



# County of Santa Cruz

## DEPARTMENT OF COMMUNITY DEVELOPMENT AND INFRASTRUCTURE

701 OCEAN STREET, FOURTH FLOOR, SANTA CRUZ, CA 95060-4070  
Planning (831) 454-2580 Public Works (831) 454-2160

October 31, 2023

Zoning Administrator  
County of Santa Cruz  
701 Ocean Street, 4<sup>th</sup> Floor  
Santa Cruz, CA 95060

**Subject: Public hearing to consider Appeal of Denial of Application 231180, a proposal to extend the permit expiration date of Commercial Development Permit 191047. Permit 191047 established a CA co-location cannabis cultivation manufacturing and distribution facility with up to four cultivators, Type 3 Manufacturing, and Type 2 Distribution on a Commercial Agriculture zoned parcel. Project included cultivation and processing within 311,900 square-feet of four existing greenhouses, in addition to 7,743 square-feet of volatile manufacturing, 5,590 square feet of distribution area, 4,069 square-feet of office space is proposed within an existing 18,290 square-foot packing shed.**

Dear Zoning Administrator:

On May 09, 2023, Time Extension Permit 231180, a proposal to extend the expiration of Commercial Development Permit 191047 for a year, was submitted to the County of Santa Cruz.

On August 24, 2023, application 231180 was denied without prejudice based on the findings contained in the attached staff report (Exhibit 1B).

On September 07, 2023, a letter of appeal was submitted by Joey Espinoza ("Appellant") (Exhibit 1A). The primary issues raised in the appeal letter reference the progress being on outstanding Code Violations. The appellant argues that progress is being made on the required building permits. The letter also identifies that the property changed ownership in 2022, and that the current property owner inherited the violations on the parcel. The appellant notes that the property has remained vacant since the new owners acquired the property, and no cannabis related activities have occurred on site since acquisition.

### **COUNTY RESPONSES TO ISSUES RAISED IN APPEAL LETTER**

#### **Building Permit Progress**

Planning staff reviewed the status of the building permits required to rectify the Notice of Violations. The building permit was submitted on November 05, 2021; the sixth round of reviews was recently completed, with correction comments entered by the fire protection district reviewer on October 10, 2023. In their comments, the reviewer raised several compliance and site-wide infrastructure issues which, in order to rectify, would require a substantial amount of on-site water storage (over a million gallons) or significant fire flow upgrades, in addition to road improvements,

in order to meet required emergency access and fire turnaround requirements. Although the requirements are not impossible to satisfy, they are considerably challenging. A reduction in the scope of work could reduce the water demand.

### **Property Ownership Change**

Planning staff acknowledges the fact that the property changed ownership on April 21, 2022. The Notice of Violation was issued to the previous property owner on April 01, 2021. The appellant contends that the property has been vacant since the change in ownership. The property's vacancy was noted by a neighbor during the public comment period (Exhibit 1C), who cites concerns with the current state of the property, including an abandoned car and over-grown vegetation along the property boundary. The neighbor's letter included photos that confirm the site conditions described in the letter. Under the current ownership, the property remains vacant and unmaintained.

### **Staff Recommendation**

Based on a review of the issues raised by the appellant and the status of the building permits, staff recommends upholding the denial based on the findings contained in Exhibit 1B. There is a history of non-compliance and deferred property maintenance associated with the parcel. Further, the building permit is currently headed into a seventh routing; in two years, no progress has been made with regard to addressing the Fire District compliance comments, which are substantial, and the property owner appears no closer to resolving these issues.

Alternatively, an extension of one-year could be approved and conditioned to require the issuance of a building permit prior to the expiration date. This option could allow the applicant to attempt to either address the compliance comments raised by the fire districts, or to amend the discretionary permit to include a reduced scope of work.

Sincerely,

Michael Lam  
Project Planner  
Development Review

Exhibits:

- 1A. Appeal Letter from Joey Espinoza
- 1B. 231180 Staff Report
- 1C. Public Correspondence

County of Santa Cruz  
Community Development & Infrastructure - Planning Division  
701 Ocean Street, 4th Floor  
Santa Cruz, CA 95060  
Attention: Michael Lam, Development Review Planner

Subject: Appeal Against the Planning Decision Dated August 24, 2023.

To Whom It May Concern,

I am writing to appeal the decision by Santa Cruz County Planning, dated August 24, 2023, which denied an extension to Commercial Development Permit 191047.

The applicant seeking this extension is Mr. Reza Abdi, and the application number is Commercial Development Permit 191047. The Assessor's Parcel Number (APN) linked to the subject parcel is 051-731-04.

I am Joey Espinoza, representing the current property owner of parcel 051-731-04, HPT Investment LLC.

The basis for my appeal is as follows:

1. The denial of the extension is primarily grounded in an outstanding Code Violation (NV24558) associated with unpermitted work related to a cannabis cultivation, manufacturing, and distribution facility. It is worth noting that the applicant took action to address this violation by submitting a building permit master application (APP-211071) on November 05, 2021. Furthermore, the denial failed to acknowledge the progress made since February 2023. Specifically, after February 2023, the applicant was awaiting a response from the Building department regarding their portion of the review associated with APP-211071.
2. The property was acquired by HPT Investment LLC on 4/21/2022, and the open Code Violation (NV24558) was inherited by the new property owner. To expedite the process, engineers were promptly engaged to facilitate the progression of APP-211071. After nearly a year of plan check responses and corrections, additional specialized professionals were brought in to assist. In March 2023, a new project manager, specializing in construction permits and cannabis operations, was hired. Moreover, in June 2023, under the guidance of the new project manager, a new architect group was added to the team to expedite necessary changes on the permit plans.

3. Efforts have been made to collaborate with Santa Cruz County consultants who review on behalf of the fire department. The aim was to discuss the project in more detail and find solutions. Regrettably, despite a dozen attempts, both via phone and email, to schedule meetings, there has been no response or meaningful engagement from these consultants.
4. While the denial letter references complaints from neighboring property owners regarding ongoing nuisances and safety concerns, it is essential to recognize the applicant's genuine efforts to mitigate these concerns. Furthermore, the property has remained vacant since its acquisition by the new owner, with no cultivation, manufacturing, distribution, or occupancy activities, aside from one security guard responsible for site security.
5. Santa Cruz County Code 1.12.060 does permit the denial of a permit if violations exist on the same property and the application does not address these violations. Nonetheless, I contend that the proposed time extension could effectively address the existing violations without necessitating an entirely new Commercial Development Application at this stage.
6. Concerns exist regarding the fairness and impartiality of the decision, as it appears that the progress made by the applicant in rectifying violations has not been duly considered, and there have been challenges in obtaining timely responses from fire consultant staff. Additionally, the decision appears to have overlooked that plan check comments from the Building reviewer were not received until May 23, 2023. The applicant was waiting for the full set of comments before providing a comprehensive response.
7. It is also important to highlight that significant new evidence has emerged relative to the decision. A formal response to the plan check comments was completed at the time of drafting this letter. Delays in submission were encountered due to difficulties faced by Mr. Reza Abdi in accessing his ePlan portal.

In conclusion, I respectfully request a review and reconsideration of the decision to deny the extension of Commercial Development Permit 191047. The applicant has made substantial strides in addressing violations and concerns related to the property. Granting the extension would represent a fair and reasonable course of action.

Thank you for your time and attention to this matter.

Sincerely,

Joey Espinoza  
831-210-0885  
joey@cannabispermits.com



## Staff Report & Development Permit Level 4 – Time Extension

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Application Number: **231180**

APN: **051-731-04**

Applicant: **Reza Abdi**

Owner: **HPT Investment LLC**

Site Address: **265 Coward Road, Santa Cruz 95062**

### Proposal & Location

Proposal to extend the permit expiration date of Commercial Development Permit 191047 for one year, to establish a CA co-location cannabis cultivation and manufacturing and distribution facility with up to four cultivators, Type 3 Manufacturing, and Type 2 Distribution on a Commercial Agriculture zoned parcel. Project entails cultivation and processing within 311,900 square-feet of four existing greenhouses, in addition to 7,743 square-feet of volatile manufacturing, 5,590 square-feet of distribution area, 4,069 square-feet of storage, and 879 square-feet of office space is proposed within an existing 18,290 square foot packing shed.

### Analysis

The applicant is requesting an extension to Commercial Development Permit 191047. The subject parcel currently has an open Code Violation (NV24558) regarding unpermitted work related to the cannabis cultivation, manufacturing, and distribution facility. Further, staff with the Cannabis Licensing Office has observed and documented cannabis related operations in violation of their local authorization which led to revocation of that authorization. In addition, several complaints have been received by neighboring property owners regarding ongoing nuisances associated with the site, as well as safety concerns associated with these activities.

NV24558 was processed on April 01, 2021, and cited unpermitted electrical work; the resolution is to obtain the necessary permits and pass the required inspections. A building permit master application (APP-211071) was submitted on November 05, 2021. The application, and associated applications, proposes substantial work to the existing facilities which include adding firewalls to the greenhouses, new electrical, mechanical and plumbing work, and site-wide fire flow. Progress on these permits has not been made since February 2023.

Santa Cruz County Code 1.12.060 (Violations—Effect on permit issuance) states, “An application for a permit pursuant to provisions of the Santa Cruz County Code may be denied or conditionally approved if one or more posted violations of the code or State law are found to exist on the same property and said application does not address the posted violations, unless the Planning Director or their designee determines the permit is necessary to address immediate health and safety concerns and determines that for that reason it is appropriate to grant the permit without addressing previously posted violations.” The proposed time extension will not address the posted violations; therefore, staff recommends denial. The violations shall be addressed as part of a new comprehensive Commercial Development Application.

## Staff Recommendation

Santa Cruz County Planning has taken administrative action on your application as follows:

\_\_\_\_\_ Approved (if not appealed).  
  X   Denied (based on the attached findings).

NOTE: This decision is final unless appealed.

If you have any questions about this project, please contact Michael Lam at:  
(831) 454-3371 or [Michael.Lam@santacruzcounty.us](mailto:Michael.Lam@santacruzcounty.us)

Report Prepared By: \_\_\_\_\_  
Michael Lam  
Santa Cruz County Planning  
701 Ocean Street, 4th Floor  
Santa Cruz CA 95060

Report Reviewed By: Jocelyn Drake  
Jocelyn Drake  
Principal Planner  
Santa Cruz County Planning

Mail to: Reza Abdi  
PO Box 22291  
Oakland, CA 94623

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## Appeals

In accordance with Section 18.10 et seq of the Santa Cruz County Code, the applicant or any aggrieved party may appeal an action or decision taken on a Level IV project such as this one. All appeals shall be made in writing and shall state the nature of the application, your interest in the matter and the basis on which the decision is to be considered to be in error. Appeals must be made no later than fourteen (14) calendar days following the date of publication of the action from which the appeal is being taken and must be accompanied by the appropriate filing fee.

## **Denial Findings**

1. That the proposed location of the project and the conditions under which it would be operated or maintained will not be detrimental to the health, safety, or welfare of persons residing or working in the neighborhood or the general public, and will not result in inefficient or wasteful use of energy, and will not be materially injurious to properties or improvements in the vicinity.

This finding cannot be made, in that due to the unpermitted electrical work and the lack of appropriate action to remedy the hazards this has created, staff has determined the project to be detrimental to the health, safety, or welfare of persons residing or working in the area. The posted Notice of Violation cites unpermitted electrical work and greenhouses that are out of compliance. The unpermitted electrical work poses a fire and life safety risk to the employees and the properties in the vicinity. Following the issuance of the Notice of Violation, the unpermitted work continued and the authorization for cannabis activities was revoked to ensure the health and safety of staff. To date, the property owner has not addressed the violation, nor has the owner demonstrated a good faith effort to address the ongoing issues at the site. The lack of progress on correcting the violations constitute health and safety issues that must be addressed before moving forward with issuance of cannabis license.

# CALIFORNIA ENVIRONMENTAL QUALITY ACT

## NOTICE OF EXEMPTION

The Santa Cruz County Planning Division has reviewed the project described below and has determined that it is exempt from the provisions of CEQA as specified in Sections 15061 - 15332 of CEQA for the reason(s) which have been specified in this document.

Application Number: 231180

Assessor Parcel Number: 051-731-04

Project Location: 265 Coward Road, Watsonville, CA 95076

**Project Description: Time extension to a previously approved development permit.**

**Person or Agency Proposing Project: Reza Abdi**

**Contact Phone Number: (925) 768-8931**

- A. ☐ The proposed activity is not a project under CEQA Guidelines Section 15378.  
B. ☐ The proposed activity is not subject to CEQA as specified under CEQA Guidelines Section 15060 (c).  
C. ☐ **Ministerial Project** involving only the use of fixed standards or objective measurements without personal judgment.  
D. ☒ **Statutory Exemption** other than a Ministerial Project (CEQA Guidelines Section 15260 to 15285).  
E. ☐ **Categorical Exemption**

Specify type: Section 15270 – Projects which are disapproved.

**F. Reasons why the project is exempt:**

The proposed project is recommended for denial by the reviewing agency.

In addition, none of the conditions described in Section 15300.2 apply to this project.

\_\_\_\_\_  
Michael Lam, Project Planner

Date: \_\_\_\_\_





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## County of Santa Cruz

### Community Development & Infrastructure - Planning Division

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#### Signature Page

(To be signed and returned to Santa Cruz County Planning to demonstrate acknowledgement of the issuance of this permit and the acceptance of all permit conditions)

By signing this permit below, the owner(s) agree(s) to accept the terms and conditions of permit number **231180** (APN: 051-731-04) and to accept responsibility for payment of the County's cost for inspection and all other action related to noncompliance with the permit conditions. This permit is null and void in the absence of the property owner(s) signature(s) below. All owners of the subject property (APNL 051-731-04) must sign this form.

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| Signature of Owner | Print Name | Date |
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| Signature of Owner | Print Name | Date |
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Please return to:

Michael Lam  
Santa Cruz County Planning  
701 Ocean Street, 4th Floor  
Santa Cruz CA 95060

\*(Records room staff: Please file this page with the discretionary application listed above.)

## Michael Lam

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**From:** Kayce Pavlovich <kayce.pavlovich@yahoo.com>  
**Sent:** Friday, June 30, 2023 7:41 PM  
**To:** Michael Lam  
**Cc:** Suke Pavlovich; Linda Pavlovich  
**Subject:** 231180

\*\*\*\*CAUTION:This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.\*\*\*\*

Dear Mr. Lam,

We are residents on Carlton road and received a letter in regards to application number 231180 on 265 Coward road. We strongly oppose this proposed expansion to the cannabis facility for the following reasons.

- the fire department has come out a handful of times in response to them burning their trimmings late at night.
- they dumped a car on our property with bullet holes in it. The car is still on their property hidden behind the 6 foot weeds. They only removed it after we contacted someone at their facility. We called the vehicle abatement officer with the sheriffs department. We have photos showing the car originally on their side and dumped on our side several months later.
- they have parked on our side and blocked the farmer and crew from accessing the fields.
- they have left their trash behind for us to clean up.
- the every day smell of the marijuana give people in our family an almost daily headache because we are sensitive to scents due to migraines. It smells like skunks have overtaken our area.

Seems to us, the owners of this property want to expand more than they have room for. We don't think they have parking for their employees. Why else would they park on the road blocking passage for large, heavy farm equipment and other peoples property? Signs had to be placed because they couldn't figure out the obvious . They were parking on our property until we complained. We don't know if that will last. It's not up to their neighbors to supply employee parking. We've never had problems with our neighbors, until now. We've been here for quite a while.

Greg Pavlovich  
Suke Pavlovich  
Linda Pavlovich  
Kayce Pavlovich











