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## 3 counties, 3 approaches to cannabis crops

By Amy Steinfeld

Legalization of recreational cannabis has shaken up the supply chain.

Californians may now grow up to six cannabis plants for personal use without a license. Those lacking a green thumb can purchase recreational cannabis at a local dispensary or ring a delivery service.

Economists predict recreational cannabis will add \$5 billion to \$7 billion to California's economy annually.

But where will all this legal weed be grown?

In response to the state law (Proposition 64), which gives cities and counties free range to regulate or outlaw commercial cannabis, most counties have banned cultivation. Over the past year, lively debates have unfolded as local governments grapple with the complexities of regulating cannabis.

Commercial cannabis has mostly been banned from the Central Valley and is also being limited in historically cannabis-friendly areas of northern California. As a result, many of the estimated 40,000 cannabis farms in California will have to shut down or scale back, relocate, or risk operating illegally.

What about the Central Coast? Will big agri-business join the "green" rush or will cannabis remain a cottage industry? It looks like a bit of both.

The tri-county region is a microcosm of the three different ways to approach commercial cultivation. It's no coincidence that the industry has been watching Central Coast regulators closely due to the region's mild weather and topography, ample greenhouses, and proximity to Los Angeles, perhaps the largest cannabis market in the world.

Ventura County, the first out of the gate late last year, enacted a complete but temporary ban on commercial cannabis, leaving growers with few options: move or continue growing in the shadows. However, the county directed its staff to study and consider cultivation of industrial hemp. Ventura appears to be taking a "go slow" approach but will be watching its neighbors closely.

Late last year, San Luis Obispo County staked out a middle ground by capping the number of growers at 141 and limiting the footprint of each farm. This ordinance was structured to support existing small-scale cannabis growers in areas specifically zoned for agriculture or rural uses and to limit further growth by outside interests and investors.

In contrast, this month, Santa Barbara County, after months of studies and public comment, opened its doors to an unlimited number of outdoor cannabis farms and greenhouses in the county's inland zone, while requiring that cannabis be grown in greenhouses along the coast, with a cap on acreage in Carpinteria Valley. To date, Santa Barbara County has more state-issued cultivation licenses than any other county.

Opponents of commercial cannabis worry about odors and upticks in organized crime and youth use.

Residents fear commercial cannabis operations will hurt home values, change the character of neighborhoods and increase local traffic. In response, San Luis Obispo and Santa Barbara counties established buffer zones around schools, parks and homes.

Growers must also pass a background check and obtain a county land use permit and business license annually.

As part of this process, growers must prepare a site-security plan and demonstrate they can control odors and light pollution emanating from greenhouses, control wastes and pesticides, comply with state environmental laws, and minimize energy and water use.

Proponents of commercial cannabis believe legalization will allow growers to operate legally and responsibly.

Santa Barbara County is looking to voters to approve a cannabis tax this June to provide funds to regulate cannabis operations, to shut down illegal operations, and to address rising pension costs and impacts from recent natural disasters.

It remains to be seen how each county's approach will impact the cannabis industry, residents and the local economy. Given the legacy of underground cultivation and the prohibition on exporting pot, anticipating how supply will meet demand is particularly challenging: no one can predict how many growers will apply for licenses, and whether, as other counties lift their bans, smaller farms will shut down or go underground as the cost of regulatory compliance exceeds the market price.

But for now, growers in San Luis Obispo and Santa Barbara counties are in an enviable position as they can enter the legal marketplace and, as of last week, can do so with less fear of interference from the federal government. This industry is definitely one to watch.

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### Perspective