



COUNTY OF MENDOCINO

DEPARTMENT OF PLANNING AND BUILDING SERVICES

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MEMORANDUM

DATE: June 18, 2025

TO: General Government Committee

FROM: Julia Krog, Director of Planning and Building
Sara McBurney, Senior Program Manager, Cannabis Department

SUBJECT: Comparison of California State and Mendocino County Cannabis Regulations

Microbusiness Licensing Structure

Both the state and Mendocino County agree that a Microbusiness must include at least three of the following activities:

- Cultivation
- Manufacturing
- Distribution
- Retail sales

Under state law, all activities within a Microbusiness license (including cultivation) are consolidated under a single application, license number, and annual license fee based on gross revenue. This streamlined structure is generally more cost-effective than maintaining three or more separate licenses. However, if any one component of the Microbusiness license is compromised or revoked, the entire license is affected.

In contrast, Mendocino County recognizes Microbusiness licenses as a Cannabis Facility Business License (CFBL) use classification. Applicants who wish to have a cultivation license as a part of their Microbusiness must apply separately from the facility license. This results in several distinctions:

- Cultivation license and the facility license are independently evaluated and approved based on zoning and use type.
- Licenses are managed by different departments:
 - For CFBLs, applicants apply through the Treasurer-Tax Collector (TTC). The application is then sent to Planning and Building Services (PBS) and Environmental Health (EH) for review. Each Department must approve the application and then it is sent back to the TTC for issuance.
 - CFBLs are renewed annually through the TTC, however, do not involve a comprehensive review by PBS and EH unless there are changes to the scope.

- For Cannabis Cultivation Business Licenses (CCBLs), the Cannabis Department reviews each application and, if approved, issues a site specific CCBL.
 - CCBLs are reviewed and renewed every five years by the Cannabis Department.

A state licensee must engage in at least three (3) of the following commercial cannabis activities: cultivation, manufacturing, distribution, or retail sale to hold a Microbusiness license.

For both the state and Mendocino County, a Microbusiness license can only be issued if the applicant meets the requirements for both CFBL and CCBL issuance (if cultivation is a selected activity or the property is not zoned for a Microbusiness as shown in Table 1 of Section 20.243.060). In circumstances where an applicant either is required to or desires to include cultivation as one of the three (3) commercial cannabis activities, the conditions, restrictions, and operational standards for both cultivation licensing and any applicable facility licenses must be satisfied independently. If either the CFBL or the CCBL is not an allowed use at the proposed location, the Microbusiness license cannot be approved. Microbusinesses are permitted in the Rural Community (RC), General Commercial (C2), Limited Industrial (I1), General Industrial (I2) and Pinoleville Industrial (PI) without a cultivation component with the obtainment of an Administrative Permit.

Both the state and Mendocino County prohibit Testing Laboratories and Manufacturing (Level 2 - volatile) from being included as a component of a Microbusiness license.

Unlike the state regulations, Mendocino County places limitations on Microbusinesses when permitted as a home occupation or cottage industry as described in the Mendocino County Zoning Requirements section below.

State Site Restrictions

At the state level, the Department of Cannabis Control (DCC) does not impose specific zoning restrictions on where cannabis businesses may be located. However, there are a few key site-related restrictions that go beyond zoning and include structural and statutory limitations:

- Volatile manufacturing (Type 7 licenses, or Manufacturing Level 2 in Mendocino County Code) is prohibited in areas zoned as residential (California Code of Regulations (CCR), Title 4, §17202.1(b)).
- CCR §15000.3(j): Areas of the licensed premises designated for manufacturing, cultivation, and distribution must be separated from retail areas by a wall. Doors between these areas must remain closed when not in use.
- CCR §15000.3(f): All structures on a licensed premises must be permanent. This includes buildings, barns, sheds, shipping containers, and modular buildings. Mobile structures or those that rest on wheels are not permitted.
- Business and Professions Code (BPC) §26054(b): Cannabis premises may not be located within a 600-foot radius of schools (K–12), daycare centers, or youth centers unless a different radius is specified by the department or local jurisdiction. Distance is measured in accordance with Health and Safety Code §11362.768(c), unless otherwise provided by law.

Outside of these conditions, Mendocino County enacts specific zoning and land use policies which comply with state law but may lead to more restrictive requirements. Furthermore, under state law and as codified in Mendocino County Code (MCC) Chapter 18.04, Mendocino County has the authority to enforce the California Building Code (CBC). Accordingly, Mendocino County Planning and Building Services (PBS) serves as the local enforcement agency for CBC

compliance for all county cannabis license holders. The state relies on local jurisdictions to ensure that all cannabis premises meet applicable building standards through their permitting and inspection processes.

Additional State Requirements

The following State requirements are not imposed by Mendocino County as part of our local program:

§15044 – Video Surveillance System

All licensed premises (except cultivation-only) must have digital video surveillance, including cameras covering entry and exit points from indoor and outdoor vantage points. Cameras must be permanently mounted and capable of continuous recording.

§15045 – Security Personnel

Retailers and Microbusinesses engaging in storefront sales must have licensed security guards onsite during hours of operation.

§15046 – Locks

All entry/exit points and limited-access areas must be fitted with commercial-grade, nonresidential door locks, except for cultivation-only premises.

§15042.1 – Security Plan for Manufacturers

Licensed manufacturers must install physical barriers (e.g., fencing, locked doors, sealed windows), maintain visibility for monitoring, and implement access controls and alarm systems.

§17209 – Grounds and Building Standards for Manufacturers

Manufacturers must maintain facilities with drainage, pest-resistant exteriors, sealed ventilation, and interiors with nonporous walls and flooring—all tailored to meet Health and Safety Code requirements.

Mendocino County Zoning Requirements

Table 1 in MCC section 20.243.060 provides for the permit type required (Administrative Permit or Zoning Clearance) for various facility types. Microbusinesses are permitted in the Rural Community (RC), General Commercial (C2), Limited Industrial (I1), General Industrial (I2) and Pinoleville Industrial (PI) without a cultivation component with the obtainment of an Administrative Permit. Microbusinesses in the General Commercial (C2) zoning district must demonstrate that the retail component is the primary use and other uses are incidental and subordinate to the retail component.

Notwithstanding Table 1 of Section 20.243.060, a Microbusiness may be allowed in any zoning district provided that the Microbusiness either qualifies as a home occupation pursuant to Chapter 20.156; or is permitted as a cottage industry pursuant to Chapter 20.160; and there is a cultivation site permitted pursuant to Chapters 10A.17 and 20.242.

Microbusinesses permitted as a home occupation are considered an accessory use and are subject to the following pertinent requirements, as specified in MCC section 20.156.015 and as

modified by MCC section 20.243.040(F):

- There must be an existing dwelling unit on the property.
- No person other than members of the family residing on the premises shall be engaged in the home occupation; provided, however, that one (1) employee shall be permitted when the property on which the home occupation is located is a minimum of forty thousand (40,000) square feet.
- All aspects of the home occupation, including storage, shall be conducted entirely within the dwelling unit or enclosed accessory building(s) on the premises. The total area used for the home occupation shall not exceed six hundred forty (640) square feet. Square footage of cultivation of cannabis or processing does not count towards this limit.
- The home occupation is allowed one (1) nonilluminated sign not exceeding two (2) square feet.
- Distribution is limited to the Microbusinesses' own cannabis and cannabis products.
- Retail/Dispensary component is limited to not more than ten (10) customers or clients shall come to the premises during any one (1) day, restricted to the hours 8:00 a.m. to 8:00 p.m.
- Not more than three (3) delivery vehicles shall access the premises each day.
- Heavy commercial vehicles shall not be used in the home occupation for delivery of materials to or from the premises.

Microbusinesses permitted as a cottage industry may be permitted as either Cottage Industries-Limited or Cottage Industries-General depending on the zoning district applicable to the property. The standards of Cottage Industries-Limited apply to Suburban Residential (SR), Rural Residential (RR1 and RR2), Rural Community (RC), and Limited Commercial (C1) zoned properties. The standards of Cottage Industries-General apply to Rural Residential (RR5 and RR10), Upland Residential (UR), Agriculture (AG), Rangeland (RL), Forestland (FL), and Timber Production Zone (TPZ) zoned properties. All cottage industries are subject to obtainment of an Administrative Permit and are subject to the following pertinent requirements, as specified in MCC section 20.160.020 and 20.160.025 as applicable and as modified by MCC section 20.243.040(F):

Limited

- There must be an existing dwelling unit on the property.
- Not more than two (2) employees working on the premises in addition to the members of the family residing on the premises.
- The total area occupied by all uses within the cottage industry, including storage, shall not exceed one thousand (1,000) square feet. Square footage of cultivation of cannabis or processing does not count towards this limit.
- All aspects of the cottage industry shall be located and conducted within a dwelling unit or enclosed accessory building(s), with the exception of outdoor storage of materials, products or vehicles as specifically provided by the administrative permit when completely screened from the street and adjoining properties.
- The cottage industry is allowed one (1) nonilluminated sign not exceeding four (4) square feet.
- Distribution is limited to the Microbusinesses' own cannabis and cannabis products.
- Retail/Dispensary component is limited to not more than ten (10) customers or clients shall come to the premises during any one (1) day. Not more than three (3) delivery vehicles shall access the premises each day.
- Large vehicles or construction equipment (such as trucks of over one (1) ton rating) shall not be operated, maintained, or parked in public view in connection with a cottage

industry, except to the extent customarily used by residents in the surrounding neighborhood on their own property. Not more than one (1) vehicle for servicing may be parked in public view.

General

- There must be an existing dwelling unit on the property.
- Not more than three (3) employees working on the premises in addition to the members of the family residing on the premises.
- The total area occupied by all uses within the cottage industry, including storage, shall not exceed two thousand (2,000) square feet. All aspects of the cottage industry shall be located and conducted within a dwelling unit or enclosed accessory building(s), except as specifically provided by the administrative permit. Square footage of cultivation of cannabis or processing does not count towards this limit.
- One (1) nonilluminated sign not to exceed four (4) square feet shall be permitted.
- Distribution is limited to the Microbusinesses' own cannabis and cannabis products.
- Retail/Dispensary component is limited to not more than ten (10) customers or clients shall come to the premises during any one (1) day, restricted to the hours 8:00 a.m. to 8:00 p.m.
- The use and parking of large vehicles or construction equipment (such as trucks of over one (1) ton rating), or vehicles being repaired shall be regulated by the administrative permit.

Other Opportunities to Align with State Regulations:

MCC Sections 6.36.020 and 20.243.050(B) includes reference to "church" as a sensitive facility. This inclusion is not consistent with State regulations.

MCC Section 20.243.030 includes definitions that differ from State regulations and/or certain State definitions are not included. The County could consider adding or amending the following definitions to align with state regulations:

- Cannabis
- Cannabis product
- Cannabis waste
- Infused pre-roll
- Kief
- Manufacture
- Pre-roll
- Microbusiness
- Nonvolatile solvent
- Pre-roll
- Retailer
- Volatile solvent