



# COUNTY OF HUMBOLDT

For the meeting of: 10/3/2023

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File #: 23-1242

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**To:** Board of Supervisors

**From:** Supervisor Michelle Bushnell

**Agenda Section:** Initiated by Board Member

**Vote Requirement:** Majority

**SUBJECT:**

Discussion and staff direction for a possible moratorium on accepting new cannabis cultivation permits and discussion and direction on extension of Cannabis Interim Permits (Supervisor Bushnell).

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Consider the approach to continuing Interim Permits.
2. Consider and provide direction to staff on whether to proceed with a moratorium considering the following options for discussion:
  - a. Establish a 3-year moratorium on accepting applications for new cannabis farms.
  - b. Establish a permanent moratorium on accepting applications for new cannabis farms.
  - c. Put initiative on the ballot to establish a moratorium on accepting new applications.

**SOURCE OF FUNDING:**

General Fund

**DISCUSSION:**

There are two topics for the Board of Supervisors consideration: Cannabis Interim Permits and possibly establishing a moratorium on accepting new Cannabis Cultivation Applications.

**Cannabis Interim Permits**

After Jan. 1, 2024, the state Department of Cannabis Control will not be reissuing Provisional Licenses to the following cannabis farmers:

Large Outdoor	more than one acre of total canopy
Large Indoor	more than 22,000 square feet of total canopy
Large Mixed-Light	more than 22,000 square feet of total canopy.

Due to this, the Planning and Building Department will not be renewing Interim Permits for any cultivation that falls into one of these categories. It was understood that this had applied to all cultivation licenses, but the DCC seems to have limited this to only the large licenses.

Jan. 1, 2025, is the last day for the DCC to renew a provisional license and Jan. 1, 2026, is the last day for any provisional license to be in effect. The Planning and Building Department has been attempting to complete the processing of Interim Permits due to the expected expiration of the DCC provisional licenses. This now only applies to large license types.

Should the county allow operators to remain under an Interim Permit while state provisional licenses are available? The alternative would be to set a point in time before January 2026 when Interim Permits will no longer be available.

### **Moratorium on New Cannabis Applications**

The cannabis industry is not currently stable within California, and this affects Humboldt County. This is complicated by the coming March, 2024 vote on Measure A otherwise known as the Humboldt Cannabis Reform Initiative. Part of the message that comes out of the Measure A discussion is concern that there will be a lot more cannabis applications including large-scale cannabis applications. The facts are the county is not seeing applications for new cannabis farms. One avenue to address this is by establishing a moratorium on accepting applications for new farms.

The moratorium could be designed to prevent submittal of applications for new cultivation sites without adversely affecting existing farms. A decision point would be whether to allow existing farms to expand to the limit allowed under the current ordinance, or whether farms need to hold at their currently permitted area. The moratorium should not preclude allowing approval of support facilities and ancillary activities that can currently be allowed under the ordinance.

The manner of establishing the ordinance can be done in a couple of different ways. It could be adopted by the Board of Supervisors and could be for a limited period or permanently. It is also something that could be given to the voters to decide. If done by the voters, the moratorium could not be undone without a vote of the people.

#### FINANCIAL IMPACT:

As this is a decision item with no specific approach, the financial impact cannot be determined at this time. If an action occurs to direct the Planning and Building Department to create a moratorium, funding to implement that action will be drawn from the department's General Fund allocation.

#### STRATEGIC FRAMEWORK:

This action supports the following areas of your Board's Strategic Framework.

Core Roles: Enforce laws and regulations to protect residents

New Initiatives: Provide community-appropriate levels of service

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Strategic Plan: 3.2 - Stabilize and support a successful cannabis economy

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion

ATTACHMENTS:

None

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A