



HUMBOLDT COUNTY GROWERS ALLIANCE

The Humboldt Cannabis Reform Initiative: A Policy Analysis

Date: October 18, 2022

On March 4, 2022, proponents submitted the [Humboldt Cannabis Reform Initiative](#) (HCRI) to the Humboldt County Office of Elections, a thirty-two page document that proposes a wide range of new regulations pertaining to commercial cannabis land use and operations in Humboldt County.

If qualified to the ballot and passed by a majority of Humboldt County voters, the HCRI would dramatically alter the two existing ordinances regulating commercial cannabis activity in Humboldt County. Unlike Humboldt's existing cannabis ordinances, however - which were developed through public process by Humboldt's Board of Supervisors between 2015 and 2018 - the HCRI was not circulated for public comment, review, or discussion prior to its introduction, and having been introduced, now cannot be altered prior to appearing on any future ballot.

On March 21, three weeks following the initiative becoming public for the first time, HCGA's policy committee voted unanimously to oppose the HCRI, and published a [letter](#) outlining the likelihood that the HCRI, if passed, would cause substantial harm to small licensed farmers, the environment, and the county's goals for sustainable economic development.

With the potential for the HCRI to appear on a future ballot, the intent of this document is to further outline the reasoning behind small farmers' opposition to the HCRI based on a technical and legal review of the text of the HCRI.

In short, the HCRI, if passed, would have severe negative impacts on existing small and licensed cannabis farms in Humboldt County, dismantle years of community-driven process to establish a functional regulatory framework for cannabis in Humboldt County, and undermine efforts for environmental sustainability and compliance.

The analysis below demonstrates how the HCRI would overturn years of community-driven process that established Humboldt's cannabis ordinances; remove the ability for the Board of Supervisors to establish, update, or amend Humboldt's cannabis policies; target existing small, licensed cannabis farmers by implementing dozens of new and unworkable rules and restrictions on all licensed farms, regardless of size; undermine environment sustainability and compliance by restricting the addition of critical infrastructure such as water storage and renewable energy; and undermine democratic process by drafting detailed rules for cannabis land use and operations Humboldt without review or input from cannabis operators, the public, or the county itself.



1. The HCRI prevents future changes to Humboldt’s cannabis ordinance without another initiative (Section 10: Amendment and Repeal)

Humboldt’s Board of Supervisors currently has the authority to make amendments to Humboldt’s cannabis ordinance based on a majority vote of the Board. This flexibility enables the Board to quickly amend the ordinance in response to changing conditions and public input. Given the nascent legal cannabis industry, it is very likely that future changes to Humboldt’s cannabis ordinance will be necessary for policy, legal, and environmental reasons.

As one example, in September 2022, North Coast Congressional representative Jared Huffman introduced [legislation in Congress](#) that would enable small cannabis producers to ship cannabis directly to consumers through the Postal Service or a private commercial carrier once cannabis is federally legal. If passed, this legislation would require licenses and regulations to be adopted at the state and local level to authorize direct shipping and sales, an activity which is currently not contemplated in California state law or local regulations. Other federal cannabis legislation currently under consideration spans [hundreds of pages](#) and includes considerable new policy that state and local policy would be required to quickly adapt to upon passage.

The HCRI, however, cannot be amended without a subsequent ballot initiative and vote of the people. Notably, the HCRI does not make any exception for ordinance amendments intended to promote better environmental outcomes, respond to neighborhood input, improve public safety, or align with changes to federal law: the text of the initiative is clear that “this Initiative may be amended or repealed only by the voters of Humboldt County.” regardless of the rationale for the amendment, with only a narrow exemption for certain specifically-stated purposes such as definitional conformance with state regulations.

“SECTION 10: AMENDMENT OR REPEAL

Except as otherwise provided herein, this Initiative may be amended or repealed only by the voters of Humboldt County.”

This means that, were the HCRI to pass, future changes to Humboldt’s cannabis ordinances would require multiple years of lead time, time and money for a drafting process, a substantial effort to collect thousands of signatures for the ballot, and explicit approval by a majority of Humboldt voters in order to be enacted.

2. The HCRI targets the county’s smallest legal, existing cannabis farms .

While the HCRI claims its purpose is to protect the county from “harm caused by large-scale cannabis cultivation,” nearly every regulation proposed in the HCRI would be equally applicable



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to every licensed cannabis farm in the county, regardless of scale, down to the county's smallest cottage cultivators.

The following sections detail many of the specific new restrictions applicable to small farms under the HCRI, as well as the substantial damage that these restrictions would impose upon all legal cannabis farms in Humboldt.

If the goal of the HCRI is to target large farms, its provisions should specifically target large farms; instead, the HCRI casts a wide net over every legal farm in Humboldt County.

3. The HCRI defines “expansion” to include any increase in the “number or size of any structures used in connection with cultivation”- a definition which includes water storage, renewable energy systems, and many other structures necessary for compliance and environmental sustainability

Many of the HCRI's provisions address concerns related to the “expansion” of currently-permitted farms in Humboldt County.

While “expansion” may be commonly understood as a large increase in permitted cultivation area, the actual definition of expansion within the initiative itself is much broader, encompassing many activities which are critical for environmental compliance and water conservation as well as the success of small farms more broadly.

Specifically, the initiative defines “expansion” to include a range of activities, including any increase in the number or size of structures used in connection with cultivation.

"Expanded," when used to describe commercial cannabis cultivation sites, uses, operations or activities or an application or permit therefor, shall mean an increase in the size, intensity, or resource usage of commercial cannabis cultivation activities on a parcel or premises where such activities have previously been permitted, regardless of whether authorization for expanded uses is sought by way of an application for a new permit or zoning clearance or an application for a modification to an existing permit or zoning clearance. **Examples of "expanded" uses include, but are not limited to, an increase in cultivation area, water usage, energy usage, or the number or size of any structures used in connection with cultivation.**

A plain reading of this section suggests that “expansion” would include the installation of either water storage or renewable energy infrastructure, both of which increase “the number or size of any structures used in connection with cultivation.” Additionally, “expansion” under this definition would include many normal agricultural uses - such as the addition of buildings for processing or drying - which are essential for small cultivators to retain on-farm value and ensure quality



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control for craft products. The addition or expansion of many structures are also required for compliance with county-level compliance agreements or Department of Fish and Wildlife agreements.

The HCRI's FAQ on their website concurs, stating that *"adding new water tanks might be interpreted as an expansion and might require modification of an existing permit."* In other words: any restriction applied to "expansion" within the HCRI is also likely a restriction applicable to the installation of water storage, renewable energy, and other environmental improvements.

4. "Expansion" under the HCRI triggers multiple additional requirements that would be difficult or impossible for small farms to comply with

The definition of "expansion" within the HCRI is significant given that multiple sections of the initiative place additional requirements and restrictions on farms that seek to "expand."

Considering that nearly all farms will seek to "expand" at some point under the HCRI's definitions (e.g. increase the size or number of structures on the farm for compliance or other reasons), the following restrictions tied to "expansion" would in fact effectively serve as requirements for most or all legal farms in Humboldt County, of any size. To the extent that each of these requirements are difficult or impossible to comply with, the operation of a small cannabis farm in Humboldt County would not be feasible for existing small cultivators under the HCRI.

4a. Section CC-P2 - "expansion" cannot result in a farm over 10,000 square feet

Section CC-P2 of the HCRI reads:

"Except for pending applications that the County determines were complete on or before March 4, 2022, the following limitations shall apply to any application for a permit, permit modification, or zoning clearance for new or expanded commercial cannabis cultivation that is approved following the Effective Date of the Humboldt Cannabis Reform Initiative:

(a) The County shall not approve an application if the total cultivation area that would result from approval exceeds 10,000 square feet.

(b) The County shall not approve an application that proposes a type of cultivation other than Outdoor Cultivation, Mixed-light-Tier 1 Cultivation, or Nursery.

The limitations in this Policy CC-P2 shall not apply to an application for renewal of an existing permit or zoning clearance that does not propose or involve any expanded use."



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While the phrasing of “results in” is somewhat ambiguous, this section can be read as prohibiting “expansion” on any farm larger than 10,000 square feet. Given that approximately half of the permitted farms in Humboldt County are between 10,000 square feet and one acre in size, a significant number of farms would be affected by this provision.

4b. Section CC-P8 - “expansion” requires discretionary permitting

Section CC-P8 of the HCRI reads:

“Discretionary Review. An application for commercial cannabis cultivation with a total cultivation area of greater than 3,000 square feet shall not be approved by way of a zoning clearance or other ministerial approval. Commercial cannabis cultivation with a total cultivation area of greater than 3,000 square feet shall require a conditional use permit, special permit, or equivalent discretionary permit, and a coastal development permit where applicable. The County may by ordinance require a conditional use permit, special permit, or equivalent discretionary permit for commercial cannabis cultivation with a total cultivation area of less than 3,000 square feet. This policy shall apply to all applications for new or expanded commercial cannabis cultivation activities regardless of the size, land use designation, or zoning classification of the parcel on which cultivation is proposed.”

Requiring discretionary approval for all “expanded” uses as defined under the HCRI would dramatically slow the approval of water storage, renewable energy, and other compliance-oriented projects that benefit the environment and the county as a whole.

As a concrete example, the county is [currently distributing](#) \$12 million in grant funding to cultivators to install water storage and renewable energy infrastructure, and has received hundreds of applications for these grant funds. Under the HCRI, each of these hundreds of “expansions” would require an independent discretionary approval.

Discretionary Zoning Administrator and Planning Commission hearings currently consider a collective total of around twenty projects - inclusive of both cannabis and non-cannabis projects - every two weeks. Adding this level of discretionary review would grind the county’s approval processes to a halt, not only for cannabis, but for all discretionary projects that the county is required to consider.

4c. Section CC-P13 - “expansions” must meet category 4 road standards

Section CC-P13 of the HCRI reads:



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Roads. Where any parcel on which a permit for new or expanded commercial cannabis cultivation activities is proposed is served by a private road without a centerline stripe, a licensed engineer's report shall be required to support a conclusion that the road meets or exceeds the Category 4 standard (or same practical effect).

Cultivators who entered the legal framework under Humboldt's initial "1.0" cannabis ordinance - constituting the significant majority of legal, small legacy farmers in the county - are currently not required to meet Category 4 road standards. If applied to 1.0 legacy farmers, the application of Category 4 standards would potentially be catastrophic, as many farmers have lived for decades on homesteads with roads that may not meet these standards, and costs for Category 4 conversions can amount to \$100,000 a mile or more.

The FAQ posted on the HCRI website demonstrates the lack of understanding that proponents have in how these requirements will affect existing, small legacy farmers.

Will the Initiative require new permits and Category 4 roads for newly permitted farms or for any farm undertaking an "expansion"?

Answer:

Even without the Initiative, the County's ordinances already require roads providing access to cannabis cultivation parcels or premises to meet Category 4 road standards (or the same "practical effect"). However, the current ordinances allow the applicant—who may not have any expertise in road design or construction—to provide "self-certification" that the roads meet the Category 4 standard. The Initiative would require a licensed engineer to make the certification instead.

The FAQ erroneously states that "*even without the Initiative, the county's ordinances already require roads providing access to cannabis cultivation parcels or premises to meet Category 4 road standards.*" In reality, [Ordinance 1.0 does not require a Category 4 standard](#), and the initiative would effectively require all small and legacy farmers in Humboldt to meet Category 4 standards if they ever want to "expand" by adding water storage, renewable energy infrastructure, or any other normal agricultural activity that involves adding or expanding a building.



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5. The HCRI prohibits cultivators from holding multiple permits, which are critical for craft farmers to add on-farm value through establishing nurseries, processing, distribution, sales, and on-farm tourism

Section CC-P5 of the HCRI states:

“Multiple Permits. No approval of a permit for commercial cannabis cultivation shall result in either of the following: (a) any one person holding more than one active permit approved after the Effective Date of the Humboldt Cannabis Reform Initiative at the same time, or (b) more than one active permit approved after the Effective Date of the Humboldt Cannabis Reform Initiative on the same legal parcel at the same time.”

State and county licensing rules for cannabis are highly segmented, and require many different permits to undertake many different types of activities. A permit to cultivate does not authorize a farmer to engage in many other critical activities, including nursery activities (cultivating immature plants for sale), processing for other licensees, transportation of cannabis, distribution of cannabis, or cannabis sales to a consumer.

The segmentation of farmers into only a narrow set of cultivation activities has been one of the major factors preventing the development of a craft Humboldt cannabis market. Similar to artisanal wine producers who bottle wine on-site to guarantee quality, exercising greater control over the production and distribution process is a major component of bringing high-quality, small-farm craft cannabis products to consumers.

As a result, many farmers have already added, or hope to add, additional permits on their property to engage in non-cultivation activities, such as tourism, distribution, microbusiness, or delivery permits. By prohibiting farmers from obtaining additional permits for these activities after the effective date of the initiative, the HCRI would leave Humboldt farmers unable to control the quality and distribution of their own products.

The HCRI proponents' online FAQ claims that section CC-P5 is only applicable to “multiple cultivation permits,” not multiple permits of any type. The plain language of CC-P5, however, references “any one person holding more than one active permit” not cultivation permits in particular. This ambiguity risks, at the very least, litigation over this point. Because the initiative has already been submitted in final form to the office of elections, and could not legally be amended by the Board of Supervisors if it were to pass, few other options exist to clarify the meaning of this section.

Further, the definition of “cultivation” under the initiative explicitly includes both nurseries and processing activities, clearly prohibiting these permits from being held under CC-P5 even if the



proponents' interpretation is granted. Both nurseries and processing are absolutely critical to building Humboldt's long-term viability in differentiated, craft-scale cultivation:

- **Nursery licenses are critical to developing and distributing specialty genetics** - because state regulations (specifically, DCC regulation §16300(c)) prohibit a cultivation license holder from distributing seeds or immature plants without a separate nursery license, cultivators are not able to engage in any value-added activity related to their specialty genetics - or even transfer genetics on or off their farm - without obtaining a separate nursery license. The HCRI's proposed prohibition on holding both a cultivation and nursery license is senseless, and would effectively lock cultivators out of any ability to distribute the specialty genetics which are one of the primary factors differentiating craft Humboldt cannabis.
- **Processing licenses, including cooperative processing licenses, are critical for quality control and appellation development** - for years, HCGA has emphasized the [critical importance of access to localized processing \(trimming\) services](#). In a position paper published in 2021, we wrote:

“When cannabis is trimmed by a third-party company, farmers lose physical custody of the product and the ability to conduct oversight for quality control. Additionally, draft regulations for California’s cannabis appellations program require that cannabis must be fully trimmed within appellation boundaries in order to legally use the appellation name. Without access to on-farm processing, or other local processing options, many farmers will be unable to meet appellation standards.

In wine, ‘estate bottling’ is considered a critical differentiating factor for independent wineries that seek to compete in the craft market. Similarly, both now and in the future, we believe that the ability for Humboldt to retain its leadership in craft cannabis will be closely tied to the capacity to conduct value-added activities on-farm. As Humboldt’s legacy cannabis industry becomes increasingly pressured by forces of consolidation and corporatization, we believe it is crucial that small and independent farmers have access to tools to help differentiate craft cannabis in a competitive market.”

The importance of farmer-controlled processing extends not only to on-farm processing activities, but also to regionally-based processing which is collectively or cooperatively owned by farmers within a region.

For these reasons, while the HCRI's sponsors may have intended Section CC-P5 to prevent “license-stacking” loopholes that increase cultivation area, the actual effect of this section would



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be to prevent precisely the cooperative and value-added activities necessary for a craft, differentiated, small-scale cannabis industry.

Finally, independent of Section CC-P5, any addition of a non-cultivation permit under the HCRI would clearly be considered “expansion,” and would therefore trigger additional considerations discussed in the previous section.

Collectively, these dynamics would dramatically reduce the ability for small cannabis farms to compete based on differentiating a craft, high-quality product, and prevent farmers from maintaining control of their own products through the supply chain.

6. The HCRI permanently locks prospective small farms out of the legal market

Section CC-P1 of the HCRI states:

“In each of the planning watersheds listed in Section 2 of Humboldt County Board of Supervisors Resolution No. 18-43, the cap on the total number of permits for commercial cannabis cultivation granted shall be 1.05 times the total number of existing approved, unexpired permits for Open Air Cultivation (including Outdoor and Mixed-Light Cultivation, and Nurseries) and Indoor Cultivation within that planning watershed as of March 4, 2022, the date on which the notice of intention to circulate the Humboldt Cannabis Reform Initiative was submitted to the elections official of the County of Humboldt.”

By capping not just the size, but also the total number of cultivation permits in the county, the HCRI would potentially prevent any farmer - no matter how small or how environmentally sustainable - from entering the legal market after its effective date. New small farmers would only be able enter the legal market if the total number of permits were under the cap established by the initiative, which would require existing small farmers to drop out of the legal system.

The decision by HCRI’s sponsors to specifically restrict new small farms from entering the legal market is puzzling given the framing of the initiative in general. The “findings” section of the initiative states:

“Humboldt County’s cannabis economy and reputation for high quality cannabis were shaped by small-scale operations... These small-scale operations have shaped the County’s culture for decades, and small-scale growers’ innovation and attention to craft have made “Humboldt” synonymous with high quality cannabis... [but] Humboldt County’s cannabis ordinances allow large-scale operations that threaten to displace small-scale cultivators.”



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Despite the HCRI's stated intent, the reality of an effective ban on the ability for small growers to enter the legal market suggests that the HCRI is driven by a sentiment against cannabis in general - not "large-scale operations" in particular.

7. The HCRI prohibits the renewal of a cannabis license based on an open or unresolved complaint, leaving farmers with no defense against false or bad-faith complaints

Section CC-P4 of the HCRI states that:

"Permits shall not be renewed unless all of the following conditions are satisfied... The County has considered and investigated any and all comments or complaints received from members of the public concerning the commercial cannabis cultivation operation's compliance with permit conditions or applicable laws."

Cannabis permits are renewed by the county on an annual basis, and each permit renews at a different time during the year. In many cases, this means that permits will renew in the middle of a growing season, when the cultivator has plants in the ground.

The HCRI establishes a "guilty until proven innocent" standard for the renewal of permits, prohibiting the county from renewing a permit based on any comment or complaint against that farm which has not been considered and investigated by the county. This approach leaves cultivators defenseless against false, frivolous, or prejudiced complaints, including complaints strategically levied against cultivators shortly before their license renewal which cannot practically be "investigated" prior to renewal.

If a cultivator is unable to renew their license in the middle of a growing season due to a false or frivolous complaint, that cultivation site will be considered illegal under both county and state law, and will be subject to enforcement actions unless the cultivator removes all cannabis from the licensed premises and effectively loses their livelihood for that growing season. Under the HCRI, cultivators will face these irreversible consequences even if the underlying complaint is ultimately shown to be false.

8. The HCRI would have unclear impacts on hundreds of permits currently in process which were submitted prior to March 4, 2022, potentially resulting in permit denials for many small cultivators who have invested significantly into the permitting process

Many of the provisions of the HCRI would establish grounds for permit denial based on the status of a permit application as of March 4, 2022. Specifically, the HCRI would subject permits to caps on acreage and total number unless they were deemed "complete" by the county as of



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this date (CC-P1), likely resulting in the denial of permits which were not “complete” as of March 4, 2022.

If the HCRI receives adequate signatures to qualify for a vote, it is most likely to appear on the ballot in summer of 2024. As a result, if the HCRI were to pass at this time, it would establish a far-reaching retroactive policy for permit applications based on their status more than two years prior, creating the potential for substantial conflicts over vested rights. The potential for conflict is particularly likely given the existence of significant ambiguities in the language of the HCRI.

Specifically, the HCRI does not define a “complete” permit application, and the meaning of a “complete” permit application is unclear. It is common for the county to seek additional information from applicants during the application process, raising a question as to whether these applications were “complete” as of any particular date. For several hundreds interim permit-holders who have been in the application process for many years - often since 2015 - this ambiguity would put their permitting status at risk. Notably, many of these interim permit applicants are small and legacy cultivators, and the HCRI’s cap on total permits contains no exception for these applicants based on their size or legacy status.

Additionally, it is unclear how the HCRI would impact any permit application submitted after March 4, 2022 which is either approved prior to the effective date of the initiative, or which had made substantial progress towards approval during this time.

9. The HCRI re-intrenches a double standard applicable only to cannabis cultivation, while failing to address larger questions of development and environmental sustainability within the county

Considerations related to water usage, environmental impact, size, corporate ownership, and responsible operation are applicable to every commercial activity, and many non-commercial activities, in Humboldt County. Each of the HCRI’s many additional proposed regulations, however, are applicable exclusively to legal cannabis cultivators, and not any other form of agriculture or other commercial activity.

Based on Water Board data and recent studies from UC Berkeley and elsewhere, HCGA in July of 2021 calculated total cumulative water use for permitted Humboldt cannabis farms - totaling, at the time, 435 acres of permitted cultivation area - at [884 acre-feet](#). For comparison, Humboldt County staff have estimated total non-cannabis agricultural groundwater usage in the Eel River Valley Groundwater Basin - stretching from Loleta to Scotia north to south, and the ocean to Carlotta west to east - at 13,600 acre-feet.

The total water usage by permitted Humboldt cannabis farms, then, is about 6.5% of the total water usage by non-cannabis agriculture in this basin. While scrutiny on water usage is



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necessary and critical during a drought, we do not believe it is sensible to consider cannabis water usage independently from all other water usage questions within the county.

More broadly, Humboldt County faces many long-term challenges regarding drought, climate change, development, and other issues. These challenges should be faced collectively within the county's land-use planning process, rather than segmenting out policies only applicable to cannabis farmers.

10. The rationale for the HCRI is based on false claim that the Humboldt cannabis industry is expanding; in fact, Humboldt's cannabis industry is contracting

The HCRI raises the specter of dramatically increased large-scale cultivation within Humboldt county in the future, suggesting that *"in inland areas alone, the County's current caps could allow the total number of approved permits and acres under cultivation to more than triple compared to approved permit and acreage levels as of November 2021."*

While it is true there is a *theoretical* possibility that cultivation in Humboldt might continue to expand under current cannabis ordinances, it is critical to note that this is not what is currently happening, nor is there any reason to believe it will happen anytime soon. Publicly-available data suggests that Humboldt's cannabis industry is currently contracting, not expanding, and that new permit applications for cannabis cultivation are limited.

According to [publicly-available DCC licensing data](#), on February 28, 2022, Humboldt County had 887 independent cannabis farms holding a total of 1,608 cultivation licenses.¹ Seven months later, as of October 10, 2022, cultivation licenses in Humboldt had decreased to 859 independent cannabis farms holding 1,516 total cultivation licenses. Over the same time period, total state-permitted cultivation acreage in Humboldt County has decreased from 435 acres to 419 acres.

In reality, however, it is likely that licensed cultivation in Humboldt has decreased even more than these figures would indicate. HCGA has viewed a PRA request to the county indicating that 173 cannabis farms filed a "temporary cultivation reduction form" with Humboldt County to either decrease their permitted cultivation area, or pause cultivation entirely for 2022. In total, these farms reduced the total area under cultivation in Humboldt county by 57 acres in 2022 - a reduction which is unlikely to show up in state licensing data.

¹ Under state licensing rules, single farms (e.g. a farm operating on a single parcel under the same ownership ownership) often hold multiple state licenses in order to cultivate using different methods. For example, two distinct state licenses are currently required to grow with and without the use of a light deprivation hoop-house, and so many farmers obtain multiple licenses even if their total cultivation is very small.



The spectre of new, large-scale cultivation raised by HCRI proponents also has no basis in reality. HCGA has submitted a PRA request to the county which indicates that between January 1, 2021, and April 14, 2022 a total of 140 new cannabis permits were applied for in Humboldt County. Only 43 of these permits, however, were for new cultivation, totaling about 30 acres. The remaining 97 permits were for buildings, modifications, barn replacements, distribution, processing, nurseries, farmstands, relocations, upgraded greenhouses, rain catchment, and microbusinesses - precisely the types of environmental compliance and value-added activities that are critical for an environmentally sustainable, small-scale, craft Humboldt cannabis industry.

The primary effect of the HCRI, then, would not be to prevent new expansion - expansion which is not in fact occurring - but rather to place new restrictions on Humboldt's existing, small-scale farms, as described in the sections above.

11. If passed, ambiguities within HCRI would risk triggering significant and ongoing litigation

Due to (1) the substantial ambiguities contained within the HCRI (several of which are discussed above), (2) the HCRI's impacts on in-process and existing licensees with potential vested rights, (3) the absence of stakeholder input in the drafting of the HCRI, and (4) the HCRI's prohibition on further amendments by the Board of Supervisors, the HCRI is structured in a way that invites litigation by a range of stakeholders.

Humboldt's cannabis ordinances and policies have historically attracted litigation (see [here](#), [here](#), and [here](#)), even in cases where there has been substantial opportunity for stakeholder input, an iterative drafting process, and an ability for the Board of Supervisors to amend policy. With no stakeholder process involved in its drafting and no ability to be amended, the HCRI is primed to produce substantial litigation by a range of stakeholders in the community.

Conclusion: The HCRI is an Existential Threat to a Localized, Small-Scale, Sustainable Humboldt Cannabis Industry

The HCRI's stated purpose reflects what we believe is a broad consensus within Humboldt County, that the county should promote the development of a small-scale, craft, environmentally sustainable, and localized cannabis industry that protects those legacy operators who have chosen to transition into the legal and regulated market. The "findings" section of the initiative states:

"Humboldt County's cannabis economy and reputation for high quality cannabis were shaped by small-scale operations... These small-scale operations have shaped the County's culture for decades, and small-scale growers' innovation and attention to craft



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have made "Humboldt" synonymous with high quality cannabis... [but] Humboldt County's cannabis ordinances allow large-scale operations that threaten to displace small-scale cultivators."

What the above analysis demonstrates, however, is that the practical effect of the HCRI would be precisely the opposite: saddling existing small farmers with new restrictions that are near-impossible to comply with, while effectively benefitting large-scale operations outside the county that do, in fact, threaten to displace Humboldt's small-scale cultivators.

The failures of the HCRI are symptomatic of the process (or lack of process) that led to its creation. Humboldt's existing cannabis ordinances were developed through a process that included well over a hundred public meetings held over multiple years. These meetings, and the public discussions surrounding them, reflected the complexity of standing up a newly-legal industry - an industry which, in some way, touches nearly every person in Humboldt County - in the midst of rapidly-evolving policy developments at the local, state, and federal level.

Though several years have passed since Humboldt's recent land-use ordinance, the necessity for community engagement in the cannabis policy realm has not changed. The regulation of land use and operations in Humboldt County cannot and should not be drafted behind closed doors.

If an initiative were truly developed with an intent to support Humboldt's small farmers and restrict industrial-scale cultivation, what would it look like? We think, at the very least, that initiative would include the following elements:

- The initiative would be developed collaboratively with small farmers, environmental groups, neighborhood groups, and other groups within the county - not written behind closed doors and without public or stakeholder input.
- The initiative would seek to cut red tape for small farms, bringing the regulation of cannabis into greater alignment with the regulation of all other agricultural crops in the county - not add more and more rules and restrictions for small farmers growing what is already the most heavily regulated crop in the state.
- The initiative would ensure that any new restrictions on cannabis cultivation would be applicable only to large, industrial-scale farms - not indiscriminately apply these restrictions to the smallest farmers in the county.
- The initiative would allow and encourage new small farms to become permitted and enter the regulated market - not prohibit these farmers from becoming legal operators.



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- The initiative would make it easier for farmers to install water storage and renewable energy infrastructure - not treat these activities as “expansion” and seek to discourage them.
- The initiative would include a special focus on ensuring that small farmers are able to engage in value-added activities on their farms and cooperatively in their region, including nurseries, processing, distribution, microbusinesses, sales, and tourism - not make these activities difficult or impossible to pursue.
- The initiative would preserve flexibility to amend Humboldt’s cannabis rules in response to new information or inevitable changes to state and federal cannabis policy - not require a multi-year ballot initiative process to make even minor changes.
- The initiative would acknowledge the existing crisis facing small farmers in Humboldt due to overproduction by industrial-scale farms in Central and Southern California, and propose solutions to help small farmers differentiate craft products in a competitive market - not propose more restrictions under the guise of “supporting” small farmers.

Despite the HCRI’s high-minded intent language, the actual effect of the initiative, should it pass, is clear: the practical elimination of legal cannabis agriculture in Humboldt County.

For this reason, we strongly urge those who have been involved in the development of Humboldt cannabis policy, the HCRI sponsors, and the broader Humboldt public to reject the HCRI, and to pursue improvements to the county’s cannabis ordinances within an open and deliberative public process that includes all those affected by cannabis policy within Humboldt County.