to receive an additional \$106,233 in CBT.

Other Economic Benefits

Discussions with current tour operators noted that retail sales at farms could also be a tourism driver with ripple effects for hotels, restaurants, coffee shops, wineries, and breweries at a minimum.

According to Forbes the cannabis tourism market was valued at \$17.1 billion dollars in 2021, with \$4.5 billion in direct cannabis sales. Tourist “pour an additional \$12.6 billion into restaurants, hotels, attractions and other shops-as well as into state and municipality tax coffers. That’s because for every dollar spent at a cannabis retailer, there’s a multiplier effect, with an additional \$2.80 injected into the local economy, says Beau Whitney, founder and chief economist at [Whitney Economics](https://whitneyeconomics.com/) <<https://whitneyeconomics.com/>>.”

Findings from the Northstar Travel Group, show that travel and tourism related to cannabis has expanded to a \$57.18 billion global industry in 2023 and they are forecasting a \$444 billion industry by 2030. Innovation paired with access in the cannabis consumption space was listed as a major driver for the growth. The article highlighted cannabis consumption hybrid business where lounges are paired with high end restaurants, integrated spa experiences, and how in mature markets (like our state) these are turning into a “high-touch curated experience – which is what tourism and travel is all about – the experience economy.”

According to a Harris poll, 22% of Americans report they have chosen a destination based on recreational cannabis status. Thirty percent of Americans over 21 (50% of millennials) said they consider legal recreational cannabis status as important when choosing a destination for vacation.

Thus, retail farm tours and sales could propel more ancillary spending, with the potential to increase sales and transient occupancy taxes rather than the cannabis business tax. This will lead to broader financial benefits to the County if the proposed changes are pursued.

One positive example of cannabis tourism and the larger economic benefits can be seen in the City of Modesto, which has embraced cannabis tourism. They developed the [MoTown CannaPass](https://visitmodesto.com/cannapass/) <<https://visitmodesto.com/cannapass/>>, which is an app-based reward program that helps visitors find local cannabis retailers, presents offers

from other local businesses and shares details on local restaurants and activities in town. The app includes tips on pairing cannabis with food, art and nature. Todd Aaronson, the CEO of Visit Modesto, said the MoTown CannaPass delivered an immediate 11% boost in traffic to local cannabis retailers and also in overnight visits to Modesto. In addition to Modesto, both Oakland and Palm Springs highlight their local cannabis industry.

Financial Impact

The addition of retail farms would create some additional staff work, particularly at the outset when licensing processing would require staff to investigate assess sites, make determinations, and determine CEQA findings. Fees for this type of application processing work need to be added to the Unified Fee Schedule (UFS) as these would be a new license type and the license processing is unique because of the appeals procedure. Other potential UFS changes could include appeal fees, license fees based on the number of inspections or based on proposed duration of operations or some combination of both.

Strategic Initiatives

Operational Plan - Dynamic Economy

Submitted By:

Carlos Palacios, County Administrative Officer

Recommended By:

Carlos J. Palacios, County Administrative Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not contribute to the development of this agenda item.

ORDINANCE NO. ____

**ORDINANCE ENACTING CHAPTER 7.138 OF THE SANTA CRUZ
COUNTY CODE REGARDING CANNABIS FARM RETAIL LICENSE
PILOT PROGRAM**

The Board of Supervisors of the County of Santa Cruz (the “Board”) hereby finds and declares the following:

WHEREAS, the Board directed the Cannabis Licensing Office (“CLO”) and the Planning Department to prepare amendments to various sections of the Santa Cruz County Code (“SCCC”) to revise the farm stand and temporary produce stand regulations; and

WHEREAS, on November 14, 2023, the Board reviewed a letter emphasizing sustainable growth, economic development, and responsible cannabis regulation, in alignment with the 2023 Sustainability Plan updates. The Board discussed this letter and directed the CLO to conduct public meetings across various districts to collect public opinion; and

WHEREAS, on June 4, 2024, CLO staff presented the results of its public outreach to the Board. The Board directed the CLO to draft ordinances related to the items in the November 14, 2023 letter while incorporating feedback from the public meetings and to then return to the Board for further consideration and direction; and

WHEREAS, on October 29, 2024, the Board reviewed ordinance options and directed staff to finalize changes; and

WHEREAS, on February 12, 2025, the Planning Commission recommended the Board approve the proposed amendments to SCCC sections 13.10.640 and 13.10.372 to allow temporary produce sales areas and produce stands within the Timber Production and Special Use Zone districts, which will enable the proposed licensing in those Zone districts; and

WHEREAS, the proposed amendments to the SCCC have been addressed in the Sustainability Plan Final EIR, an Addendum to the EIR has been drafted, pursuant to sections 15162 and 15164 of the CEQA Guidelines, which requires an addendum to a previously certified EIR if changes are made that do not result in unaccounted for impacts; and

WHEREAS, the Board has found and determined that the proposed addition of SCCC Chapter 7.138 is consistent and compatible with the Santa Cruz County General Plan and all components of the Local Coastal Program implementing ordinances;

NOW, THEREFORE, the Board of Supervisors of the County of Santa Cruz hereby ordains as follows:

SECTION I

The Santa Cruz County Code is hereby amended by adding new Chapter 7.138 to read as follows:

Chapter 7.138
CANNABIS FARM RETAIL LICENSE PILOT PROGRAM

Sections:

7.138.010 Purpose.

7.138.030 Definitions.

7.138.050 Prohibited activities.

7.138.070 Creation of the Cannabis Farm Retail Licensing Pilot Program.

7.138.090 License Required.

7.138.110 General Requirements Applicable to Cannabis Farm Retail Licenses.

7.138.130 Enforcement.

7.138.150 Severability.

7.138.010 Purpose.

The purpose of this chapter is to create a pilot program for, and provide local rules to regulate, retail cannabis sales and cannabis consumption at licensed cannabis cultivation sites (“cannabis farms”) within the unincorporated area of Santa Cruz County.

It is also the purpose of this chapter to mitigate the negative impacts and secondary effects associated with ongoing cannabis activities including, but not limited to, demands placed on law enforcement and administrative resources; neighborhood disruption; the exposure of children to cannabis; fraud in issuing, obtaining, or using cannabis recommendations; robberies; burglaries; assaults; unlawful cannabis trafficking and other violent crimes.

This chapter is not intended to conflict with Federal or State law. It is the intention of the County that this chapter be interpreted to be compatible with Federal and State enactments and in furtherance of the public purposes that those enactments encompass.

7.138.030 Definitions.

As used in this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

- (A) “Applicant” means the person or entity submitting an application for a license under this chapter.
- (B) “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, as defined under Business and Professions Code Section [26001](#)(e), as may be amended.
- (C) “Cannabis Consumption” means smoking, eating, drinking, chewing, applying topically or otherwise ingesting cannabis and cannabis products.
- (D) “Cannabis plant” means any mature or immature cannabis plant, or any cannabis seedling, unless otherwise specifically provided herein.
- (E) “Cannabis products” means plant material that has been transformed, through a manufacturing process whether by mechanical means and/or using solvents, into concentrated cannabis, or cannabis tinctures, edibles, drinks, topical salves, lotions or other materials containing cannabis or concentrated cannabis and other ingredients.
- (F) “CFRL pilot program” means the cannabis farm retail licensing program created by this chapter.
- (G) “Designated cannabis smoking area” means a designated area where ingestion of inhalable cannabis products, purchased from the licensee, may occur.
- (H) “License” means the written evidence of permission given by the Licensing Official for a licensee to operate a retail business. “License” does not mean “permit” within the meaning of the Permit Streamlining Act, and a license does not constitute a permit that runs with the land on which a retail business sits.
- (I) “Licensee” means the person or entity holding a valid license to operate a retail business under this chapter.
- (J) “Licensing Official” means the official appointed by the County Administrative Officer who is responsible for implementing the provisions of this chapter.

(K) “Manager” means any person to whom a retail farm business has delegated discretionary powers to organize, direct, carry on or control its operations. Authority to control one or more of the following functions shall be prima facie evidence that such a person is a manager of the business: (1) to disburse funds of the business other than for the receipt of regularly replaced items of stock; or (2) to make, or participate in making, policy decisions relative to operations of the business.

(L) “Owner” or “owners” means any of the following: all persons or entities holding a financial interest in a retail business. For purposes of this definition, the term “financial interest” does not include a security interest, lien, or encumbrance on property.

- (1) A person with an aggregate ownership interest of 10 percent or more in the applicant applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.
- (2) The chief executive officer of a nonprofit or other entity.
- (3) A member of the board of directors of a nonprofit or other entity.
- (4) An individual who will be participating in the direction, control, or management of the person applying for a license.

(M) “Parcel” means that unit of land assigned a unique assessor’s parcel number by the County Assessor, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area.

(N) “Retailer” for the purposes of this chapter, means a licensed cannabis farm with a fixed produce stand in compliance with SCCC 13.10.640, which may or may not include a Cannabis Consumption area, that sells cannabis and cannabis products to retail consumers. “Retailer” does not include the following:

- (1) Any location during only that time reasonably required for a primary caregiver to distribute, deliver, dispense, or give away cannabis to a qualified patient or person with an identification card who has designated the individual as a primary caregiver, for the personal medical use of the qualified patient or person with an identification card, in accordance with California Health and Safety Code Sections [11362.5](#) and [11362.7](#) et seq.;
or

(2) The location of any clinic licensed pursuant to Chapter 1 (commencing with Section 1200), a health care facility licensed pursuant to Chapter 2 (commencing with Section 1250), a residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 (commencing with Section 1568.01), a residential care facility for the elderly licensed pursuant to Chapter 3.2 (commencing with Section 1569), a hospice, or a home health agency licensed pursuant to Chapter 8 (commencing with Section 1725), all of Division 2 of the California Health and Safety Code where: (a) a qualified patient or person with an identification card receives medical care or supportive services, or both, from the clinic, facility, hospice, or home health agency, and (b) the owner or operator, or one of not more than three employees designated by the owner or operator, of the clinic, facility, hospice, or home health agency has been designated as a primary caregiver pursuant to California Health and Safety Code Section [11362.7](#)(d) by that qualified patient or person with an identification card.

(O) “Vehicle” means a device by which any person or property may be propelled, moved, or drawn upon a street, sidewalk, or waterway, including but not limited to a device moved exclusively by human power.

(P) The following words or phrases when used in this section shall be construed as defined in California Health and Safety Code Section [11362.7](#): “identification card”; “person with an identification card”; “primary caregiver”; and “qualified patient.”

7.138.050 Prohibited activities.

(A) It is unlawful and shall constitute a public nuisance for anyone to own, establish, operate, use, or permit the establishment or operation of a Retailer without (1) a valid local License required by this chapter; and (2) a valid State license required under California law.

(B) The prohibition in subsection (A) of this section includes renting, leasing, or otherwise permitting a Retailer to occupy or use a location.

(C) It is unlawful and shall constitute a public nuisance for anyone other than a locally licensed Retailer to engage in retail sales of cannabis on the premises of a cannabis farm.

(D) It is unlawful and shall constitute a public nuisance for a Retailer to engage in retail sales of cannabis via delivery.

7.138.070 Creation of the Cannabis Farm Retail Licensing Pilot Program.

(A) There is hereby created the Cannabis Farm Retail Licensing (“CFRL”) Pilot Program. The pilot program shall last for three years from the date of enactment of this chapter and it shall be operated by the Licensing Official. The Licensing Official shall be appointed by the County Administrative Officer and shall report directly to the County Administrative Officer.

(B) The Licensing Official shall take the necessary steps to build and manage the CFRL pilot program. This includes, but is not limited to, accomplishing the following tasks in compliance with the rules set forth in this chapter:

- (1) Creating application forms for Licensees;
- (2) Conducting pre-licensure inspections;
- (3) Approving and denying License applications;
- (4) Issuing and revoking Licenses;
- (5) Creating a system on the County’s website to communicate the number of Licenses issued and notifying the public as to whether applications for Licenses are being accepted;
- (6) Establishing and/or recommending the adoption of any policies, procedures, rules, regulations, or fees necessary to implement the CFRL pilot program; and
- (7) Working with other officials in the County to ensure that Licensees comply with all aspects of the County Code.

7.130.090 License Required.

(A) Pilot Program License.

(1) Submission of the Application. An application for a License under this chapter shall be made via a format designated for that purpose promulgated by the Licensing Official, and shall include all required information, attachments, and signatures required by the Licensing Official. The application shall be submitted under penalty of perjury, and shall include, but not be limited to, the following information:

- (a) The names of the Applicant(s) and Owner(s);
- (b) The exact location by street address and assessor parcel number of the existing licensed cannabis farm where retail business will occur;

(c) Proof that an application for a State-issued license to engage in retail sales of cannabis has been submitted to the Department of Cannabis Control;

(d) The Applicants' and Owners' waiver and release of the County from any and all liability for monetary damages related to or arising from the application for a License, the issuance of the License, the denial of the License, or the enforcement of the conditions of the License;

(e) Background information to be determined by the Licensing Official, including but not limited to a statement that the Applicant(s) and Owner(s) have submitted to a LiveScan background check;

(f) Tax identification information;

(g) Security plans for the retail operations and any security procedures form that the Applicant submitted to the Department of Cannabis Control;

(h) Proof of compliance with workers' compensation insurance requirements; and

(i) Such other information as the Licensing Official deems reasonably necessary to a thorough review of the application.

(2) Payment of the Application Fee. An application for a License shall not be accepted unless it is accompanied by the payment of a nonrefundable application fee set by the Licensing Official and approved by the Board of Supervisors. The purpose of any and all fees assessed under this chapter is to pay for the costs of the CFRL program.

(3) Review of the Application.

(a) Upon receipt of an application for a license, the Licensing Official will create a licensing file related to the application and will conduct an actual inspection of the proposed Retailer to determine whether it meets the requirements of the CFRL pilot program. The Licensing Official shall be the custodian of the licensing file. The licensing file is subject to the California Public Records Act.

(b) Meeting the requirements of the CFRL pilot program does not automatically entitle an applicant to receive a License.

(c) Required Findings. Issuance of a License is a discretionary act. No Applicant is automatically entitled to receive a License based solely on meeting the basic requirements of this chapter. In order to issue a License, the Licensing Official must make the following findings:

(i) Issuance of the License will be consistent with all requirements set forth in this chapter and all administrative rules and regulations then in place, and either none of the grounds for denial under this chapter exist, or the approval of the License will be subject to an enforceable condition(s) resolving any existing grounds for denial.

(ii) Issuance of the License will not create or maintain a nuisance, or be otherwise detrimental to public health, safety, or welfare.

(iii) The applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code (the CEQA process) has been completed, and that issuance of the License will not have a significant, unmitigated effect on the environment.

(iv) The Applicant has obtained all permits required under the Santa Cruz County Code (development, building, grading, etc.) and any other applicable jurisdiction for the land use authorized under the License.

(4) Conditional Approval or Denial of the License.

(a) After concluding the required pre-license application review, the Licensing Official shall notify the Applicant in writing whether the License has been conditionally approved or denied, including any reasons for denial.

(b) Conditions. The Licensing Official is authorized to impose conditions on the License at the time it is conditionally approved in order to ensure the proposed business activity will meet the intent and requirements of this chapter and other applicable provisions of the Santa Cruz County Code.

(5) Upon determination by the Licensing Official that a License may be granted, the following public notice procedures are required:

(a) The County shall mail a notice, in the form of a postcard or letter, to the Applicant and to all property owners within 600 feet of the exterior boundaries of the

subject property, as well as to all lawful occupants of properties within 100 feet of the subject property, including the lawful occupants of the subject property; and

(b) The Applicant shall post a notice on the subject property in a conspicuous place at least 14 calendar days prior to the end of the appeal period.

(6) Contents of the notice shall include:

- (a) Location of the proposed project;
- (b) Name of the Applicant and Owner;
- (c) Description of the proposed project;
- (d) Process to obtain additional information;
- (e) Description of appeal procedures; and
- (f) Final date on which an appeal will be accepted.

(7) Appeal Procedures.

(a) Who May Appeal. Any person whose interests are adversely affected by issuance of a License may submit a notice of appeal.

(b) Appeal Period. The period to appeal the issuance of a License shall be 21 calendar days from the date public notices are mailed pursuant to subsection (A)(5)(a) of this section.

(c) Contents of a Notice of Appeal. Appeals can be made by submitting a notice of appeal, which shall be a signed writing submitted to the Cannabis Licensing Office at the address provided and by the date listed on the public notice. The notice of appeal shall identify the proposed project and License issuance, shall provide the identity and contact information of the appellant, shall identify how the appellant's interests are adversely affected, and shall set forth a concise statement of the reasons for the appeal.

(d) Effect of Notice of Appeal. The submission of the notice of appeal shall have the effect of staying the issuance of a License until such time as final action has been taken on the appeal.

(e) **Appeal Hearing.** An administrative hearing officer shall review any appeal(s) made to the issuance of a License. The hearing officer shall consider the notice of appeal, the proposed approval, the License application, and any other relevant documents or written information provided by the Licensing Official, Applicant, or appellant. The administrative hearing officer shall review the matter de novo, without a hearing, and render a written decision within 30 days. The administrative hearing officer's decision shall be final.

(8) **Approval or Denial of the License.** After the public notification process and any related appeal is complete, the Licensing Official shall approve or deny the License application. A License shall not be granted to an Applicant under this chapter until the Applicant has:

(a) Provided proof that a State license has been approved by the Department of Cannabis Control; and

(b) Paid a nonrefundable License fee as set by the Licensing Official and approved by the Board of Supervisors.

(9) **Length of Time the Original License Is Valid.** A License shall be valid for one year from the date it is issued. If a Licensee wishes to continue operations after one year, they must obtain a renewal License, as set forth in subsection (B) of this section.

(B) **Renewal License.**

(1) **Requirement to Obtain a Renewal License**

(a) In order to continue business operations after the original License expires, a Licensee must obtain a renewal License. A renewal License must be obtained annually via an application form designated for that purpose. It is incumbent on the holder of a License to ensure that the License is renewed before License expiration in order to continue business operations.

(b) Renewal License applications must be submitted at least 60 days before an existing License expires. The Licensing Official is not authorized to accept an untimely renewal License application.

- (c) Each renewal License is valid for a one-year period from the date it is issued. If a Licensee wishes to continue business operations after expiration of the renewal License, it must obtain a new renewal License per the terms of this section.
- (2) Submission of the Renewal License Application. An application for a renewal License shall be made via a format designated for that purpose promulgated by the Licensing Official and shall be accompanied by the applicable fees set forth in the Unified Fee Schedule. The application shall be submitted under penalty of perjury, and shall include, but not be limited to, the following information:
- (a) Verification of the information required for the submission of an original License under subsection (A) of this section;
 - (b) Any law enforcement, License enforcement, or other code enforcement activity related to the Licensee's operations during the past calendar year;
 - (c) A representation that the Applicant continues to hold in good standing any license required by the State of California for commercial cannabis business activities;
 - (d) A copy of the Applicant's State license to engage in the commercial cannabis activity;
 - (e) Proof of compliance with workers' compensation insurance requirements; and
 - (f) Such other information as the Licensing Official deems reasonably necessary to a thorough review of the application.
- (3) Payment of the Renewal License Application Fee. An application for a renewal License shall be accompanied by the payment of a nonrefundable renewal License application fee set by the Licensing Official and approved by the Board of Supervisors.
- (4) Review of the Renewal License Application. Issuance of a renewal License is a discretionary act. No Applicant is automatically entitled to receive a renewal License based solely on meeting the basic requirements of this chapter. It is not necessary for the Licensing Official to issue findings before granting a renewal License to an Applicant who is requesting to maintain already-approved business operations. However, if a renewal License Applicant is seeking to change business operations in any substantive respect (e.g., increasing operating hours, increasing employees, increasing size of authorized operations,

etc.), the Licensing Official must make the findings required under subsection (A)(3)(c) of this section before approving the renewal License application.

(5) Grant or Denial of the Renewal License.

(a) The Licensing Official shall notify the Applicant in writing of whether the renewal License has been granted, conditionally granted, or denied, including any reasons for denial.

(b) The Licensing Official is authorized to impose new or additional conditions on the renewal License at the time it is granted in order to ensure that all cannabis business activities will meet the requirements of this chapter and other applicable provisions of the Santa Cruz County Code.

(6) Payment of the Renewal License Fee. A renewal License shall not be granted to the Applicant under this chapter until the Applicant has paid a nonrefundable renewal License fee as set by the Licensing Official and approved by the Board of Supervisors.

(7) Length of Time the Renewal License Is Valid. The renewal License shall be valid for one calendar year.

(C) Amending a License.

(1) Licensees may submit an application to amend an existing License via a format promulgated by the Licensing Official for that purpose. Applications to amend a License will be reviewed by the Licensing Official in a manner consistent with the review of original and renewal License applications. Granting an application to amend a License is a discretionary act. If an Applicant is seeking to amend a License to change business operations in any substantive respect (e.g., increasing operating hours, increasing employees, increasing size of authorized operations, etc.), the Licensing Official must make the findings required under subsection (A)(3)(c) of this section before granting the application to amend the License.

(2) Applicants seeking an amended license must include with their application a monetary deposit, to be determined by the Licensing Official or their designee, based on an estimate of the hours the Licensing Official will need to review the application and perform any necessary inspections. Additional deposits or payments shall be made as determined

necessary by the Licensing Official in order to recover costs associated with processing the application.

(D) Required Statements on Licenses. All Licenses issued by the Licensing Official shall contain the following statements, displayed prominently on the License itself:

- (1) A warning that operators, employees, and members of cannabis businesses may be subject to prosecution under Federal laws;
- (2) An acknowledgment that, by accepting the License and operating a retail cannabis business, the Applicant and Owners of the business have released the County from any and all liability for monetary damages related to or arising from the application for a License, the issuance of the License, the enforcement of the conditions of the License, or the revocation of the License; and
- (3) Any other statements deemed necessary by the Licensing Official.

(E) Restrictions Relating to the Issuance of a License. No License may be issued unless the proposed Retailer is in compliance with the provisions of SCCC 13.10.372 and 13.10.640.

(G) Grounds for License Revocation. Grounds for revocation of a License include, but are not limited to, any of the following:

- (1) Retailers remaining open and/or operating between the hours of 8:00 p.m. and 10:00 a.m.
- (2) Allowing alcohol to be consumed at the premises of a Retailer ("premises," for purposes of this subsection, includes any area used for parking any vehicle).
- (3) Allowing a minor to enter the business.
- (4) Allowing a person less than 21 years of age to transport, distribute, deliver, dispense, or give away cannabis on behalf of the business.
- (5) Allowing cannabis to be visible from the exterior of the Retailer.
- (6) Illuminating any portion of a Retailer between the hours of 8:00 p.m. and 10:00 a.m. by lighting that is visible from the exterior of the premises, except such lighting as is reasonably utilized for the security of the premises.

(7) Failure by an Applicant or Owner of a Retailer to successfully pass the background check required by the Licensing Official, including but not limited to successfully passing the LiveScan background check.

A failed LiveScan is a LiveScan report that includes any felony conviction within the past 10 years and/or reflects that the Applicant or Owner is currently on parole or probation related to a felony conviction. Felony convictions for cannabis-related offenses prior to January 1, 2016, will not result in a failed LiveScan, unless the offense involved sales to a minor.

(8) Providing an on-site location for physicians or medical professionals to write recommendations for medical cannabis.

(9) Failing to provide litter and graffiti removal services for a Licensee's business premises on a daily basis.

(10) Failure to provide adequate security precautions at all times, including, but not limited to, dedicated security personnel present during a Retailer's hours of operation.

(11) Violation of County signage regulations (see SCCC [13.10](#)), the placement or use of any roadside billboard to advertise any aspect of a cannabis business or cannabis products, or the placement or use of any sign that includes pricing of cannabis, details regarding specific cannabis products, or cannabis photography or graphics related to the cannabis plant, cannabis products, or cannabis paraphernalia.

(12) Three or more citations for violation of SCCC [8.30](#) (Noise) within a single year.

(13) Possession, storage, or use of any firearm at a Retailer.

(14) Violation of any of the restrictions relating to the issuance of a License.

(15) Violation of any Santa Cruz County Code provision related to the cultivation of cannabis, including but not limited to any provision in SCCC [7.128](#).

(16) Failure to cooperate with a financial audit by the County of Santa Cruz of any and all aspects of the Licensee's business, including but not limited to on-site inspection and review of financial transactions, sales records, payroll and employee records, purchase orders, overhead expense records, shipping logs, receiving logs, waste disposal logs, bank statements, credit card processing statements, inventory records, tax records, lease

agreements, supplier lists, supplier agreements, policies and procedures, and examination of all financial books and records held by the Licensee in the normal course of business.

(17) Failure to timely remit the taxes required to be paid under SCCC [4.06](#) (Cannabis Business Tax).

(18) Violation of any Santa Cruz County Code provision or State law related to the extraction of cannabis oils, resins, or other compounds from cannabis plants.

(19) Violation of any Santa Cruz County Code provision or State law related to the cannabis business activity, including any provision of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”).

(20) Violation of any administrative rule or regulation promulgated by the Licensing Official.

(21) Failure to maintain a State-issued license authorizing the retail sale of cannabis.

(22) Cannabis Consumption anywhere on the premises of the Retailer outside of the specifically-designated area approved for Cannabis Consumption by the Licensing Official.

(H) Denial or Revocation of License; Remedies.

(1) The Licensing Official may deny an application for a License, or revoke a License, for any of the following reasons:

(a) Discovery of untrue statements submitted on a License application.

(b) Revocation or suspension of any State license required to sell cannabis.

(c) Previous violation by the Applicant of any provision of the Santa Cruz County Code or State law related to selling cannabis, or related to the cultivation, transportation, extraction, or manufacture of cannabis or cannabis products.

(d) Conducting operations in a manner contrary to any of the conditions set forth in this chapter.

(e) The Applicant or Owner failed their last annual LiveScan background check.

(f) The creation or maintenance of a public nuisance.

(g) Specific suitability issues with the location, including but not limited to the distance from competing land uses and individuals, access to the location from public roads, parking capacity of the location, and view sheds from the public right of ways of the proposed produce stand.

(2) The Licensing Official's denial of a License application or revocation of a License is a final action that is not subject to any further administrative remedy. The only legal remedy available to appeal the Licensing Official's action is to file a petition for writ of mandate in the superior court under California Code of Civil Procedure Section [1085](#).

(3) Under no circumstances shall a cause of action for monetary damages be allowed against the County of Santa Cruz, the Licensing Official, or any County employee as a result of a denial or a revocation of a License.

7.130.110 General Requirements Applicable to Cannabis Farm Retail Licenses.

The following general requirements are applicable to all CFRL Licenses:

(A) Cannabis may not be stored within a residence and may not be stored for distribution within a residence.

(B) Cannabis business activities require written consent from the owner of the parcel where the cannabis business activity will take place if the Applicant is not the owner of the parcel.

(C) Licenses are not be permitted on private roads without the written consent from all owners of parcels who utilize said road.

(D) Cannabis plants and products shall not be visible from the exterior of the parcel.

(E) Cannabis Consumption shall only take place in the designated Cannabis Consumption area, which shall be approved by the Licensing Official as part of the application process.

(F) Designated cannabis smoking areas must comply with California Labor Code Section 6404.5.

(G) The placement or use of any roadside billboard to advertise any aspect of a cannabis business or cannabis products is prohibited, as is the placement or use of any sign that includes pricing of cannabis, details regarding specific cannabis products, cannabis photography, or graphics related to the cannabis plant, cannabis products, or cannabis paraphernalia.

(H) Subject to review and approval of the Licensing Official, Licensees are required to develop and maintain an adequate security plan, which is intended to prevent unauthorized diversion of cannabis material and to protect the health, safety, and welfare of workers and the general public. This includes security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products.

(1) Security requirements must comply with applicable Non-Retail Commercial Cannabis Business Best Management and Operational Practices requirements.

(a) No razor wire fencing is permitted.

(b) Limited access to cannabis or cash secure storage rooms shall occur during business hours and all cash and cannabis products must be secured within a safe when the business is closed. Any safe utilized for cannabis, cannabis products, or cash storage, and any ATM provided for customer use, must be incorporated into the building structure or securely attached thereto.

(c) All loading and unloading of cannabis products or value-added products shall occur behind locked gates, and/or inside a secured facility, and/or in the presence of trained security personnel.

(d) Cannabis storage for retail sale shall be limited to a maximum of five pounds of cannabis material.

(e) The facility shall provide adequate security precautions at all times, including locking and securing the facility to prevent theft or access to minors. The facility must be closed to the general public and only authorized personnel may be present on site.

(f) Doors and windows of facilities shall remain closed, except for the minimum length of time needed to allow people to enter or exit the premise.

(I) All noise from business activity shall conform to applicable General Plan Noise Element policies and standards and is also subject to the regulations set forth in SCCC [8.30](#) (Noise).

(J) Advertising shall not contain the use of objects, such as toys, inflatables, movie characters, cartoon characters, or include any other display, depiction, or image designed in any manner likely to be appealing to minors, as determined by the County Health Officer.

(K) All Licensees are prohibited from using packaging materials that contain cartoons or caricatures using comically exaggerated features, animals, or anthropomorphized creatures or packaging materials connected to sports, music, celebrities, popular culture, or similar topics that attract or appeal to minors, as determined by the County Health Officer.

(L) All Licensees must record the number of visitors and vehicles which arrive onsite daily. Logs of visitors and vehicles must be preserved throughout the duration of the pilot program and reports shall be submitted to the cannabis licensing office annually or upon request.

(M) Licensees must limit all cannabis sales to no more than 3.5 grams of cannabis material (1/8 of an ounce) per individual customer.

(N) Manufactured product sales are limited to food grade and topical products produced by the licensee within the County.

7.138.130 Enforcement.

(A) It shall be unlawful for any person or entity to violate any provision or fail to comply with any requirement of this chapter. No proof of knowledge, intent, or other mental state is required to establish a violation. Violations of this chapter shall be subject to notice of violation, abatement order, injunctive relief, costs of abatement, costs of restoration, costs of investigation, attorney fees, restitution, or any other relief, remedy, or enforcement measure authorized by the Santa Cruz County Code or available at law or in equity.

(B) Each and every violation of the provisions of this chapter shall constitute a separate violation and is hereby deemed unlawful, a public nuisance, and an immediate threat to public health, safety and welfare. Pursuant to Government Code section [53069.4](#), fines and penalties shall be immediately imposed for violations of this chapter to protect the public health, safety, and welfare against unlawful cannabis activities and other violations herein as they pertain to zoning, health, or safety provisions of the County Code.

(C) The Licensing Official is authorized to issue a Notice of Violation for violations of this chapter pursuant to the procedures in SCCC [1.12.070](#). Whenever a Notice of Violation is issued by the Licensing Official for violation of a provision of this chapter, the violator shall not be provided with additional time to correct the violation before the imposition of civil penalties are assessed. All other provisions set forth herein pertaining to administrative hearings and administrative hearing officers shall be controlling for Notice of Violations issued pursuant to this chapter.

(D) The County may also pursue any and all remedies and actions available and applicable under State and local laws for any violations committed by the Licensee, property owner, operator, or persons related to, or associated with, the unlawful cannabis activity.

7.138.150 Severability.

The provisions of this chapter are severable. If any section, paragraph, sentence, phrase or word of this chapter is declared invalid for any reason, that decision shall not affect any other portion of this chapter, which shall remain in full force and effect.

SECTION II

The adoption of this ordinance is subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15162 and 15164, which require an addendum to a previously certified EIR if changes are made that do not result in unaccounted for impacts. The proposed amendments to Santa Cruz County Code have been addressed in the Sustainability Plan Final EIR, and an Addendum to the EIR has been drafted.

SECTION III

The Board of Supervisors further finds and determines in its reasonable discretion on the basis of the entire record before it that the proposed amendments to Santa Cruz County Code Chapter 7.138 are consistent and compatible with and will not frustrate the objectives, policies, general land uses, and programs specified in the General Plan and Local Coastal Program.

SECTION IV

Should any section, clause, or provision of this Ordinance be declared by the courts to be invalid, the same shall not affect the validity of the Ordinance as a whole, or parts thereof, other than the part so declared to be invalid.

SECTION V

This ordinance shall take effect on the 31st day after the date of final passage.

PASSED AND ADOPTED this ____ day of ____ 2025, by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES: SUPERVISORS

NOES: SUPERVISORS

ABSENT: SUPERVISORS

ABSTAIN: SUPERVISORS

Chairperson of the Board of Supervisors

ATTEST: _____

Clerk of the Board

APPROVED AS TO FORM:

Signed by:


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Office of the County Counsel

Certificate Of Completion

Envelope Id: 4DAD21CB-77FC-442F-93D9-DF319E108331

Status: Completed

Subject: Complete with Docusign: Exhibit 1 - Chapter 7.138.pdf

Source Envelope:

Document Pages: 20

Signatures: 1

Envelope Originator:

Certificate Pages: 4

Initials: 0

Sam LoForti

AutoNav: Enabled

701 Ocean Street

Envelopeld Stamping: Enabled

Santa Cruz, CA 95060

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Sam.LoForti@santacruzcountyca.gov

IP Address: 63.194.190.100

Record Tracking

Status: Original

Holder: Sam LoForti

Location: DocuSign

2/28/2025 8:49:36 AM

Sam.LoForti@santacruzcountyca.gov

Security Appliance Status: Connected

Pool: FedRamp

Storage Appliance Status: Connected

Pool: County of Santa Cruz

Location: Docusign

Signer Events

Ryan Thompson

Ryan.Thompson@santacruzcountyca.gov

Security Level: Email, Account Authentication (None)

Signature

Signed by:


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Timestamp

Sent: 2/28/2025 8:50:15 AM

Viewed: 2/28/2025 9:39:20 AM

Signed: 2/28/2025 9:40:31 AM

Signature Adoption: Pre-selected Style

Using IP Address: 174.160.144.187

Electronic Record and Signature Disclosure:

Accepted: 2/28/2025 9:39:20 AM

ID: 74191d7e-4021-432f-b44c-59f8849da8cb

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent

Hashed/Encrypted

2/28/2025 8:50:15 AM

Certified Delivered

Security Checked

2/28/2025 9:39:20 AM

Signing Complete

Security Checked

2/28/2025 9:40:31 AM

Completed

Security Checked

2/28/2025 9:40:31 AM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

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- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to nada.algharib@santacruzcounty.us and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
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ORDINANCE NO. ____

**AN ORDINANCE AMENDING SECTION 13.10.640 OF THE
SANTA CRUZ COUNTY CODE REGARDING TEMPORARY
PRODUCE SALES AREAS AND PRODUCE STANDS**

The Board of Supervisors of the County of Santa Cruz (the “Board”) hereby finds and declares the following:

WHEREAS, on June 4, 2024, the Board of Supervisors for the County of Santa Cruz (“Board”) directed the Santa Cruz County Cannabis Licensing Office (“CLO”) to prepare and propose revisions to the County’s Cannabis Program, specifically to Santa Cruz County Code (“SCCC”) Chapter 13.10, to allow retail sales at farm stands and temporary produce stands; and

WHEREAS, the Board also directed the Planning Commission to hold a public hearing on the proposed changes to the farm stand and temporary produce stand regulations; and

WHEREAS, the Planning Commission finds that the proposed amendments to SCCC sections 13.10.640 are consistent and compatible with the Santa Cruz County General Plan and all components of the Local Coastal Program implementing ordinances; and

WHEREAS, on November 15, 2022, the Board certified an Environmental Impact Report (EIR) for the County of Santa Cruz Sustainability Policy and Regulatory Update (Sustainability Update), consisting of amendments to the County’s General Plan/Local Coastal Program (LCP), including four updated General Plan elements, amendments to sections of the SCCC, adoption of County Design Guidelines, and General Plan land use map and/or zoning map amendments (State Clearinghouse No. 2020079005); and

WHEREAS, Sections 15162 and 15164 of the California Environmental Quality Act (“CEQA”) Guidelines require an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred; and

WHEREAS, the County has prepared an Addendum to the Santa Cruz County Sustainability Update EIR pursuant to Section 15164 of the CEQA Guidelines, and has determined that the revisions to Chapter 13.10 of the SCCC to allow retail sales at farm stands and temporary produce stands are consistent with the environmental impacts evaluated in the Sustainability Update EIR and subsequent addenda as documented by the review contained in the Addendum,, and none of the conditions described in Section 15162 of the CEQA Guidelines calling for preparation of a subsequent EIR have occurred..

NOW, THEREFORE, the Board of Supervisors of the County of Santa Cruz hereby ordains as follows:

SECTION I

Section 13.10.640 of the Santa Cruz County Code is hereby amended to read as follows:

13.10.640 Temporary produce sales areas, produce stands, and produce markets.

(A) The purpose of these regulations is to provide for and regulate the sale of farm commodities produced on-site, and also to allow the sale of related goods that promote agricultural products originating in Santa Cruz County and neighboring counties.

(B) Definitions.

(1) “Retail food law” for purposes of this chapter, means any chapter of any California Code regulating health and sanitation standards for retail food facilities. Retail food law shall be administered and enforced by County of Santa Cruz Environmental Health Services, unless another agency is specifically identified by law.

(C) General Standards. The following general standards shall apply to all produce sales areas, stands, and markets regulated by this chapter:

(1) One temporary produce sales area, one produce stand, or one produce market per site is allowed, subject to approval as set forth in SCCC [13.10.312](#)(D), Agricultural Uses Chart, and Chapter [13.11](#) SCCC.

(2) A temporary produce sales area or produce stand shall be allowed only if:

(a) It is located in the A (Agriculture), CA (Commercial Agriculture), TP (Timber Production), or SU (Special Use) Zoning District;

(b) It is accessory to agricultural production on the same parcel;

(c) At least 75 percent of the gross site area, that can be utilized for agricultural production, is devoted to agricultural production;

(d) The entirety of any subject parcel is owned or leased by the produce area/stand proprietor; and

(e) The floor area, excluding storage, shall not exceed 800 square feet. A larger floor area up to 1,600 square feet may be considered with an MUP or may be allowed if the building has a pre-existing commercial use which allowed for direct consumer

services, including, but not limited to, wine tasting rooms, prepared food service, sales.

(3) A produce market shall be allowed only if:

(a) It is located in the A Zoning District;

(b) It is accessory to agricultural production on the same site;

(c) At least 75 percent of the gross site area is devoted to agricultural production;

(d) The entirety of any subject parcel is owned or leased by the produce market proprietor; and

(e) The floor area, excluding storage, does not exceed 1,800 square feet. A floor area of up to 3,600 square feet may be considered with approval of a CUP, where it can be demonstrated that a need for a market larger than 1,800 square feet exists, such as may be required for a larger agricultural operation.

(4) The produce stand, produce market, and associated parking and circulation areas shall remove as little land as possible from agricultural production or potential production. To minimize disturbance to agricultural soils, all associated improvements shall be located off, or on the perimeter of, Type 1—3 soils to the maximum extent feasible. Stands and markets should be located at the front of the parcel in conjunction with roadway access, or clustered with the existing development on the site.

(5) Safe ingress and egress from the site shall be provided.

(6) Produce stands and produce markets may have a maximum of one double-faced free-standing sign and one sign attached to the structure, not including small, pedestrian-oriented price signs up to one-half square feet each placed with produce. No sign or face shall exceed 10 square feet. No illuminated signs or off-site signs shall be allowed. All signs shall be located outside the public right-of-way and shall not obstruct ingress, egress, or vehicular site distance.

(7) The point of origin of each commodity sold at the produce stand or produce market, including the name of the farm and county where it was grown, shall be prominently displayed indoors, using legible lettering, preferably with produce price signs.

(8) Produce stands and produce markets shall be subject to the laws and regulations administered by other County of Santa Cruz departments, as well as the requirements of other jurisdictional agencies such as the California Department of Food and Agriculture and California Department of Transportation.

(D) Temporary Produce Sales Area. Temporary produce sales areas are subject to the following standards and requirements:

(1) Three parking spaces shall be provided. Each parking space shall be at least eight and one-half feet by 18 feet in size, shall be located off, or on the perimeter, of good agricultural soils and shall not encroach upon any public rights-of-way or create a traffic hazard. Parking is not required to be paved unless specified by permit.

(2) A temporary produce sales area may sell only raw, unprocessed fruits, vegetables, nuts, cut flowers, and other agricultural produce in its raw or natural state produced on land that the produce stand's proprietor controls. No other commodities may be sold from a temporary produce sales area.

(3) A temporary produce sales area may only be open for up to 90 consecutive days per year to coincide with the harvest of the commodity. The applicant must obtain an administrative use permit to operate a produce stand if the produce sales area will be open for longer than 90 consecutive days in a year or if produce sales will be staggered (non-consecutive) due to differing harvest times.

(4) During the time when the temporary produce sales area is closed, all signage pertaining to the produce sales area, the temporary structure, and all for-sale products shall be removed from view.

(E) Produce Stands. Produce stands are permitted subject to the following standards and requirements along with any other requirements deemed necessary due to the size, configuration, and location of the site.

(1) One off-street parking space shall be provided for each 400 square feet of gross floor area or a minimum of three parking spaces, whichever is greater. Each parking space shall be at least eight and one-half feet by 18 feet in size, shall be located off, or on the perimeter, of Type 1—3 agricultural soils, and shall not encroach upon any public rights-of-way or create a traffic hazard. Parking is not required to be paved unless specified by

discretionary permit as appropriate to control dust or mud, or to prevent erosion and sedimentation.

(2) A produce stand shall be used to sell primarily raw, unprocessed fruits, vegetables, eggs, honey, cut flowers, and other agricultural produce in its raw or natural state produced on land that the produce stand's proprietor controls.

(3) Up to 15 percent of the area of the produce stand may be used for the sales of processed, pre-packaged, non-potentially hazardous foods, and other agricultural products, including, but not limited to, dried fruit, jams, jellies, fruit pies, soaps, essential oils, topical products and other items produced by the stand proprietor within the County. All processed agricultural products are subject to County use permit requirements for agricultural processing and any applicable retail food law.

(4) Produce stands not in use for a period of three consecutive years shall be removed from the premises at the landowner's expense.

(5) Cold storage shall not be included as part of the allowable produce stand size and may require a separate approval, pursuant to SCCC [13.10.312](#) and Chapter [13.11](#) SCCC.

(6) A produce stand may be open to the public up to seven days a week as long as the farm is producing agricultural products to be sold at a produce stand.

(F) Produce Markets. Produce markets are subject to the following standards and requirements along with any other requirements deemed necessary due to the size, configuration, and location of the site.

(1) One off-street parking space shall be provided for each 400 square feet of gross floor area with a minimum of three parking spaces. Each parking space shall be at least eight and one-half feet by 18 feet in size, shall be located off, or on the perimeter of, Type 1—3 agricultural soils and shall not encroach upon any public rights-of-way or create a traffic hazard. Surfacing materials for the parking spaces shall be specified by discretionary permit.

(2) A produce market shall be used to sell primarily raw, unprocessed fruits, vegetables, eggs, honey, cut flowers, nursery plants or flowers, nuts, and other agricultural produce in its raw or natural state that have been grown in the County of Santa Cruz.

(3) Up to 25 percent of the area of the produce market may be used for the display of processed, pre-packaged, non-potentially hazardous foods including, but not limited to, dried fruit, jams, jellies, and fruit pies. All processed foods are subject to any applicable retail food law and must be obtained from approved sources. Products may also be obtained from cottage food operations within the County of Santa Cruz.

(4) Up to five percent of the display area may be used for sales of taxable items that advance the sale of agricultural products or educate the public about the agricultural industry.

(5) Except as provided in subsection (F)(4) of this section, no taxable items may be sold at produce markets and the sale of petroleum products, alcoholic beverages, tobacco, or magazines is specifically prohibited.

(6) Cold storage accessory to a produce market shall be located within or attached to the main structure and shall be used to store raw produce products and bottled water only for on-site sale. Cold storage facilities for wholesale agricultural commodities may require a separate site development permit pursuant to Chapter [13.11](#) SCCC.

(7) A produce market may operate up to 365 days a year. [Ord. 5423 § 24, 2022].

SECTION II

The adoption of this ordinance is subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15162 and 15164, which require an addendum to a previously certified EIR if changes are made that do not result in unaccounted for impacts. The proposed amendments to Santa Cruz County Code have been addressed in the Sustainability Plan Final EIR, and an Addendum to the EIR has been drafted.

SECTION III

The Board of Supervisors further finds and determines in its reasonable discretion on the basis of the entire record before it that the proposed amendments to Santa Cruz County Code Section 13.10.640 are consistent and compatible with and will not frustrate the objectives, policies, general land uses, and programs specified in the General Plan and Local Coastal Program.

SECTION IV

Should any section, clause, or provision of this Ordinance be declared by the courts to be invalid, the same shall not affect the validity of the Ordinance as a whole, or parts thereof, other than the part so declared to be invalid.

SECTION V

This ordinance shall take effect in areas outside the Coastal Zone on the 31st day after the date of final passage and shall take effect in areas within the Coastal Zone on the 31st day after the date of final passage, or upon certification by the Coastal Commission, whichever is later.

PASSED AND ADOPTED this ____ day of ____ 2025, by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES: SUPERVISORS

NOES: SUPERVISORS

ABSENT: SUPERVISORS

ABSTAIN: SUPERVISORS

Chairperson of the Board of Supervisors

ATTEST: _____

Clerk of the Board

APPROVED AS TO FORM:

Signed by:


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Office of the County Counsel

Certificate Of Completion

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Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/28/2025 9:12:36 AM
Envelope Updated	Security Checked	2/28/2025 10:12:55 AM
Envelope Updated	Security Checked	2/28/2025 10:12:55 AM
Certified Delivered	Security Checked	2/28/2025 9:41:00 AM
Signing Complete	Security Checked	2/28/2025 12:39:49 PM
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13.10.640 Temporary produce sales areas, produce stands, and produce markets.

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(C) General Standards. The following general standards shall apply to all produce sales areas, stands, and markets regulated by this chapter:

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(2) A temporary produce sales area or produce stand shall be allowed only if:

(a) It is located in the A (Agriculture), ~~or~~ CA (Commercial Agriculture) ~~Zoning District, TP (Timber Production), or SU (Special Use) Zoning District;~~

(b) It is accessory to agricultural production on the same parcel;

(c) At least 75 percent of the gross site area, that can be utilized for agricultural production, is devoted to agricultural production;

(d) The entirety of any subject parcel is owned or leased by the produce area/stand proprietor; and

(e) The floor area, excluding storage, shall not exceed 800 square feet. A larger floor area up to 1,600 square feet may be considered with an MUP or may be allowed if the building has a pre-existing commercial use which allowed for direct consumer services, including, but not limited to, wine tasting rooms, prepared food service, sales.

(3) A produce market shall be allowed only if:

- (a) It is located in the A Zoning District;
 - (b) It is accessory to agricultural production on the same site;
 - (c) At least 75 percent of the gross site area is devoted to agricultural production;
 - (d) The entirety of any subject parcel is owned or leased by the produce market proprietor;
and
 - (e) The floor area, excluding storage, does not exceed 1,800 square feet. A floor area of up to 3,600 square feet may be considered with approval of a CUP, where it can be demonstrated that a need for a market larger than 1,800 square feet exists, such as may be required for a larger agricultural operation.
- (4) The produce stand, produce market, and associated parking and circulation areas shall remove as little land as possible from agricultural production or potential production. To minimize disturbance to agricultural soils, all associated improvements shall be located off, or on the perimeter of, Type 1—3 soils to the maximum extent feasible. Stands and markets should be located at the front of the parcel in conjunction with roadway access, or clustered with the existing development on the site.
- (5) Safe ingress and egress from the site shall be provided.
- (6) Produce stands and produce markets may have a maximum of one double-faced free-standing sign and one sign attached to the structure, not including small, pedestrian-oriented price signs up to one-half square feet each placed with produce. No sign or face shall exceed 10 square feet. No illuminated signs or off-site signs shall be allowed. All signs shall be located outside the public right-of-way and shall not obstruct ingress, egress, or vehicular site distance.
- (7) The point of origin of each commodity sold at the produce stand or produce market, including the name of the farm and county where it was grown, shall be prominently displayed indoors, using legible lettering, preferably with produce price signs.
- (8) Produce stands and produce markets shall be subject to the laws and regulations administered by other County of Santa Cruz departments, as well as the requirements of other jurisdictional agencies such as the California Department of Food and Agriculture and California Department of Transportation.

(D) Temporary Produce Sales Area. Temporary produce sales areas are subject to the following standards and requirements:

- (1) Three parking spaces shall be provided. Each parking space shall be at least eight and one-half feet by 18 feet in size, shall be located off, or on the perimeter, of good agricultural soils and shall not encroach upon any public rights-of-way or create a traffic hazard. Parking is not required to be paved unless specified by permit.
- (2) A temporary produce sales area may sell only raw, unprocessed fruits, vegetables, nuts, cut flowers, and other agricultural produce in its raw or natural state produced on land that the produce stand's proprietor controls. No other commodities may be sold from a temporary produce sales area.
- (3) A temporary produce sales area may only be open for up to 90 consecutive days per year to coincide with the harvest of the commodity. The applicant must obtain an administrative use permit to operate a produce stand if the produce sales area will be open for longer than 90 consecutive days in a year or if produce sales will be staggered (non-consecutive) due to differing harvest times.
- (4) During the time when the temporary produce sales area is closed, all signage pertaining to the produce sales area, the temporary structure, and all for-sale products shall be removed from view.

(E) Produce Stands. Produce stands are permitted subject to the following standards and requirements along with any other requirements deemed necessary due to the size, configuration, and location of the site.

- (1) One off-street parking space shall be provided for each 400 square feet of gross floor area or a minimum of three parking spaces, whichever is greater. Each parking space shall be at least eight and one-half feet by 18 feet in size, shall be located off, or on the perimeter, of Type 1—3 agricultural soils, and shall not encroach upon any public rights-of-way or create a traffic hazard. Parking is not required to be paved unless specified by discretionary permit as appropriate to control dust or mud, or to prevent erosion and sedimentation.
- (2) A produce stand shall be used to sell primarily raw, unprocessed fruits, vegetables, eggs, honey, cut flowers, and other agricultural produce in its raw or natural state produced on land that the produce stand's proprietor controls.

(3) Up to 15 percent of the area of the produce stand may be used for the sales of processed, pre-packaged, non-potentially hazardous foods, ~~produced by the stand proprietor and other agricultural products~~, including, but not limited to, dried fruit, jams, jellies, ~~and fruit pies, soaps, essential oils, topical products and other items produced by the stand proprietor within the County.~~

All processed ~~agricultural products~~ ~~foods~~ are subject to County use permit requirements for agricultural processing and any applicable retail food law.

(4) Produce stands not in use for a period of three consecutive years shall be removed from the premises at the landowner's expense.

(5) Cold storage shall not be included as part of the allowable produce stand size and may require a separate approval, pursuant to SCCC [13.10.312](#) and Chapter [13.11](#) SCCC.

(6) A produce stand may be open to the public up to seven days a week as long as the farm is producing agricultural products to be sold at a produce stand.

(F) Produce Markets. Produce markets are subject to the following standards and requirements along with any other requirements deemed necessary due to the size, configuration, and location of the site.

(1) One off-street parking space shall be provided for each 400 square feet of gross floor area with a minimum of three parking spaces. Each parking space shall be at least eight and one-half feet by 18 feet in size, shall be located off, or on the perimeter of, Type 1—3 agricultural soils and shall not encroach upon any public rights-of-way or create a traffic hazard. Surfacing materials for the parking spaces shall be specified by discretionary permit.

(2) A produce market shall be used to sell primarily raw, unprocessed fruits, vegetables, eggs, honey, cut flowers, nursery plants or flowers, nuts, and other agricultural produce in its raw or natural state that have been grown in the County of Santa Cruz.

(3) Up to 25 percent of the area of the produce market may be used for the display of processed, pre-packaged, non-potentially hazardous foods including, but not limited to, dried fruit, jams, jellies, and fruit pies. All processed foods are subject to any applicable retail food law and must be obtained from approved sources. Products may also be obtained from cottage food operations within the County of Santa Cruz.

(4) Up to five percent of the display area may be used for sales of taxable items that advance the sale of agricultural products or educate the public about the agricultural industry.

(5) Except as provided in subsection (F)(4) of this section, no taxable items may be sold at produce markets and the sale of petroleum products, alcoholic beverages, tobacco, or magazines is specifically prohibited.

(6) Cold storage accessory to a produce market shall be located within or attached to the main structure and shall be used to store raw produce products and bottled water only for on-site sale. Cold storage facilities for wholesale agricultural commodities may require a separate site development permit pursuant to Chapter [13.11](#) SCCC.

(7) A produce market may operate up to 365 days a year. [Ord. 5423 § 24, 2022].

ORDINANCE NO. ____

**AN ORDINANCE AMENDING SECTION 13.10.372 OF THE
SANTA CRUZ COUNTY CODE REGARDING ALLOWANCE OF
TEMPORARY PRODUCE SALES AREAS AND PRODUCE
STANDS IN THE TIMBER PRODUCTION ZONE DISTRICT**

The Board of Supervisors of the County of Santa Cruz (the “Board”) hereby finds and declares the following:

WHEREAS, on June 4, 2024, the Board of Supervisors for the County of Santa Cruz (“Board”) directed the Santa Cruz County Cannabis Licensing Office (“CLO”) to prepare and propose revisions to the County’s Cannabis Program, specifically to Santa Cruz County Code (“SCCC”) Chapter 13.10, to allow retail sales at farm stands and temporary produce stands; and

WHEREAS, the Board also directed the Planning Commission to hold a public hearing on the proposed changes to the farm stand and temporary produce stand regulations; and

WHEREAS, the Planning Commission finds that the proposed amendments to SCCC sections 13.10.372 are consistent and compatible with the Santa Cruz County General Plan and all components of the Local Coastal Program implementing ordinances; and

WHEREAS, on November 15, 2022, the Board certified an Environmental Impact Report (EIR) for the County of Santa Cruz Sustainability Policy and Regulatory Update (Sustainability Update), consisting of amendments to the County’s General Plan/Local Coastal Program (LCP), including four updated General Plan elements, amendments to sections of the SCCC, adoption of County Design Guidelines, and General Plan land use map and/or zoning map amendments (State Clearinghouse No. 2020079005); and

WHEREAS, Sections 15162 and 15164 of the California Environmental Quality Act (“CEQA”) Guidelines require an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred; and

WHEREAS, the County has prepared an Addendum to the Santa Cruz County Sustainability Update EIR pursuant to Section 15164 of the CEQA Guidelines, and has determined that the revisions to Chapter 13.10 of the SCCC to allow retail sales at farm stands and temporary produce stands are consistent with the environmental impacts evaluated in the Sustainability Update EIR and subsequent addenda as documented by the review contained in the Addendum,, and none of the conditions described in Section 15162 of the CEQA Guidelines calling for preparation of a subsequent EIR have occurred..

NOW, THEREFORE, the Board of Supervisors of the County of Santa Cruz hereby ordains as follows:

SECTION I

Section 13.10.372 of the Santa Cruz County Code is hereby amended to read as follows:

13.10.372 Uses in the Timber Production TP District.

(A) Allowed Uses. The uses allowed in the Timber Production District shall be as provided in the Timber Production Uses Chart below. Certain disallowed uses that were legally established and are preexisting on a parcel may be considered legal nonconforming uses. See SCCC [13.10.260](#) and [13.10.261](#) for regulations regarding legal nonconforming uses. For amendments to a use with a valid discretionary permit, see SCCC [18.10.134](#).

(B) Use Permits. A discretionary permit for an allowed use is known as a “use permit.” Certain allowed uses are permitted by right and other allowed uses require a use permit as indicated in the Timber Production uses chart. The processing procedures for use permits are detailed in Chapter [18.10](#) SCCC, Discretionary Permit Approval Procedures.

(C) Other Discretionary Permits. Physical site development may require a site development permit pursuant to SCCC [13.11.035](#), a coastal development permit pursuant to SCCC [13.20.050](#), or other discretionary review.

(D) Timber Production Uses Chart. Allowed uses and permit requirements in the TP Zone District are identified in the following chart. Uses that are not specifically identified in the chart but are determined by the Planning Director to be of the same general character as an identified use, may be permitted subject to the same permit requirements as the identified use.

All discretionary nontimber uses in the TP Zone District shall be compatible with the growing and harvesting of timber as supported by a compatibility analysis, pursuant to SCCC [13.10.375](#)(A).

KEY:

P Permitted by right: Use is allowed without a use permit.

ZC Zoning Clearance: Ministerial review for conformance with Zoning Ordinance, no use permit required.

MUP Minor Use Permit: Discretionary permit, no public notice.

AUP Administrative Use Permit: Discretionary permit with public notice.

CUP Conditional Use Permit: Discretionary permit with public notice and a public hearing. Hearing is before the Zoning Administrator except where the Planning Commission (PC) is specified.

MP Mining permit issued in accordance with Chapter [16.54](#) SCCC, Mining Regulations.

^A Use must be ancillary or complementary to another allowed use. A primary allowed use must first be in place or must be proposed concurrently on a site to allow an ancillary or complementary use.

Table 13.10.372-1: Timber Production TP Uses Chart

Use	Permit Required ¹	References and Notes
Timber Production		
Timber: Growing, harvesting: the cutting and removal of timber and other forest products, and incidental work	P	
Accessory structures, non-habitable, when incidental to timber production or agricultural use	P ^A	13.10.312 16.22.060
Watershed management; habitat management, fish, and wildlife; in addition to timber harvesting	P	
Agriculture		
Agricultural uses allowed by right in the CA Zone District (except as noted below):	P	13.10.312 and 13.10.640 (for restrictions related to produce sales area and produce stands)
Agricultural research and development facility	CUP	13.10.644
Agricultural employee housing, up to 12 units or 36 beds; caretaker unit	MUP	13.10.631
Greenhouses 500 sf or larger	MUP	13.10.636

Table 13.10.372-1: Timber Production TP Uses Chart

Use	Permit Required ¹	References and Notes
Commercial stable or riding academy	CUP	13.10.644
Agricultural uses allowed with a use permit in the CA Zone District	CUP	13.10.312
Conversion of timberland to agricultural uses not exceeding 10 percent of the total timber area on the parcel	CUP	13.10.312
Commercial Cannabis Cultivation, Manufacturing, and Distribution <i>All uses subject to SCCC 13.10.650 (non-retail commercial cannabis) and with a license pursuant to Chapter 7.128 SCCC.</i>		
Indoor cultivation (including greenhouses): outside the coastal zone and 1-mile buffer	AUP/ CUP	AUP for Class CG licensed cultivation activities. CUP for other indoor cultivation. Pre-existing legal commercial use must exist on site. Commercial cannabis cultivation not permitted in the Coastal Zone and 1-mile buffer.
Outdoor cultivation (or new or existing hoop houses): outside the coastal zone and 1-mile buffer	AUP/ CUP	AUP for Class CG licensed cultivation activities <500 sf. CUP for other outdoor cultivation. Pre-existing legal commercial use must exist on site. Commercial cannabis cultivation not permitted in the Coastal Zone and 1-mile buffer.
Water tank	MUP ^A	Pre-existing legal commercial use must exist on site.

Table 13.10.372-1: Timber Production TP Uses Chart

Use	Permit Required¹	References and Notes
Manufacturing, Class 1 or 2 (outside the Coastal Zone and 1-mile buffer)	MUP/ CUP	MUP if manufacturing involves cannabis cultivated on site. Otherwise, CUP required. Pre-existing legal commercial use must exist on site. Class 1 or 2 manufacturing not permitted in the Coastal Zone and 1-mile buffer. Class 3 manufacturing not permitted anywhere in the TP district.
Distribution, Class 1 (outside the Coastal Zone and 1-mile buffer)	MUP/ CUP	CUP for cannabis distribution in new structures, MUP for existing structures. Pre-existing legal commercial use must exist on site. Class 1 distribution not permitted in the Coastal Zone and 1-mile buffer. Class 2 manufacturing not permitted anywhere in the TP district.
Distribution, transport only	P	Pre-existing legal commercial use must exist on site.
Other Commercial, Infrastructure and Utility Uses		
Energy cogeneration	CUP	13.10.700-C
Mining: mineral production and quarry operations	MP	Chapter 16.54
Research facilities for wildlife observation and research	CUP	
Septic tank sludge disposal sites that are approved by the Health Officer	AUP	Chapter 7.42
Utility facility	CUP	Includes private and public utilities and microgrids.

Table 13.10.372-1: Timber Production TP Uses Chart

Use	Permit Required ¹	References and Notes
		13.10.700-M
Wireless communication facilities	P/CUP	Subject to SCCC 13.10.660 through 13.10.664 , inclusive
Residential Units		
One single-family dwelling per existing parcel of record	P/MUP	P outside coastal zone; MUP inside coastal zone.
Dwelling groups of single-family dwellings	CUP/ CUP-PC	CUP for 1—2 dwelling units. CUP-PC for >2 dwelling units. See SCCC 13.10.373 for density requirements.
Accessory dwelling units (ADUs) or junior accessory dwelling units; (JADUs)	P ^A /MUP ^A	P outside coastal zone; MUP inside coastal zone. A compatibility analysis is required pursuant to SCCC 13.10.375(A) . 13.10.681
Accessory structures (habitable and non-habitable) incidental to a residential use	P ^A	13.10.611
Mobile home, temporary, for not more than five years for a caretaker or watchman in isolated areas on a minimum of 10 acres	MUP ^A	
Residential Units—Commercial Uses (ancillary to residential use)		
Family day care homes	P ^A	Serving up to 14 children (see SCCC 13.10.700-D). 13.10.613

Table 13.10.372-1: Timber Production TP Uses Chart

Use	Permit Required ¹	References and Notes
Home occupations	P ^A /CUP ^A	See SCCC 13.10.613 to determine when a CUP is required.
Hosted rentals	ZC ^A	Hosted rental permit required per SCCC 13.10.690 .
Vacation rentals	AUP ^A / CUP ^A	AUP for new rentals with 3 or fewer bedrooms. AUP for renewals. CUP for new rentals with more than 3 bedrooms. Vacation rental permit required per SCCC 13.10.694 .
Recreation and Visitor Accommodation		
State parks	CUP	13.10.351 , et seq.
Organized camps and facilities for outdoor recreational, educational, religious activities	CUP	13.10.351 , et seq. 13.10.689 13.10.692
Bed and breakfast inns, limited to one inn per 40 acres	CUP	Access road must be approved by the responsible fire-protection agency. 13.10.689 13.10.691
Small-scale commercial visitor accommodation, in the Coastal Zone, upon conversion of existing structure	CUP	13.10.689 13.20

1. Table indicates use permits only. Other discretionary permits may be required.

(E) Use Conditions.

(1) Amplified Entertainment. A CUP is required for outdoor amplified entertainment.

(2) Hours of Operation. No business or service establishment shall be open between the hours of 10:00 p.m. and 6:00 a.m. except pursuant to a CUP. Within 150 feet of any residentially zoned property, no non-emergency outdoor activity, including loading, sweeping, landscaping, or maintenance shall occur between the hours of 10:00 p.m. and 6:00 a.m. except pursuant to a CUP, and no business or service shall be open between the hours of 8:00 p.m. to 10:00 p.m. or between the hours of 6:00 a.m. and 8:00 a.m., except pursuant to an MUP.

(3) Temporary/seasonal use: allowed pursuant to a temporary use permit (TUP), subject to SCCC [13.10.616](#).

(4) Additional conditions for specific uses are found in other sections of the County Code as referenced in the Timber Production Uses Chart. [Ord. 5439 § 7, 2023; Ord. 5423 § 16, 2022; Ord. 5402 § 7, 2022; Ord. 5382 § 4, 2021; Ord. 5365 § 4, 2021; Ord. 5345 § 4, 2020; Ord. 5336 § 6, 2020; Ord. 5334 § 6, 2020; Ord. 5326 § 17, 2020; Ord. 5325 § 17, 2020; Ord. 5272 § 6, 2018; Ord. 5266 § 5, 2018; Ord. 5229 § 4, 2016; Ord. 5092 § 4, 2011; Ord. 4873 § 6, 2007; Ord. 4836 §§ 92, 93, 2006; Ord. 4814 § 5, 2006; Ord. 4808 § 21, 2005; Ord. 4770 § 9, 2004; Ord. 4744 § 9, 2003; Ord. 4715 § 9, 2003; Ord. 4577 § 9, 1999; Ord. 4496-C § 33, 1998; Ord. 4099 § 5, 1990; Ord. 4036 § 6, 1989; Ord. 3893 § 2, 1988; Ord. 3842 § 2, 1987; Ord. 3747 § 1, 1986; Ord. 3632 § 11, 1985; Ord. 3593 § 11, 1984; Ord. 3432 § 1, 1983].

SECTION II

The adoption of this ordinance is subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15162 and 15164, which require an addendum to a previously certified EIR if changes are made that do not result in unaccounted for impacts. The proposed amendments to Santa Cruz County Code have been addressed in the Sustainability Plan Final EIR, and an Addendum to the EIR has been drafted.

SECTION III

The Board of Supervisors further finds and determines in its reasonable discretion on the basis of the entire record before it that the proposed amendments to Santa Cruz County Code Section 13.10.372 are consistent and compatible with and will not frustrate the objectives, policies, general land uses, and programs specified in the General Plan and Local Coastal Program.

SECTION IV

Should any section, clause, or provision of this Ordinance be declared by the courts to be invalid, the same shall not affect the validity of the Ordinance as a whole, or parts thereof, other than the part so declared to be invalid.

SECTION V

This ordinance shall take effect in areas outside the Coastal Zone on the 31st day after the date of final passage and shall take effect in areas within the Coastal Zone on the 31st day after the date of final passage, or upon certification by the Coastal Commission, whichever is later.

PASSED AND ADOPTED this ____ day of ____ 2025, by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES: SUPERVISORS

NOES: SUPERVISORS

ABSENT: SUPERVISORS

ABSTAIN: SUPERVISORS

Chairperson of the Board of Supervisors

ATTEST: _____

Clerk of the Board

APPROVED AS TO FORM:

Signed by:


4F07BB2FA63D4F5...

Office of the County Counsel

Certificate Of Completion

Envelope Id: 060F28E6-27C1-4E09-A424-282AE8ADE9D2
 Subject: REVISED Complete with Docusign: Exhibit 4 - 13.10.372 clean.pdf
 Source Envelope:
 Document Pages: 9
 Certificate Pages: 4
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 Envelopeld Stamping: Enabled
 Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Completed
 Envelope Originator:
 Sam LoForti
 701 Ocean Street
 Santa Cruz, CA 95060
 Sam.LoForti@santacruzcountyca.gov
 IP Address: 63.194.190.100

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Signer Events

Ryan Thompson
 Ryan.Thompson@santacruzcountyca.gov
 Security Level: Email, Account Authentication (None)

Signature

Signed by:

 4F07BB2FA63D4F5...

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Sent: 2/28/2025 9:13:22 AM
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 Signed: 2/28/2025 12:40:50 PM

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In Person Signer Events

Signature

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Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

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Certified Delivery Events

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Carbon Copy Events

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Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent	Hashed/Encrypted	2/28/2025 9:13:22 AM
Envelope Updated	Security Checked	2/28/2025 10:14:02 AM
Envelope Updated	Security Checked	2/28/2025 10:14:02 AM
Certified Delivered	Security Checked	2/28/2025 9:45:28 AM
Signing Complete	Security Checked	2/28/2025 12:40:50 PM
Completed	Security Checked	2/28/2025 12:40:50 PM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, County of Santa Cruz (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact County of Santa Cruz:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: nada.algharib@santacruzcounty.us

To advise County of Santa Cruz of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at nada.algharib@santacruzcounty.us and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from County of Santa Cruz

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to nada.algharib@santacruzcounty.us and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with County of Santa Cruz

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to nada.algharib@santacruzcounty.us and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

13.10.372 Uses in the Timber Production TP District.

(A) Allowed Uses. The uses allowed in the Timber Production District shall be as provided in the Timber Production Uses Chart below. Certain disallowed uses that were legally established and are preexisting on a parcel may be considered legal nonconforming uses. See SCCC [13.10.260](#) and [13.10.261](#) for regulations regarding legal nonconforming uses. For amendments to a use with a valid discretionary permit, see SCCC [18.10.134](#).

(B) Use Permits. A discretionary permit for an allowed use is known as a “use permit.” Certain allowed uses are permitted by right and other allowed uses require a use permit as indicated in the Timber Production uses chart. The processing procedures for use permits are detailed in Chapter [18.10](#) SCCC, Discretionary Permit Approval Procedures.

(C) Other Discretionary Permits. Physical site development may require a site development permit pursuant to SCCC [13.11.035](#), a coastal development permit pursuant to SCCC [13.20.050](#), or other discretionary review.

(D) Timber Production Uses Chart. Allowed uses and permit requirements in the TP Zone District are identified in the following chart. Uses that are not specifically identified in the chart but are determined by the Planning Director to be of the same general character as an identified use, may be permitted subject to the same permit requirements as the identified use.

All discretionary nontimber uses in the TP Zone District shall be compatible with the growing and harvesting of timber as supported by a compatibility analysis, pursuant to SCCC [13.10.375](#)(A).

KEY:

P Permitted by right: Use is allowed without a use permit.

ZC Zoning Clearance: Ministerial review for conformance with Zoning Ordinance, no use permit required.

MUP Minor Use Permit: Discretionary permit, no public notice.

AUP Administrative Use Permit: Discretionary permit with public notice.

CUP Conditional Use Permit: Discretionary permit with public notice and a public hearing. Hearing is before the Zoning Administrator except where the Planning Commission (PC) is specified.

MP Mining permit issued in accordance with Chapter [16.54](#) SCCC, Mining Regulations.

A Use must be ancillary or complementary to another allowed use. A primary allowed use must first be in place or must be proposed concurrently on a site to allow an ancillary or complementary use.

Table 13.10.372-1: Timber Production TP Uses Chart

Use	Permit Required ¹	References and Notes
Timber Production		
Timber: Growing, harvesting: the cutting and removal of timber and other forest products, and incidental work	P	
Accessory structures, non-habitable, when incidental to timber production or agricultural use	P ^A	13.10.312 16.22.060
Watershed management; habitat management, fish, and wildlife; in addition to timber harvesting	P	
Agriculture		
Agricultural uses allowed by right in the CA Zone District (except as noted below):	P	13.10.312 and 13.10.640 (for restrictions related to produce sales area and produce stands)
Agricultural research and development facility	CUP	13.10.644
Agricultural employee housing, up to 12 units or 36 beds; caretaker unit	MUP	13.10.631
Greenhouses 500 sf or larger	MUP	13.10.636
Commercial stable or riding academy	CUP	13.10.644
Agricultural uses allowed with a use permit in the CA Zone District	CUP	13.10.312
Conversion of timberland to agricultural uses not	CUP	13.10.312

Table 13.10.372-1: Timber Production TP Uses Chart

Use	Permit Required ¹	References and Notes
exceeding 10 percent of the total timber area on the parcel		
Commercial Cannabis Cultivation, Manufacturing, and Distribution <i>All uses subject to SCCC 13.10.650 (non-retail commercial cannabis) and with a license pursuant to Chapter 7.128 SCCC.</i>		
Indoor cultivation (including greenhouses): outside the coastal zone and 1-mile buffer	AUP/ CUP	<p>AUP for Class CG licensed cultivation activities. CUP for other indoor cultivation.</p> <p>Pre-existing legal commercial use must exist on site.</p> <p>Commercial cannabis cultivation not permitted in the Coastal Zone and 1-mile buffer.</p>
Outdoor cultivation (or new or existing hoop houses): outside the coastal zone and 1-mile buffer	AUP/ CUP	<p>AUP for Class CG licensed cultivation activities <500 sf. CUP for other outdoor cultivation.</p> <p>Pre-existing legal commercial use must exist on site.</p> <p>Commercial cannabis cultivation not permitted in the Coastal Zone and 1-mile buffer.</p>
Water tank	MUP ^A	Pre-existing legal commercial use must exist on site.
Manufacturing, Class 1 or 2 (outside the Coastal Zone and 1-mile buffer)	MUP/ CUP	<p>MUP if manufacturing involves cannabis cultivated on site. Otherwise, CUP required.</p> <p>Pre-existing legal commercial use must exist on site.</p> <p>Class 1 or 2 manufacturing not permitted in the Coastal Zone and 1-mile buffer. Class 3 manufacturing not permitted anywhere in the TP district.</p>
Distribution, Class 1 (outside the Coastal Zone and 1-mile buffer)	MUP/ CUP	CUP for cannabis distribution in new structures, MUP for existing structures.

Table 13.10.372-1: Timber Production TP Uses Chart

Use	Permit Required ¹	References and Notes
		Pre-existing legal commercial use must exist on site. Class 1 distribution not permitted in the Coastal Zone and 1-mile buffer. Class 2 manufacturing not permitted anywhere in the TP district.
Distribution, transport only	P	Pre-existing legal commercial use must exist on site.
Other Commercial, Infrastructure and Utility Uses		
Energy cogeneration	CUP	13.10.700-C
Mining: mineral production and quarry operations	MP	Chapter 16.54
Research facilities for wildlife observation and research	CUP	
Septic tank sludge disposal sites that are approved by the Health Officer	AUP	Chapter 7.42
Utility facility	CUP	Includes private and public utilities and microgrids. 13.10.700-M
Wireless communication facilities	P/CUP	Subject to SCCC 13.10.660 through 13.10.664 , inclusive
Residential Units		
One single-family dwelling per existing parcel of record	P/MUP	P outside coastal zone; MUP inside coastal zone.
Dwelling groups of single-family dwellings	CUP/ CUP-PC	CUP for 1—2 dwelling units. CUP-PC for >2 dwelling units. See SCCC 13.10.373 for density requirements.

Table 13.10.372-1: Timber Production TP Uses Chart

Use	Permit Required ¹	References and Notes
Accessory dwelling units (ADUs) or junior accessory dwelling units; (JADUs)	P ^A /MUP ^A	P outside coastal zone; MUP inside coastal zone. A compatibility analysis is required pursuant to SCCC 13.10.375(A) . 13.10.681
Accessory structures (habitable and non-habitable) incidental to a residential use	P ^A	13.10.611
Mobile home, temporary, for not more than five years for a caretaker or watchman in isolated areas on a minimum of 10 acres	MUP ^A	
Residential Units—Commercial Uses (ancillary to residential use)		
Family day care homes	P ^A	Serving up to 14 children (see SCCC 13.10.700-D). 13.10.613
Home occupations	P ^A /CUP ^A	See SCCC 13.10.613 to determine when a CUP is required.
Hosted rentals	ZC ^A	Hosted rental permit required per SCCC 13.10.690 .
Vacation rentals	AUP ^A / CUP ^A	AUP for new rentals with 3 or fewer bedrooms. AUP for renewals. CUP for new rentals with more than 3 bedrooms. Vacation rental permit required per SCCC 13.10.694 .
Recreation and Visitor Accommodation		
State parks	CUP	13.10.351 , et seq.

Table 13.10.372-1: Timber Production TP Uses Chart

Use	Permit Required ¹	References and Notes
Organized camps and facilities for outdoor recreational, educational, religious activities	CUP	13.10.351 , et seq. 13.10.689 13.10.692
Bed and breakfast inns, limited to one inn per 40 acres	CUP	Access road must be approved by the responsible fire-protection agency. 13.10.689 13.10.691
Small-scale commercial visitor accommodation, in the Coastal Zone, upon conversion of existing structure	CUP	13.10.689 13.20

1. Table indicates use permits only. Other discretionary permits may be required.

(E) Use Conditions.

(1) Amplified Entertainment. A CUP is required for outdoor amplified entertainment.

(2) Hours of Operation. No business or service establishment shall be open between the hours of 10:00 p.m. and 6:00 a.m. except pursuant to a CUP. Within 150 feet of any residentially zoned property, no non-emergency outdoor activity, including loading, sweeping, landscaping, or maintenance shall occur between the hours of 10:00 p.m. and 6:00 a.m. except pursuant to a CUP, and no business or service shall be open between the hours of 8:00 p.m. to 10:00 p.m. or between the hours of 6:00 a.m. and 8:00 a.m., except pursuant to an MUP.

(3) Temporary/seasonal use: allowed pursuant to a temporary use permit (TUP), subject to SCCC [13.10.616](#).

(4) Additional conditions for specific uses are found in other sections of the County Code as referenced in the Timber Production Uses Chart. [Ord. 5439 § 7, 2023; Ord. 5423 § 16, 2022; Ord. 5402 § 7, 2022; Ord. 5382 § 4, 2021; Ord. 5365 § 4, 2021; Ord. 5345 § 4, 2020; Ord. 5336 § 6, 2020; Ord. 5334 § 6, 2020; Ord. 5326 § 17, 2020; Ord. 5325 § 17, 2020; Ord. 5272 § 6, 2018; Ord. 5266 § 5, 2018; Ord. 5229 § 4, 2016; Ord. 5092 § 4, 2011; Ord. 4873 § 6, 2007; Ord. 4836 §§ 92, 93, 2006; Ord. 4814 § 5, 2006; Ord. 4808 § 21, 2005; Ord. 4770 § 9, 2004; Ord. 4744 § 9, 2003; Ord. 4715 § 9, 2003; Ord. 4577 § 9, 1999; Ord. 4496-C § 33, 1998; Ord. 4099 § 5, 1990; Ord. 4036 § 6, 1989; Ord. 3893 § 2, 1988; Ord. 3842 § 2, 1987; Ord. 3747 § 1, 1986; Ord. 3632 § 11, 1985; Ord. 3593 § 11, 1984; Ord. 3432 § 1, 1983].



County of Santa Cruz

DEPARTMENT OF COMMUNITY DEVELOPMENT AND INFRASTRUCTURE

701 OCEAN STREET, FOURTH FLOOR, SANTA CRUZ, CA 95060-4070
Planning (831) 454-2580 Public Works (831) 454-2160

To: Clerk of the Board
Attn: Juliette Rezzato
701 Ocean Street, Room 500
Santa Cruz, CA 95060

Project Name: Addendum for updates to Temporary Produce Sales Area and Produce Stands, State Clearinghouse No. 2020079005

Project Location: Countywide

Assessor Parcel No.: N/A

Project Applicant: County of Santa Cruz Community Development and Infrastructure

Project Description: The project updates the Santa Cruz County Code (SCCC) for temporary produce areas and produce stands as defined in SCCC section 13.10.640. The changes encompass minor revisions to allowable sales and allowance of these sites to occur within the Timber Production (TP) and Special Use (SU) zone districts, as defined by the Board of Supervisors. The project includes discretionary aspects associated with cannabis sales at these sites, as defined in SCCC chapter 7.138.

Agency Approving Project: County of Santa Cruz Board of Supervisors

County Contact: Samuel LoForti

Telephone No. 831-454-3426

Date Completed: January 22, 2025

This is to advise that the County of Santa Cruz Board of Supervisors has approved the above-described project on _____, 2025 (date) and found the Addendum to the Final Environmental Impact Report for the Sustainability Policy and Regulatory Update necessary to facilitate the proposed code changes and that no substantial changes or significant environmental effects will occur.

Background:

This document is an addendum to the Final Environmental Impact Report ("EIR") for the Sustainability Policy and Regulatory Update ("Sustainability Update") (State Clearinghouse No. 2020079005), which was certified by the Board of Supervisors on November 15, 2022. In accordance with the California Environmental Quality Act (CEQA), this addendum analyzes proposed code modifications to the Final EIR approved in 2022 and demonstrates that all potential environmental impacts associated with the proposed modifications would be within the envelope of impacts already evaluated in the Final EIR.

CEQA Authority to Amend

CEQA establishes the type of environmental documentation required when changes to a project occur after an EIR is certified. Specifically, Section 15164(a) of the CEQA Guidelines states that:

The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.

Section 15162 of the CEQA Guidelines does not require a subsequent EIR be prepared for a project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

- (1) *Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;*
- (2) *Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to*

the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

- (3) *New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the Negative Declaration was adopted, shows any of the following:*
- (A) *The project will have one or more significant effects not discussed in the previous EIR or negative declaration;*
 - (B) *Significant effects previously examined will be substantially more severe than shown in the previous EIR;*
 - (C) *Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or*
 - (D) *Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.*
- Association of Environmental Professionals 2024 CEQA Guidelines 248.

Likewise, California Public Resources Code (PRC) Section 21166 states that unless one or more of the following events occur, no subsequent or supplemental environmental impact report shall be required by the lead agency or by any responsible agency:

- (a) *Substantial changes are proposed in the project which will require major revisions of the environmental impact report;*
- (b) *Substantial changes occur with respect to the circumstances under which the project is being undertaken which will require major revisions in the environmental impact report;*
- (c) *New information, which was not known and could not have been known at the time the environmental impact report was certified as complete, becomes available.*

The proposed changes would not result in any new significant impacts, nor would they substantially increase the severity of previously anticipated significant impacts. All of the impacts associated with the proposed modifications are within the envelope of impacts addressed within the Final EIR and do not constitute new or substantially increased significant impacts. The basis for this determination is included within the analysis section below. The modifications do not trigger the requirements for preparation of a subsequent or supplemental EIR pursuant to section 15162 of the CEQA guidelines.

Overview of the Approved Final EIR

The approved Final EIR consists of amendments to the County's existing General Plan/Local Coastal Program (LCP) and several sections of the SCCC, as well as two other components described below. The proposed Sustainability Update is a comprehensive update to the County's General Plan/LCP and modernization of the SCCC. The goal of this update was to implement new policies and code regulations that support more sustainable communities in Santa Cruz County. The County's previous LCP was adopted in 1994, and was updated to align with new state laws, new regional and local plans, and a community vision that is focused on sustainable growth. The SCCC needed to be updated to implement the changes that are proposed in the General Plan/LCP. The County modernized the SCCC and prepared County Design Guidelines that were intended to help applicants understand the County's development rules and design projects that align with the community's vision. The proposed project also arises in part from the Sustainable Santa Cruz County Plan, accepted by the Board of Supervisors in October 2014 as a planning and feasibility study that focused on sustainable development of the County's urban areas.

The Sustainability Update consisted of four key components that are further described below:

1. General Plan/LCP Amendments. The approved amendments, text revisions, new or revised goals, objectives and policies, and new and revised implementation strategies that replaced prior programs. Revisions were included for the following five General Plan/LCP chapters:
 - Chapter 1: Introduction;
 - Chapter 2: Built Environment (formerly Land Use);
 - Chapter 3: Access + Mobility (formerly Circulation);
 - Chapter 5: Agriculture, Natural Resources + Conservation; and
 - Chapter 7: Parks, Recreation + Public Facilities.

The above-listed General Plan/LCP elements joined three other existing elements that were previously updated, which comprise the entirety of the General Plan/LCP:

- Chapter 4: Housing (2016);
 - Chapter 6: Public Safety (2020); and
 - Chapter 8: Noise (2019).
2. SCCC Amendments. Amendments to the SCCC were included in Title 13—Planning and Zoning Regulations and Title 18—Procedures, with some revisions to Title 5—Business Regulations, Title

12—Building Regulations, Title 15— Community Facilities, and Title 16—Environmental and Resource Protection, in order to ensure regulations incorporated State law and modern practices, reflected General Plan/LCP proposed revisions, and are internally consistent.

3. County Design Guidelines. The Sustainability Update includes adoption of County Design Guidelines, which are referenced in revisions to SCCC Chapter 13.11.
4. Land Use and Zoning Map Amendments. Selected property-specific General Plan land use designation changes and/or rezonings have been identified by County staff and include identified opportunity sites such as the vacant property located at Soquel Drive and Thurber Lane and vacant and underutilized properties along the Portola Drive commercial corridor. There were General Plan designation and/or zone district amendments for other parcels in order to achieve consistency with the General Plan and/or existing uses on a property.

The California Coastal Act of 1976 (Coastal Act) requires local jurisdictions to adopt an LCP to regulate development within the coastal zone. The Coastal Act requires jurisdictions to have an LCP consisting of both a Land Use Plan (LUP) and a Local Coastal Implementation Plan (LCIP) with implementing actions that are consistent with the statewide Coastal Act policies. The Coastal Act requires Coastal Commission approval of amendments to jurisdictions' LUP and LCIP. The approved Sustainability Update included amendments to some General Plan/LCP goals, objectives, policies, and implementation strategies that are also part of the LUP. The approved Sustainability Update included amendments to some sections of the SCCC that included sections that are part of the LCIP. These sections and chapters required Coastal Commission approval as part of an LCP amendment. The Coastal Commission certified the Sustainability Update on December 15, 2023.

Analysis

The proposed modification to SCCC section 13.10.640 would allow for temporary produce sales areas and produce stands within the Timber Production (TP) and Special Use (SU) zoning districts in addition to the previously approved Agricultural and Commercial Agricultural zoning districts. A produce stand may be allowed within an existing building that has an approved pre-existing commercial use which allowed for direct consumer sales. An additional technical change includes clarification that agricultural products, not just raw goods, may be sold at temporary produce stands. The proposed addition of SCCC Chapter 7.138 includes discretionary requirements associated with security, sales limits, seasonal operational restrictions required to obtain a business license. Chapter 7.138 only applies to businesses in compliance with SCCC section 13.10.640.

The proposal to allow these temporary produce sales areas and produce stands within the TP and SU zone districts is based on the allowed uses of these zone districts as defined by SCCC section 13.10.372 (for the TP zone) and 13.10.382 (for the SU zone). These allowed uses include agricultural uses and accessory structures incidental to agricultural use.

The inclusion of the TP and SU zone districts does not constitute a substantial change to the Final EIR that would cause new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Additionally, since the EIR was adopted, there is no new information of substantial importance that shows there is a potential for new or substantially more severe significant effects, or that new mitigation measures would reduce any significant impacts of the project.

The Project is within the scope of the impacts evaluated in the EIR. The EIR evaluated the potential for significant impacts related to small-scale, ancillary agricultural support uses, such as marketing of products grown on the site and agri-tourism. Specifically, the EIR evaluated the impacts of the adoption of SCCC section 13.10.640, which allows temporary produce sales areas, produce stands, and produce markets in the Agriculture and Commercial Agriculture zoning districts if certain conditions are met. Project features contained in both the Sustainability Update's General Plan Amendments and Code Amendments protect prime agricultural land and preserve long-term commercial agricultural use. (See Draft EIR Table 4.2-4, citing ARC 1.1.3 -5, 7, 11-12; ARC 1.2.1-2.4; ARC 1.3.1-3; ARC 1.4.5, ARC 2.1.4.) Moreover, the Draft EIR concludes that the structural development that will result from these activities supports the continued viability of commercial agricultural operations. Additionally, SCCC section 13.10.640 (C)(4) requires the produce stand and any associated parking and circulation areas to remove as little agricultural land as possible, and requires all associated improvement to be located off, or on the perimeter of the Type 1 – 3 soils to the maximum extent feasible. As a result, the inclusion of produce markets and produce sales areas in TP and SU zoning districts will not result in any new significant impacts to agricultural lands as conversions of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance are unlikely to occur, and if they do occur must comply with General Plan Policy ARC 1.3.1 and must be incidental to the agricultural use.

The EIR evaluates the impacts of agricultural uses on urban land uses, and concludes that the establishment of buffers provided for in the SCCC will protect adjacent neighbors from impacts related to dust, noise, odors, potential “drift” of pesticide application, and other disturbances associated with agricultural operations. (See Final EIR section 3.2.4) As a result, the project will not result in any potential significant impacts related to these impact areas. The EIR evaluates traffic related cumulative development and growth, both within the unincorporated county and in the incorporated cities. The traffic analysis included in section 4.15.3.3 notes that potential significant impacts are limited to development and redevelopment within urban areas within the County’s urban services line. Traffic related impacts from farm stands were not concluded to have a substantial impact in the EIR. No other impacts to environmental resources analyzed in the Sustainability Update EIR are anticipated or reasonably foreseeable as a result of the proposed SCCC amendments or future development as allowed by the SCCC amendments.

The EIR evaluates impacts to forest lands and concludes the Sustainability Update would not directly result in impacts related to the conversion of forest lands, (see Draft EIR section 4.2.3.2). Forest lands and timberlands are primarily located within the TP zone district and the Project does not include any provisions that allow for the conversion of these lands to be utilized for temporary produce sales areas or produce stands. Therefore, the EIR evaluation extends to this Project.

Summary

The proposed modifications are limited technical changes which only impact retail sales for agricultural goods and products produced by the farms. These temporary produce sales areas are not permanent installations and will not result in the conversion of agricultural lands. The EIR determined that the existing County Code provisions and those adopted as part of the Sustainability Update prevent agricultural ancillary uses such as support facilities and tourism facilities from causing any potential significant impacts.

**PUBLIC NOTICE
PROPOSED ORDINANCE
(SUMMARY)**

Board of Supervisors Information (for Clerk Use only):

Approved in Concept: Click or tap to enter a date.

AMS Item: Click or tap here to enter text.

Scheduled for Second Reading & Final Adoption: Click or tap to enter a date.

Ordinance Title:

ORDINANCE ENACTING CHAPTER 7.138 OF THE SANTA CRUZ COUNTY CODE
REGARDING CANNABIS FARM RETAIL LICENSE PILOT PROGRAM

Ordinance Summary:

Santa Cruz County Code Chapter 7.138 creates a three-year pilot program for, and provides local rules to regulate, retail cannabis sales and cannabis consumption at licensed cannabis cultivation sites within the unincorporated area of Santa Cruz County.

The full text of this ordinance is available for public review at the Office of the Clerk of the Board, Room 520, Governmental Center Building, 701 Ocean Street, 5th Floor, Santa Cruz, California 95060; and on the Internet at:

<https://santacruzcountyca.igm2.com>

For Clerk Use Only:

By: Click or tap here to enter text.

Dated: Click or tap to enter a date.

**PUBLIC NOTICE
PROPOSED ORDINANCE
(SUMMARY)**

Board of Supervisors Information (for Clerk Use only):

Approved in Concept: Click or tap to enter a date.

AMS Item: Click or tap here to enter text.

Scheduled for Second Reading & Final Adoption: Click or tap to enter a date.

Ordinance Title:

ORDINANCE AMENDING SECTION 13.10.640 OF THE SANTA CRUZ
COUNTY CODE REGARDING TEMPORARY PRODUCE SALES AREAS
AND PRODUCE STANDS

Ordinance Summary:

Santa Cruz County Code Section 13.10.640 revises temporary produce sales areas and produce stands modifications to allow cannabis retail sales at licensed cannabis cultivation sites within the unincorporated area of Santa Cruz County.

The full text of this ordinance is available for public review at the Office of the Clerk of the Board, Room 520, Governmental Center Building, 701 Ocean Street, 5th Floor, Santa Cruz, California 95060; and on the Internet at:

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**PUBLIC NOTICE
PROPOSED ORDINANCE
(SUMMARY)**

Board of Supervisors Information (for Clerk Use only):

Approved in Concept: Click or tap to enter a date.

AMS Item: Click or tap here to enter text.

Scheduled for Second Reading & Final Adoption: Click or tap to enter a date.

Ordinance Title:

AN ORDINANCE AMENDING SECTION 13.10.372 OF THE SANTA CRUZ COUNTY CODE REGARDING ALLOWANCE OF TEMPORARY PRODUCE SALES AREAS AND PRODUCE STANDS IN THE TIMBER PRODUCTION ZONE DISTRICT

Ordinance Summary:

Santa Cruz County Code Section 13.10.372 to allow temporary produce sales areas and produce stands in the timber production zone district within the unincorporated area of Santa Cruz County.

The full text of this ordinance is available for public review at the Office of the Clerk of the Board, Room 520, Governmental Center Building, 701 Ocean Street, 5th Floor, Santa Cruz, California 95060; and on the Internet at:

<https://santacruzcountyca.igm2.com>

For Clerk Use Only:

By: Click or tap here to enter text.

Dated: Click or tap to enter a date.

Health Impact Assessment: Expansion of Cannabis Access via Retailer Onsite Consumption Lounges, Farm Stand Retail, and Farm Stand Onsite Consumption

The Evolution of Cannabis Potency and Its Impact The potency of cannabis products has drastically increased over the past decades. Tetrahydrocannabinol (THC) concentration in cannabis plant material has raised from approximately *3% in the 1970s to approximately 23% today*.¹ The average cannabis product potency for concentrates (shatter, budder, waxes, etc.) was 57% in 2017, and is now as high as 99% THC. The widespread availability of highly potent concentrates, edibles, and vape products has contributed to higher-frequency use and increased risks of dependence and adverse mental health effects. Public awareness campaigns and potency regulations are necessary to help inform consumers about the potential dangers of high-THC cannabis.²

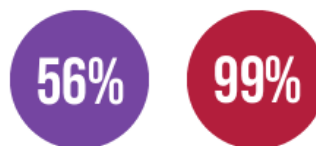
MARIJUANA POTENCY

a resource produced by:
Smart Approaches to Marijuana

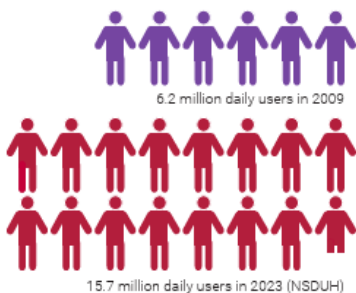


In the 1970s, "Woodstock Weed" contained roughly 1–3% THC. Since then, potency of marijuana plant material has increased to an **average potency of 18–23% today**.

MORE THC



In 2017, THC concentrates had an average THC potency of 55.7%. Today, many retailers promote and profit from products containing **up to 95–99% THC**.



INCREASED USE

Americans 12 and older who reported using marijuana daily or almost daily increased from 6.2 million in 2009 to 15.7 million in 2023.

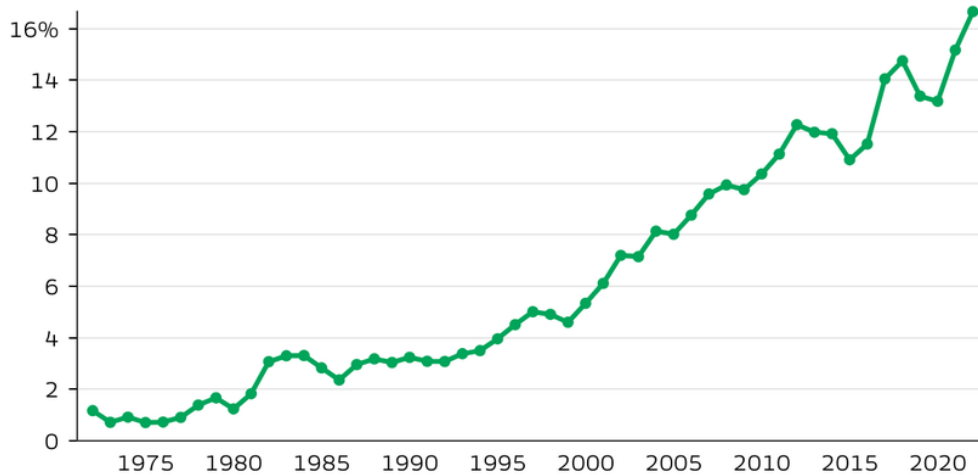
Daily users of high potency THC are **five times** more likely to develop a severe mental illness.

GREATER HARM

High potency and high frequency marijuana use are associated with the **most severe impacts** on mental health.

Today's cannabis is a lot stronger than its predecessors

Cannabis available today contains more than 10 times as much **THC**, on average, than it did in the 1970s



SOURCE: NIDA POTENCY MONITORING PROGRAM, UNIVERSITY OF MISSISSIPPI

Mental and Physical Health and Cannabis Use The link between high-potency cannabis and mental health conditions such as psychosis and schizophrenia are increasingly evident. Teens and young adults up to age 25 are particularly vulnerable to the onset of serious mental illness, and research suggests that cannabis use can trigger severe mental health conditions in individuals who may not have otherwise developed them. Recent studies suggest that cannabis use during adolescence results in impaired neural connectivity in several areas of the brain and is associated with poorer performance in schools and higher dropout rates.³ Emergency room visits due to cannabinoid hyperemesis syndrome (CHS), a condition characterized by cycles of nausea, vomiting and abdominal pain caused by chronic, high-dose cannabis use, have surged.⁴ Furthermore, the financial burden on Santa Cruz County is significant: *for combined Fiscal Years 2022-2023 and 2023-2024, 910 clients sought treatment for a primary diagnosis of cannabis use disorder, resulting in a total cost of care of \$7.7 million, of which the County (local) share was \$3.1 million.*⁵ Local share includes a mix of County General Funds and other local funds. These costs represent services provided through the County-administered Medi-Cal Specialty Mental Health Plan and the Drug Medi-Cal Health Plan, and do not account for clients presenting for treatment with secondary and tertiary cannabis use disorder diagnoses. Onsite cannabis consumption lounges also may result in an increase to calls for service from first responder agencies, creating a potential to additionally burden the public safety system, including Emergency Medical Services (EMS), with unfunded additional calls for service.

Youth and Cannabis Normalization: Understanding the Risks Environment plays a key role in adolescent substance use, including through exposure to retail outlets and advertising. The availability and visibility of cannabis retailers have been shown to correlate with increased youth consumption rates. Research has shown that youth who are exposed to cannabis retailers or lounges in their vicinity are more likely to experiment with cannabis themselves. When lounges

are located near schools or places frequented by youth, it can normalize use and make consumption appear socially acceptable.⁶

In Santa Cruz County, California Healthy Kids (CHKS) data indicates a 7% decline in the perception of harm associated with cannabis use among 7th graders from 2019 to 2023. According to the most recent data from the CHKS Survey 2021-2023, 12% of all 11th grade Santa Cruz County students currently use cannabis. The percentage more than doubles to 24% for non-traditional/alternative education students. Latinx youth are disproportionately affected by proximity to cannabis retailers, increasing their risk of use and potential health consequences.⁷

Cannabis and Impaired Driving Driving under the influence of cannabis poses serious public safety risks. Santa Cruz County's 2024 DUI survey found that nearly 10% of individuals arrested for impaired driving had used cannabis on the day of their arrest.⁸ Research from Canada has shown a 475.3% increase in cannabis-related traffic injuries following legalization.⁹

Santa Cruz County does not currently have practices in place for law enforcement to adequately detect and track cannabis impaired driving. In Washington State, among drivers involved in fatal crashes among drivers involved in fatal crashes between 2008 and 2016, 44% tested positive for two or more substances with alcohol and THC being the most common combination.¹⁰ According to the Rocky Mountain High Intensity Drug Trafficking Area (RMHIDTA), in 2020, of drivers involved in fatal crashes, 24% of these drivers tested positive for cannabis and alcohol, 25% tested positive for cannabis and other drugs (no alcohol), and 13% tested positive for a combination of cannabis, alcohol, and other drugs.¹¹

Strategies such as limiting on-site consumption, providing transportation options, expanding drug testing capacity for impaired drivers including oral fluid roadside test collection and law enforcement phlebotomy, and increasing law enforcement training in cannabis impairment detection can help mitigate these risks and enhance road safety.

Training and Oversight for Cannabis Lounges and Onsite Consumption Ensuring responsible cannabis consumption in onsite lounges requires proper staff training. Public Health experts nationally have many lessons learned from working successfully with responsible alcohol retailers and on-site alcohol consumption licensees to reduce risk – those harm reduction methods are evidence-based, such as license conditions on serving amounts and hours of operation, required responsible server trainings, clear enforcement and regulation, and other safety education.¹² Similar requirements should be considered in any cannabis ordinance amendments and regulatory practices.

Employees must actively monitor patrons, be trained to recognize signs of overconsumption and psychosis, and follow guidelines similar to alcohol server certifications to prevent overserving. Additionally, staff should be educated on the effects of different cannabis product potencies and clear limits on serving amounts. Establishing clear monitoring guidelines for consumer behavior and intervention strategies is essential in minimizing potential harm.

Secondhand Cannabis Smoke: A Public Health Concern Exposure to secondhand cannabis smoke presents significant health risks, comparable to those of tobacco smoke. In a recent study

examining particulate matter in the air of in-use cannabis consumption lounges, researchers found that air pollution levels were significantly elevated in the consumption area compared to outdoor air. This indicates that on site consumption of cannabis can lead to increased indoor air pollution.¹³ Studies have linked secondhand cannabis smoke exposure to respiratory issues and cardiovascular effects. Emergency responders, staff, and patrons in cannabis consumption lounges are particularly vulnerable to prolonged exposure. Strategies such as prohibiting indoor smoking and vaping in cannabis lounges, implementing strict ventilation requirements, designating outdoor consumption areas, and developing an accessible, clear, and transparent method for logging air quality complaints from patrons, workers, neighboring businesses, and residents can help reduce these risks and protect public health.

Endnotes

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