

## CHAPTER 5 OTHER CEQA SECTIONS

### 5.1 Growth Inducement

CEQA specifies that the growth-inducing impacts of a project must be addressed in an EIR (California Code of Regulations Section 21100(b)(5)). Specifically, Section 15126.2(d) of the State CEQA Guidelines states that the EIR shall:

Discuss the ways in which the proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Included in this are projects which would remove obstacles to population growth (a major expansion of a wastewater treatment plant might, for example, allow for more construction in service areas). Increases in the population may tax existing community service facilities, requiring construction of new facilities that could cause significant environmental effects. Also, discuss the characteristics of some projects which may encourage and facilitate other activities that could significantly affect the environment, either individually or cumulatively. It must not be assumed that growth in any area is necessarily beneficial, detrimental, or of little significance to the environment.

A project can induce growth directly, indirectly, or both. Direct growth inducement would result if a project involved construction of new housing. Indirect growth inducement would result, for instance, if implementing a project resulted in any of the following:

- substantial new permanent employment opportunities (e.g., commercial, industrial, or governmental enterprises);
- substantial short-term employment opportunities (e.g., construction employment) that indirectly stimulates the need for additional housing and services to support the new temporary employment demand; or
- removal of an obstacle to additional growth and development, such as removing a constraint on a required public utility or service (e.g., construction of a major sewer line with excess capacity through an undeveloped area).

Growth inducement itself is not an environmental effect but may foreseeably lead to environmental effects. If substantial growth inducement occurs, it can result in secondary environmental effects, such as increased demand for housing, increased demand for other community and public services and infrastructure capacity, increased traffic and noise, degradation of air or water quality, degradation or loss of plant or animal habitats, conversion of agricultural and open-space land to urban uses, and other effects.

#### 5.1.1 Growth-Inducing Impacts

According to the California Department of Cannabis Control, a total of 35,093,495 plants were grown statewide, and 276,953 packages were processed in 2023 (DCC 2024a). This production contributed to an overall sum of \$4.98 billion in sales of cannabis products (i.e., flower, vape, pre-roll, edible, extract/concentrate, edible, tincture/capsule, topical, plant, seeds, other). As shown in Table 5.1, presented at the end of the chapter, there has been a general decrease in the level of production and sales of cannabis products in the state in recent years (since 2022).

While the total sales throughout the state have varied over the years, as shown in Table 5.1, the cost of products has generally decreased from 2021 to 2023 as depicted in Figure 5.1, presented at the end of this chapter.

This data indicate that cannabis production and sales are not trending toward increased economic growth at the statewide level. Rather, the data suggest an oversupply of product due to the decreased product price. According to this information, it may be surmised that there is little capacity for increased cannabis business opportunities when considering statewide supply and demand.

Within San Diego County, there are currently 5 existing cannabis facilities that are authorized to operate in the unincorporated area of the county. These facilities were in operation prior to the County's 2017 ban on new medical facilities and operate in a nonconforming status in accordance with the County of San Diego Zoning Ordinance, which allows for the expansion of their existing facilities and operations to a total of 10,000 square feet of building area per facility. No new cannabis facilities or other cannabis operations are permitted under the existing ordinances.

Approval of the Cannabis Program would allow for development and operation of new commercial cannabis facilities in the unincorporated area of the county, including retail, cultivation, manufacturing, distribution, testing, microbusinesses, temporary events, and consumption lounges. Operation of these new facilities would be in addition to businesses within cities that have allowed cannabis operations, including National City, Encinitas, Lemon Grove, Chula Vista, Imperial Beach, La Mesa, Oceanside, Vista, and San Diego and elsewhere in California. New cannabis operations within the unincorporated areas of the county could serve residents from these cities where cannabis uses are allowed, as well as the unincorporated county and cities where cannabis business operations are prohibited (e.g., Carlsbad, Coronado, Del Mar, El Cajon, Escondido, Poway, San Marcos, and Solano Beach) and areas outside of the county.

Table 1.4 in Chapter 1, "Project Description, Location, and Environmental Setting," provides development assumptions for estimating future commercial cannabis uses in the unincorporated area of the county in 2044. These assumptions are based on published estimates on statewide cannabis consumption by adults, cannabis production by cultivation type (outdoor, mixed-light, and indoor), and the current percentage of cultivation and noncultivation licenses statewide according to California Department of Cannabis Control data (DCC 2024b). Consistent with these development assumptions, some economic growth specific to the cannabis sector in San Diego County is reasonably foreseeable with approval of the Cannabis Program under Alternatives 2, 3, 4, and 5; however, economic growth is not likely to be substantial because data indicate a statewide oversupply of cannabis product in relation to demand in the regulated market.

Implementation of the Cannabis Program is intended to regulate all commercial cannabis activities, including commercial cultivation and noncultivation uses (nurseries, retail, cultivation, manufacturing, distribution, testing, microbusinesses, temporary events, and consumption lounges) in the unincorporated area of the county. Table 1.4 identifies the anticipated extent of development and employment associated with commercial cultivation and noncultivation uses under Alternatives 2, 3, 4, and 5. Depending on the alternative, the number of new permanent full-time equivalent employees generated with implementation of the Cannabis Program would range from none (Alternative 1) to 3,939 (Alternative 4). As discussed in Section 2.14, "Population and Housing," 3,939 permanent jobs would represent an increase of approximately

0.3 percent from 2023 employment conditions and would account for only approximately 0.8 percent of the 524,818 total jobs projected to be added in the county by 2050. Therefore, these additional jobs would be well within the planned employment growth for the region, and additional construction of housing would not be fostered through implementation of the Cannabis Program. Therefore, the Cannabis Program under Alternatives 2, 3, 4, and 5 would not substantially contribute to direct growth-inducing effects.

Furthermore, the Cannabis Program would not remove barriers to population growth. No new or expanded (beyond what is currently planned) public infrastructure facilities would be installed to support implementation of the Cannabis Program because cannabis uses would operate similar to the way that existing land uses in the county operate. In addition, no new roadway improvements would be triggered from adoption of the Cannabis Program. It is expected that most cannabis facilities would use on-site wastewater treatment systems and wells for water supply. As discussed in Section 2.18, "Utilities and Service Systems," new commercial cannabis facilities may include construction or improvement of water, wastewater, stormwater drainage, electric power, natural gas (where available), and telecommunication facilities as needed based on site-specific conditions. Extension of these infrastructure facilities is expected to be limited because they are generally available along roadway frontages of the parcels or may be accommodated on individual project sites where uses are allowed. More generally, adoption of the Cannabis Program would not trigger the need for the relocation or construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could remove a barrier to growth. Therefore, the Cannabis Program under Alternatives 2, 3, 4, and 5 would not contribute to indirect growth-inducing effects.

## **5.2 Significant and Unavoidable Adverse Impacts**

State CEQA Guidelines Section 15126.2(c) requires EIRs to include a discussion of the significant environmental effects that cannot be avoided if the project is implemented. As documented throughout Chapter 2, "Significant Environmental Effects of the Proposed Project," which addresses project-level impacts, as well as cumulative impacts, after implementation of the identified mitigation measures, implementation of the Cannabis Program would result in the following significant and unavoidable impacts:

- Aesthetic Resources, Issue 2: Substantially Degrade Visual Character or Quality (Alternatives 2, 3, 4, and 5)
- Air Quality, Issue 3: Result in Emissions of Odors Adversely Affecting a Substantial Number of People (Alternatives 2, 3, and 5)
- Hydrology and Water Quality, Issue 2: Substantial Decrease of Groundwater Supplies or Interfere Substantially with Groundwater Recharge (Alternatives 2, 3, 4, and 5)
- Noise, Issue 1: Excessive Temporary Construction-Related Noise Levels (Alternatives 2, 3, 4, and 5)
- Transportation, Issue 2: Exceed the Threshold for VMT (Alternatives 2, 3, 4, and 5)
- Utilities and Service Systems, Issue 1: Adequate Water Supplies (Alternatives 2, 3, 4, and 5)

### **5.3 Significant Irreversible Environmental Changes**

The State CEQA Guidelines require a discussion of any significant irreversible environmental changes that would be caused by the project. Specifically, State CEQA Guidelines Section 15126.2(d) states:

Uses of nonrenewable resources during the initial and continued phases of the project may be irreversible since a large commitment of such resources makes removal or nonuse thereafter unlikely. Primary impacts and, particularly, secondary impacts (such as highway improvement which provides access to a previously inaccessible area) generally commit future generations to similar uses. Also, irreversible damage can result from environmental accidents associated with the project. Irretrievable commitments of resources should be evaluated to assure that such current consumption is justified.

#### **5.3.1 Use of Nonrenewable Resources**

The project would result in the irreversible and irretrievable commitment of energy and material resources during construction and operation, including:

- construction materials, including such resources as soil, rocks, wood, concrete, glass, and steel;
- land area committed to new project facilities;
- water supply for project construction and operation; and
- energy expended in the form of electricity, natural gas, diesel fuel, gasoline, and oil for equipment and transportation vehicles that would be needed for project construction and operation.

The use of these nonrenewable resources is expected to account for a minimal portion of the region's resources and would not affect the availability of these resources for other needs within the region.

As identified in Section 2.11, "Hydrology and Water Quality," future new cannabis uses in the county would demand new water supplies, a portion of which would be derived from groundwater sources (see Issue 2). If a project applicant would require groundwater as a water supply, requirements would be limited to the County's County Grading, Clearing, and Watercourses Ordinance (Groundwater Ordinance) (Regulatory Code Section 67.701 et seq.). Although the Groundwater Ordinance contains standards for well construction, repair, reconstruction, and destruction, it does not place requirements on groundwater production rates or requirements concerning groundwater availability. Because of the uncertainty of available groundwater resources in fractured-rock aquifer conditions, additional groundwater draw down associated with a project approved under the proposed Cannabis Program may result in a groundwater overdraft condition, low well yield, or well interference. Although Mitigation Measure M-HYD.2-1 would reduce program and individual site impacts to a less-than-significant level, any drawdown of groundwater resources in the county could contribute to depletion of groundwater supplies where supplies are limited or yields of groundwater are low and would result in substantial long-term consumption of groundwater or other water supplies.

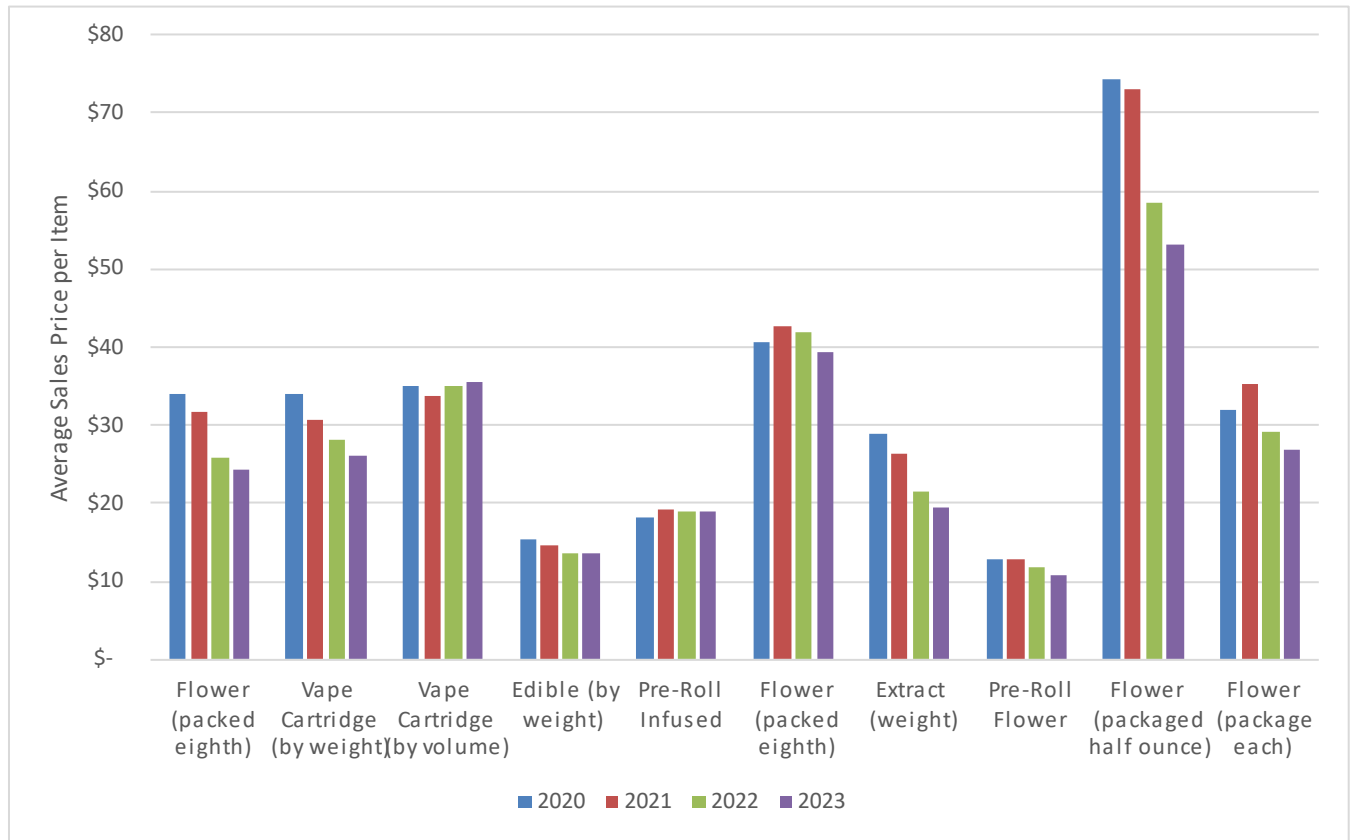
As identified in Table 2.18.4 in Section 2.18, “Utilities and Service Systems,” it is estimated that new commercial cannabis operations under the Cannabis Program could have a total municipal water demand of up to 668 acre-feet per year. The 2020 Urban Water Management Plans (UWMPs) concluded San Diego County Water Agency member agencies that serve the unincorporated county would have adequate water supplies that would meet or exceed water demand under normal water year, single dry water year, and multiple dry water year conditions through the year 2045. However, water supply availability varies in the county based on local conditions and water sources of the service provider. It is unknown to what extent cultivation uses would obtain water supplies from municipal water districts. While noncultivation uses are similar to other nonresidential commercial uses, cultivation uses were not factored into water demand assumptions identified in the UWMPs. Therefore, water demand associated with commercial cannabis uses would be in addition to water demands already identified.

As discussed in Section 2.7, “Energy,” construction and operation of commercial cannabis cultivation and noncultivation sites associated with adoption and implementation of the Cannabis Program would result in the consumption of fuel (gasoline and diesel), electricity, and natural gas (see Issue 1). As discussed therein, the energy needs for commercial cannabis cultivation would not require additional capacity or increased peak or base period demands for electricity or other forms of energy. All buildings constructed would be built to the California Energy Code in effect at the time of construction, as well as California Code of Regulations, Title 4, Section 16305 regarding energy sources that reduce greenhouse gas emissions. Future cultivation and associated energy expenditure under the Cannabis Program would be similar to those currently in the county. For this reason, construction and operation of cannabis facilities that would be licensed under the Cannabis Program would not result in substantial long-term consumption of energy and natural resources.

**Table 5.1 Statewide Cannabis Harvest, Packaging, and Sales 2020–2023**

Year	2020	2021	2022	2023
Plants	22,145,411	40,595,072	34,041,238	35,093,495
Packages	258,240	1,480,829	285,602	276,953
Total Sales (Billions)	\$4.26	\$5.35	\$4.90	\$4.89

Source: DCC 2024a.



Source: DCC 2024b.

**Figure 5.1 Statewide Sales of Cannabis Products by Year**