ATTACHMENT 3



MEDICAL CANNABIS - COMMERCIAL CULTIVATION

Urgency Ordinance Being Prepared for Commercial Cultivation

On January 19, 2016, the City Council unanimously directed staff to prepare an urgency ordinance that would permit the Commercial Cultivation of Medical Cannabis. Currently the proposal is to allow such cultivation with a Conditional Use Permit in the Light Industrial (IL), General Industrial (IG), General Commercial (CG), and Business Park (BP) Zoning Districts.

A Conditional Use Permit is acted on by the Planning Commission and involves a public hearing and compliance with the California Environmental Quality Act (CEQA). Fees for a Conditional Use Permit application are \$10,676 plus \$1,839 for the hearing. There are additional fees which may be required to conduct environmental review and/or neighborhood meetings. Processing timeframes vary, but if project issues are readily resolved, typical is 3 to 5 months from application to hearing. Uses that may have an impact on a residential neighborhood will be subject to an \$890 Pre-Application Neighborhood meeting held prior to submittal of the use permit.

The intent of the urgency ordinance is to assert local control over commercial cultivation of medical cannabis in response to the recent passage of the State of California's Medical Marijuana Regulation and Safety Act (MMRSA), and in particular response to a March 1, 2016 deadline stipulated in related Assembly Bill 243. *Personal cultivation is permissible by State law and will not be subject to the urgency ordinance.*

Public hearing dates for the urgency ordinance are tentatively scheduled as follows:

- Thursday, February 11, 2016 at or after 4pm Planning Commission
- Tuesday, February 23, 2016 at or after 5pm City Council

Hearings will be held in the City Council Chambers at City Hall, 100 Santa Rosa Avenue.

NOTE: Conditional Use Permit applications will <u>not</u> be accepted by the City until the effective date of the urgency ordinance; which if acted on per the schedule above would be no sooner than Wednesday February 24, 2016.

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Medical Marijuana Regulation and Safety Act

The Medical Marijuana Regulation and Safety Act (MMRSA), which went into effect on January 1, 2016, established a comprehensive State licensing and regulatory framework for the cultivation, manufacture, transportation, storage, distribution, and sale (dispensary) of medical marijuana through Assembly Bills 243 and 266 and Senate Bill 643. Among the things the MMRSA does is establish regulations that will allow for commercial cultivation of marijuana for medical purposes where authorized by the land use regulations of a city. If a city permits cultivation and requires a local license or use permit to do so, then an operator in that jurisdiction shall be required to obtain both the local cultivation license or permit and a state license.

Prior to passage of the MMRSA, State law provided no legal mechanism for commercial cultivation of marijuana for medicinal purposes and Federal law prohibited all cultivation of marijuana. Until the MMRSA was passed, cultivation of marijuana for medical purposes in California was restricted to individual qualified patients or their primary caregivers for non-commercial purposes and limited to personal State permissible quantities.

<u>Personal Cultivation Exemption – No state or local license needed</u>

The MMRSA preserves the ability of a qualified patient and of primary caregivers to cultivate for personal, non-commercial purposes, set new limits on such cultivation, and exempts such personal cultivation from State cultivation licensing requirements. Personal cultivation is subject to state law compliance requirements and will not be subject to the proposed urgency ordinance. Therefore a state or local license or permit is not required.

Dispensary Permits

The City of Santa Rosa's regulations for Medical Cannabis Dispensaries can be found in Chapter 10-40 of the City Code. The City currently allows for up to two dispensaries; and there are already two dispensaries currently permitted and in operation. Therefore the City is not accepting new applications for new dispensaries at this time.

The City's ordinance on medical cannabis dispensaries is available for review at this link: http://www.qcode.us/codes/santarosa/view.php?topic=10-10 40&frames=on

Comprehensive Ordinance Initiated for Medical Cannabis

In addition to the direction on the urgency ordinance, the City Council on January 19, 2016, also unanimously passed a resolution, initiating a Zoning Code Amendment to comprehensively address Medical Cannabis. As a result, this longer term policy project has been added to the City Council's work plan, which will afford it an opportunity to define and allocate appropriate staff resources to the effort. The comprehensive policy work is intended to address medical cannabis as a land use, including but not limited to cultivation, manufacturing, distribution and sales (dispensaries). It will also provide for proper staff analysis, public outreach and input prior to its adoption. Work on this policy has been initiated but not formally begun, and is estimated to take place over a 6 to 12 month timeframe.