

## Exhibit M

# Addendum to the Mitigated Negative Declaration for the County of Mendocino Medical Cannabis Cultivation Regulations

### Introduction

This Addendum was prepared in accordance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines. This document serves as an Addendum to the previously adopted Mitigated Negative Declaration (MND; SCH#2016112028) for the Mendocino Cannabis Cultivation Regulations. The County of Mendocino was the lead agency for the environmental review of the Medical Cannabis Cultivation Regulations.

### Project Background

On April 4, 2017, the Board of Supervisors adopted Ordinance No. 4381, adding Chapters 10A.17 and 20.242 to the County Code to regulate medical cannabis cultivation. A Mitigated Negative Declaration (MND) was adopted for Ordinance No. 4381. The provisions of Ordinance No. 4381 regulated the commercial cultivation of cannabis for medical use by licensed operators, with the primary goal of providing clear standards and permitting pathways to help bring baseline cultivation activities into compliance with local, regional, and statewide regulatory schemes. Bringing baseline/legacy cultivation operations into compliance attenuates potential environmental effects from existing cultivation activities. The adoption of the Medical Cannabis Cultivation Regulations was part of ongoing local efforts to regulate land uses associated with medical marijuana in Mendocino County. The ordinance established regulations for existing, unregulated land uses to help prevent and reduce environmental impacts that are known to result from existing, unpermitted cultivation operations. The ordinance introduced pathways for compliance with new and existing regulations, while providing for local review, inspection, and oversight. The ordinance initiated local-level regulations, consistent with state and regional regulations, including the Cannabis Cultivation Waste Discharge Regulatory Program (CCWDRP) administered by the North Coast Regional Water Quality Control Board and state licensing requirements described in the Medical Marijuana Regulation and Safety Act (SB 643, AB 266, and AB 243, enacted September 11, 2015). Subsequent to the adoption of Ordinance No. 4381, the County adopted various amendments to Chapters 10A.17 and 20.242 of the County Code that adjusted specific provisions, including removal of references to “medical” cannabis to establish consistency with the Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) as adopted by the State of California on June 27, 2017.

The focus of the discussion of impacts in the MND was largely related to the reduction or elimination of clandestine cultivation occurring in remote outdoor environments where grid-supplied electricity and municipal water are not available. The electrical demand associated with artificially illuminated cultivation is accommodated by portable generators operating for extended periods, with per kilowatt emissions often far exceeding those associated with grid-supplied energy delivered by a public utility. Water quality impacts occur with cultivation in these remote areas as a result of water diversions from natural waterways, which could include dewatering of streams, as well as sedimentation from land disturbance and pollutant discharges including nutrients and pesticides. The MND proposed changes to the ordinance that were made prior to its adoption and assumed implementation of requirements from

the CCWDRP administered by the North Coast Regional Water Quality Control Board (Order #2015-0023, hereinafter referred to as “the Order”) as mitigating actions required for projects covered in the MND.

## Purpose of This Addendum

The County is proposing amendments to Mendocino County Code Chapter 10A.17, Mendocino Cannabis Cultivation Ordinance, and Chapter 20.242, Cannabis Cultivation Sites. The proposed amendments also include new provisions that establish two types of combining districts: Cannabis Accommodation (CA) Combining Districts that establish areas with modified cannabis cultivation regulations to allow operators to enjoy flexible cannabis regulations and development standards; and Cannabis Prohibition (CP) Combining Districts that establish areas where new commercial cannabis operations would be prohibited and existing permitted commercial operations would sunset. Additionally, the proposed amendments establish countywide exceptions that allow, subject to administrative review, minor adjustments to current parcel size and setback requirements. These modifications constitute a “project” subject to CEQA, which triggers the requirement for further environmental review under the California Environmental Quality Act.

In determining whether an Addendum is the appropriate document to analyze the modifications to the project and its approval, CEQA Guidelines Section 15164 (Addendum to an EIR or Negative Declaration) states:

- (a) The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.*
- (b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.*
- (c) An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration.*
- (d) The decision making body shall consider the addendum with the final EIR or adopted negative declaration prior to making a decision on the project.*
- (e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency’s required findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence.*

## Basis for Decision to Prepare Addendum

When a negative declaration is adopted for a project, CEQA Guidelines Section 15162 (Subsequent EIRs and Negative Declarations) sets forth the criteria for determining whether a subsequent EIR or negative declaration should be prepared in support of further agency action on the project. Under these guidelines, a subsequent EIR or negative declaration is to be prepared if any of the following criteria are met.

*(a) When an EIR has been certified or negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:*

- (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;*
- (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or*
- (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:*
  - (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;*
  - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;*
  - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or*
  - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.*

*(b) If changes to a project or its circumstances occur or new information becomes available after adoption of a negative declaration, the lead agency shall prepare a subsequent EIR if required under subdivision (a). Otherwise the lead agency shall determine whether to prepare a subsequent negative declaration, and addendum, or no further documentation.*

As discussed below, the proposed changes do not meet the criteria for preparing a subsequent negative declaration. An Addendum is appropriate here because none of the conditions calling for preparation of a subsequent EIR or negative declaration have occurred.

## **Proposed Amendments**

As noted above, the proposed project would establish two types of combining districts: Cannabis Accommodation (CA) Districts and Cannabis Prohibition (CP) Districts. The CA Districts would allow flexibility of regulations for existing cannabis cultivation operations that are seeking County approvals.

As with the Medical Cannabis Cultivation Regulations, the primary goal of the current amendments is to provide standards and permitting pathways to bring baseline commercial cannabis cultivation activities into compliance with local, regional, and statewide regulatory schemes. The amendments would not allow cultivation in areas where cultivation does not currently occur and would not substantially increase the area of cultivation from existing conditions.

As part of the permitting process, applicants would be required to document proof of prior cultivation, affirm that the cultivation was in operation in 2016 or earlier (existing cultivation), and describe how cultivation operations would comply with County, regional, and state regulations. Cannabis cultivation sites for which applicants are seeking permits would be subject to inspection to ensure compliance with applicable regulations and any requirements applied through the cannabis permit review process, as well as review and permitting by regional and state agencies.

Under current regulations, cultivation sites in the RR-1 and RR-2 zoning districts, as well as any parcels less than 5 acres in size within the RR-5 district, would be subject to sunset and could not receive a County cannabis cultivation permit after the year 2020. The proposed regulations would allow some uses that would otherwise be subject to sunset to continue to receive a County cannabis cultivation permit after 2020, as long as such use is in compliance with County, regional, and state regulations. This provision allows an existing use to continue but does not allow any new cannabis cultivation to be established.

Proposed amendments to the County Code include minor changes to development standards, such as reductions in setbacks and lot area standards subject to approval of an Administrative Permit. Specifically, an applicant may request a reduced property line setback for cultivation or for structures utilized for cultivation, subject to limitations and compliance with various County standards. The proposed amendments also allow a reduction in the setback from an access easement required by County Code Section 10A.17.040(A)(5) subject to an Administrative Permit.

The size of permitted cultivation areas would not be changed under the amendments, except in the following limited circumstances that apply to legal nonconforming lots. A parcel located in a zoning district that allows commercial cultivation and has a lot area between 3.5 and 4.99 acres, and which shares at least 50 percent of its boundaries with parcels 5 acres in size or larger, may obtain a permit as allowed for a 5-acre parcel with similar zoning, subject to approval of an Administrative Permit. In addition, a parcel in a zoning district that allows commercial cultivation and has a lot area between 7.0 and 9.99 acres, and which shares at least 50 percent of its boundaries with parcels 10 acres in size or larger, may obtain a permit as allowed for a 10-acre parcel with similar zoning, subject to approval of an Administrative Permit. In each of these scenarios, the Administrative Permit process is discretionary and would require review pursuant to CEQA. Thus, while the number of applications to which these changes would apply cannot be determined at this time, future applications for increased cultivation area would be subject to environmental review.

## Findings

Based on these findings and the environmental analysis which follows, it is concluded that an Addendum to the adopted Mitigated Negative Declaration is appropriate to address the requirements under CEQA for the proposed ordinance amendments.

1. For the proposed amendments, the County does not propose any substantial changes that would require major revisions to the previous MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

No new significant effects or increases in the severity of effects are anticipated. Allowing the continuation of existing cultivation or of cultivation as currently allowed under the County Code will not change the anticipated environmental impacts. Allowing the continuation of use on sites currently in cultivation would not create a new significant impact or increase severity, as these sites were already in existence at the time the MND was drafted and are therefore considered part of the baseline conditions. Minor changes to development standards, such as a reduction in setback and adjustments to allowed permit types based on the parcel's zoning and adjacent parcel sizes would be subject to issuance of an Administrative Permit. Property line setbacks within CA Combining Districts would be reduced from 50 feet to 20 feet by right. Approval of an Administrative Permit and issuance of a cultivation permit would both be subject to review by qualified County staff to determine if suitable habitat for sensitive species may exist and, if potentially present, consultation with the California Department of Fish and Wildlife would be required (Section 10A.17.100). Projects requiring an Administrative Permit would be subject to further CEQA review to determine whether any conditions specific to that project or parcel could result in physical environmental effects. The proposed amendments would therefore not create a new significant impact or increase the severity of previously identified impacts.

2. For the proposed amendments, no substantial changes have occurred with respect to the circumstances under which the project is undertaken that will require major revisions to the previous MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Based on the discussion in Finding 1, above, no new significant environmental effects resulting from the proposed amendments are anticipated. The circumstances under which the project is undertaken remain the same.

3. For the modified project, there has been no new information of substantial importance which was not known and could not have been known with the exercise of reasonable diligence at the time the previous MND was adopted as complete.

There has been no new information of substantial importance that was not known and could not have been known at the time the previous MND was prepared. The baseline conditions describing the overall impacts of existing cannabis cultivation remain the same.

4. The proposed changes do not constitute a change in the level of significance previously discussed in the adopted MND. As such, it is concluded that the current amendments will not have one or more significant effects not discussed in the previous MND. There are no mitigation measures previously found not to be feasible that would in fact be feasible and substantially reduce one or more significant effects of the project.

The proposed amendments do not involve changes to any mitigation measures. No new potential impacts have been identified requiring new mitigation measures to be developed.

5. Finally, there are no mitigation measures or alternatives identified in this analysis that are considerably different from those analyzed in the previous MND and that would substantially reduce one or more significant effects on the environment.

The proposed amendments do not involve changes to, or analysis of, any mitigation measures.

## Environmental Analysis

The analysis below focuses on topics that relate to changes in operation compared to those allowed under the current County Code.

### Aesthetics, Light, and Glare

The MND found that bringing baseline/legacy cultivation operations into compliance would help attenuate potential environmental effects from existing cultivation activities, including aesthetic impacts resulting from improper operation or poor siting. The MND determined that compliance with the CCWDRP would improve the visual quality in the remote cultivation areas by promoting the protection of riparian buffers, slope and stream stabilization using bioengineering techniques, streambank restoration, and road improvements that will generally improve site vegetation.

The proposed Cannabis Combining Districts and Zoning Exceptions would allow the continuation of cannabis cultivation on certain residential parcels where cultivation currently occurs. The visual character in these residential areas is not characterized by natural landscapes with traditional scenic qualities. These areas are characterized by existing roads, with houses and other structures, and individual lots that are typically fenced. Only properties where cultivation is currently occurring will be permitted for future cultivation and operation in the CA Combining Districts would be the same as current conditions or as allowed under the current County Code. In addition, certain mixed-light facilities would be subject to the approval of an Administrative Permit, which would require the project applicant to demonstrate that impacts such as fugitive light are properly mitigated. Because the operations allowed under the proposed code would occur in the same locations as current operations, there would be no change from existing conditions that would result in a new project-specific or cumulative impact due to the proposed code changes.

### Agriculture and Forest Resources

The MND disclosed that some commercial cultivation of cannabis could occur on lands zoned Timberland Production Zone, lands zoned for agricultural use, and lands under Williamson Act contract. However, it was determined that the impact would be less than significant because all applicants for expansion of cultivation within the TPZ zone would be required to obtain a discretionary permit, which would involve the review and permitting of illegal conversions.

The proposed code amendments would allow approval of permits for legal cultivation where cultivation is now occurring. The existing ordinance requires that an applicant obtain a discretionary permit for any expansion of existing commercial cannabis cultivation on lands zoned Timberland Production Zone (TPZ). No new rights to expand cultivation operations on TPZ-zoned land will be permitted under the proposed ordinance. No new agricultural or forest land would be eligible for cannabis cultivation permits through the proposed ordinance. Thus, no agricultural or forest land would be converted to

nonagricultural or non-forest use. There would be no new project-specific or cumulative impact on agricultural or forest land.

## Air Quality and Greenhouse Gas Emissions

The MND describes changes in operations due to the permitting of clandestine cultivation. However, the types of changes described in the MND would not apply to the proposed code amendments, as these amendments are limited to existing cultivation generally within suburban or rural residential settings. Thus, activities such as substantial cleanup of cultivation sites with heavy equipment would not occur and emissions would not be generated. Emissions from cannabis cultivation are generated from electricity demand from indoor and greenhouse cultivators, water demand, and employee vehicle trips. Electricity demand would be generated from such activities as lighting, cooling and/or heating, and air circulation for indoor cultivation. As noted above, only properties where cultivation is currently occurring will be permitted for cultivation and operation in the CA Combining Districts would be the same as current conditions or as allowed under the current County Code. Therefore, there would be no change in electricity demand, water demand, or vehicle trips, so there would be no change in emissions associated with the proposed amendments. Like other emissions, the amendments would not result in a substantial increase in odors because odors generated on these sites would be similar to existing conditions or as allowed under the current County Code. Further, the process of permitting would bring into compliance some existing cultivators that are not fully complying with County, regional, and state regulations. Consequently, there would be no new or more severe impacts related to air quality or greenhouse gases.

## Biological Resources

The MND describes land-disturbing activities, discharges of waste from cultivation activities, and excessive surface water diversion from unregulated cannabis cultivation as potential impacts to cold freshwater habitat and associated species. Land-disturbing activities and discharges of waste can lead to increased sediment loading to streams, reduced shading, water temperature increases, increased nutrient loading, a reduction in large wood inputs, and direct alterations to stream morphology due to in-channel disturbances. Excessive surface water diversion can lead to dewatering of streams. The MND found that remediation, cleanup, and restoration activities that would occur as part of the permitting of existing cultivation activities in remote rural areas would improve conditions compared to the baseline, and impacts would be less than significant.

The proposed amendments would apply in previously disturbed suburban and rural residential areas. As noted above, prior to issuance of a cultivation permit, proposed sites would be subject to review by qualified County staff to determine if suitable habitat for sensitive species may exist and if potentially present, consultation with the California Department of Fish and Wildlife would be required. Applicants would be required to demonstrate adequate water supply as part of the cannabis permit review process, which would ensure water diversions and other operational impacts that might impact biological resources would not occur in these areas. In addition, permissible cannabis operations in the CA Combining Districts would be of the same character as allowed under the current County Code, so there would be no changes to the physical environment to permit operations in these areas. Therefore, there would be no new significant impacts.



## Cultural Resources

The MND determined there would be less than significant impacts related to cultural resources. Impacts on cultural resources could occur if historic or prehistoric resources, including subsurface resources, are impacted by the development or operation of cultivation activities. Because the proposed amendments would allow the continuation of existing cultivation or of cultivation as currently allowed under the County Code, no areas would be disturbed beyond those currently allowed; thus, no changes to historic or prehistoric resources would occur as a result of the proposed amendments. There would be no new significant impacts.

## Geology and Soils

Remediation, cleanup, and restoration activities were identified in the MND as potentially creating or exacerbating conditions that could result in impacts related to geologic conditions in the County. The MND found that compliance with actions required in the Order would ensure that impacts related to geology and soils would be less than significant. The proposed amendments would not result in substantial changes to any existing cultivation sites or activities such that there would be physical changes that could affect local or regional geologic conditions. There would be no new significant impacts.

## Hazards and Hazardous Materials

Hazardous materials identified in the MND as possibly being used at cultivation sites include petroleum products, fertilizers, herbicides, and pesticides, as well as automotive and machine-related fluids and products including acids, solvents, degreasers, corrosives, antifreeze, and hydraulic fluid. These materials could have been used during initial site preparation, during illicit cultivation activities, or for site cleanup as part of the permitted cultivation activities. With the exception of fertilizers, herbicides, and pesticides, these materials would generally not be used as part of cultivation activities that would occur in the CA Combining Districts currently being proposed. Additionally, as these are existing cultivation sites, fertilizers, herbicides, and pesticides would already be in use in these areas. Permitted sites would also be subject to inspection, which would ensure that these materials are stored and used properly and would not present a risk to the environment or the public. There would be no new significant impacts.

## Hydrology and Water Quality

The MND identified several potential impacts related to hydrology and water quality: erosion and transportable sediment, creation or exacerbation of unstable features, temperature impacts from improper hydromodification, potential for adverse geomorphological changes, and creation of habitat/migration barriers. Illicit cultivation in remote rural areas could occur within and adjacent to watercourses and surface waters, altering drainage patterns and watercourse channels, removing riparian vegetation, or blocking or impeding natural stream flows or floodwater flows. These activities could cause water temperature increases and result in or increase the likelihood of pollutant discharges to surface waters or of fill in streams or wetlands. As noted previously, the proposed amendments would only apply to properties with existing cultivation in suburban and rural residential settings. Continuation of cultivation in the CA Combining Districts would not substantially change effects on water quality, except where the existing condition currently impacts water quality. In these instances, water quality would be improved through requirements imposed during the permitting process. As



noted above, permitted cultivation in the CA Combining Districts would be subject to inspection to ensure activities are being conducted responsibly and within the conditions of the permit. There would be no new significant impacts.

## Land Use and Planning

The MND found that cultivation operations under the Cannabis Cultivation Regulations would be required to comply with existing regulations and permitting requirements that govern cultivation activities, including water diversion and well development, grading, construction of buildings, on-site sewage disposal, fire protection, and protection of biological resources, wetlands, watercourses, and associated riparian areas. Therefore, that ordinance would not physically divide a community, conflict with existing land use plans, policies, or regulations, or conflict with applicable conservation plans. Similarly, the proposed amendments would bring existing commercial cultivation operations in the County into compliance with new regulations. There would be no new significant impacts.

## Mineral Resources

The MND determined that activities associated with outdoor cannabis cultivation generally result in surficial and minor grading. Therefore, activities on sites assumed in the MND would not result in the loss of availability of a known mineral resource that would be of future value to the region and the residents of the state, nor would the activities result in the loss of availability of a locally important mineral resource recovery site delineated in a local general plan, specific plan, or other land use plan. Because the proposed amendments would affect only residential properties that would not generally be used for mineral resource extraction, there would be no new significant impacts.

## Noise

The potential for noise impacts identified in the MND was from agricultural activity conducted to prepare for planting and construction activities related to restoration/cleanup/remediation activities at cultivation sites. Other noise sources could include equipment, such as generators to power lights and pumps. The MND found that the use of standard construction best management practices and requiring operation of equipment according to a time schedule would prevent noise impacts, including cumulative impacts. The proposed amendments would involve the continuation of existing cultivation activities in rural residential and suburban areas. Because the sites are existing, substantial site preparation would not be required, and no new noise would be generated beyond existing conditions or that already allowed by the existing County Code. Operational activities could involve the use of equipment for cooling and/or heating and air circulation for indoor cultivation, but this use would be similar to the existing operations and would not increase noise compared to the existing condition. Because utilities are generally available at these residential lots, the use of generators would not be required. There would be no new significant impacts associated with the proposed amendments.

## Population and Housing

The MND determined that cultivation of commercial medical cannabis would not induce substantial population growth in an area either directly or indirectly and would not displace substantial numbers of existing housing or people necessitating the construction of replacement housing elsewhere. The proposed amendments would allow the continuation of cannabis cultivation and would not directly or indirectly affect the population or housing. There would be no new significant impacts.

## Public Services

The MND acknowledged that illegal, unpermitted cultivation of cannabis could have an impact on public services, particularly fire protection and police protection, given that grows often occur in remote, wooded areas and the illegal nature of the grows may result in the need for police involvement. The MND did not identify any impacts on schools, parks, or other public facilities. The suburban and rural residential areas subject to the current amendments are not remote, as was assumed for properties examined in the MND, and are already served by fire and police protection. Applicants in the CA Combining Districts would be subject to the Code's existing measures related to security plans, compliance with building codes and adherence to fire safety standards. There would be no new significant impacts.

## Recreation

The Medical Cannabis Cultivation Regulations would not increase the use of existing neighborhood and regional parks or other recreational facilities and did not include recreational facilities or require the construction or expansion of recreational facilities. The proposed amendments would also have no impact on recreational facilities. There would be no new significant impacts.

## Transportation

The MND found that the previous amendments would not exceed the capacity of the existing circulation system, result in increased traffic hazards, result in inadequate emergency access, or conflict with adopted policies, plans, or programs supporting alternative transportation. The proposed amendments would not increase traffic, as the amendments would only allow cultivation activities to continue on properties with existing cultivation sites. There would be no off-site changes that would result in hazardous design features or otherwise introduce new transportation-related impacts. There would be no new significant impacts.

## Utilities

The MND noted that the majority of operations affected by the Cannabis Cultivation Regulations are located in rural areas without public water and sewer services, and many are in remote areas without access to grid-supplied electricity. For parcels with access to public water and wastewater, the Cannabis Cultivation Regulations require that will serve letters be provided from the service provider; this requirement would not change with the proposed amendments. While any permitted cultivation under the amendments would result in demands on public utilities, operations affected by the proposed amendments would not substantially differ from current conditions; thus, demand would not increase due to the amendments. There would be no new significant impacts.

## Cumulative

The MND disclosed that baseline conditions throughout Mendocino County would result in impacts associated with cannabis cultivation and that these impacts would continue or further degrade without the ordinance. However, the MND determined that measures identified in the ordinance and public process that will occur will improve the current degradation of land, soils, water use, and water quality in the County, and long-term beneficial effects will be realized on air quality, biological resources, geology and soils, hydrology, and noise. As with the Cannabis Cultivation Regulations, the proposed

amendments are aimed at bringing existing cultivators into compliance. Because the proposed amendments would only allow the continuation of existing cultivation operations or cultivation as allowed under the current County Code and would include local review with inspections and oversight of these operations where no oversight previously occurred, there would be positive environmental effects with the project. Thus, the proposed amendments would not create or contribute to a cumulative impact.

## Conclusion

Mendocino County, acting as the lead agency, determined that the proposed amendments would not require major revisions to the Medical Cannabis Cultivation Regulations Mitigated Negative Declaration because there are no new significant environmental effects that would require new mitigation. No additional analysis is required.