



County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

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Non-Retail Cannabis Business FAQs -Unincorporated Santa Cruz County

1. When can I apply for my cannabis license?

Our office will open a Pre-Application process after the newly adopted ordinances become effective June 8th. Pre-Applications are the first step in your application review and will allow our staff to assess the basic eligibility of your proposal. Pre-Applications will be conducted by appointment-only and you will be contacted by the Cannabis Licensing Office (CLO) according to our priority processing list.

Priority processing will be offered to cultivators who obtained a Pre-License Inspection, and those distributors and manufacturers who qualified for and obtained a Letter of Local Authorization (LOLA).

Those who do not qualify for priority processing will be contacted in order of the date of registration, in the case of cultivators, and on a first come, first served basis for manufacturers and distributors who did not apply for a LOLA.

2. What happens at the Pre-Application appointment?

The purpose of the Pre-Application process is to prepare you for both your Discretionary Use Permit and your Annual License application submittal. The regulations are complex and involve two different county agencies (the Planning Department and the CLO). We want to make sure you meet basic eligibility requirements, that we help to identify as many potential road blocks as we can, and that your submittal package is as complete as possible before you move to the next stage of processing.

Prior to your first Pre-Application consultation, you will be given a questionnaire and list of required items that you must bring to your appointment. These materials will allow us to determine what your final Use Permit and Annual License application submittal packages should contain. If you come to your scheduled appointment missing any of the required items, you will be sent away and will lose your place in line.

3. What is the cost of a Pre-Application appointment and is there a discount for completing a PLI?

The Pre-Application fee has not yet been established. However, the fee may be discounted for those cultivators who have completed a PLI, so long as the proposed scope of work has not significantly changed, and/or a new site inspection is not required.

4. Is there an application I can fill out now?

No. The application process begins with the Pre-Application consultation, which starts with our office contacting you. We will make the required Pre-Application material available for everyone to review in late May.

5. I didn't apply for a Pre-License Inspection, when will I be able to apply for my cultivation license?

Once we have contacted everyone on the priority list, we will contact those on the registration list who did *not* have a Pre-License Inspection of their site and offer appointment slots. Appointments will only be available to folks who have assembled the required Pre-Application package. It is difficult to accurately estimate how long it will take to complete Pre-Application consultations for those eligible applicants on the priority list. We anticipate that some applicants on the priority list will not have assembled the Pre-Application material in time to secure an early appointment, in which case we will offer the appointment slot to the next eligible registrant.

6. I am not a cultivator, when can I begin the Pre-Application process?

All those seeking manufacturer and/or distribution licenses who have not obtained Local Letters of Authorization but wish to begin the licensing process, should send an email to cannabisinfo@santacruzcounty.us requesting an appointment slot after June 8th.

7. My property is in the Coastal Zone, am I eligible for a Pre-Application appointment?

Not yet. The ordinances that were just adopted in May 2018 only take effect outside of the Coastal Zone. The Coastal Commission must first review the ordinances and give their approval before they go into effect in the Coastal Zone. We anticipate the Coastal Commission will vote on the ordinances later this summer.

8. What can I do to prepare now?

You will likely need a team of professionals to help prepare your application materials. As you review the County non-retail commercial cannabis ordinances, the Best Management and Operational Practices Plan (BMOP), and the state regulations (available on the CLO website: <http://www.co.santa-cruz.ca.us/CannabisLicensingOffice.aspx>), take note of the consultants needed to complete items such as Biotic Assessments, Site Plans, Grading Plans, and other specialized reports. Further, we suggest you check out the County Planning Department website Handouts and Forms page to read more into parcel developability requirements, accessibility standards (ADA Compliance), etc. that all commercial operations must be aware of: <http://www.sccoplanning.com/PlanningHome/HandoutsForms.aspx>.

If you have a well-developed concept of your development plans, consider also requesting your local Fire Marshall visit your site to obtain preliminary feedback on the fire requirements that may apply to your site. These requirements may include improving site access and water storage capacity, which may impact the success of your proposal.

Once we make the Pre-Application checklist available on our website, you will have the opportunity to gather the materials required for your Pre-Application appointment, which will help you secure the earliest slot available once we contact you.

9. I didn't register, can I still apply for a license?

The registration requirement only applies to cultivation licenses. If you didn't register you are not eligible for a cultivation license unless you qualify for an exception (non-cannabis farmers on Commercial Agriculture land only).

You did not need to register if you are seeking manufacturing or distribution licensing for eligible properties.

10. Can I start cannabis business operations now?

Operating a commercial cannabis business in Santa Cruz County without a license is illegal and may be subject to enforcement action. Those commercial cultivators who have obtained Local Letters of Authorization from the CLO *may* avoid enforcement action so long as there is NO physical expansion of operations (including cultivation canopy or installation of new equipment), no new land disturbance, no tree removal, and no citizen complaints filed with our office.

Setting up your commercial cannabis business ahead of receiving all required local approvals and licenses will jeopardize your eligibility for ANY future license issuance.

Cannabis manufacturers and/or distributors that have obtained Local Authorization letters from the County may similarly continue their existing operations if NO changes are made to the scope and scale of the operation and no complaints regarding commercial cannabis have been received by the CLO for the business.

11. Can I still apply for a Pre-Licensing Inspection (PLI) or a Local Authorization Letter?

The CLO is not accepting any new PLI applications. Applications for Local Authorization Letters may be considered for growers who have already completed a PLI or for manufacturers and/or distributors who can demonstrate a history of operations at a site that complies with the new ordinances (or who are in the process of moving to a compliant site) and have paid all required Cannabis Business Taxes.

12. How long will it take to get a license from the County?

Each license applicant must also apply for a discretionary use permit from the Planning Department. As with ALL use permit applications, the more comprehensive the submittal package, the less time it will take for County agencies to evaluate the submitted material and determine whether all County regulations have been met.

The most common delay in processing permits and licenses comes from receiving incomplete or confusing information in the submittal package. Make it easy for your planner to understand your operation and you will not lose time having to explain it later.

A team of professionals may help you to better and more efficiently develop your proposal.

13. I have questions about the new ordinance, who can I talk to?

The CLO will be providing several handouts that provide explanations of many aspects of the new licensing and land use ordinances. The Planning Department also publishes handouts that explain the building and discretionary permit process, environmental resource protection, and other related topics.

Additionally, the CLO will be conducting a series of workshops to help explain the application process. Watch the CLO website and Facebook pages for announcements about the dates/times of these workshops.

CLO staff will have limited availability to answer specific questions, so we will require that all prospective applicants read the materials we have provided before coming to the counter or emailing our office staff.

14. Can you help me with the state licensing process?

While CLO staff are familiar with many aspects of the state licensing regulations, we do not implement the state process and cannot answer questions on the state's behalf. You need to contact the appropriate state agency for questions relating to your state license.

15. I am applying for my State license, which license type should I put on my application?

Again, the CLO is not responsible for helping you to process your state license application. However, you need to be aware that the State will contact our office to verify that you have local authorization for the license type you are applying for. If you have not obtained a Local Letter of Authorization **OR** are applying for a license type that allows greater canopy than what the County authorized, your state application will be rejected.

16. How do I stay in business while I am waiting for my County license?

We absolutely understand the economic pressure that all **existing** local cannabis businesses have experienced and are continuing to feel as the County moves to implement the newly-adopted ordinances. It is important to remember that all commercial cannabis businesses in the county are operating without permits, licenses, or other regulatory oversight. This is true of no other industry.

It would never be the case, for instance, that we would authorize an unpermitted coffee shop or shoe store to operate in the absence of a use permit or a building permit.

Having said that, we have tried to help as many businesses as possible to qualify for temporary state licenses to stay in operation and have issued over 100 local letters to eligible businesses. Now that we are transitioning into the permitting and licensing phase of our program, our staff will be dedicated to helping potential licensees through that process. We will continue to look for opportunities to assist businesses to continue existing operations, but again our focus must be on getting licenses into the hands of local businesses.