



COUNTY OF HUMBOLDT

For the meeting of: 6/25/2019

File #: 19-993

To: Board of Supervisors
From: Planning and Building Department
Agenda Section: Time Certain Matter

SUBJECT:

1:30 p.m. - Extension of Temporary Moratorium on the Cultivation of Industrial Hemp and Update on Preparation of Regulations for Cultivation of Industrial Hemp (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Introduce the proposed ordinance extending for 6 months the temporary moratorium on Cultivation of Industrial Hemp by title [Attachment 1];
2. Receive an update on development of Industrial Hemp ordinance options;
3. Open the public hearing and accept public comment;
4. Provide additional direction to staff on developing Industrial Hemp ordinance options (if needed);
5. Adopt Ordinance No: _____ [Attachment 1] extending for 6 months the moratorium on industrial hemp cultivation and acceptance of applications for industrial hemp cultivation (4/5 vote required); and
6. Direct the Clerk of the Board to publish a Summary of the Ordinance within 15 days after adoption by the Board, along with the names of those Supervisors voting for and against the ordinance [Attachment 2] and to post in the Office of the Clerk of the Board of Supervisors a certified copy of the full text of the adopted ordinance along with the names of those Supervisors voting for and against the ordinance. (Government Code section 25124)

SOURCE OF FUNDING:

General Fund (1100).

DISCUSSION:

This item involves a temporary moratorium on the cultivation of Industrial Hemp. If the Board approves the attached ordinance, the current 45-day moratorium on cultivation of Industrial Hemp approved by the Board on May 21, 2019 will continue for six additional months. The six month time period correlates to the time it is expected to take to develop and adopt an ordinance regulating cultivation of Industrial Hemp.

At previous meetings, including April 2nd, May 14th, and May 21st, the public expressed interest in capitalizing on an emerging market for Industrial Hemp as a potential source for cannabidiol (CBD) extract production for medicinal use. While there are many good reasons to allow Industrial Hemp cultivation, public comment at those meetings also identified concerns about the potential impacts of this new industry.

Regulation of Industrial Hemp at the Federal and State level is evolving on an almost daily basis. It is complicated by the fact that the definition of Industrial Hemp does not consider that CBD oil derived from Industrial Hemp is used in products to be ingested or applied to the skin for medicinal purposes or as a dietary supplement but has not yet been approved by the U.S. Food and Drug Administration (FDA) and the California Department of Public Health. The state's regulation of Industrial Hemp is further complicated by the fact that cultivation of cannabis for tetrahydrocannabinol (THC) and CBD products is presently regulated by the state's Medicinal and Adult Use Regulation and Safety Act (MAUCRSA), Business and Professions Code section 26000, *et seq.*

It is unclear how the state will regulate Industrial Hemp in the context of the existing framework for cannabis. With the Board's direction and public engagement, the county is seeking to identify the best options available for a local Industrial Hemp ordinance.

The work program to complete the ordinance in six months includes the following key milestones:

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|-------------------------------------|---------------|
| 1. Initial Public Outreach | June 2019 |
| 2. Preparation of Draft Ordinance | July 2019 |
| 3. Public Review of Draft Ordinance | August 2019 |
| 4. Planning Commission Review | October 2019 |
| 5. Board of Supervisors Adoption | November 2019 |
| 6. Ordinance effective date | December 2019 |

To date, two public workshops have been held in Redway, on June 3rd and June 12th, with another scheduled at the Agricultural Center on June 27. Based on the comments received, a two-tier regulatory scheme is being explored. The first tier would be for small hemp farmers living on the cultivating on their home parcel in an agricultural zone. This should also include restrictions related to special areas (cities and community plan areas) and priority watersheds. This tier would only require a very simple permit that is envisioned as a site plan review (basically over the counter). Anything larger than that would need to follow regulations similar to the Commercial Cannabis Land Use Ordinance. This concept has been favorably received in the public discussions to date.

FINANCIAL IMPACT:

Staff costs for preparation and review of this ordinance extension are less than \$2,000. These costs are supported by the General Fund contribution to the Planning and Building Department, Long Range Planning Unit's FY 2018-19 budget.

Staff estimates that under the current workplan, an ordinance could be developed at a cost of approximately \$35,000, and implementation would be covered by existing staff paid through staff time allocated in the Long Range Planning Budget. Food and Agriculture Code section 81005 (c) authorizes the Board of Supervisors to adopt additional fees if needed to cover the cost of administering Industrial Hemp regulations to the extent not covered by state established application and registration fees. It is not known at this time how many applications would be generated by this ordinance. Forty registration applications were submitted for cultivation of Industrial Hemp the day before the moratorium was put in place, so there appears to be substantial interest in

participating in this new industry.

STRATEGIC FRAMEWORK:

This action supports the Board's Strategic Framework core role of enforcing laws and regulations to protect residents.

OTHER AGENCY INVOLVEMENT:

Agricultural Commissioner, County Counsel, and the California Department of Food and Agriculture

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose to not adopt the extension ordinance which would lead to near term approval of Industrial Hemp cultivation without consideration of the potential impacts. Staff is not recommending this alternative because the potentially significant impacts may be prevented with a more deliberate and methodical approach as recommended by staff.

ATTACHMENTS:

1. Ordinance Extending Industrial Hemp Moratorium for Six Months
2. Post Adoption Ordinance Summary

PREVIOUS ACTION/REFERRAL:

Board Order No.: 19-758

Meeting of: May 21, 2019

Ordinance No. 2627