



Mendocino County Board of Supervisors
501 Low Gap Road
Ukiah, CA 9548

February 1, 2022

Re: LJAGP - Item 4f on 02-01-2022 - Discussion and Possible Action Including Acceptance of an Update from the County of Mendocino Cannabis Program (Sponsor: Cannabis)

Honorable Supervisors,

The LJAGP offers much needed funding for Provisional Licensees struggling to achieve CEQA compliance, structural and water facilities' compliance and myriad other regulatory mandates at both the state and local level.

MCA is grateful for the MCP efforts to secure a grant allotment of more than \$17,500,000 for Mendocino County cultivators. Cannabis businesses are eager to commence the process of application so these funds can be distributed as soon as possible. Unfortunately, MCP has indicated that they do not expect to start accepting grant applications for the funds until June or July at the earliest.

Further, it was discussed at length when this item was last brought to the Board that the vast majority of the funds for this grant should be front-loaded in this Calendar year due to the substantial time limits for Provisional Licensees to transition to Annuals, yet these funds are inexplicably spread over the next three or four years, by which time many of the applicants it is meant to help may have to shutter their businesses. The fact that this specific budget distribution choice was made in the application process without explanation to the Public as to the justification is alarming.

The signed grant materials are 70 pages and raise numerous questions around the terms and proposals of the submitted language, and existing County procedures and ordinances governing cultivation activities and administration.

MCA recommends that the Supervisors conduct an in-depth review of the stated activities intended by MCP, some of which appear to change policy and procedures not previously made public. For example, the Grant Application proposes creating a new Appendix G procedure to be administered by MCP, when many cultivators are already in process with consultant documented applications or preparations for submittal.

Currently while 10 Million is allocated to Direct Grants, the entirety of the remaining funding is allocated to Administrative items for MCP, most egregiously including over 1 Million dollars for Satellite Imagery services.

MCA recommends the Board request an update from the MCP as soon as possible for the Director to explain any new cannabis policies being proposed in relation to the grant funding, and a timetable for the grant protocol roll out. Applicants are in limbo due to the portal and current challenges with the Equity program and deserve guidelines and instructions. These funds are being made available for the exclusive purpose of supporting the transition of Provisional License holders to their Annual Licenses, and while we understand a public meeting will be held by MCP on February 23, we believe that core issues with the approach to the program must be addressed directly at the Board level to ensure that the funds achieve their primary purpose.

Thank you for your attention to this matter as we move forward.

Sincerely,

Mendocino Cannabis Alliance

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