

GRANT AGREEMENT SIGNATURE PAGE

AGREEMENT NUMBER
- - -

1. This Agreement is entered into between the State Agency and the Recipient named below:

STATE AGENCY'S NAME

DEPARTMENT OF CANNABIS CONTROL (DCC)

RECIPIENT'S NAME

2. The Agreement Term is: _____ through _____

3. The maximum amount of this Agreement is: \$ _____

4. The parties agree to comply with the terms and conditions of the following exhibits and attachments which are by this reference made a part of the Agreement:

Exhibit A-A1: A-Award Information and Scope of Work;	Page(s)
A-1 Permitting and Licensing Metrics - See Attachment 2	
Exhibit B: General Terms and Conditions	Page(s)
Exhibit C-C1: C-Payment and Budget Provisions; C1 Budget Worksheet	Page(s)
Exhibit D : Special Terms and Conditions	Page(s)

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

RECIPIENT

RECIPIENT'S NAME (*Organization's Name*)

BY (*Authorized Signature*)



DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

DEPARTMENT OF CANNABIS CONTROL

BY (*Authorized Signature*)



DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

EXHIBIT A
AWARD INFORMATION

Recipient:	
Award Identification Number:	
Award Date:	
Amount Awarded:	\$
Effective Dates:	through
Federal Award to State Agency is Research & Development (Yes/No)	

RECIPIENT AND PROJECT INFORMATION

1. Department of Cannabis Control (DCC) hereby awards an Agreement to the Recipient for the project described herein:

Project Title:

2. The Managers for this Agreement are:

FOR DCC:	FOR RECIPIENT:
Name:	Name:
Division/Branch:	Organization:
Address:	Address:
City/State/Zip:	City/State/Zip:
Phone:	Phone:
Email Address:	Email Address:

3. The Grant Administrative Contacts for this Agreement are:

FOR DCC:	FOR RECIPIENT:
Name:	Name:
Division/Branch:	Organization:
Address:	Address:
City/State/Zip:	City/State/Zip:
Phone:	Phone:
Email Address:	Email Address:

FISCAL CONTACT FOR RECIPIENT (if different from above):
Name:
Organization:
Address:
City/State/Zip:
Phone:
Email Address:

4. RECIPIENT: Please check appropriate box below:

Research and Development (R&D) means all research activities, both basic and applied, and all development activities that are performed by non-Federal entities. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other R&D activities and where such activities are not included in the instruction function.

This award does does not support R&D.

5. For a detailed description of activities to be performed and duties, see Scope of Work and Budget.

EXHIBIT A
Scope of Work

Contract

Grant

Executive Summary

The County of Mendocino permits all aspects of the commercial cannabis supply chain. The permitting of commercial cannabis businesses is regulated by two separate ordinances. The Mendocino Commercial Cannabis Regulations (MCCR) is implemented by the Mendocino Cannabis Program Department (Program) and the Facilities Ordinance implemented by the Mendocino Planning and Building Services Department. The MCCR established a permitting pathway for cultivation and nursery operations. The Facilities Ordinance established a permitting pathway for all non-cultivation aspects of the supply chain.

This grant application covers the programs run by both departments, and intends to make the direct grant opportunities included herein available to all commercial cannabis applicants and permit holders operating within the unincorporated area of Mendocino County. The Program will implement the direct program for all aspects of the supply chain. Additionally, since the Program regulates cultivation and nursery operators, which represents the vast majority of provisional license holders in the County, the needs statement, and goals statement primarily include the needs of the Program.

Finally, it is the intention of the County to transfer the regulatory and permitting responsibilities of the Planning and Building Services Department to the MCP ("Program") in Q3 or Q4 of the 2021/2022 fiscal year.

Application Narrative

Program Description

Provide a brief description of the current cannabis permitting process in your jurisdiction, including the following:

1. Identify the necessary requirements for a local permit for commercial cannabis activity to be issued. Describe or attach a visual of your permitting process. Clearly identify when site-specific CEQA is conducted.

PROGRAM SUMMARY

On April 4, 2017 the Board of Supervisors adopted two ordinances regulating commercial cannabis cultivation in the unincorporated areas of the County of Mendocino. Chapter 10A.17 is known and may be cited as the Mendocino Cannabis Cultivation Ordinance (“MCCO”).

Chapter 20.242 of the County Code, titled Cannabis Cultivation Sites, is complementary to the MCCO and together the chapters may be cited as the Mendocino Cannabis Cultivation Regulations (“MCCR”).

The objective of the MCCR is to allow the commercial cultivation of cannabis in locations that are consistent with the intent of the base zoning district, and to help ensure that its cultivation and related activities will not create adverse impacts to the public health, safety, and welfare of the residents of the County. The MCCR applies only to those Persons who obtained an annual permit, or are in the application process for an annual permit during the Phase One and Two Permit Phase.

The Mendocino County Cannabis Program (“Program”) was originally administered by the Agricultural Commissioner and was moved to Planning and Building Services (PBS) in 2019. In April 2021, the Program was moved from PBS to its own building and transitioned into a stand-alone Department.

PERMIT TYPES

The MCCR permits the commercial cultivation of flowering cannabis plants as well as nursery and seed production. The square footage of a cultivation area that is dedicated solely to the propagation of starts, is not included when measuring the cumulative total square footage allowed under a given Permit and must not constitute any new disturbance.

The MCCR, Permits the following “Types” of cultivation.

- Type C, Small Outdoor: up to 2,500 square feet
- Type C-A, Small Indoor: up to 2,500 square feet
- Type C-B, Small Mixed Light: up to 2,500 square feet
- Type 1, Medium Outdoor: 2,501 - 5,000 square feet
- Type 1A, Small Indoor: 2,501 – 5,000 square feet
- Type 1B, Small Mixed Light: 2,301 – 5,000 square feet
- Type 2, Large Outdoor: 5,001 – 10,000 square feet
- Type 2A, Large Indoor: 5,001 – 10,000 square feet
- Type 2B, Large Mixed Light: 5,0001 – 10,000 square feet

- Type N, Nursery

More information about the permit types, can be found in the attachments, MCCR Permit Types, page 1.

PHASE ONE PERMITS

Phase One Permits are ministerial permits and were originally issued by the Agricultural Commissioner. Only persons able to show proof of prior cultivation were allowed to apply for a Phase One Permit.

“Proof of Prior”, or “Proof of Prior Cultivation” means proof of cultivation prior to January 1, 2016,

Applications for Phase One Permits were accepted during the following periods:

- May 4, 2017 to December 31, 2018, and
- April 1, 2019 to October 4, 2019.

Applicants with proof of prior cultivation at locations not eligible for a Phase One Permit pursuant to the MCCR, were allowed to apply for a Phase One Permit on a Relocation Site. Additionally, Phase One applicants are allowed to expand the scale of the original cultivation site described in the proof of prior cultivation to the maximum square footage allowed on that property, this includes the ability to add a nursery.

PHASE TWO PERMITS

Phase Two Permits are ministerial permits and were originally issued by the Agricultural Commissioner. Phase Two Permits do NOT require proof of prior cultivation. The application period for Phase Two Permit applications opened on January 1, 2018 and may still be applied for. Phase Two Permits are available for Type C-A Small Indoor, Type 1A Medium Indoor, and 2A Large Indoor as well as Type C-B Small Mixed Light, 1B Medium Mixed Light, and 2B Large Mixed Light so long as the mixed-light cultivation occurs in a greenhouse equipped with filtered ventilation systems. Cultivation in a hoop house is prohibited. Phase Two Permits are limited to industrially zoned parcels.

PERMIT LIMITATIONS

Permit Density. A person may apply for and obtain a maximum of two (2) Permits at any given time. Permit shall be granted at a maximum density of one (1) Permit per legal parcel; provided, however, that:

- A Person may obtain two (2) separate Permits for different permit types on a single legal parcel if the total square footage of the two (2) permits does not exceed the largest maximum square footage permitted on a parcel for the relevant zoning district. A person who applies for and obtains a Type 4 Permit in combination with any other Permit, shall not exceed a total square footage of twenty-two (22,000) square feet per legal parcel, of which not more than ten thousand (10,000) square feet may be grown to

maturity and entered into the Track and Trace system for commercial use. Plants may be grown to maturity by a Type 4 Permit holder for seed production or genetic expression where the mature flowers are destroyed and not used for commercial purposes.

- A Person may apply for one (1) Permit of a single size (e.g. Type C, Type 1, or Type 2) that may include any combination of all three (3) cultivation types (e.g. indoor, outdoor, mixed-light).
- A Person may obtain one (1) Permit for multiple legal parcels, as long as the parcels are contiguous and under the same ownership. Should the Person sell any of the parcels subject to the Permit, subsequent permits shall be required to modify the cultivation site to adhere to required setbacks.

Generators. Indoor and mixed-light cultivation of cannabis shall not rely on a generator as a primary source of power. If no grid power source is available and there is not an alternative power source supporting both any required legal dwelling unit and the indoor or mixed-light permit operations, a generator may be used only under the following conditions:

- The permittee shall install an alternative power source that will meet at least one-half (1/2) of the combined power requirements by the expiration date four (4) years from the date of the initial application for a permit pursuant to the MCCR, and
- It will be a condition of the renewal of a permit at the end of such four (4) year period that the cultivator commit, in writing, to expand their alternative power source to fully meet the combined needs of the cultivation operations and may require a legal dwelling unit within two years.

Inspections. All applicants shall be subject to and shall facilitate an initial on-site pre-permit inspection and all Permittees shall be subject to and facilitate at least one (1) annual on-site compliance inspection (Type 4 Permits shall be subject to two (2) on-site compliance inspections annually, which shall serve as the inspection required to be performed prior to any renewal of the Permit, with additional inspections as required by the MCCR or as deemed necessary by the Program. All inspections will be scheduled with at least twenty-four (24) hours advance notice to the applicant or Permittee, and shall be conducted during regular business hours. Cancellation of scheduled inspections without the notice of the Program Director shall result in the Permittee being invoiced for the actual travel time and mileage incurred by the Program.

Prohibition on Tree Removal. Removal of any commercial tree species as defined by Title 14 California Code of Regulations 895.1, Commercial Species for the Coast Forest District and Northern Forest District, and the removal of any true oak species (*Quercus* sp.) or Tan Oak (*Notholithocarpus* sp.) for the purpose of developing a cannabis cultivation site is prohibited. This prohibition shall not include the pruning of any such trees for maintenance, or the removal of such trees if necessary to address safety or disease concerns.

PHASE ONE AND PHASE TWO APPLICATION REQUIREMENTS

The following application and permitting requirements apply to locally authorized Phase One and Phase Two commercial cannabis cultivators and nursery operators located within the unincorporated area of the County. More information about application

requirements can be found in the attachments, Phase One and Phase Two Application Requirements, page 3.

GENERAL SITE INFORMATION

Required for all Permits.

- Applicant Information including name, mailing address, phone number, and email.
- Cultivation Site Information including AG_Number (file number is assigned upon application acceptance), APN, and site address,
- Project specific information including a Cultivation Permit Application, Cultivation & Operations Plan, Structures List, Site Plan, Employee List with Government Issued IDs and MCSO Live Scans, Valid Sellers Permit, and Department of Cannabis Control State License.

Required if applicable.

- Agent Consent Form,
- Property Owner Consent Form, and
- Business Formation Documents,

ENVIRONMENTAL COMPLIANCE DOCUMENTATION

Required for all Phase One Relocation Permits.

- Relocation Worksheet,
- Relocation Remediation Plan,
- Relocation Remediation Evidence, and
- Relocation Water Availability

Analysis. Required for all Phase Two

Permits.

- Indoor Industrial Cultivation Questionnaire

Environmental Compliance Documentation - Required for All Permits.

- EnviroStor / Cortese List review,
- California Department of Fish and Wildlife (CDFW) – Lake and Streambed Alteration Agreement,
- State Water Resources Control Board, General Order,
- Verification of Legal Water Source:
 - Small Irrigation Use Registration (if applicable),
 - Appropriative Water Right (if applicable),
 - Will Serve Letter (if applicable),
 - Well Completion Report (if applicable),
 - Well Permit (if applicable),
 - Pond Permit (if applicable)
- Mendocino County Air Quality Management District (MCAQMD) Questionnaire*,
- Sensitive Species Habitat Review (SSHR)*

* Both the MCAQMD Questionnaire, and the SSHR should be considered part of the site-specific CEQA analysis conducted by the County.

SECTION 15168 REVIEW (APPENDIX G CHECKLIST)

The Section 15168 Review is known and may be cited as the Appendix G Checklist. . The purpose of the checklist is to show that the proposed cultivation site fits within the parameters of the MCCR. Phase One and Phase Two annual permit holders are required to complete the Appendix G Checklist and to submit the completed document, along with supporting materials, to the Program for review and certification. Phase One and Phase Two applicants who have not yet been issued an annual permit are NOT eligible to submit Appendix G Checklist materials.

Annual permit holders must also have completed both the Sensitive Species Habitat Review and the MCAQMD Questionnaire referral processes, as required by the MCCR, and must have a valid State cultivation license or verification from the licensing authority that an application for an annual license is pending review, to be eligible to submit the Appendix G Checklist.

There are multiple application requirements identified above that are relevant to the Appendix G Checklist. These materials and any associated referral response from outside agencies, should be considered when preparing the Appendix G Checklist, and included in the supporting materials. The Appendix G Checklist is required to qualify an annual permit holder for an annual State license.

Non-Cultivation Cannabis Facilities

The issuance of local permits for commercial non-cultivation cannabis activities are guided and regulated by Mendocino County Code Sections 6.36 and 20.243 which cover business and tax regulations and land use regulations, respectively. The commercial non-cultivation cannabis activities permitted in Mendocino County include the following State types and may be referred to wholly as “cannabis facilities”:

- Processing
- Type 6: Manufacturing Level 1
- Type 7: Manufacturing Level 2
- Type 8: Testing Laboratories
- Type 10: Retailer
- Type 11: Distributor
- Type 12: Microbusiness
- Type N: Infused
- Type S: Shared Use Facility
- Type P: Packaging and Labeling

It should be noted that Type S licenses are permitted in Mendocino County as a sub-type of Manufacturing Level 1; Type N licenses are permitted in Mendocino County as a sub-type of Manufacturing Level 1; Type P licenses are permitted in Mendocino County as Processing.

An applicant would submit a completed Cannabis Facilities Business License (“CFBL”) Application to the Mendocino County Treasurer-Tax Collector’s Office (“TTC”) and pay all associated fees related to that application. The application contains forms from various local agencies that review the proposed project to determine if the proposed is consistent with that agency’s code, regulations, and requirements. The forms of the application that are required for submittal for a CFBL include:

- Cannabis Facilities Business License Application cover page
- Distribution Questionnaire
- Business License Building Review Questionnaire
- Cannabis Facilities Business License Planning Questionnaire
- Environmental Health Questionnaire
- Air Quality Permit Checklist
- Request for Live Scan Service
- Acknowledgment of State License Requirement
- Property Owner Consent Form (if applicable)

The application is scanned and added to the license tracking software known as “TRAKiT” for recording keep and project reviewing purposes. The application is then reviewed by the Department of Planning & Building Services and the Division of Environmental Health to ensure compliance with all land use, zoning, building code, and environmental health regulations.

Simultaneously, the TTC communicates with the Mendocino County Air Quality Management District if the Air Quality Permit Checklist, completed by the applicant, indicates that action by said agency is required.

During the review, the Planning Division determines if any additional permits are required beyond the CFBL. If a discretionary permit (Administrative Permit, Minor Use Permit, Major Use Permit) is required, the CFBL is placed on hold and the discretionary permit must be obtained and it is during this process that CEQA is completed. Should no discretionary permit be required, the Planning Division awaits approvals from all three local division agencies. Once all approved, the Planning Division informs the TTC that the application is approved and ready for issuance.

2. Describe the applicable environmental review process relevant to the cannabis permits that you allow for in your jurisdiction.

MENDOCINO COUNTY AIR QUALITY MANAGEMENT DISTRICT (MCAQMD) QUESTIONNAIRE & REFERRAL

The MCCR requires Program staff to consult with the Mendocino County Air Quality Management District (MCAQMD) prior to issuance of a Permit to determine if a permit or other approval by the MCAQMD is necessary. Applicants are required to complete the Questionnaire developed by the MCAQMD to provide a list of objective criteria that allows Program staff to determine if a referral to MCAQMD is necessary for the project.

The Questionnaire assesses the following criteria:

- Diesel engines 50 HP or greater, or multiple engines that total 90 HP or greater,
- Non diesel engines 200 HP or greater,
- Generator use including type and HP,
- Drying equipment with exhaust stack and type,
- Gasoline fuel storage tank of 500 gallons or greater
- Boiler/Water heating equipment (individually or cumulatively greater than 5000,000Btu/hr),
- Grading greater than 1 acre of soil disturbance or road construction/maintenance of 1 mile or more,
- Any process that may generate fumes, dust, smoke, or strong odors,
- Open storage, processing and/or mixing of soil or soil amendments (>500 square feet)
- Composting on-site and size, and
- Open outdoor burning.

The completed Questionnaire is submitted to Program staff, who conducts the initial review. If the applicant answers yes to any of the above questions the form is sent to the Mendocino County Air Quality Management District for referral. Agency responses are considered during the application review and are relevant to the Appendix G Checklist, Section III. Air Quality.

There are an unidentified number of annual permits that were issued by the Agricultural Commissioner that have not yet undergone the MCAQMD referral process. For this reason, all renewal applications are reviewed by staff to ensure this environmental review has been completed. If a renewal applicant has not conducted this referral the applicant is required to do so during the annual permit renewal process.

For more information on the MCAQMD Questionnaire please see attachments page 8.

SENSITIVE SPECIES HABITAT REVIEW (SSHR)

The MCCR requires that, before the issuance of a cannabis cultivation permit, a cultivation site must be reviewed for sensitive species habitat. This requirement was added to the MCCR pursuant to the Mitigation Measure BIO-1 of the initial study and mitigated negative declaration prepared and adopted for the MCCR permit program. The MCCR also provides that the County shall develop a policy to define an objective set of criteria regarding sensitive species habitat to check applications against and determine if a formal referral to the California Department of Fish and Wildlife (CDFW) is required.

The policy for review and referral was developed after the MCCR permit program was moved from the Agricultural Commissioner, to Planning and Building Services and finalized in 2020.

Because the final policy was developed several years after the implementation of the MCCR, an unknown number of permits were issued without undergoing a sensitive species habitat review. These permits are required to be reviewed during the annual renewal process.

Furthermore the discussion of Mitigation Measure BIO-1 in the initial study provides additional context for the mitigation measure, stating that the mitigation measure is applicable in Phase One of the permit program to “non-contiguous expansion” and relocated sites. Limiting the application of this mitigation measure to non-contiguous expansion of existing cultivation sites and relocated cultivation sites is appropriate given the CEQA concept of the baseline environmental setting. The environmental review of a proposed project must identify the physical environmental conditions as they existed before the project, in order to study what impacts the project will have on those conditions.

For the County’s cannabis cultivation permit program, this would necessarily include those cultivation sites existing prior to the program’s adoptions. Areas contiguous to the existing cultivation sites are more likely to have already been impacted by the existing use of the original cultivation site. Non-contiguous expansion and relocated cultivation sites would more likely mean development of areas not previously affected by an existing cultivation site, and where additional review for sensitive species habitat is appropriate. The initial study did not define either “contiguous” or “non-contiguous”. The County has defined the term “contiguous expansion” to provide additional clarity to the sensitive species habitat review policy provided for by the MCCR.

More information about Sensitive Species Habitat Review including the Contiguous Expansion Affidavit process and the SSHR Questionnaire process, can be found on the County’s website:

<https://www.mendocinocounty.org/government/cannabis-cultivation/sensitive-species-habitat-review>

The SSHR Questionnaire can be found on page 12, and internal review checklist, referred to as Exhibit A, can be found in the attachments on page 15, of the attachments document.

CONTIGUOUS EXPANSION DEFINITION AND RATIONALE

“Contiguous expansion” means the relocation of plant canopy, and/or the permitted expansion of plant canopy to an area that is within 200 feet of any original cultivation site (prior to January 1, 2016) located on the parcel. Terms used in this definition shall be the same as those already defined in the MCCR, including “cultivation site,” “expansion,” and “plant canopy.”

The distance of two hundred (200) feet was selected because this distance is also used as the buffer area between new residential development and resource zoned parcels, including agricultural parcels. While buffer areas protect one use from another, it can conversely be stated that one or both of the uses affect the area within the buffer. In the context of expansion of a cultivation site, the County is presuming that activities relating to the existing cultivation site have had an impact within two hundred (200) feet of the site. However, note that this definition does not exempt contiguous expansion areas from the other requirements of the MCCR.

SENSITIVE SPECIES HABITAT QUESTIONNAIRE

Applications that are not eligible to file a Contiguous Expansion Affidavit must submit a completed Sensitive Species Habitat Review Questionnaire (“Questionnaire”). Staff must review the Questionnaire for compliance with the Sensitive Species Performance Standards. If staff determines that one or more performance standards are not met, or one or more performance standards are unknown, the application must be referred to CDFW for final determination before a Permit may be issued pursuant to the MCCR.

Applications subject to referral will not be issued a permit until the referral is completed and a determination has been made that the project will result in less than significant impacts to sensitive species habitat. Additional application materials, biological studies or reports, and/or inspections may be required during the referral process.

Sensitive Species Habitat Performance Standards

No Notice of Violation (NOV) from CDFW. Staff must review application materials in an effort to determine if the property where the project is located has been issued a NOV from CDFW. If the property has received a NOV from CDFW, staff must consider whether CDFW has provided written verification that verifies the violations has been resolved, or that the violation is in the process of being resolved satisfactorily. Staff must also consider whether issuing the cultivation permit would not risk further impact to public trust resources.

No obvious violations of Fish and Game Code (FGC), or unpermitted activities that would require a permit from CDFW, are present on the project parcel. Staff knowledgeable about the most common types of FGC violations on cannabis cultivation sites are required to make this assessment based on information in the cannabis application and

reference to other site information (e.g. aerial imagery). The violations most frequently observed relate to water diversion and/or stream alteration (e.g. road/stream crossings, ponds, etc.), and water pollution (trash, sediment, and/or other materials).

Project footprint has not expanded, and is not proposed for expansion. Staff must review the cannabis application and reference to other site information (e.g. aerial imagery) to verify that none of the following has occurred beyond what existed on January 1, 2016:

- Grading,
- tree removal, and/or
- vegetation removal
- For projects located on a property with a surface water source, known stream crossings, or other activities subject to Fish and Game Code (FGC) Section 1602. Staff must verify that either:
 - The applicant has obtained a final LSAA, verification that an LSAA is not needed, or a valid “operation of law” letter, OR
 - If the applicant has not obtained one of the above documents, that the applicant has submitted an LSAA notification.

If the applicant has not provided a final LSAA, Program staff must verify that a final LSAA, verification that an LSAA is not needed, or a valid operation of law letter has been executed before a Permit may be renewed.

Project meets the following Streamside Management Area (SMA) standards. Staff must verify that all cultivation areas and structures related to the project are a minimum of one hundred (150) feet from any perennial stream and/or wetlands, and a minimum of 50 feet from intermittent streams. SMAs are measured from the outer edge of the riparian vegetation or top of bank, whichever is greater to the nearest point of the cultivation site or related structure. Staff should verify that all SMAs are identified. Compliance inspections should verify that SMAs are maintained as no-disturbance buffers.

For projects with existing or proposed ponds. Staff must verify that the applicant has submitted an adequate Bullfrog Monitoring and Management Plan. The plan must be feasible and include sufficient detail. Projects proposing new ponds, or where a pond has been constructed within the past five years, should be referred to CDFW.

Permanent infrastructure associated with cannabis cultivation is located outside of the 100-year floodplain. Staff must review the project in reference to available information (e.g. aerial imagery) to verify that any permanent infrastructure associated with the project is located outside the 100-year floodplain.

Project shall completely avoid impacts to oak woodlands (genus *Quercus*) and provide an adequate protection buffer between oak woodlands and project activities. Staff must review the cannabis application and reference to other site information (e.g. aerial imagery) to verify that the project has not conducted tree removal.

Cultivation site is not located within 0.25 mile of a known Northern Spotted Owl activity center or forested habitat contiguous with a known activity center. Staff must review the cannabis application and reference to other site information (e.g. aerial imagery) to verify that the cultivation site is not located within 0.25 miles of a known Northern Spotted Owl activity center or forested habitat contiguous with a known activity center.

For projects using artificial light. Staff must review the cannabis application to identify the use of artificial lighting, including but not limited to supplemental lighting, and security lighting. For projects using any type of artificial lighting the applicant must submit an Artificial Light Management Plan. Staff must review any Artificial Light Management Plan submitted to verify the Plan is:

- Feasible, and
- Include sufficient detail to verify that the project will protect wildlife, and
- That any lights used for the indoor or mixed light cultivation of cannabis will be fully contained within structures, and
- That security lighting is shielded to fully contain any light or glare.

For projects using generators and other machinery a noise containment plan has been submitted and approved. Staff must review the cannabis application to identify the use of generators or other combustion engine related machinery. If project uses generators and/or combustion engine machinery the applicant must submit a Noise Containment Plan. Staff must review any Noise Containment Plan submitted to verify the Plan is:

- Feasible, and
- Includes sufficient detail showing that the machinery used will not exceed 50 decibels when measured from 100 feet, and
- Includes sufficient detail on containment structures.

To protect fish and wildlife and comply with the State Water Resources Control Board Cannabis Policy. Staff must review the cannabis application to verify that the project will only use geotextiles, fiber rolls, and other erosion control measures made of loose-weave mesh (e.g., jute, coconut (coir) fiber, or from other products without welded weaves). To minimize the risk of ensnaring and strangling wildlife, cannabis cultivators are prohibited from using synthetic (e.g., plastic or nylon) monofilament netting materials for erosion control for any cannabis cultivation activities. This prohibition includes photo- or bio-degradable plastic netting. Any site inspection conducted should verify that compliance with this performance standard is maintained.

No evidence suggests that sensitive natural resources would be impacted by the proposed project. Staff is required to make this assessment based on scoping using the California Native Diversity Data Base (CNDDDB) and other recommended resources, biological assessment or survey reports, or observation of the site.

PHASE ONE

RELOCATIONS

RELOCATION

WORKSHEET

Relocations were allowed for a specified period of time pursuant to the MCCR and focused on providing Persons with proof of prior cultivation that occurred, or was occurring, on properties otherwise ineligible to apply for Phase One the ability to relocate to an environmentally superior location on an eligible property.

RELOCATION REMEDIATION PLAN

All Phase One applications for relocation are required to submit a Remediation Plan to the Program for the relocation application to be accepted for consideration. Applicants are required to remediate the original cultivation site pursuant to the accepted Remediation Plan.

RELOCATION REMEDIATION EVIDENCE

The County shall not issue an annual permit to a relocated site without first verifying that the applicant has provided conclusive evidence the Remediation Plan has been fulfilled.

WATER AVAILABILITY ANALYSIS (WAA)

A Water Availability Analysis (WAA) is required for relocations to a parcel that is outside the Agricultural zoning district, that are not served by a mutual water company, municipal or private utility, or similar community provider as the sole water source. The County is currently finalizing a formal policy and previously submitted WAAs will be reviewed for adequacy. The WAA was developed as part of the mitigations and performance standards of the initial study and mitigated negative declaration.

MENDOCINO COUNTY CANNABIS CULTIVATION PERMIT CEQA GUIDELINES

SECTION 15168 REVIEW (APPENDIX G CHECKLIST)

Once an annual permit is issued, the permit holder is responsible for completing the Appendix G Checklist, and submitting the required materials to the Program for review and certification. The Appendix G Checklist must include a Project Description that is in conformance with the California Department of Food and Agriculture (CDFA) Memorandum dated May 29, 2019, titled "CEQA Practice Recommendations from CDFA for Cannabis Licensing – Project Description Content – Version 2".

Program staff must review the Appendix G Checklist and the supplemental material provided to verify the following, before certification may be granted:

- That the information is consistent with the annual permit documentation on file

- with the Program,
- That the information verifies compliance with the MCCR, and
- That the information provided verifies that the Project will result in less than significant impacts as identified in the initial study and mitigated negative declaration.

More information about the Appendix G Checklist including the Appendix G Checklist Template, can be found on the County's website:

<https://www.mendocinocounty.org/government/cannabis-cultivation/ceqa-information-cannabis>

Non-Cultivation Cannabis Facilities

The environmental review process for cannabis facilities is dependent upon the zoning district in which the facility is located, as well as the license and/or permit required for that type of facility in the respective zoning district.

Cannabis Facilities Business Licenses

All cannabis facilities in the County of Mendocino require, at minimum, a Cannabis Facilities Business License ("CFBL"). Cannabis facilities that only require the issuance of a CFBL are not required by the local jurisdiction to go through an environmental review because it is a ministerial process and is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resource Code Section 21080(b)(1). Additionally, ministerial actions, such as the review and approval of a cannabis facilities business license, are considered to be a Statutory Exemption under California Code of Regulations Section 15268(b).

Administrative Permits

Cannabis facilities that require an Administrative Permit, in addition to the CFBL, undergo an environmental review after the referral period to Responsible Agencies for comment, and prior to the writing of a project staff report reviewed by the Zoning Administrator. During the environmental review process, the project planner analyzes the proposed cannabis facility to determine what level of environmental review is appropriate for the project. This review entails determining if the project can be considered Categorical Exempt from the requirements of CEQA or if an Initial Study needs to be conducted. If a project is found to fall under a Categorical Exemption, the project planner prepares a Notice of Exemption and files the document with the Mendocino County Clerk. Common exemptions for cannabis facilities include, but are not limited to, Class 1 (Existing Facilities), Class 2 (Replacement or Reconstruction), Class 3 (New Construction or Conversion of Small Structures), and Class 11 (Accessory Structures).

If a cannabis facility cannot be considered under a Categorical Exemption, the project planner completes an initial study for the proposed project. Information to conduct the Initial Study includes the submitted application materials, additional surveys, internal Department mapping information, and other sources such as the General Plan or items found during project planner research. Additional survey may be required depending on

the level of impacts the proposed project may incur. The initial study helps to determine if a Negative Declaration, Mitigated Negative Declaration, or Environmental Impact Report (“EIR”) is to be prepared. If an Initial Study determines a Negative Declaration or Mitigated Negative Declaration can be adopted, then a Notice of Determination (“NOD”) is prepared. The filing of the NOD occurs after any action taken by the appropriate hearing body (Zoning Administrator) and includes the California Department of Fish & Wildlife filing fee. As of the writing of this statement, no projects have been found to require an EIR and thus no process has been formally established for this requirement.

Minor Use Permits

Cannabis facilities that require a Minor Use Permit, in addition to the CFBL, undergo an environmental review after the referral period to Responsible Agencies for comment, and prior to the writing of a project staff report and public hearing with the Zoning Administrator. During the environmental review process, the project planner analyses the proposed cannabis facility to determine what level of environmental review is appropriate for the project. This review entails determining if the project can be considered Categorical Exempt from the requirements of CEQA or if an Initial Study needs to be conducted. If a project is found to fall under a Categorical Exemption, the project planner prepares a Notice of Exemption and files the document with the Mendocino County Clerk. Common exemptions for cannabis facilities include, but are not limited to, Class 1 (Existing Facilities), Class 2 (Replacement or Reconstruction), Class 3 (New Construction or Conversion of Small Structures), and Class 11 (Accessory Structures).

If a cannabis facility cannot be considered under a Categorical Exemption, the project planner completes an initial study for the proposed project. Information to conduct the Initial Study includes the submitted application materials, additional surveys, internal Department mapping information, and other sources such as the General Plan or items found during project planner research. Additional survey may be required depending on the level of impacts the proposed project may incur. The initial study helps to determine if a Negative Declaration, Mitigated Negative Declaration, or Environmental Impact Report (“EIR”) is to be prepared. If an Initial Study determines a Negative Declaration or Mitigated Negative Declaration can be adopted, then a Notice of Determination (“NOD”) is prepared. The filing of the NOD occurs after any action taken by the appropriate hearing body (Zoning Administrator) and includes the California Department of Fish & Wildlife filing fee. As of the writing of this statement, no projects have been found to require an EIR and thus no process has been formally established for this requirement.

Major Use Permits

Cannabis facilities that require a Major Use Permit, in addition to the CFBL, undergo an environmental review after the referral period to Responsible Agencies for comment, and prior to the writing of a project staff report and public hearing with the Planning Commission. During the environmental review process, the project planner analyses the proposed cannabis facility to determine what level of environmental review is appropriate for the project. This review entails determining if the project can be considered Categorical Exempt from the requirements of CEQA or if an Initial Study needs to be conducted. If a project is found to fall under a Categorical Exemption, the project planner prepares a Notice of Exemption and files the document with the Mendocino County Clerk. Common exemptions for cannabis facilities include, but are not limited to, Class 1 (Existing Facilities), Class 2 (Replacement or Reconstruction), Class 3 (New Construction or Conversion of Small Structures), and Class 11 (Accessory Structures).

If a cannabis facility cannot be considered under a Categorical Exemption, the project planner completes an initial study for the proposed project. Information to conduct the Initial Study includes the submitted application materials, additional surveys, internal Department mapping information, and other sources such as the General Plan or items found during project planner research. Additional survey may be required depending on the level of impacts the proposed project may incur. The initial study helps to determine if a Negative Declaration, Mitigated

Negative Declaration, or Environmental Impact Report (“EIR”) is to be prepared. If an Initial Study determines a Negative Declaration or Mitigated Negative Declaration can be adopted, then a Notice of Determination (“NOD”) is prepared. The filing of the NOD occurs after any action taken by the appropriate hearing body (Planning Commission) and includes the California Department of Fish & Wildlife filing fee. As of the writing of this statement, no projects have been found to require an EIR and thus no process has been formally established for this requirement.

3. Identify what requirements must be met by your permittee when providing the state with local authorization response for each of the following:
 - a. “In compliance”
 - b. “Compliance under way”
 - c. “Not in compliance”

“IN COMPLIANCE”

Phase One Permit applications and annual permits issued pursuant to the MCCR are considered ‘in compliance’ and locally authorized if the following Program status has been applied and compliance requirements are met.

ANNUAL PERMIT

An annual permit is considered “in compliance and eligible for local authorization if the following compliance criteria are met, and the annual permit has one of the following statuses.

Compliance Criteria. All annual permits with the status noted below must also meet the following criteria for local authorization to be granted.

- The local authorization request is for the same APN(s) associated with the Annual Permit.
- The local authorization request is for the same physical address associated with the Annual Permit.
- The local authorization request is appropriate for the cultivation type(s) associated with the Annual Permit.

Issued Status. The Annual Permit is issued, is valid, and not otherwise expired,

Notice of Non-Cultivation Status. Annual Permit holders are eligible to submit a Notice of Non-Cultivation instead of a renewal application not more than once in a five year period. The Notice of Non-Cultivation is valid for no more than 12-months. Program staff may provide local authorization to ensure the permit holder is not subject to revocation of a State license during the temporary closure.

Renewal Incomplete. The annual permit is valid, and a renewal application is under review.

PHASE ONE APPLICATIONS

A Phase One application is considered “in compliance” and eligible for local authorization if the following compliance criteria are met, and the application has the status Under Review.

Compliance Criteria.

- The application is complete, as determined by the Program, and Under Review by Program staff.
- The local authorization request is for the same APN(s) associated with the application.
- The local authorization request is for the same physical address associated with the application.
- The local authorization request is appropriate for the cultivation type(s) associated with the application.

Under Review. Under review is the status provided to Phase One applications that have been determined by Program staff to be complete enough to warrant review.

Notice of Application Stay. Phase One applicants are eligible to submit a Notice of Application Stay which is a statement of non-cultivation that may last for no more than 12-months. Program staff may provide local authorization to ensure the applicant is not subject to revocation of a State license during the temporary closure

“COMPLIANCE UNDER WAY”

Phase One Permit applications and annual permits issued pursuant to the MCCR are considered “compliance under way” and not currently locally authorized if one of the following Program statuses has been applied.

ANNUAL PERMITS

Renewal Hold. The Annual Permit has been assigned the status of Renewal Hold by Program staff. Renewal Hold status may be placed on an annual permit for the following reasons:

- The permit expired while the renewal application was under review and staff believes the renewal will be completed within 30 days; or
- Program staff identified, during review of the renewal application, one or more compliance issue(s) that must be resolved before the annual permit renewal may be approved, and Program staff has reason to believe the compliance issue(s) may be resolved within a timeframe determined by staff.
- The permit received a potentially disqualifying Notice of Violation that requires referral to an outside agency for determination.

PHASE ONE APPLICATIONS

Hold. The Phase One application has been assigned the status of Hold by Program staff. Hold status may be placed on a Phase One application for the following reasons:

- The Phase One application has been identified by Program staff as out of compliance due to an issue that can be remedied during a specified amount of time, or
- Program staff identified, during the application review one or more compliance issue that must be resolved before the application review and Program staff has reason to believe the compliance issue(s) may be resolved within a timeframe determined by staff.
- The applicant received a potentially disqualifying Notice of Violation that requires referral to an outside agency for determination.

“NOT IN COMPLIANCE”

There are a number of statuses that may appear in the County’s weekly workbook, shared with the State, that indicate that the application or permit is “Not In Compliance”. These statuses are as follows.

Denial. This status is used for initial and renewal applications and indicates that the application has been denied.

Canceled. This status is used for initial applications and annual permits when the applicant or permit holder is deceased rendering the application or permit no longer valid.

Revoked. This status is used for annual permits only and indicates that the County has revoked the annual permit. In this instance the annual permit ceases to exist and there is no opportunity to reinstate the permit.

Expired. This status is used for annual permits that have expired and were not renewed. Failure to renew an annual permit within 30-days of the expiration date

permanently expires the annual permit.

Sunset Void. This status may be used for an application or an annual permit. Sunset void means that the location where the applicant or permit holder was operating is no longer eligible for the commercial cannabis activity.

Void. This status is generally used when Program staff has started an application in error, or to close the origin site associated with a relocation. There was also a brief period of time when Program staff assigned a new numbering system to annual renewals. When this numbering system was discontinued the status on the discontinued permit numbers was changed to void. There is no way to delete an established application / permit number out of the County's tracking system so permit numbering errors are categorized as void.

Non-Cultivation Cannabis Facilities

In Compliance

Cannabis facilities that are considered to be "in compliance" have met all the requirements of the local jurisdiction review and have been issued a Cannabis Facilities Business License ("CFBL") by the Mendocino County Treasurer-Tax Collector's Office ("TTC"). The requirements for the local jurisdiction review includes approvals from the Department of Planning & Building Services, including the Planning Division and Building Division, Mendocino County Air Quality Management District, and the Division of Environmental Health. Each agency conducts a review of the proposed cannabis facility to ensure compliance with their respective program objectives and responsibilities. The TTC considers a cannabis facility "In Compliance" once all applicable local reviewing agencies have approved their component of the proposed project, and a CFBL is issued indicating local authorization.

Compliance Under Way

Cannabis Facilities that are considered to be "Compliance Under Way" have submitted a complete CFBL Application to TTC. The application has been referred to the appropriate County agencies through the permit tracking software known as "TRAKiT" and have made substantial progress towards compliance, which is typically considered approval by two (2) out of the three

(3) local division agencies on TRAKiT (Planning Division, Building Division, and Environmental Health Division). The determination of whether a proposed project has made substantial progress towards compliance is at the discretion of the Department of Planning & Building Services ("PBS"), though State processes also help to inform PBS determinations.

Not In Compliance

Cannabis Facilities that are considered to be "Not In Compliance" are those which have submitted a CFBL Application to TTC. The reason for the proposed project to be considered "Not In Compliance" may include:

- Incomplete application
- No approval by any local division agency (Planning Division, Building Division, and Environmental Health Division); still “Under Review”
- No substantial progress towards compliance (limited approval by local division agencies); still “Under Review”

Included in the status of “Not In Compliance” are any and all cannabis facilities that operate within the unincorporated areas of the Mendocino County without a CFBL having been submitted to the TTC.

Statement of Needs/Problem Statement

1. Describe the challenges in the local jurisdiction permitting process that impede the timely transition of your permittees' license from a provisional license to an annual license.

The County of Mendocino implemented the MCCR on May 4, 2017, as a ministerial permitting program administered by the Agricultural Commissioner. The County has a large population of legacy cultivators who had operated prior to January 1, 2016. The Phase One cultivation application process was implemented to allow cultivators that could show they had been cultivating prior to January 1, 2016 to apply for an annual permit and continue cultivating while their application was under review by the Agricultural Commissioner. The first MCCR annual cultivation permits were issued in early 2018.

In November 2018, the three State licensing authorities released Emergency Regulations pursuant to the Medical and Adult Use Cannabis Regulation Safety Act (MAUCRSA), and over the course of the next year, implemented permanent regulations that required commercial cannabis businesses to undergo site-specific CEQA analysis to qualify for a State-issued annual license. The responsibility for conducting the site-specific CEQA analysis was placed on the local jurisdiction, or the individual applicant. This meant that all MCCR applications and issued annual permits would need to undergo site-specific CEQA analysis, despite the fact that the MCCR, under which all existing applications were submitted and in some cases completed, included no provisions for such an analysis.

Ministerial permits are Categorical Exempt from CEQA – from the County's perspective, CEQA had been satisfied with the completion of the Programmatic Mitigated Negative Declaration (SCH#2016112028) for the MCCR. Attempting to retrofit the existing regulations to meet the State's bar for site-specific review required significant land-use permitting expertise, and so the County chose to move the MCCR program to the Planning and Building Services (PBS) Department, which regularly processes discretionary permits and is experienced in conducting site-specific CEQA analysis. Additionally, the initial implementation of the program under the Agricultural Commissioner had not included a number of environmental review requirements set forth by the MCCR and the mitigated negative declaration, and an unknown number of annual permits were issued without undergoing these environmental reviews.

In 2019, the MCCR program was formally moved to PBS, and at the direction of the Board of Supervisors, staff began developing the required environmental review policies, digitizing the paper application files transferred from the Agricultural Commissioner, negotiating a site-specific CEQA review policy with the State, and developing a new ordinance that would issue discretionary permits to commercial cannabis cultivation and nursery operations. Bringing existing applications and issued permits up to the current standard has resulted in significant confusion on the part of cultivators and local consultants and the appearance of "moving goalposts." In 2020, with the onset of the COVID-19 pandemic, site inspections ceased, County offices closed to the public, and the County's annual inspection and compliance

program was put on hold.

Under the leadership of PBS, Program staff was directed to begin reviewing the approximately 880 Phase One applications for completeness and permit issuance. Applicants with incomplete applications were issued a 30-day Corrections Letter requesting that the application be completed. Complete applications were moved into the processing queue and annual permits began being issued again in early 2021. The 30-day Corrections Letter project was challenged by mediocre applicant response rates, and the volume of files required to complete an application proved hard to manage via email – for both the program and the applicants. The Board of Supervisors directed Program staff to develop an electronic application Portal and establish a limited timeline for applicants with incomplete applications to submit complete applications electronically.

The high volume of Phase One applications and annual permits in need of review posed challenges to staffing resources and facilities space within PBS. In the spring of 2021, the Board of Supervisors amended the Cannabis Manager position, appointed new leadership, and established the Cannabis Program Department, outside the aegis of PBS. In June 2021, the Board of Supervisors adopted Chapter 22.18 amending the MCCR, increasing the amount of cultivation allowed on a legal parcel, and establishing a discretionary permitting system in alignment with State regulatory requirements.

During the development and adoption of Chapter 22.18, members of the public expressed concerns about the potential impact of cannabis cultivation on natural resources especially water resources during such extreme drought conditions. Members of the public and the cannabis cultivation community requested that the County commit to conducting an Initial Study and Programmatic Environmental Impact Report to analyze the cumulative impacts of cannabis cultivation before adopting the new ordinance. These expressed concerns led members of the public to file a referendum to repeal Chapter 22.18, and in September 2021, the Board of Supervisors voluntarily rescinded the ordinance.

On July 15, the department updated the annual permit renewal policies to encourage compliance with the MCCR and State regulatory requirements. The department issued 80 Courtesy Notices to expired permit holders, giving them 60-days to complete the renewal application process or be subject to denial. The lack of an automated tracking system has hindered the ability for the department to notify applicants 30 or 60 days before their annual permit is set to expire. The under-developed permit tracking system used by the County had resulted in manual tracking of annual permit renewal dates leaving renewals up to the permit holder to pursue.

Year the Permit Expired	Number of Expired Permits
2018	16
2019	45
2020	16
2021	80

Staff broke the renewal program in half, and issued 77 Courtesy Notices to annual permit holders that had expired in 2018, 2019, and 2020. By September 1, 2021, the department has received responses from all of the expired annual permit holders, had renewed 56 permits, put 12 on hold subject to a correction timeline, had denied 1 application, had 1 application withdrawn, and had expired 8 applications for failure to complete the renewal process. Due to staffing shortages, notifications for those annual permits that expired in 2021, will not go out until the Reapplication Portal Program wraps up.

On August 2, 2021, the Department launched the electronic Reapplication Portal System providing 688 Phase One and Two applicants with incomplete applications 90-days to submit a complete application or be subject to denial. On November 2, the department closed the Reapplication Portal System after receiving 1,022 application submissions, accounting for 554 individual permit applications. As of November 7, department staff still had 359 portal submissions to review for completeness, which is expected to take four to five weeks of staff time. More portal statistics can be found in the attachments, page 23.

The misalignment of regulations between the County and the State and the resulting years of delayed implementation of the MCCR has left applicants, annual permit holders, and the County in the very challenging position of having a lot of work to do in a very short time.

Changing standards for project documentation has resulted in significant applicant confusion regarding what materials are required when and why. Furthermore, long-term staffing issues, management turnover, and underdeveloped technologies have limited department permit processing efficiencies and ability to assist applicants and permit holders with MCCR compliance.

Non-Cultivation Cannabis Facilities

Many of the challenges facing Mendocino County Cannabis Facilities applicants are related to CEQA compliance at the state level. Particularly, the ability for Cannabis Facility applicant to comply with CEQA under the State's application process prevents many from obtaining as Mendocino County considered most facilities to be exempt from CEQA under Public Resource Code Section 21080(b).

Combining Programs

Updated 12/22/2021: In Q3/Q4 of the 2021/2022 Fiscal Year, the department will be assuming the application processing and permit issuance associated with the Mendocino County Cannabis Facilities (MCCF) program. The department will additionally be taking on the processing of administrative permits, minor use permits, and major use permits associated with the MCCR and the MCCF programs during this same time period. The new permits that the department will become responsible for may require presentation of the permit to the Planning Commission which continues to be held via Zoom due to the ongoing COVID-19 pandemic. This will significantly increase the staff's need to engage in virtual meetings, which coupled with an already existing requirement to present on a regular basis to the Board of Supervisors will increase the challenges currently faced by the department due to lack of conferencing equipment. Currently each staff member tasked with presenting must do so from their desk which makes coordinated presentations challenging, and background noise unmanageable as most staff have shared offices. Row 75, D23 of the application budget proposes a onetime expense to purchase conferencing equipment that will allow multiple staff persons the ability to participate in, and present at, web based meetings. This expenditure is slated for Q3/Q4 of the 2021/2022 Fiscal Year and will also provide the department with the equipment necessary to increase the efficiency and educational opportunities associated with hosting public meetings including the monthly public equity meeting, and monthly public department meetings. The department also believes that a fully developed conference room will streamline and strengthen staffs ability to access web based educational opportunities that are enriched when multiple staff members can participate while in the same room.

2. If you have an equity program, describe any additional challenges in implementing the equity program in your local jurisdiction and/or challenges faced by equity applicants in receiving local permits and annual state licenses.

Staffing limitations, management turnover, and underdeveloped systems and technologies, coupled with the COVID-19 pandemic has hindered the implementation timeline for the localequity program. The original eligibility criteria established by the Board of Supervisors set the income thresholds at extremely and very low which disqualified the vast majority of those persons with applications and permits from being eligible for the equity program.

Applicants that were able to meet the very low to extremely low income thresholds reported that they generally do not have a business entity, do not have access to business banking, and run all permit / license related operational and compliance expenses through their personal bank accounts. Furthermore, many of these applicants have reported that they are receiving various benefits from the government and fear that receiving equity grant funds will make them ineligible for benefits in the future.

Additionally, the initial criteria for direct grants and technical assistance did not allow equity applicants to use direct grant funds for bookkeeping, accounting, tax filing fees, legal fees associated with business development, or pay for consultants to assist with application development and site-specific CEQA review. This left many of the early applicants challenged with finding meaningful and affordable ways to use the funds.

In July 2021 the Board of Supervisors increased the income threshold to moderate and eligibility applications doubled. The Board also amended the direct grant program by increasing the direct grant amount from a \$10,000 maximum funding award to a \$50,000 to be awarded in 2 tranches of up to \$25,000 each. And in October the Board again amended the Equity Program to include the following:

- removed the income threshold
- increased the individual tranches to a maximum of \$50,000
- expanded the direct grant criteria to include the following:
 - Small business support services offering technical assistance or professional services including but not limited to consultants providing technical assistance with CEQA analysis and Appendix G development, biological studies, bookkeeping, accounting, legal assistance with entity development, meeting insurance requirements, and required surety bond expense.
 - Assistance securing business locations prior to or during the application process. This could include rent and/or lease assistance to support those who need to relocate.
 - Assistance in required trainings such as Cal Osha.

The department has recently started to approve direct grant application and has issued several fee waivers. However, the direct grant applications received to date have included sizable mitigation projects that require considerable review to ensure project compliance and feasibility. Such projects can only be conducted during 'work season' which typically is open from mid-June through end of September. The 'work season' timelines coupled with the State's February deadline to award funds has posed significant challenges to both the County and the eligible applicant.

Goals and Intended Outcomes

1. List the goals and intended outcomes of this funding opportunity.

Goals should explain how funding will be utilized to impact the issue areas stated in the problem statement. Outcomes should describe specific change(s) or result(s) when the goal is achieved.

At a minimum, the following should be addressed:

- How CEQA compliance will be achieved
- How obstacles will be removed from the permitting process, including opportunities to reduce time to permit issuance.
- How these goals will align with the statutory deadlines mandated for maintenance of a provisional license.
- Local coordination necessary to reach specific outcomes, if multiple departments, divisions, or offices are involved.

Use the format below:

Goal: Complete the Portal Reapplication Program. The Portal Reapplication Program was put into place in an effort to obtain up to date and complete applicants from Phase One and Phase Two cultivators. It is imperative that the department obtain complete applications in order to proceed with the environmental and compliance review necessary to determine if a permit should be issued or denied. The goal is to use MCP staff to complete the review of the initial portal application submissions. The MCP intend to use contractors to conduct the re-review and assessment of incomplete Portal applications for issuance of a denial or a corrections letter. Those applicants issued a corrections letter will be able to submit updated application materials via the Portal, over a 30-day window. The MCP plans to utilize contract staff to review any corrections submitted to the Portal, provide notification, and issue complete or denial notices. The department is currently so backlogged with incomplete applications and the Portal Reapplication Program that it is currently unable to process complete applications, process renewals, process appendix G submissions, and provide other necessary services to applicants and permit holders. By using contractors to finish the Portal Reapplication Program, MCP staff will be able to attend to complete applications, renewal applications, appendix G submissions, and other necessary work.

Action	Intended Outcome
Complete the initial review of the 359 portal submissions still outstanding. (November & December 2021)	Review these applications for completeness. If the application is complete the application will be assigned to a planner for environmental and compliance review, and permit issuance or denial.

Re-review of Incomplete Portal Submissions for Issuance of a Denial letter or a 30-day Correction Letter. (January and/or February 2022)	Onboard a small team of consultants to assist with re-reviewing incomplete Portal submissions, issue denial and 30-day corrections letters.
30-Correction Letter Program (February and/or March 2022)	Utilize contractors to review corrections submitted to the portal, determine which applications are complete, or will be denied. The contractors will also be responsible for drafting and issuing any denial notices.

Goal: TRAKiT Data Management Program: TRAKiT is the County’s application and permit tracking software. It is used by multiple County departments including Planning and Building Services, the Cannabis Program Department, the Treasurer Tax Collector’s Office, among others. The TRAKiT application and permit tracking software system was designed to help government agencies with the application and permitting of land use permits and provides the County with a single platform that allows the above mentioned departments visibility on application processing, permit issuance, payments due and submitted, and the payment or balance due of local cannabis business taxes. TRAKiT is used by the Cannabis Program Department and Planning and Building Services to initiate and track applications in progress; to track permit approval, issuance, and renewal; to track application and permit status’ which are exported weekly and sent to the DCC; and as a central repository for application and permit related files and compliance materials. TRAKiT does provide a way to input, track, and ‘export’ data if that data is captured in specific fields such as Custom Screens or the Permit Information fields (which is incredibly limited and cannot be changed to meet an individual department’s needs). The Custom Screens feature in TRAKiT was last updated in 2020 and does not include fields that allow the department the ability to independently track and export important information such as: the square footage under cultivation, assigned planner, primary and secondary APNs, CDFW LSAA status or permit type, WaterBoard NOA and annual monitoring report information, CEQA progress and status, equity eligibility, or if multiple types of cannabis activities are occurring on the parcel. The Permit Metrics sheet provided for this grant application was developed by exporting a ‘weekly workbook’ (which is what we send to the DCC for local authorization verification), then three planners and one staff assistant manually opened each file in permit file in TRAKiT and manually entered the data requested by the state into the Permit Metrics sheet. This initial Permit Metrics sheet took staff just under 70 hours to complete. This is simply one example of the current challenges the department faces when it comes to adequately tracking the status, progress, and compliance of our cannabis applications and permits. Not only is the current status of TRAKiT not adequate for the purposes of LJAGP quarterly reporting, it also does not provide the department with the oversight necessary to track our applicants’ compliance progress.

This results in an undue burden to staff vastly increasing the time it takes to process an application or permit renewal, and reducing the ability to ensure ongoing compliance – both environmental and regulatory. In order to establish an efficient application processing system and compliance monitoring program, Custom Screens needs to be updated to ensure that a comprehensive snapshot of the compliance requirements for each permit can be easily exported and made readily available to each staff person engaged in the review of the application. To achieve this, we need to significantly build out the Custom Screens feature to include data fields for all required materials (as identified on the application checklist in the Attachments doc). We intend use department staff time to identify the necessary new fields and to identify which expiration dates to track. We also intend to track, at minimum: canopy square footage, additional APNs, and relevant equity and LJAGP information. We will work with the County's TRAKiT consultants, Client First, who will conduct the development of Custom Screens in the TRAKiT platform.

Update 12/22/2021:

Row 61, D9 of the application budget covers the cost of building Custom Screens out for the CFBL program which includes processors, manufacturers, distributors, testing facilities, retailers and microbusinesses. Row 62, D10 of the application budget covers the cost of building Custom Screens out for the cultivation and nursery program. Row 65, D13 covers the onetime expense for Client First to project manage the Custom Screens build out for both programs. Row 60, D8 of the application budget identifies the onetime expense associated with having Client First write reporting software that will automatically export the permitting metric data required for quarterly LJAGP reporting which will vastly reduce the 70 hours of staff time needed to accomplish this task currently. Additionally, Row 66, D14 of the application budget covers the expense associated with the department entering into a licensing agreement with TRAKiT. This onetime licensing agreement expense is necessary to eliminate the need for department staff to use the licensing agreement currently held by Planning and Building Services which has limited users and often results in department staff being 'locked out' of the permit tracking platform. These onetime expenses is scheduled for Q3/Q4 of the 2021/2022 Fiscal Year

Action	Intended Outcome
<p>TRAKiT Custom Screens Update (January 2022)</p>	<p>Updates will be made to TRAKiT's Custom Screens for both the Mendocino Cannabis Program, and the Planning and Building Services Facilities Program. The updated Custom Screens will allow both departments the ability to track and export the information required to produce quarterly reports for the LJAG program, and provide the ability for the departments to track local and state compliance requirements including but not limited to CEQA progress, DFW LSAA permits, SWRCB permits, water sources, power sources, canopy area, cannabis activities occurring on each parcel, DCC license type(s) and expiration dates, etc. Currently department staff must manually open and read each application or permit holder's attached files to gather this important information.</p>
<p>TRAKiT Data Management (January / February 2022)</p>	<p>The Program will engage at least one contract planner tech and/or planner assistant to populate Custom Screens for all applications deemed complete via the Portal. This will reduce the time needed by the Program or contract planner assigned to conduct the environmental</p>

	<p>and compliance review of these applications. The Custom Screen update for Phase One and Two applications deemed complete and not subject to the Portal, and for issued annual permits, will be conducted by the planner assigned to conduct the environmental and compliance review. Planner tech and/or planner assistant level contractors might also be used to complete the data updates to Custom Screens for those not in the Portal. This is dependent upon the Program's environmental and compliance review needs, overall workload, and the ability to stay on schedule with the time lines projected in this application.</p>
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Goal: Phase One & Phase Two Application Review (January 1, 2022 – December 31, 2022): Upon completion of the Portal Reapplication Program, all Phase One and Phase Two applications will have undergone initial review and will be assigned to either a staff or contract planner for environmental and compliance review, and permit issuance or denial. The MCP intends to have the assigned staff or contract planner draft the Appendix G Checklist during the environmental and compliance review. The Program believes that taking over the drafting of the Appendix G Checklist will expedite applicant's ability to qualify for a State issued annual license.

Updated 12/22/2022: The department has prioritized the hiring of several new full time employees including, but not limited to: 1 – senior planner, 1 – chief planner, 7 – planners (level tech/I/II), 1 – office services supervisor, 1 – department analyst, 1 – staff assistant, 1 – admin assistant, and 1 – program manager. These new employees will be necessary to meet the permit processing timelines for achieving an annual state license. The department however, does not currently own enough desks or workstations to accommodate needs of our current staff, let alone the hiring of new staff. Row 74, D22 of the application budget covers the expenses associated with procuring these desks and workstations. The department anticipates needing to procure these workstations during Q3/Q4 of the 2021/2022 Fiscal Year. In addition to the hiring of new full time employees, the department anticipates the need to temporarily engage planner contractors to ensure the timely processing of Phase One and Phase Two applications, renewals, and Appendix G materials. The department must first however, issue a Request For Qualifications (RFQ) which is slated to run for thirty (30) days in Q3 of the 2021/2022 Fiscal Year. Row 71, D19 of the application budget shows the cost for Client First to draft, issue, and provide analysis of responses to this REQ. This is also a onetime expense.

Action	Intended Outcome
Environmental & Compliance Review	The assigned staff or contract planner, will conduct the environmental and compliance review, conduct any required agency referrals, and draft the Appendix G Checklist. The Program intends to expedite these review by using

	<p>both Program staff and contract plannersto conduct these reviews. The Program currently hopes to delegate approx. 30% of these reviews to contractors which is based on an analysis of zoning where applicants are located and the assumption that cultivation sites located on Agricultural, Rural Residential, and Industrial zoned parcels are likely less complicated to review. Adjusting the Appendix G Checklist development to have the Program draft all Appendix G Checklists going forward will streamline this process tremendously and ensure thatthe Program doesn't receive high volumes of Appendix G Checklist submittals in Q3 and Q4 of the 2022/2023 Fiscal Year.</p>
<p>Site Inspection and Report Preparation</p>	<p>All Phase One and Phase Two applicants must undergo at least one site inspectionbefore a permit may be issued.</p> <p>Additional site inspections may be necessary to complete the Sensitive Species Habitat Review process.</p> <p>There are an unidentified number of applications that have not been subject to initial inspection. The Program intends to use Program planners to conduct all site inspections necessary to complete the processing of Phase One and Phase Two applications. The use of Program staff for site inspections provides not only a great training opportunity for newly hired planners, but will also keep these site inspection time lines on track as each inspection can be conducted by a seasoned planner with knowledge of the County's geography, and road conditions. Additionally, using Program planners for site inspections keeps the</p>

	<p>cost to a minimum as these inspectors can use the Program's fleet vehicles, equipment, and in some instances have been onsite previously.</p>
<p>Integrating Docusign software</p>	<p>Currently, the Program cannot issue a permit without scheduling an in person appointment with the applicant so that the permit and accompanying documents can be signed and executed.</p>

	<p>To reduce the need for in person appointments and reduce Program staff hours associated with permit issuance, the Program proposes the integration Docusign software into the online Portal Application system, and TRAKiT application/permit tracking systems. The implementation of Docusign will greatly reduce the amount of time necessary to issue a permit.</p>
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Goal: Annual Permit Renewal Application Processing Program Development: Annual permits are valid for a period of 12-months. It is the responsibility of the applicant to renew the permit within 30-days of the expiration date, or the permit may be extinguished by the Program. The Program proposes the following renewal program development to help streamline renewal: an automated 60-, and 30-day expiration notification system; an online Portal application system for renewal application processing; enhanced data tracking and management of application and permit specifics; and the Program taking on the responsibility of drafting Appendix G Checklist during the Renewal Application review. The Program believes that the notification system will ensure timely permit renewals. The built out Custom Screens feature referenced in Phase One and Phase Two application reviews, when filled in, should help to streamline renewal application processing. Additionally, relying on the Program to draft any necessary Appendix G Checklists during the renewal application review should streamline the Appendix G process for applicants, and reduce the time necessary for staff and applicants to complete this CEQA document. The updated renewal application program, when fully automated, will ensure transition of all permit holders from email submissions to using the Portal to submit and track application and permit materials.

Updated 12/22/2021: Row 57, D5 and row 58, D6 of the application budget is a onetime expense, to be spent during Q3/Q4 of the 2021/2022 Fiscal Year, that covers the cost of two developers time to develop the Renewal Application Portal System that will be hosted on the County’s website. Row 59, D7, of the application budget is a onetime expense for Q3/Q4 of the 2021/2022 Fiscal Year that covers the cost of Client First to project manage the development of Renewal Application Portal System, develop the automated 60-day and 30-day renewal notification system, and to develop the API plug in that will ensure the Renewal Portal System materials are automatically transferred from the Portal into the TRAKiT permit tracking system.

Action	Intended Outcome
<p>Automated 60-, and 30-day renewal notification system. (December 2021 /January 2022)</p>	<p>The Program currently tracks the expiration date of annual permits by running an export report out of TRAKiT, then filtering status and expiration dates, to identify expired or expiring permits. The export that includes renewal permit expiration dates does not include the applicant or applicant agent contact</p>
	<p>information. To create a 60- or 30-day renewal notification list, staff must merge data from the two exports, which is very time consuming. Renewal applications are also subject to site inspection. The notification system will notify both the permit holder and the Program about the upcoming need for renewal. The Program intends to draft Phase One and Phase Two Appendix G Checklists during renewal application reviews. To expedite this process the Program will use the same formula referenced in Phase One and Phase Two application review, to assign approximately 30 percent of renewal application review and Appendix G Checklist drafting to planner consultants.</p>
<p>Development of an online Renewal Application Portal System</p>	<p>Currently renewal materials may only be submitted via email, and with exception in paper form. Program staff and applicants often struggle with file management via email. Applicants often submit application materials in a series of emails, sometimes over an extended period of time. The notification system will prompt the renewal applicant to use the Portal system to submit the application materials. The Renewal Portal system will provide a secure online application, payment, and permit tracking system. Partial applications will not be eligible for payment and submission. Upon payment and submission, the application files are time stamped and</p>

	<p>exported to a shared folder for initial review. Once the application has been deemed complete and ready for environmental and compliance review, Custom Screens are updated and the application automatically uploads to TRAKiT. Docusign will be built into the system allowing the applicant to sign important compliance documents, and the renewed permit, eliminating the need for the applicant to schedule an in person appointment. Executed permits will be sent via certified mail the permit holder reducing both staff and applicant time.</p>
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<p>Completing Environmental Review & the Appendix G Checklist</p>	<p>The Program currently requires renewal applicants who were issued permits before environmental reviews were implemented to complete the SSHR and AQMD questionnaires AFTER the annual permit has been renewed. This system draws out the review timeline significantly and due to the lack of TRAKiT development, and the timing of requiring these materials for erroneously issued permits, these requirements often go unfulfilled until the next renewal period as staff moves onto the next application while waiting for the permit holder to provide these important documents. By increasing the data tracking capabilities of TRAKiT, automating the notification and application system, and requiring these environmental reviews be completed before a permit may be renewed, staff will be more efficient at conducting the environmental review necessary to correct early permits issued without first undergoing all of the required environmental reviews. Additionally, these reviews are crucial components of the Appendix G Checklist. The Program proposes drafting outstanding Appendix G Checklists during the review for permit renewal. This is intended to streamline the Appendix G Checklist process for both the Program and the applicant. Adjusting the Appendix G Checklist development to have the Program draft all Appendix G Checklists going forward will streamline this process tremendously and ensure that the Program doesn't receive high volumes of Appendix G Checklist submittals in Q3 and Q4 of the 2022/2023 Fiscal Year.</p>
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Goal: Appendix G Checklist Development & Certification: Currently it is the responsibility of the permit holder to develop the Appendix G Checklist document and then submit it to the County for review and Certification. This process has proven quite challenging for Program staff as Appendix G Checklists are often submitted that do not reflect the scope of the permit issued by the County, or are treated as a development permit and include project development not included in the permit issued by the County. The amount of time Program staff spends correcting and sending suggestions to applicants and agents requesting changes is significant and in many cases exceeds the amount of time it would take staff to simply have drafted the Checklist to begin with. The Program is additionally concerned that, based on track record over time, permit holders will wait until Q3 and Q4 of the 2022/2023 Fiscal Year to submit a completed Appendix G Checklist which would create a new backlog of materials, which may hinder the Program's ability to conduct the reviews in a timely manner and jeopardize permit holders' ability to qualify for provisional license renewals after June 30, 2023.

Action	Intended Outcome
<p>Direct Program staff to draft the Appendix G checklist materials during initial application review, and/or renewal application review.</p>	<p>Simplify, streamline, and reduce the time and expense associated with completing an Appendix G checklist. The current system of requiring the applicant to develop the Appendix G Checklist after the annual permit is issued, is time consuming for the applicant and Program, and is unnecessarily expensive for both parties. Since implementing the Appendix G Checklist program, the Program has experienced a wide variety in Appendix G submissions. Often the Appendix G materials submitted by permit holders and their consultants are incomplete, fail to describe the details of the permit issued, and often include future development and information that may not be included in the Appendix G Checklist. Upon receiving an Appendix G Checklist, staff must conduct an initial administrative review to ensure the materials provided qualify for review before assigning the submission to staff for review and certification. Program staff have experienced challenges trying to get applicants and their consultants to conduct the amendments necessary to complete the checklist so that staff can certify it. Often it appears as though the permit holder and/or their consultant does not have access to the full application packet with the details necessary to complete the project's review. This increases the time associated with development, processing, and certification of the Appendix G Checklist. The Program recommends that staff develop the Appendix G Checklist DURING application review to eliminate these challenges and reduce the time and expense associated with this process.</p>

Goal: Compliance Monitoring & Site Inspection: Establish a robust compliance monitoring program and reinstate regular site inspections. The Program is currently engaged in recruiting full time Planner I/II employees with the intention of bolstering application reviews, and developing an efficient and effective site inspection and compliance program. Additionally, the Program would like to transition from paper reports that are handwritten to electronic reports entered on iPads or similar devices. Making these reports digital would vastly reduce the time associated with report preparation and records management, automatically timestamp the information, and allow it to be shared with the applicant during, or immediately following, the site inspection. **Updated 12/22/2021:** Row 68, D16 is a onetime expense that includes the field inspection tools necessary to digitize the County’s inspection process. Row 69, D17 of the application budget includes the onetime expense associated with Client First’s development of the electronic inspection checklist(s) and the API development necessary to ensure that the information captured in the field is automatically uploaded to the TRAKiT permit tracking system. Both onetime expenditures are slated for Q3/Q4 of the 2021/2022 Fiscal Year.

Action	Intended Outcome
Enhanced Online Application Portal System (December 2021 – February 2022)	While the Reapplication Portal System and Renewal Portal Systems will primarily streamline, organize, and automate both application processes, the updated version of both application platforms will also provide Program staff the ability to notify applicants directly from the Portal system. This new feature, will attach, file, and maintain communications between Program staff and the applicant or permit holder. Docusign will be built into the Portal platform allowing applicants, permitholders, and staff to electronically execute permits, compliance agreements, site inspection reports, and notices of non-compliance. The next iteration of the Portal, will allow Program staff to open the Portal, and ‘activate’ upload requirements specific to the applicant / permit holder simplifying, streamlining, and timestamping compliance and inspection document submission, and automating Corrective Action timelines.

<p>Implement electronic site inspection technology.</p>	<p>In 2019, after the program was moved to PBS, County staff worked with the Client First team, and consultants to digitize the site inspection checklists and to streamline site inspection report development.</p> <p>Paper checklists were made into electronic fillable forms with writable fields for the inspector's comments. The forms were designed to be used in the field on electronic tablets, automatically capturing and attaching to the checklist all photos that are taken during the site inspection as well as field notes. The system is designed to integrate Docusign which would allow the field inspector to electronically transmit the signed checklist to the applicant or permit holder before leaving the site. The technology will timestamp that communication, and electronically save the materials from that inspection. The ability to electronically save the site inspection checklist and information gathered during the inspection will reduce staff hours associated with the file upload and management necessary to draft the final inspection report. The upgraded Portal system will provide the field inspector with the platform necessary to share the final inspection report with the applicant or permit holder and as necessary open the application or permit Portal to require additional materials or corrective actions from the applicant/permit holder, on an established timeline.</p>
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Goal: Satellite & Aerial Imagery Services: Execute satellite imagery contracts with Planet and Land Vision. These tools are crucial to the implementation of the tree clearing prohibition, monitoring development, managing complaints about program participants, preparing for site inspections, and drafting Appendix G Checklists.

Action	Intended Outcome
<p>Execute contract with Planet satellite imagery provider. The contract would include a subscription to archived images of the County, as well as on demand imagery services.</p>	<p>The implementation of this technology will enhance staff's ability to conduct environmental review; monitor and enforce the tree clearing prohibition established by the MCCR and mitigated negative declaration; monitor grading and development activities; view the location and project prior to site inspection; and chronical project development to support the drafting of Appendix G Checklists. Aspects of the MCCR and mitigated negative declaration have not been fully implemented, such as the tree clearing prohibition, which requires an application that has conducted vegetation and/or tree removal to disclose when the removal occurred and what species of flora were removed. Due to delays in the implementation of the MCCR and the lack of access to timestamped imagery, Program staff and applicants have found it challenging to identify the scale, location, and timeline of vegetation and tree removal. While staff has access to CDFW's BIOS system and the County's GIS systems, neither of these systems offers more than 1 image, every two years making it challenging to determine development timelines, and conduct required environmental reviews. Additionally, the lack of imagery creates challenges for staff trying to verify what constitutes 'existing' development, versus new development during the Appendix G Checklist review. This will also be challenging for staff when the Program takes over drafting Appendix G Checklists and believes that using a combination of these technologies will streamline the environmental review, Appendix G Checklist development, and preparations for site inspections.</p>

<p>Execute Land Vision Contract. This service would provide high resolution imagery of parcels located within the political boundaries of Mendocino County.</p>	<p>This subscription would be used to supplement the Planet technology. LandVision provides a higher resolution image than the Planet technology and parcel data information not offered by Planet. While Land Vision does not offer the volume of images, on as regular a basis, or the ability to order images of a given area on a specified date in the future like Planet does, the high resolution imagery that Land Vision offers will provide staff with the ability to verify conditions discovered with the Planet technology and be better prepared for site inspections.</p>
<p>GIS Station & Cartographer Planner</p>	<p>The Program would like to establish a GIS work station and hire a cartographer planner to work with the County's GIS coordinator to integrate the Planet and Land Vision subscriptions into the County's GIS platform. This would provide County staff and the public with the additional mapping and timestamped imagery tools necessary to facilitate timely application review, compliance monitoring, and application material development. The cartographer planner would also assist in preparing maps for application review and SSHR, allow the Program to offer mapping services to applicants as appropriate, and prepare the Program to take over from PBS any secondary discretionary permits that may be required</p>

before a commercial cannabis permit may be issued. The intended outcome is to streamline the review process, provide enhanced services to applicants, the public and permit holders, and to reduce processing time by internalizing all necessary permitting within the Program.

Updated 12/22/2021: Row 76, D24 of the application budget is for a onetime expense to purchase the cartographer workstation equipment. We anticipate purchasing the workstation equipment in Q3/Q4 of the 2021/2022 Fiscal Year as the department is currently recruiting for this position and considers it an urgent hire.

Goal: Power Score: The Power Score was developed by UC Berkeley, the Resource Innovation Institute (RII), and New Frontier Data as a tool for the cannabis industry and government that tracks energy use and calculates greenhouse gas emissions, and tracks water use and calculates water efficiency. The Power Score tool sorts the data collection by cultivation type and includes production rates. The Power Score will provide the Program with the data collection necessary to implement the MCCR and MND requirement that generators be phased out as a primary power source and replaced with renewable energy options, and to meaningfully assess Water Availability Analysis which are required for all relocated cultivation sites. **Updated 12/22/2021:** Row 54, D2 and Row 56, D4 of the application budget identify the onetime set up costs associated with implementing the Power Score. Row 54, D2 covers the cost for the Resource Innovation Institute to customize the Power Score to meet the County's specific needs. Row 54, D4 of the application budget shows the onetime expense associated with Client First's integration of the Power Score into the County's online application Portal systems and the management of the API plug-in that will ensure the seamless data transfer from the Portal systems to the TRAKiT permit tracking system. The department anticipates completing this project development in Q3/Q4 of the 2021/2022 Fiscal Year.

Action	Intended Outcome
Implement the data verified version of the Power Score.	<p>The data verified version of the Power Score, provides users with the technology platform and verification services necessary to calculate, retain, and benchmark greenhouse gas emission data, and water use efficiency data. The data will be beneficial to applicants and permit holders who are required to transition from generator use to renewal energy, and to those required to report greenhouse gas emissions to the State.</p> <p>The water efficiency portion of the power score will provide the applicant and County with verified water source usage, and production rate analysis. The power score (water score) budget includes develop time to allow for customization to meet the County's needs. Time has also been set aside to integrate access to the power/water score into the Portal application system, allowing permit holders the ability to enter the information from within the County's secure Portal platform. The user fee for the power/water score platform includes services provided by RII to conduct data entry into the system based on documentation provided by the applicant/permit holder which will vastly</p>

	<p>reduce the applicant/permit holder's workload to engage with the platform and provides for third party verification of the data entered into the system. The compiled data will benefit the County, permit holders and the public by providing baseline environmental data relevant to cumulative environmental review for cannabis cultivation in the County, data to assist with Appendix G Checklist drafting, assistance with ensuring applicants have adequately reduced generator use, assistance with analyzing Water Availability Analysis, and the ability to gage the impact of mitigation projects funded with LJAGP direct grant dollars.</p>
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Goal: Cost Recovery Program for Environmental Review Conducted by Contributing Agencies: This need, goal and outcome was developed with the Department of Fish and Wildlife in mind. However, there may also be a need for cost recovery from other contributing agencies such as Environmental Health (EH), Planning and Building Services(PBS), and Mendocino County Air Quality Management District (MCAQMD). Each of these agencies may be involved in application review depending on the environmental circumstances of the project under review.

Action	Intended Outcome
<p>Cover unknown costs accrued by the County to refer Phase One and Phase Two applications to the California Department of Fish and Wildlife to conduct Sensitive Species Habitat Reviews (SSHR)</p>	<p>The MCCR and MND requires that the Program refer Phase One and Phase Two applications that fail to meet one or more performance standards to CDFW for review. This process is outlined in the Program Description. The County's agreement with CDFW provides that the agency may bill the County for the costs associated with conducting these environmental reviews. The County implemented this agreement with CDFW in March 2021 and to date, has not been billed by the agency. A cost estimate was not available at the time of preparing this application. Additionally, because the cost is unknown, the County has not been able to establish a fee for the SSHR, which would ensure that cost recovery occurs. Meanwhile, CDFW has hired new staff solely for the purposes of meeting the high volume of SSHR referrals anticipated as the County expedites the processing of Phase One and Phase Two applicants.</p>
<p>Cover unknown costs accrued by the Program when referring ground water sources, and Water Availability Analysis to the EH for additional review.</p>	<p>The Portal Reapplication process identified that applicants have frequently engaged in drilling new wells, often without permits. Wells are eligible to be permitted after they are drilled. In instances where the applicant cannot produce both a well completion log/report and a permit for the well, the Program must refer the well to EH for further review before the well can be considered a legal water source. Each review has an estimated cost of \$182.00</p>

Goal: Direct Grant Programs: Provisional license holders may be eligible for the following direct grant assistance programs, to be administered by the Mendocino Cannabis Program.

Action	Intended Outcome
Fee Waiver Program	<p>This fee waiver program is intended to provide applicants and permit holders with the ability to use LJAG program funding to pay for local permitting fees directly related to CEQA compliance. Such fee may include but are not limited to:</p> <ul style="list-style-type: none"> • Appendix G Processing Fee • Special Inspection Fees if the applicant or permit holder also holds a DCC provisional license, and one or more additional inspections are necessary to complete environmental and performance standard review. • Grading permits for approved water conservation projects, LSAA work orders, CalFire work orders, or other CEQA related projects as approved by the Program. • Demolition permits for the purpose of removing structures to meet less than significant impact criteria. • Other permits directly related to meeting CEQA requirements as approved by the Program.
Assistance with meeting CEQA requirements	<p>Direct grants will be made available to assist provisional license holders with meeting local CEQA requirements. These funds may be used for, but not limited to, the following activities: Improving Air Quality and Reducing Greenhouse Gas Emissions</p> <p>Direct Grant funds will be available to assist applicants with projects that improve air quality and reduce greenhouse gas emissions by eliminating the use of combustion engines. Engines eligible for transition to renewal resources include:</p> <ul style="list-style-type: none"> • Generators • Water pumps • Other upon approval

<p>Remediation and Relocation to an Environmentally Superior Location.</p>	<p>This program proposes allocating direct grant funding to applicants that need assistance covering the cost associated with moving cultivation operations to an environmentally superior location. An example of this might be moving a cultivation site to a location outside of a streamside management area.</p>
<p>Hydrology and Water Quality Direct Grant Funding</p>	<p>Department of Fish and Wildlife (CDFW) Lake and Streambed Alteration Agreement</p> <ul style="list-style-type: none"> • Notification expenses • Technical support for notification preparation • Lake and Streambed Alteration Agreement projects <p>State Water Resource Control Board (SWRCB), General Order & Clean Water Act (401 Permits)</p> <ul style="list-style-type: none"> • Filing fees • Reporting and monitoring fees • Water meters and installation • Technical assistance <p>North Coast Regional Water Quality Control Board (NCRWQCB)</p> <ul style="list-style-type: none"> • Water Resource Protection Plan compliance projects • Technical Assistance Hydrology <ul style="list-style-type: none"> • Connectivity studies • Groundwater availability studies • Technical Assistance Water Conservation <ul style="list-style-type: none"> • Rainwater Catchment Infrastructure • Fee deferrals for permitting water

	<p>infrastructure</p> <ul style="list-style-type: none"> • Forbearance tanks – surface water diversions
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2. For those jurisdictions that have been identified as eligible to receive additional funding due to the status of the local equity program, address the following in your goal(s):

- a. How this funding, particularly the dollars provided due to local equity program status will:
- i. Support local equity applicants in entering the regulated cannabis industry;
 - ii. Allow local equity applicants to receive cannabis permits and annual licenses more quickly; and
 - iii. Further support local and/improve equity program implementation.

This grant application proposes to set aside \$10,473,468.00 in LJAGP funding for a direct grant program to assist applicants and permit holders with meeting environmental performance standards and CEQA requirements. The Program will administer this direct grant program and applicants/permit holders engaged in the MCP and/or PBS permitting programs will be eligible to apply for funds. Priority for the direct grant funds will be given to applicants that have been determined to be eligible for the County’s Equity Grant Program.

On October 26, 2021 the Program put two urgency deadlines in place to ensure that eligible applicants, requesting funding during 2021, can be processed in time to issue the award before January 1, 2022. The first urgency deadline is for eligibility applications which were due no later than November 7, 2021, and the second is for direct grant, fee waiver, and technical assistance applications which must be submitted by December 7, 2021 to be awarded this year.

The November 7, urgency deadline has caused a spike in eligibility applications bringing the number of eligibility applications from 73 as of October 26, 2021, to 130 on November

8. Prior to the implementation of the urgency deadlines, there was a 96 percent approval rate for equity eligibility applications. If this high rate of approvals continues, the Program feels it is likely that the equity fund could be drawn down to zero quickly.

With this in mind, the Program intends to review each equity direct grant application and fee waiver proposal to determine if components of the application would be better funded by the LJAGP funds so as to preserve the equity program’s ability to provide awards to an increased number of equity applicants for use on direct grant and fee waiver components NOT eligible for funding under the LJAGP. Reviewing with this sort of prioritization in mind, will provide equity applicants with increasingly diverse grant funding opportunities which will enhance equity applicant’s ability to obtain annual licensure.

3. If your local jurisdiction has not adopted or is not operating a local equity program, please indicate whether the local jurisdiction is considering adopting a local equity program, including a potential timeline for this decision.

EXHIBIT B

GENERAL TERMS AND CONDITIONS

1. Approval

This Agreement is of no force or effect until signed by both parties. The Recipient may not invoice for activities performed prior to the commencement date or completed after the termination date of this Agreement.

2. Agreement Execution

Unless otherwise prohibited by state law, regulation, or Department or Recipient policy, the parties agree that an electronic copy of a signed Agreement, or an electronically signed Agreement, has the same force and legal effect as an Agreement executed with an original ink signature. The term "electronic copy of a signed Agreement" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed Agreement in a portable document format. The term "electronically signed Agreement" means an Agreement that is executed by applying an electronic signature using technology approved by all parties.

3. Assignment

This Agreement is not assignable by the Recipient, either in whole or in part, without the prior consent of the DCC Agreement Manager or designee in the form of a formal written amendment.

4. Governing Law

This Agreement is governed by and will be interpreted in accordance with all applicable State and Federal laws.

5. State and Federal Law

It is the responsibility of the Recipient to know and understand which State, Federal, and local laws, regulations, and ordinances are applicable to this Agreement and the Project, as described in Exhibit A. The Recipient shall be responsible for observing and complying with all applicable State and Federal laws and regulations. Failure to comply may constitute a material breach.

6. Recipient Commitments

The Recipient accepts and agrees to comply with all terms, provisions, conditions and commitments of the Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Recipient in the application, documents, amendments, and communications in support of its request for funding.

7. Performance and Assurances

The Recipient agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in the Scope of Work, and to apply grant funds awarded in this Agreement only to allowable Project costs.

8. Mutual Liability

Parties shall, to the extent allowed by law, each be individually liable for any and all claims, losses, causes of action, judgments, damages, and expenses to the extent directly caused by their officers, agents, or employees.

9. Unenforceable Provision

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, the parties agree that all other provisions of this Agreement shall remain operative and binding.

10. Contractors/Consultants

The Recipient assumes full responsibility for its obligation to pay its Contractors/Consultants. The Recipient is responsible to ensure that any/all contractors/consultants it engages to carry out activities under this Agreement shall have the proper licenses/certificates required in their respective disciplines. The Recipient's use of contractors/consultants shall not affect the Recipient's responsibilities under this Agreement.

11. Non-Discrimination Clause

The Recipient agrees that during the performance of this Agreement, it will not discriminate, harass, or allow harassment or discrimination against any employee or applicant for employment based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. The Recipient agrees to require the same of all contractors and consultants retained to carry out the activities under this Agreement.

The Recipient agrees that during the performance of this Agreement, the evaluation and treatment of its employees and applicants for employment are free from discrimination and harassment. The Recipient will comply with the provisions of the Fair Employment and Housing Act (Government Code section 12990 *et seq.*) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Recipient will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining unit or other Agreement. The Recipient must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

The Recipient agrees to require the same of all contractors and consultants retained to carry out activities under this Agreement.

12. Excise Tax

The State of California is exempt from federal excise taxes and no payment will be made for any taxes levied on employees' wages. The DCC will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another State.

13. Disputes

The Recipient must continue with the responsibilities under this Agreement during any dispute. In the event of a dispute, the Recipient must file a "Notice of Dispute" with the DCC Agreement Manager, identified in Exhibit A, or designee within ten (10) calendar days of discovery of the problem. The Notice of Dispute must contain the Agreement number. Within ten (10) calendar days of receipt of the Notice of Dispute, the DCC Agreement Manager or designee must meet with the Recipient for the purpose of resolving the dispute. In the event of a dispute, the language contained within this Agreement prevails.

14. Termination for Convenience

This Agreement may be terminated by either party upon written notice. Notice of termination must be delivered to the other party at least thirty (30) calendar days prior to the intended date of termination. Notice of termination does not nullify obligations already incurred prior to the date of termination. In the event of Termination for Convenience of this Agreement by DCC, DCC must pay all responsible costs and non-cancellable obligations incurred by the Recipient as of the date of termination.

15. Termination for Cause

Either party may terminate this Agreement for cause in the event of a material breach of this Agreement, provided that the non-breaching party provides written notice of the material breach and ten (10) calendar days to cure the breach. If the breach is not cured to the satisfaction of the non-breaching party within ten (10) calendar days of receipt of notice, this Agreement shall automatically terminate and the DCC shall reimburse the Recipient for all documented costs incurred up to the date of the notice of termination, including all non-cancellable obligations.

16. Acceptable Failure to Perform

The Recipient shall not be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is caused by any of the following: labor disturbances or disputes of any kind, accidents, or the inability to obtain any required government approval to proceed, civil disorders, acts of aggression, acts of God, energy or other conservation measures, failure of utilities, mechanical breakdowns, materials shortages, disease, pandemics, or similar occurrences.

17. Breach

Reimbursement under this Agreement may be suspended, terminated, or both, and the Recipient may be subject to debarment if DCC determines that the Recipient has breached the terms of this Agreement. A determination of breach may be appealed in writing to the DCC. The appeal must be post marked within ten (10) calendar days of the date the Recipient received notification and addressed to the DCC Legal Affairs Division or emailed to: legallaffairs@cannabis.ca.gov.

Department of Cannabis Control
Legal Affairs Division
2920 Kilgore Road
Rancho Cordova, CA 95670

18. Non-Material Breach

The Recipient may be in material breach under this Agreement if it fails to comply with any term of this Agreement. In the event of a material breach, DCC shall provide in writing a Notice of Breach to the Recipient within ten (10) calendar days upon discovery of breach. The Recipient shall have ten (10) calendar days from receipt of the notice to cure the breach. If the Recipient fails to cure the breach within the time prescribed by this Agreement, DCC may do any of the following:

- A. Suspend payments;
- B. Demand repayment of all funding;
- C. Terminate the Agreement; or
- D. Take any other action deemed necessary to recover costs.

If DCC determines that the Recipient is not in material breach but that the Project is not being implemented in accordance with the provisions of this Agreement, or that the Recipient has failed in any other respect to comply with the provisions of this Agreement, and the Recipient has failed to remedy any such failure in a reasonable and timely manner, DCC may withhold all or any portion of the grant funding and take any other action that DCC deems necessary to protect its interests.

Where a portion of the grant funding has been disbursed to the Recipient and DCC notifies the Recipient of its decision not to release funds that have been withheld pursuant to paragraph 17, the portion that has been disbursed shall thereafter be repaid immediately. DCC may consider the Recipient's refusal to repay the requested disbursed amount a material breach.

If DCC notifies the Recipient of its decision to withhold the entire funding amount from the Recipient pursuant to this paragraph, this Agreement shall terminate upon receipt of such notice by the Recipient and DCC shall no longer be required to provide funds under this Agreement and the Agreement shall no longer be binding on either party.

In the event DCC finds it necessary to enforce this provision of this Agreement in the manner provided by law, the Recipient agrees to pay all enforcement costs incurred by DCC including, if DCC should prevail in a civil action, reasonable attorneys' fees, legal expenses, and costs related to the action.

19. Publicity and Acknowledgement

The Recipient agrees that it will acknowledge DCC's support whenever projects funded, in whole or in part, by this Agreement are publicized in any news media, brochures, publications, audiovisuals, presentations or other types of promotional material and in accordance with the SOW attached to this Agreement. The Recipients may not use the DCC logo.

20. News Releases/Public Conferences

The Recipient agrees to notify the DCC in writing at least two (2) business days before any news releases or public conferences are initiated by the Recipient or its Contractors/Consultants regarding the project described in the Attachments, Scope of Work and Budget and any project results.

21. Scope of Work and Budget Changes

Changes to the Scope of Work, Budget, or the Project term, must be requested in writing to DCC Grant Administrative Contact no less than thirty (30) days prior to the requested implementation date. Any changes to the Scope of Work and Budget are subject to DCC approval and, at its discretion, DCC may choose to accept or deny any changes. If accepted and after negotiations are concluded, the agreed upon changes will be made and become part of this Agreement. DCC will respond in writing within ten (10) business days as to whether the proposed changes are accepted.

22. Reporting Requirements

The Recipient agrees to comply with all reporting requirements specified in Scope of Work incorporated by reference to this Agreement as an attachment.

23. California State Auditor

This Agreement is subject to examination and audit by the California State Auditor for a period of three (3) years after final payment under the Agreement.

24. Equipment

Purchase of equipment not included in the approved Budget requires prior approval. The Recipient must comply with applicable state requirements regarding the use, maintenance, disposition, and reporting of equipment.

25. Closeout

The Agreement will be closed out after the completion of the Project or project term, receipt and approval of the final invoice and final report, and resolution of any performance or compliance issues.

26. Confidential and Public Records

The Recipient and DCC understand that each party may come into possession of information and/or data which may be deemed confidential or proprietary by the person or organization furnishing the information or data. Such information or data may be subject to disclosure under the California Public Records Act or the Public Contract Code. DCC had the sole authority to determine whether the information is releasable. Each party agrees to maintain such information as confidential and notify the other party of any requests for release of information.

27. Amendments

Changes to funding amount or Agreement term require an amendment and must be requested in writing to the DCC Agreement Manager or designee no later than sixty (60) calendar days prior to the requested implementation date. Amendments are subject to DCC approval, and, at its discretion, may choose to accept or deny these changes. No amendments are possible if the Agreement is expired.

EXHIBIT C

PAYMENT AND BUDGET PROVISIONS

1. Invoicing and Payment

- A. For activities satisfactorily rendered and performed according to the attached Scope of Work and Budget, and upon receipt and approval of the invoices, DCC agrees to reimburse the Recipient for actual allowable expenditures incurred in accordance with the rates specified herein, which is attached hereto and made a part of this Agreement.
- B. Invoices must include the Agreement Number, performance period, type of activities performed in accordance with this Agreement, and when applicable, a breakdown of the costs of parts and materials, labor charges, and any other relevant information required to ensure proper invoices are submitted for payment.
- C. Unless stated in the Scope of Work, quarterly invoices must be submitted to the DCC Administrative Contact, within thirty (30) calendar days after the end of each quarter in which activities under this Agreement were performed.
- D. Unless stated in the Scope of Work, a final invoice will be submitted for payment no more than thirty (30) calendar days following the expiration date of this Agreement, or after project is complete, whichever comes first. The final invoice must be clearly marked "Final Invoice" thus indicating that all payment obligations of the DCC under this Agreement have ceased and that no further payments are due or outstanding.

2. Allowable Expenses and Fiscal Documentation

- A. The Recipient must maintain adequate documentation for expenditures of this Agreement to permit the determination of the allowability of expenditures reimbursed by DCC under this Agreement. If DCC cannot determine if expenditures are allowable under the terms of this Agreement because records are nonexistent or inadequate according to Generally Accepted Accounting Principles, DCC may disallow the expenditures.
- B. If mileage is a reimbursable expense, using a privately-owned vehicle will be at the standard mileage rate established by the United States (U.S.) Internal Revenue Service (IRS) and in effect at the time of travel. The standard mileage rate in effect at the time of travel can be found on [IRS's website](#) regardless of funding source/type.
- C. If domestic travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. The maximum rates allowable for travel within California are those established by the California Department of Human Resources ([CalHR](#)). The maximum rates allowable for domestic travel outside of California are those established by the United States General Services Administration ([GSA](#)).

If domestic travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. The maximum rates allowable are those established by the Federal Travel Regulation, issued by [General Services Administration \(GSA\)](#), including the maximum per diem and subsistence rates prescribed in those regulations.

- D. If foreign travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. The maximum rates allowable are those established in a per diem supplement to Section 925, Department of State Standardized Regulations.

E. The Recipient will maintain and have available, upon request by DCC, all financial records and documentation pertaining to this Agreement. These records and documentation will be kept for three (3) years after completion of the Agreement period or until final resolution of any performance/compliance review concerns or litigation claims.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, California Government Code Title 1, Division 3.6, Part 3, Chapter 4.5, commencing with Section 927 - The California Prompt Payment Act.

4. Budget Contingency Clause

If funding for any fiscal year is reduced or deleted for purposes of this program, the DCC has the option to either cancel this Agreement with no liability occurring to the DCC or offer to amend the Agreement to reflect the reduced amount.

EXHIBIT C1

Budget Worksheet

Jurisdiction Name	County of Mendocino
Total Grant Amount	\$ 18,084,837.00

A. Direct Technical Assistance Costs - Personnel

Personnel that will provide direct technical assistance to support the intent of the grant program. Include the cost of salary and benefits for time spent working on the grant by the employees of the jurisdiction.								TOTAL
Personnel Classification	Role in Grant Program	Annual Salary & Benefits	FY 21-22 Percentage of Time	FY 22-23 Percentage of Time	FY 23-24 Percentage of Time	FY 24-25 Percentage of Time		
<i>Example</i>	<i>Local Planner</i>	<i>Reviews CEQA documentation provided by applicants.</i>	\$ 150,000.00	0.50	0.75	1.00	1.00	\$ 487,500.00
A1	Program Director	Phase 1 & 2 permit review and Appendix G	\$ 187,012.00	0.30	0.02			\$ 59,843.84
A2	Program Manager	Phase 1 & 2 permit review and Appendix G	\$ 127,340.00	0.28	0.02			\$ 38,202.00
A3	Chief Planner	Phase 1 & 2 permit review and Appendix G	\$ 116,795.00	0.27	0.27			\$ 63,069.30
A4	Program Administrator	Phase 1 & 2 permit review and Appendix G	\$ 92,130.00	0.06	0.02			\$ 7,370.40
A5	Planner III	Phase 1 & 2 permit review and Appendix G	\$ 94,456.00	0.42	0.37			\$ 74,620.24
A6	Planner III	Phase 1 & 2 permit review and Appendix G	\$ 94,456.00	0.42	0.37			\$ 74,620.24
A7	Planner III	Phase 1 & 2 permit review and Appendix G	\$ 94,456.00	0.42	0.37			\$ 74,620.24
A8	Planner III	Phase 1 & 2 permit review and Appendix G	\$ 94,456.00	0.42	0.37			\$ 74,620.24
A9	Planner III	Phase 1 & 2 permit review and Appendix G	\$ 94,456.00	0.42	0.37			\$ 74,620.24
A10	Department Analyst	Phase 1 & 2 permit review and Appendix G	\$ 73,915.00	0.06	0.06			\$ 8,869.80
A11	Admin Asst	Phase 1 & 2 permit review and Appendix G	\$ 54,831.00	0.38	0.23			\$ 33,446.91
A12	Admin Asst	File Management for Contracted Services	\$ 54,831.00	0.45	1.00	0.50		\$ 106,920.45
A13	Cartographer Planner	Supplychain wide permit and CEQA review. Pre-site inspection mapping, tree clearing prohibition	\$ 101,864.00	0.45	1.00	0.00	0.00	\$ 147,702.80
Direct Technical Assistance Costs - Personnel								\$ 838,526.70

B. Direct Technical Assistance Costs - Other

Items that provide direct benefits to the intent of the grant program.								TOTAL
Cost Category / Service or Vendor (if known)	Description	Annual Cost	FY 21-22 Percentage of Costs	FY 22-23 Percentage of Costs	FY 23-24 Percentage of Costs	FY 24-25 Percentage of Costs		
<i>Example</i>	<i>Contractual / Environment Consultants</i>	<i>Contractor to assist with the development of a PEIR for the county.</i>	\$ 500,000.00	1.00	0.50	0.50	0.50	\$ 1,250,000.00
B1	Contractual Planner Tech / Planner Asst	Phase 1 & 2 permit review and Appendix G Checklist Development/Review	\$ 270,000.00	0.47	0.16			\$ 170,100.00
B2	Contractual Planner Tech / Planner Asst	Phase 1 & 2 permit review and Appendix G Checklist Development/Review	\$ 270,000.00	0.47	0.16			\$ 170,100.00
B3	Contractual Planner Tech / Planner Asst	Phase 1 & 2 permit review and Appendix G Checklist Development/Review	\$ 270,000.00	0.47	0.16			\$ 170,100.00
B4	Contractual Senior / Principal Planner	Phase 1 & 2 permit review and Appendix G Checklist Development/Review	\$ 384,800.00	0.47	0.53			\$ 384,800.00
B5	Contractual Senior / Principal Planner	Phase 1 & 2 permit review and Appendix G Checklist Development/Review	\$ 384,800.00	0.47	0.53			\$ 384,800.00
B6	Contractual Senior / Principal Planner	Phase 1 & 2 permit review and Appendix G Checklist Development/Review	\$ 384,800.00	0.47	0.53			\$ 384,800.00
Direct Technical Assistance Costs - Other								\$ 1,664,700.00

C. Indirect/Administrative - Personnel

To provide or fund administrative assistance to support the intent of the grant program. Cost of salary and wages for time spent supporting the work of the grant.								TOTAL
Personnel Classification	Role in Grant Program	Annual Salary & Benefits	FY 21-22 Percentage of Time	FY 22-23 Percentage of Time	FY 23-24 Percentage of Time	FY 24-25 Percentage of Time		
<i>Example</i>	<i>Accounting Analyst</i>	<i>To track expenditures associated with the grant.</i>	\$ 89,000.00	0.25	0.25	0.25	0.25	\$ 89,000.00
C1	Program Director	General Oversight and Direct Grant Policy	\$ 187,012.00	0.15	0.3	0.3	0.3	\$ 196,362.60
C2	Program Manager	General Oversight and Direct Grant Policy	\$ 127,340.00	0.3	0.3	0.3	0.3	\$ 152,808.00
C3	Program Administrator	General Oversight and Direct Grant Policy	\$ 92,130.00	0.3	0.6	0.6	0.6	\$ 193,473.00
C4	Chief Planner	Direct Grant Application Review	\$ 116,795.00	0.25	0.5	0.5	0.5	\$ 204,391.25
C5	Offices Services Supervisor	Execution of Direct Grant Program	\$ 64,503.00	0.4	0.75	0.75	0.75	\$ 170,932.95
C6	Department Analyst	Expenditure Tracking	\$ 73,915.00	0.4	0.8	0.8	0.8	\$ 180,608.40
C7	Admin Asst	Grant Application Underwriting	\$ 54,831.00	0.4	0.8	0.8	0.8	\$ 206,962.00
Indirect/Administrative Costs - Personnel								\$ 1,305,538.20

D. Indirect/Administrative - Other								
Items that provide administrative or indirect support to the intent of the grant program.								
Cost Category / Service or Vendor (if known)		Description	Annual Cost	FY 21-22 Percentage of Costs	FY 22-23 Percentage of Costs	FY 23-24 Percentage of Costs	FY 24-25 Percentage of Costs	TOTAL
EX	Facilities / Headquarters	Costs associated with office space for direct technical assistance staff.	\$ 1,250,000.00	0.02	0.02	0.02	0.01	\$ 81,250.00
D2	Informational Technology Systems	Power Score / RII: Costs associated with initial start-up and Mendocino customization Onetime Expense Q3/Q4 FY 21-22	\$ 15,000.00	0.25	0.25	0.25	0.25	\$ 15,000.00
D3	Professional Services	Power Score / RII: Costs associated with annual user fee (\$350/user x 932 users)	\$ 286,300.00	0.50	1.00	1.00	1.00	\$ 1,002,050.00
D4	Professional Services	Client First: Project Manage the API plug-in of the Power Score into the County's electronic application portal system, build out of the public facing data entry system, and API data transfer from the portal system to the TRAKIT permit tracking platform. Onetime Expense Q3/Q4 FY 21-22	\$ 19,500.00	0.25	0.25	0.25	0.25	\$ 19,500.00
D5	Informational Technology Systems	Renewal Application Portal System: Hosted on the County's website - County Informational Services Staff Developer (132 hours x \$82.06/hour) Onetime Expense Q3/Q4 FY 21-22	\$ 10,831.92	0.25	0.25	0.25	0.25	\$ 10,831.92
D6	Informational Technology Systems	Renewal Application Portal System: Hosted on the County's website - County Informational Services Senior Staff Developer (132 hours x \$132.17/hour) Onetime Expense Q3/Q4 FY 21-22	\$ 17,446.44	0.25	0.25	0.25	0.25	\$ 17,446.44
D7	Professional Services	Client First: Project manage the development of the Renewal Application Portal System and API development ensuring that the application materials provided by the Portal are automatically transferred into the TRAKIT permit tracking system. (100 hours x \$205/hour) Onetime Expense Q3/Q4 FY 21-22	\$ 20,500.00	0.25	0.25	0.25	0.25	\$ 20,500.00
D8	Professional Services	Client First: Write report software that exports the LJAGP Permitting Metric data from TRAKIT Custom Screens (96 hours x \$175.00/hour) Onetime Expense Q3/Q4 FY 21-22	\$ 16,800.00	0.25	0.25	0.25	0.25	\$ 16,800.00
D9	Professional Services	Client First: TRAKIT Custom Screen Update for CFBL's includes CFBL process design, configuration, testing, training, and incorporation of applicable Planning Permits admin permits, minor permits, major use permits (50 hours x \$175.00/hour) Onetime Expense Q3/Q4 FY 21-22	\$ 8,750.00	0.25	0.25	0.25	0.25	\$ 8,750.00
D10	Professional Services	Client First: TRAKIT Custom Screen Update for Cultivation and Nursery permits includes AG process design, configuration, testing, and training. (40 hours x \$175.00/hour) Onetime Expense Q3/Q4 FY 21-22	\$ 7,000.00	0.25	0.25	0.25	0.25	\$ 7,000.00
D11	Professional Services	Client First: TRAKIT Custom Screens report run for both CFBL and AG (cultivation & nursery) permits (8 hours per report x \$175.00 x quarterly reporting)	\$ 5,600.00	0.50	1.00	1.00	1.00	\$ 19,600.00
D12	Professional Services	Client First: TRAKIT Administrative Support (40 hours x \$175.00/hour)	\$ 7,000.00	0.50	1.00	1.00	1.00	\$ 24,500.00
D13	Professional Services	Client First: TRAKIT Project Management of TRAKIT Custom Screen Development, maintenance, and updates (70 hours x \$208.00/hour) Onetime Expense Q3/Q4 FY 21-22	\$ 14,560.00	0.25	0.25	0.25	0.25	\$ 14,560.00
D14	Informational Technology Systems	TRAKIT Licensing agreements for department staff and consultants Onetime Expense Q3/Q4 FY 21-22	\$ 40,000.00	0.25	0.25	0.25	0.25	\$ 40,000.00
D15	Informational Technology Systems	TRAKIT Annual Service Charge (\$250/month/user)	\$ 60,000.00	0.50	1.00	1.00	1.00	\$ 210,000.00
D16	Supplies	Field Inspection Technology: Ipad, Screen Protectors, Ipad cases, Apple Pencil Onetime Expense Q3/Q4 FY 21-22	\$ 7,421.30	0.25	0.25	0.25	0.25	\$ 7,421.30
D17	Professional Services	Client First: Field Inspection Technology developemnt including the digitization of inspection checklist and API development that allows the data entered into the Ipad to automatically upload into TRAKIT (40 hours x \$175.00/hour) Onetime Expense Q3/Q4 FY 21-22	\$ 7,000.00	0.25	0.25	0.25	0.25	\$ 7,000.00
D18	Field Inspection Technology	Wireless Service	\$ 210.00	0.50	1.00	1.00	1.00	\$ 735.00
D19	Professional Services	Client First: RFQ Development & Analysis Onetime Expense Q3/Q4 FY 21-22	\$ 19,500.00	0.25	0.25	0.25	0.25	\$ 19,500.00
D20	Informational Technology Systems	Planet: Satellite Imagery	\$ 351,240.00	0.50	1.00	1.00	1.00	\$ 1,229,340.00
D21	Informational Technology Systems	Land Vision: Aerial Imagery	\$ 39,400.00	0.50	1.00	1.00	1.00	\$ 137,900.00
D22	Supplies	Costs associated with work stations for direct technical staff. Onetime Expense Q3/Q4 FY 21-22	\$ 47,965.20	0.25	0.25	0.25	0.25	\$ 47,965.20

D23	Supplies	Conferencing Equipment - public information and educational sessions, and remote permit hearings Onetime Expense Q3/Q4 FY 21-22	\$ 4,665.50	0.25	0.25	0.25	0.25	\$ 4,665.50
D24	Supplies	GIS Equipment: Workstation for cartographer planner. Onetime Expense Q3/Q4 FY 21-22	\$ 92,030.70	0.25	0.25	0.25	0.25	\$ 92,030.70
D25	Informational Technology Systems	DocuSign: All permits and compliance affidavits must be signed in person to be executed. DocuSign will allow for the streamlining of permit issuance and gathering of compliance affidavit signatures	\$ 41,159.33	0.50	1.00	1.00	1.00	\$ 144,057.66
D26	Direct Grant Program	MCP and PBS applicants and permit holders are eligible	\$ 10,473,468.00	0.25	0.50	0.25	0.00	\$ 10,473,468.00
D27	Services	Outside Agency Cost Recovery	\$ 187,020.00	0.25	0.50	0.25	0.00	\$ 187,020.00
Direct Technical Assistance Costs - Other								\$ 13,777,641.72
E. TOTALS								
Direct Technical Assistance Costs - TOTAL								\$ 2,503,226.70
Indirect/Administrative Costs - TOTAL								\$ 15,083,179.92
GRAND TOTAL								\$ 17,586,406.62

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

This California Local Jurisdiction Assistance Grant Program Agreement (“Agreement”) is by and between [local jurisdiction] (“Grantee”), and the Department of Cannabis Control (“Department”), hereinafter jointly referred to as the “Parties” or individually as the “Party.” Unless otherwise specified in this Agreement, all definitions, rules, guidelines, and requirements specified in the California Local Jurisdiction Assistance Grant Program Guidelines (Grant Guidelines) issued on [date], shall apply to this Agreement. The identification number for this Agreement is [Agreement#].

In consideration of the mutual covenants and promises in this Agreement, the Parties agree as follows:

- 1. Authority.** This Agreement is authorized and entered into pursuant to the Budget Act of 2021, Item 1115-101-0001 – For local assistance. The Local Jurisdiction Assistance Grant Funding allows for direct assistance to local jurisdictions’ commercial cannabis programs to transition provisional licenses to annual licenses.
- 2. Grant Term.** The performance period of this Agreement shall be from the specified date of the Grant Funding Expenditure Period through March 31, 2025 (“Grant Term”). Grant funds shall be expended only during the Grant Term.
- 3. Grant Award.** Based on the Department’s review of the Grantee’s application and Annual Plan, which constitutes the Scope of Work for this Agreement and is incorporated herein by reference as Exhibit A, and pursuant to the Grant Guidelines, and conditioned upon the requirements set forth in this Agreement, the Department shall provide Grantee a grant award amount as specified in the Grant Award Notification for the term of this Agreement. The Grant Award and Grant funding is to be used for the purposes specified in the Grant Guidelines, and pursuant to the Scope of Work. In no event shall the Department be obligated to pay any amount in excess of the awarded amount. Grantee waives any and all claims against the Department and the State of California for any costs that exceed the grant award amount identified in the Grant Award Notification.
- 4. Unused Grant Funds.** Any amount of grant funds provided for under this Agreement that is not expended by the end of the Grant Term, or at the termination of this Agreement, whichever is sooner, shall be returned to the Department. Grantee shall notify Department of such unused funds and Department shall provide Grantee with instructions as to how to return the funds.
- 5. Funding Contingency Clause.** The funding for this Agreement is allocated pursuant to the Local Jurisdiction Assistance Grant Funding. Grantee agrees that the Department’s obligation to pay any sum under this Agreement is contingent upon availability of funds disbursed from the Local Jurisdiction Assistance Grant Funding. If there is insufficient funding, the Department shall have the option to either: 1) terminate this Agreement, whereby no party shall have any further obligations or liabilities under this Agreement, or 2) negotiate an Agreement amendment with Grantee to reduce the grant award and scope of work to be provided under this Agreement.
- 6. Grant Fund Disbursement.** Grant funds awarded pursuant to the Local Jurisdiction Assistance Grant Funding will be issued directly to Grantee in one disbursement, upon execution of this Agreement, and passing of a resolution or similar approving authority by the local jurisdiction.

- 7. Subcontractors.** No amount of the grant award may be used to subcontract any of the commitments contemplated in this Agreement to another entity or person, unless with the written approval of the Department pursuant to section 13 of this Agreement or if the subcontract work is included the Grantee's Annual Plan and Application Budget Form that was submitted and approved by the Department.
- 8. Documentation and Reporting Requirements.** Grantee must be able to demonstrate to the satisfaction of the Department that the grant funds were expended for eligible uses and consistent with the activities identified in its application, and under the Grant Program. Grantee must provide progress and annual reports as specified in the Grant Guidelines. Grantee must maintain records detailing the expenditure of all grant funds for a period of seven (7) years after the end of the Grant Term and shall provide this information to the Department upon request.
- 9. Audit.** Grantee agrees that the Department, the California State Auditor, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The books, accounts, files, receipts, and other records of Grantee which are applicable to this Agreement shall be made available for inspection, review, and audit immediately upon request by the Department and its representatives to verify proper use of the grant award, in accordance with the Grant Guidelines. Grantee agrees to allow the auditor(s) access to such records and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement.
- 10. Eligible Uses.** Grant funds shall be used for the purpose of assisting local applicants and local licensees in that local jurisdiction to transition from provisional licenses to annual license, and to successfully operate in, the state's regulated cannabis marketplace and consistent with the Grant Guidelines and the Grantee's application for Local Jurisdiction Assistance Grant Funding. As determined by the Department, upon its review, Grantee shall reimburse the Department for any ineligible or improper uses of grant funds.
- 11. Termination of Agreement.** This Agreement may be terminated by the Department upon action, or inaction by the Grantee that constitutes a material breach of this Agreement. A material breach includes, but is not limited to, refusal or inability to complete the commitments contemplated in this Agreement or the Grant Guidelines, improper expenditure of grant funds, failure to properly maintain records or allow the Department access to records as required under this Agreement or the Grant Guidelines, and failure to timely complete and submit the reports required under this Agreement or the Grant Guidelines. The Department will notify Grantee in writing if it intends to terminate the Agreement pursuant to this section and provide Grantee an opportunity to cure the breach within thirty (30) calendar days.
- 12. Assignment.** This Agreement is not assignable by Grantee, either in whole or in part, without the consent of the Department in the form of a written amendment.
- 13. Amendment.** This Agreement may be amended or modified only in writing signed by all parties.

- 14. Grantee – Representations and Warranties.** Grantee represents and warrants that:
- a. Grantee is an eligible applicant as set forth in the Grant Guidelines;
 - b. It is not a party to any agreement, written or oral, creating obligations that would prevent it from entering into this Agreement or satisfying the terms herein;
 - c. All of the information in its grant application and all materials submitted to the Department are true and accurate;
 - d. Grantee's governing body has authorized the Grantee to enter into this Agreement and has designated by title the individual authorized to sign the Agreement on behalf of Grantee;
- 15. Nondiscrimination.** Grantee shall comply with all applicable federal and state laws and statutes related to nondiscrimination, including, but not limited to, race, color, national origin, gender, handicap or disability, sexual preference, drug addiction, and alcoholism.
- 16. Union Activities.** Grantee acknowledges that Government Code Section 16645.2 applies to this Agreement. Pursuant to Government Code Section 16645.2, Grantee certifies that none of the grant award will be used to assist, promote, or deter union organizing. If Grantee makes expenditures to assist, promote, or deter union organizing, it shall maintain records sufficient to show that no portion of the grant award was used for those expenditures. Grantee shall provide those records to the Attorney General upon request.
- 17. Media Release.** Grantee may elect to issue a press release related to this Agreement, but any release shall be approved by the Department in writing prior to such release. Such approval shall not be unreasonably withheld.
- 18. Indemnification/Warranty and Disclaimer/Limitation of Liability.** Grantee shall defend, indemnify, and hold the Department and its agents or assigns, harmless from and against all claims, damages, and liabilities (including reasonable attorneys' fees) arising from this Agreement due to the Grantee's breach of this Agreement, or the result of the Grantee's negligence or willful misconduct. Under no circumstances will the State of California, the Department, its agents, or employees, be liable to the grantee for any direct, indirect, incidental, special, or consequential damages that arise from this agreement.
- 19. Force Majeure.** If by reason of force majeure Grantee's performance hereunder is delayed or prevented, then the performance by Grantee may be extended for the amount of time of such delay or prevention. The term "force majeure" shall mean any fire, flood, earthquake, or public disaster, strike, labor dispute or unrest, embargo, riot, war, insurrection or civil unrest, any act of God, any act of legally constituted authority, or any other cause beyond the Grantee's control which would excuse Grantee's performance as a matter of law.
- 20. Notice of Force Majeure.** Grantee agrees to provide the Department written notice of an event of force majeure under this Agreement within ten (10) days of the commencement of such event and within ten (10) days after the termination of such event, unless the force majeure prohibits Grantee from reasonably giving notice within this period. Grantee will give such notice at the earliest possible time following the event of force majeure.
- 21. Integration.** This Agreement (including the exhibits hereto and any documents explicitly incorporated by reference, and any written amendments hereof executed by the Parties) constitutes the entire Agreement between the Parties related to this grant award and supersedes all prior agreements and understandings, oral and written, between the Parties with respect to the grant

award described herein.

- 22. Notice.** Within thirty (30) calendar days of the effective date of this Agreement, Grantee shall notify the Department, in writing, of the name, address, phone number, and email of its contact person for future communication relating to this Agreement. In addition, Grantee agrees to immediately inform the Department of any changes to the name, address, phone number, and email of its contact person. Unless otherwise specified in this Agreement, any notice required or permitted to be given under this Agreement to the Department shall be emailed to grants@cannabis.ca.gov.
- 23. Ambiguities.** Each Party has had the opportunity to seek the advice of counsel or has refused to seek the advice of counsel. Each Party and its counsel, if appropriate, have participated fully in the negotiation, drafting, review, and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any Party.
- 24. Necessary Acts, Further Assurances.** The Parties shall at their own cost and expense execute and deliver any further documents and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.
- 25. Sections and Other Headings.** The section and other headings contained in the Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.
- 26. Representation on Authority of Parties/Signatories.** Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized, and that this Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.
- 27. Severability.** If any portion of this Agreement is to any extent invalid, illegal, or incapable of being enforced, such portion shall be excluded to the extent of such invalidity, illegality, or unenforceability; all other terms hereof shall remain in full force and effect.
- 28. Governing Law and Consent to Jurisdiction.** The Agreement will be governed, construed, and enforced according to the laws of the State of California without regard to its conflict of laws rules. Each party hereby irrevocably consents to the exclusive jurisdiction and venue of any state court located within Sacramento County, State of California in connection with any matter arising out of this Agreement or the transactions contemplated under this Agreement.