



Mendocino County Board of Supervisors  
501 Low Gap Road  
Ukiah, CA 95482

September 13, 2021

Re: Item 5g on 09/14/2021 - Protecting Existing Operators in the Context of the Referendum on Chapter 22.18

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Honorable Supervisors,

Mendocino County stands at a crossroads in securing the future of its traditional cannabis industry and community. MCA continues to advocate for a land-use based, discretionary permit process as necessary for an unknown number of current licensees to receive their County Annual Cultivation Permit and State Annual Cultivation License. We must keep this pathway open with an eye towards supporting these Essential local businesses, while acknowledging the need for thorough environmental review prior to expanding canopy or zoning allowances.

The referendum to repeal Chapter 22.18 has qualified, and from our perspective the Board of Supervisors is faced with two choices on how to proceed. The families and employees of over 700 small cannabis businesses in Mendocino County are looking to your leadership to protect their livelihoods and their significant investment into lawfully operating a cannabis business in the regulated market.

The stakes are significant. If a pathway that allows the conditioning of a permit is lost for existing cultivators, an unknown number of operators may be forced out of business through no fault of their own, which would create severe hardships for those small businesses and homestead farmers, and result in decreased tax revenues for the County.

Mendocino County can qualify for up to \$18 million dollars from the State's Local Assistance Grant Program, which was established by the Governor's Administration under urgency to assist jurisdictional governments with significant numbers of provisional licensees in processing their project's environmental review, in order to achieve Annual State Licensure. The funding is proportional to the jurisdictional needs relative to this goal, which in the case of Mendocino County includes the need for a discretionary permitting pathway for 10.A.17 operators.

MCA offers the following recommendations to accompany the Board's deliberations, intended to help harness the best intentions and good faith of all those who have expressed a desire to protect existing operators working diligently to remain compliant and achieve Annual State Licensure. We have recently seen the Board take decisive action to support the business community on the coast impacted by the drought emergency, and hope the same care and attention will be focused on our locally permitted cannabis operators trying to maintain compliance in an ever-changing system.

**OPTION ONE: Put Chapter 22.18 to a Vote**

If the Board of Supervisors chooses to put the referendum to repeal Chapter 22.18 on the ballot for the next regularly scheduled election in June 2022:

1. We respectfully request the the Board work with County Counsel, staff, the proponents of the referendum and cannabis stakeholder groups to remove the controversial components of the ordinance that led to the certification of the referendum before you today:
  - a. Remove allowance of cultivation canopy up to 10% of a parcel on RL and AG zoning;
  - b. Eliminate opening Rangeland for new cannabis cultivation;
  - c. Eliminate any expansion of cultivation beyond the limits of Chapter 10A.17.
2. We would respectfully request that upon a successful vote of the Board to adopt these revisions, the proponents of the referendum withdraw the referendum, which is lawfully allowed up to 88 days prior to the election in which the referendum is added to the ballot.

If Option One is successfully implemented, the revised Chapter 22.18 will go into effect upon the withdrawal of the referendum, allowing existing operators to utilize this pathway to achieve their County Annual Cultivation Permit, and allowing for new cultivation under the authorized zoning and other provisions of 10A.17.

#### **OPTION TWO: Fully rescind Chapter 22.18**

If 22.18 is rescinded, we respectfully urge the Board of Supervisors to consider the following options to create a discretionary permitting pathway for current 10A.17 operators. We request that the Board of Supervisors consider which of these remedies, or combination thereof is the swiftest course of action to getting a discretionary permitting pathway open for 10A.17 operators.

1. Enact an Urgency Ordinance if necessary to provide a temporary discretionary permitting pathway while one of two further actions outlined below are pursued.
2. Amend Chapter 10A.17 via the normal process to add a discretionary permitting process.
3. Develop a new ordinance that provides a discretionary permitting pathway for both new and existing operators that provides more access to those folks currently left out of the regulated market. It is our recommendation that any new ordinance that additionally proposes expansion beyond what is authorized under 10A.17 undergo a full environmental impact review.

It is our sincere belief that the resolution to building a viable and compliant regulated cannabis industry in Mendocino County lay within appropriately prioritized public policies that address the needs of the entire community, unifying all stakeholders on the path forward. We have offered these recommendations in that spirit, and look to your leadership to carefully consider and weigh all prospective impacts and needs. Whatever path is chosen, immediate additional action will be required by this Board to ensure that a discretionary permit process is in place by the time existing operators will need it to complete their County Annual Permit process. MCA remains available to work with you to ensure that all considerations are addressed in this process.

Thank you for your consideration.

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