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DARCIE ANTLE
CHIEF EXECUTIVE OFFICER
CLERK OF THE BOARD

CHRISTIAN M. CURTIS
COUNTY COUNSEL

MENDOCINO COUNTY GENERAL GOVERNMENT COMMITTEE AGENDA

REGULAR MEETING

September 25, 2023 - 9:00 AM

Meeting Location(s): 501 Low Gap Road, Room 1070, Ukiah, CA. 95482 (Board Chambers)

Zoom Link: <https://mendocinocounty.zoom.us/j/89252526292>

Zoom Phone Number (if joining via telephone): 1 669 900 9128 ; Zoom Webinar ID: 892 5252 6292

Listed below are some of the Board of Supervisors Public Engagement options. For streaming options and a complete list of ways to interact with agenda items (or more information on any of these listed) please visit: <https://www.mendocinocounty.org/government/board-of-supervisors/public-engagement>

Written Comment

- Submit online via the eComment platform at <https://mendocino.legistar.com/Calendar.aspx>

Verbal Comment

- Speak in person at any physical meeting location when the Chair calls for Public Comment
- Join the Zoom Webinar and use the "raise hand" feature when the Chair calls for Public Comment (if joining via telephone: press *9 to raise your hand, and *6 to unmute yourself when called)
- Leave a voicemail message, up to 3 minutes in length, by calling 707-234-6333

*Note: Voicemail comments will no longer be played back during Open Session, but are immediately available to the full Board of Supervisors upon submittal.

COMMITTEE MEMBERS: Chair Haschak and Supervisor Mulheren**1) CALL TO ORDER****2) COMMITTEE ACTION ITEMS**

- 2a) Discussion and Possible Action Including Providing Recommendations to Staff and a Referral to the Board of Supervisors Recommending Approval of the County of Mendocino Cannabis Department Monthly Update for August 2023

(Sponsor: Cannabis)

Recommended Action:

Provide recommendations to staff and a referral to the Board of Supervisors recommending approval of the County of Mendocino Cannabis Department Monthly Update for August 2023.

Attachments: [2023.08 MCD Monthly Report - August](#)

[2023.08 MCD Gantt Chart - August](#)

- 2b) Discussion and Possible Action Including Informational Update from the Mendocino Cannabis Department (MCD) for both the Local Equity Cannabis Grant (LEEP) and the Local Jurisdiction Assistance Grant (LJAGP)

(Sponsor: Cannabis)

Recommended Action:

Receive the update and provide recommendations to staff regarding the Local Equity Cannabis Grant (LEEP) and the Local Jurisdiction Assistance Grant (LJAGP).

Attachments: [MCD Grant Update](#)

[Local Equity Program Review Memo from GO-Biz](#)

[Local Equity Program Criteria Response](#)

[Preliminary Audit Findings Memo from GO-Biz](#)

3) OTHER BUSINESS

- 3a) Approval of the Minutes of August 28, 2023 Regular Meeting

Recommended Action:

Approve minutes of August 28, 2023 regular meeting.

Attachments: [08-28-23 GGC Minutes - DRAFT](#)

3b) PUBLIC EXPRESSION

Members of the public are welcome to address the Committee on items not listed on the agenda, but within the jurisdiction of the Committee. The Committee is prohibited by law from taking action on matters not on the agenda.

Individuals wishing to address the Committee under Public Expression are welcome to do so via any method listed on the front page of this agenda or on our Public Engagement page, at: <https://rb.gy/d3p0>

For more information on any of these methods, please call the Mendocino County Clerk of the Board at (707) 463-4441

3c) ANNOUNCEMENTS**ADJOURNMENT****Additional Meeting Information for Interested Parties**

For a full list of the latest available options by which to engage with agenda items, please visit <https://www.mendocinocounty.org/government/board-of-supervisors/public-engagement>

All electronically submitted comment is immediately available to Supervisors, staff, and the general public by clicking this meetings eComment link at: <https://mendocino.legistar.com/Calendar.aspx>

LIVE WEB STREAMING OF COMMITTEE MEETINGS is available at <https://mendocino.legistar.com> or visit the Mendocino County YouTube channel. Meetings are also livestreamed from the Mendocino County Facebook page. For technical assistance, please contact the Clerk of the Board at (707) 463-4441. Please reference the departmental website to obtain additional resource information for the Board of Supervisors: www.mendocinocounty.org/bos

Thank you for your interest in the proceedings of the General Government Committee.



Mendocino County Board of Supervisors Agenda Summary

Item #: 2a)

To: General Government Standing Committee

From: Cannabis

Meeting Date: September 25, 2023

Department Contact: Sara McBurney
CEO Contact: Steve Dunncliff

Phone: 707-234-6680
Phone: 707-463-4441

Time Allocated: 30 Minutes

Agenda Title:

Discussion and Possible Action Including Providing Recommendations to Staff and a Referral to the Board of Supervisors Recommending Approval of the County of Mendocino Cannabis Department Monthly Update for August 2023
(Sponsor: Cannabis)

Recommended Action/Motion:

Provide recommendations to staff and a referral to the Board of Supervisors recommending approval of the County of Mendocino Cannabis Department Monthly Update for August 2023.

Previous Board/Board Committee Actions:

On April 19, 2022, the Board directed Department staff to provide a written update during the second Board Meeting of every month. On August 16, 2022, the Board referred the topic of Cannabis to the General Government Committee.

Summary of Request/Referral:

Department staff requests that the General Government Committee provide recommendations to staff regarding the above referenced monthly update and consider a referral to the Board of Supervisors recommending approval of the Department's Monthly Update.

Supplemental Information Available Online At: N/A

Fiscal Details:

source of funding: N/A
current f/y cost: N/A
annual recurring cost: N/A
budget clarification: N/A

budgeted in current f/y: N/A
if no, please describe:
revenue agreement: N/A

CEO Liaison: Executive Office

Item #: 2a)

CEO Review: Yes

CEO Comments:

FOR COB USE ONLY

Executed By: Deputy Clerk

Date: Date Executed

Final Status:Item Status

Executed Item Type: item Number:



COUNTY OF MENDOCINO CANNABIS DEPARTMENT

860 N. BUSH ST.
UKIAH CALIFORNIA • 95482

department

PHONE: 707-234-6680

cannabisprogram@mendocinocounty.org
<https://www.mendocinocounty.org/departments/cannabis->

Mendocino County Cannabis Department Deliverables

DATE: September 25, 2023
TO: Mendocino County General Government Committee
FROM: Mendocino County Cannabis Department
RE: Monthly Activity Report – August 2023

Mendocino County Cannabis Department Mission Statement

“The Mendocino County Cannabis Department’s mission is to issue cannabis cultivation licenses in accordance with regulations as approved by the Board of Supervisors and ensure that all program cultivation sites comply with all applicable environmental, community safety, and regulatory performance standards. The Department shall implement these services fairly and equitably in a timely, professional, and compassionate manner.”

Department Priorities

The Mendocino County Cannabis Department (“MCD”) has identified the following priorities via Board of Supervisor (“BOS”) directives. These priorities are beyond the normal duties required for normal business operations and does not represent the entirety of all assigned objectives. In the future, the Department will request guidance from the Board to assist the Department in clarifying and prioritizing this list.

Planning

Staff Support
Process Management
Streamlining
Priority Reviews (PH. I & II DCC timelines)
Contract Planners
Phase III Applications
Monthly Reporting
Public Meetings

Administration

Staff Support
Process Management
Fiscal and Budget
Grant Management
PRAs

All the priorities listed above shall support the primary function of MCD, which is clearly outlined in the mission statement, which is to issue cannabis cultivation licenses within the regulatory framework.

Department Deliverables

MCD Activity

The total workload of MCD is best reflected by these two primary data sets;

Active Commercial Cannabis Cultivation Applications submitted to MCD:	571
Active Commercial Cannabis Cultivation Licenses issued by MCD ¹ :	258
Total:	827

The total number of licenses issued for the month of August = 20

Issued MCD License Status

When a commercial cannabis cultivation application meets all required criteria and is approved by MCD it becomes an issued license. Issued licenses are renewed annually and require a state license issued by the Department of Cannabis Control (“DCC”) to actively cultivate cannabis. The main objective is for all applicants and licensees to have an issued county license as well as an annual state license.

Active Commercial Cannabis Cultivation Licenses issued by MCD

MCD Issued License with DCC (Annual):	15
MCD Issued License with DCC (Provisional):	230
MCD Issued without DCC:	13
TOTAL:	258

Annual MCD License Renewals (Applies to the issued licenses above)

Renewals Issued YTD:	41
Renewals Approved (Pending issuance) YTD:	0
Renewals pending (waiting for review by staff):	165

MCD Applications/Issued Licenses

Information regarding current “under review” applications is as follows:

Review Data

Number of Applications assigned to contract planners:	357
Number of Applications and Renewals assigned to MCD planners:	373

Department Log Jams

Preliminary review and deficiency notice submitted to applicant (If needed):	119
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¹ Renewals are accounted for within the Issued Licenses data set.

Department Deliverables

- Total number of non-responsive applicants to date: 7
- Sensitive Species Habitat Review ("SSHR") Completed in-house: 5
- SSHR Referred to California Department of Fish and Wildlife ("CDFW"): 96
- CDFW Responses Received to date: 27
- Longest Response Time for Responses Received: 112 days
- Quickest Response Time for Responses Received: 28 days
- Average Response Time for Responses Received: 47 days
- CDFW Referrals No Response Received: 69
- CDFW No Response Received and Past 45-Day Deadline: 34 referrals
- Total Number of Days Since Referral Sent to CDFW: 105 days to 46 days
- Total Number of Days Past the 45-day Due Date: ranges from 60 days to 1 day

Site Inspections

Number of Inspections Completed Month of August: 23

Miles Traveled Month of August: 1,180

MCD will commence operations at 860 N. Bush Street, Ukiah, by September 1, 2023.

Is MCD on track?

Please find the Department Gantt Chart attached which reflects goals and expected timelines. The Department is working towards the deadline of December 31, 2024.

- Internal staff will focus on phase three applications, site inspections, renewals and applications with no DCC provisional licenses, and applications with an annual license.
- Contract planners will continue to focus on under-review applications with expiring DCC provisional licenses by order of expiration and renewals with a DCC provisional license as a condition of the contract planner funding source, the local jurisdiction assistance program grant.

MCD Application Status

Active commercial cannabis cultivation license applications that have been submitted to MCD and are in one of the following stages of review.

<u>Status</u>	<u>Responsibility</u>	<u>Applications</u>
Application Review	MCD	203
Application Review	4Leaf Contract	363
	TOTAL:	571

Department Deliverables

Environmental Review

Future CEQA review:

The DCC intends to lead CEQA review in connection with annual state licensure of cannabis cultivation in Mendocino County. DCC and a consultant, Ascent Environmental, are working to prepare a programmatic environmental impact report ("EIR") addressing state licensure of cannabis cultivation in Mendocino County. As CEQA requires, this process will include opportunities for public review and input. Once complete, this programmatic EIR will allow for streamlined CEQA review of license applicants' specific cultivation sites in Mendocino County, using site-specific addenda. This process may also result in the identification of specific sites that can satisfy CEQA using other documentation, such as negative declarations or mitigated negative declarations; if so, it may be possible to complete environmental review as to those specific sites without awaiting completion of the programmatic EIR. Meanwhile, and of significant note, while this CEQA review process is underway, DCC can continue to renew provisional cultivation licenses in Mendocino County that otherwise satisfy applicable renewal requirements through December 31, 2024.

Ordinance Streamlining Update

In cooperation with County Counsel the first streamlining meeting on August 22, 2023. The Department anticipates one additional meeting will be held in September.

Training Materials

MCD has published several training materials and how-tos on the website. These materials have been published to the Department subpages where they are most applicable. For staff-specific training, please see "Training Materials" under the "Policies & Procedures" subpage of the website. The Department will continue to add to the MCD website as more materials are finalized.

Local Equity Entrepreneur Program (LEEP) Grant

Mendocino County was awarded three rounds of funding from the Cannabis Equity Grants Program for Local Jurisdictions which is being administered by the Governor's Office of Business and Economic Development (GO-Biz). LEEP aims to provide funding and services for those hardest hit by the War on Drugs by lowering barriers to cannabis licensing.

Please note: GO-Biz has conducted a review of Mendocino County's cannabis equity program and has requested more information to support the 5-mile radius eligibility criterion. At this time, we are unable to move forward on any applications in queue for applicants relying solely on this criterion. The Department will begin to process any direct grant applications currently awaiting in queue for applicants who qualify for funding without relying solely on 5-mile CAMP radius criterion. No new LEEP direct grant applications or waivers will be accepted at this time.

Eligibility

Department Deliverables

Applications received:	141
<u>Direct Grants²</u>	
Processed to completion YTD:	54
In Review:	23
In que:	71
Cancelled:	5
TOTAL:	153

Funding

Total unspent Direct Grant funding:	\$1,002,516.93
Total amount of funding distributed via Direct Grants and Waivers:	\$3,975,068.73

Local Jurisdiction Assistance Grant Program (LJAGP)

On March 14th, the BOS unanimously voted on item (4)(f), directing MCD to work with the DCC to identify mechanisms to streamline CEQA reviews and to support the timely compliance of provisional licensees with state law. To resource this effort, the DCC requested that Mendocino County pause the issuance of unspent Local Jurisdiction Grant funds to assess how best to align the use of these dollars to support CEQA compliance of provisional license holders. In light of this assessment, Mendocino County will discontinue any disbursement of funds including those towards the grant program until the assessment is complete. Both Departments are committed to work collaboratively and have initiated their assessment efforts.

The Departmental accounting system and methodology is in the process of being restructured to ensure proper reconciliation of the internal data. These figures will be added to the report once it becomes available.

Department Efficiency Study

As of July 2023

MCD Planners:	5
Contract Planners:	16 (14 Full Time Equivalent (Full Time Equivalent "FTE"))
Review time:	Approximately 25 Hours*

As of August 2023

MCD Planners:	5
Contract Planners:	16 (14 Full Time Equivalent ("FTE"))
Review Time:	Approximately 25 Hours*

² The Department is actively working to verify the numbers illustrated in this Direct Grant section.

Department Deliverables

* The Department conducted a time study on the issued licenses for July and August and concluded 25 hours as the average time for each license to be issued. The average renewal review time is 15 hours. This number is subject to change and the Department will continue to gather more data and conduct additional time studies.

Department Staffing levels

Planning

Filled positions:	Senior Planner
	Cartographer
	Planner I/II (x5)
Vacant Positions:	Chief Planner
	Planner I/II (x5)

Administration

Filled positions:	Department Head (Interim)
	Senior Program Manager
	Program Administrator
Vacant positions:	Office Services Supervisor
	Administrative Assistant
	Department Analyst I/II
	Administrative Assistant
	Staff Assistant I/II/III

Current Recruitments

Planner I/Tech

For additional and up-to-date information regarding the Cannabis Department Activities please sign up for “Canna-Notes” through the county’s eNotification system at the following link:
<https://www.mendocinocounty.org/government/cannabis-cultivation/enotifications>

Application Status

Mendocino County Cannabis Department

Department Deadline: December 31, 2024

2023

2024

July August September October November December January February March April May June July August September October November December

Milestone description	Total	Total Months Needed	Hours
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MCD Assigned Applications

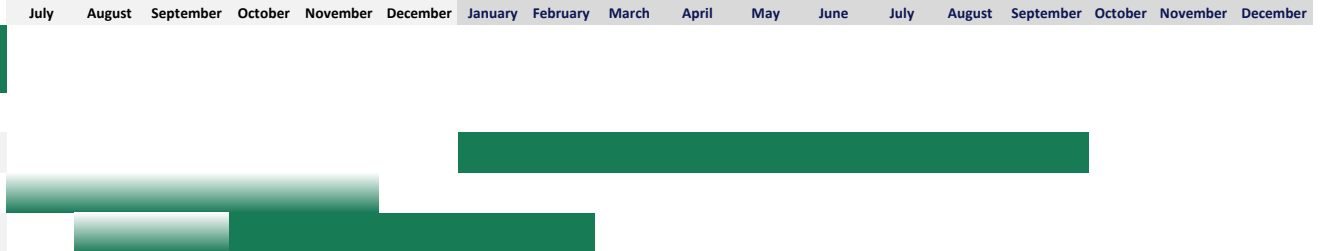
Phase 1/2	192	8	25
Phase 3	16	0.666666667	25
Renewals	165	4.125	15

4Leaf Assigned Applications

Phase 1/2	363	5.401785714	25
Phase 3	0	0	25
Renewals	0	0	15

Total Applications

Issued and Active	73
Issued	258
Denied or Withdrawn	685





Mendocino County Board of Supervisors Agenda Summary

Item #: 2b)

To: General Government Standing Committee

From: Cannabis

Meeting Date: September 25, 2023

Department Contact: Sara McBurney
CEO Contact: Steve Dunnicliff

Phone: 707-234-6680
Phone: 707-463-4441

Time Allocated: 30 Minutes

Agenda Title:

Discussion and Possible Action Including Informational Update from the Mendocino Cannabis Department (MCD) for both the Local Equity Cannabis Grant (LEEP) and the Local Jurisdiction Assistance Grant (LJAGP) (Sponsor: Cannabis)

Recommended Action/Motion:

Receive the update and provide recommendations to staff regarding the Local Equity Cannabis Grant (LEEP) and the Local Jurisdiction Assistance Grant (LJAGP).

Previous Board/Board Committee Actions:

Multiple previous actions of the Board, including authorization for staff to apply for LEEP and LJAGP funding and approval of related Manuals. On May 22, 2023, the Board authorized submittal of an Amendment to the LJAGP Agreement.

Summary of Request/Referral:

The Governor's Office of Business and Economic Development (GO-Biz) awarded the County of Mendocino with \$2.2 million in LEEP funding for Fiscal Year 2019-2020, \$832,274.17 in funding for Fiscal Year 2020-2021, and \$2.9 million in funding for Fiscal Year 2021-2022. The Department of Cannabis Control (DCC) awarded the County of Mendocino with \$17,586,406.63 in LJAGP funding. The LJAGP funding has grant terms of January 1, 2022-June 30, 2025.

In February of this year, the County received notification that the LJAGP Program was subject to a routine audit. In July, the County received notification that the LEEP Program was subject to a routine audit. Assistance in responding to both audits has been provided to MCD by the Executive Office Fiscal Unit, but at this time neither audit has been concluded.

A more comprehensive update on the status of the LEEP and LJAGP Programs can be found within the attached memo.

Supplemental Information Available Online At: N/A

Item #: 2b)

Fiscal Details:

source of funding: N/A

current f/y cost: N/A

annual recurring cost: N/A

budget clarification: N/A

budgeted in current f/y: N/A

if no, please describe:

revenue agreement: N/A

CEO Liaison: Executive Office

CEO Review: Yes

CEO Comments:

FOR COB USE ONLY

Executed By: Deputy Clerk

Date: Date Executed

Final Status:Item Status

Executed Item Type: item **Number:**



COUNTY OF MENDOCINO CANNABIS DEPARTMENT

860 NORTH BUSH STREET
UKIAH, CALIFORNIA 95482
[department](https://www.mendocinocounty.org/departments/cannabis-department)

CONTACT INFORMATION

PHONE: 707-234-6680

mcdpod@mendocinocounty.gov

[https://www.mendocinocounty.org/departments/cannabis-](https://www.mendocinocounty.org/departments/cannabis-department)

MEMORANDUM

DATE: September 25, 2023
TO: General Government Committee
FROM: Steve Dunncliff, Interim Director, Cannabis
Sara McBurney, Senior Program Manager, Cannabis
SUBJECT: Cannabis Equity Grants Program for Local Jurisdictions – Local Jurisdiction
Program Criteria Review

Background on Local Equity Entrepreneur Program (LEEP) Grant

The State's Cannabis Equity Grants Program for Local Jurisdictions aims to advance economic justice for populations and communities impacted by cannabis prohibition and the War on Drugs (WoD) by providing support to local jurisdictions as they promote equity in California and eliminate barriers to entering the newly regulated cannabis industry for equity program applicants and licensee. The County has submitted applications for LEEP funding in the four rounds which have opened so far; three of those applications were funded. With \$6 million awarded from the State and administered by the Governor's Office of Business & Economic Development (GO-Biz) and \$100,000 in matching grant funds from the Board of Supervisors (BOS), the program offers applicants waivers of cannabis business expenses, direct grants funds for start-up and ongoing expenses and direct technical assistance based on individual needs and circumstances.

To date, the Mendocino Cannabis Department (MCD) has administered approximately \$4 million in assistance through direct grant and waivers to eligible applicants prior to announcing a "pause" on processing of additional applications. The MCD is looking to distribute an additional \$910K in direct grant assistance prior to October 31, 2023.

Background on Local Jurisdiction Assistance Grants Program (LJAGP)

Mendocino County was one of 21 local jurisdictions awarded funds from Department of Cannabis Control (DCC) for the LJAGP. This one-time funding is to assist local jurisdictions with the greatest need to transition provisional licensees to annual licenses. In January 2022, the County was awarded over \$17.5 million in assistance, a portion of which was set aside by County staff to offer direct grants and fee waivers to qualified provisional license holders located within the unincorporated areas of Mendocino County.

On February 17, 2023, the County received notification that the LJAGP Grant was under routine audit; to date, this audit has not yet been cleared. On May 22, 2023, the Board approved an amendment to this grant; in part, this amendment set aside funding for completion of a programmatic Environmental Impact Report (EIR).

The MCD is currently revising the Direct Grant and Waiver Program Manual previously shared with the Board to maximize the effectiveness of this program. MCD is receiving comment from DCC staff and from



community advocates. The manual will ultimately guide distribution of \$4.8 million dollars to local operators to assist with the transition to annual licensure.

General Updates

- Due to inaccurate information given by the MCD at a public meeting, MCD will open an eligibility window specifically for equity applicants who qualified for local verification under the criterion of being an “individual who has obtained or applied for a cannabis permit in Mendocino County, or who has worked in or currently works in the cannabis industry, and was arrested and/or convicted of a non-violent cannabis-related offense” but did not apply during the previous submission period. The dates of this submission window have not yet been confirmed by the Department and will be announced via CannaNote.
- The MCD is looking to issue a Request for Proposal (RFP) to contract with one qualified contractor to provide Cannabis Grant Program administrative services. The current draft schedule will have proposals due October 30, 2023; MCD anticipates bringing a related agreement to the Board for approval by December 5, 2023.

LEEP Updates

- In a memo dated May 10, 2023, GO-Biz communicated that the County’s Equity Eligibility criterion related to applicants who “lived within a 5-mile radius of the location of raids conducted by the Campaign Against Marijuana Planting (CAMP) program” does not include enough supporting data and would not be allowed as written in future funding requests. MCD responded to this request in a review memo dated September 15, 2023. GO-Biz requested additional data to support this criterion on September 16, 2023, which includes a map of CAMP raids in jurisdiction, the dates of when the raids occurred, and the corresponding 5-mile radius. Additionally, GO-Biz has called out that the 5-mile criterion lacks a requirement for individuals to have lived within that geography at the time of the raids, nor sets a minimum amount of time to have lived within the geography.
- As a result of the unsettled issue regarding the 5-mile radius, at this time, MCD is unable to move forward with any direct grant distribution for those who qualify solely under the 5-mile radius criterion.
- The County's deadline for distribution of LEEP funds is October 31, 2023. The MCD requested an extension of this deadline which GO-Biz was unable to approve.
- \$659,000 in funding was dispersed to equity applicants during 2022/2023 for fee waivers and approximately \$910,000 in funding remains available for distribution through the direct grant program. MCD has already begun processing direct grant applications to maximize the amount of funding the County is able to release prior to the grant deadline at the end of next month.
- As a preliminary audit finding, the Department received notice from GO-Biz on September 1, 2023, that all Round 1 and 2 funding that was not expended by grant expiration dates will likely need to be returned to the State. The total amount of funds is dependent on finalized audit findings, but staff believes this amount is about \$400,000. The majority of funding that may be returned was designated for technical assistance.



**COUNTY OF MENDOCINO
CANNABIS DEPARTMENT**
860 NORTH BUSH STREET
UKIAH, CALIFORNIA 95482

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PHONE: 707-234-6680

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<https://www.mendocinocounty.org/departments/cannabis-department>

- The MCD is investigating measures to minimize the amount of funds to be returned GO-Biz, including options on the classification of subcontractor expenses. Additionally, the Department is evaluating the possibility of a retroactive amendment to pay for services performed.
- Any remaining funds from Round 3 not expended by October 31, 2023, will need to be sent back to the State.
- The Department is planning to apply for Round 5 funding. The submission period will be open in coming weeks.

LJAGP Updates

- Mendocino County's LJAG program is still under audit from the California Department of Finance.
- The MCD is currently revising the Direct Grant and Waiver Program Manual previously shared with the Board to maximize the effectiveness of this program. MCD is receiving comment from DCC staff and from community advocates. The manual will ultimately guide distribution of \$4.8 million dollars to local operators to assist with the transition to annual licensure. The program manual is currently a reimbursement model with an award amount of up to \$50,000 per applicant.
- The Department anticipates the expected timeline for direct grant application submittal will be January 2024.
- Direct grant funds are intended to support local operators with transition to annual licensure prior to December 31, 2024.

Attachments

- Local Equity Program Review Memo-Mendocino County – the Memo sent from GO-Biz highlighting concerns with Mendocino County's cannabis equity program
- Mendocino Local Equity Program Criteria Review – The MCD response to the Local Equity Program Review Memo
- Audit Memo #2 9-1-2023-County of Mendocino – The summary of preliminary findings and request for additional information from the LEEP routine audit.



Date: May 10, 2023

From: William Koch
Deputy Director, Community and Local Equity Grants Unit
California Governor's Office of Business and Economic Development
1325 J Street, 18th Floor
Sacramento, CA 95814

To: Steve Dunnicliff
Deputy CEO
County of Mendocino
501 Low Gap Road
Ukiah, CA 95482

RE: Cannabis Equity Grants Program for Local Jurisdictions – Local Jurisdiction Program Criteria Review

Dear Mr. Dunnicliff:

The Governor's Office of Business and Economic Development (GO-Biz) administers the Cannabis Equity Grants Program for Local Jurisdictions (CEG Program), which was created by the California Cannabis Equity Act (Stats. 2018, Ch. 794; Bus. & Prof. Code § 26240 et seq.). As an increasing number of local jurisdictions have created cannabis equity programs each year and seek funding through the CEG Program, GO-Biz has identified an increasing need to ensure local equity program criteria are aligned with the California Cannabis Equity Act and not overly inclusive. Beginning with CEG Program applications submitted in the fall of this year, 2023, GO-Biz will place additional emphasis on the screening of local equity program criteria.

The California Cannabis Equity Act includes the following summarized declarations and findings:

- Cannabis prohibition had a devastating impact on communities across California and the United States. **Persons convicted of a cannabis offense and their families suffer the long-term consequences of prohibition.** These individuals have a more difficult time entering the newly created adult-use cannabis industry due, in part, to a lack of access to capital, business space, technical support, and regulatory compliance assistance.
- **The collateral consequences associated with cannabis law violations**, coupled with generational poverty and a lack of access to resources, make it extraordinarily difficult for persons with convictions to enter the newly regulated industry.
- It is the intent of the Legislature in enacting this act to ensure persons **most harmed by cannabis criminalization and poverty** be offered assistance to enter the multibillion-dollar cannabis industry.

GO-Biz has conducted a review of Mendocino County's cannabis equity program and has identified the following eligibility criterion that appears to be overly inclusive/inconsistent with the California Cannabis Equity Act:

- The local equity applicant has lived within a 5-mile radius of the location of raids conducted by the Campaign Against Marijuana Planting (CAMP) program.

As indicated previously in this memo, beginning with CEG Program applications submitted in the fall of this year, GO-Biz will be placing additional emphasis and screening of local equity program criteria. Jurisdictions with cannabis equity program criteria deemed by GO-Biz as overly inclusive/inconsistent with the California Cannabis Equity Act may be ineligible for funding through the CEG Program or have contractual restrictions and limitations placed on how CEG Program funding provided by GO-Biz may be utilized.

If you would like technical assistance with respect to revising your jurisdiction's cannabis equity program criteria, please do not hesitate to contact your CEG Program Grant Supervisor Katie Raley, at Katie.Raley@business.ca.gov.

Respectfully,

William Koch

William Koch
Deputy Director
Community and Local Equity Grants Unit
California Governor's Office of Business and Economic Development



**COUNTY OF MENDOCINO
CANNABIS DEPARTMENT**

860 NORTH BUSH STREET
UKIAH, CALIFORNIA 95482

CONTACT INFORMATION

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<https://www.mendocinocounty.org/departments/cannabis-department>

MEMORANDUM

DATE: September 15, 2023
TO: William Koch, Deputy Director, Community and Local Equity Grants Unit
FROM: Steve Dunncliff, Interim Director, Cannabis
SUBJECT: Cannabis Equity Grants Program for Local Jurisdictions – Local Jurisdiction
Program Criteria Review

Dear Mr. Koch,

The Mendocino County Cannabis Department would like to respond to the review of the County's local equity program's 5-mile radius eligibility criterion. Mendocino County is a rural county with a land area of 3,509 square miles. Between 1984 and 1996, Mendocino was one of the top two California counties, by a significant margin, in plants eradicated by the Campaign Against Marijuana Planting ("**CAMP**").

Mendocino County's experience with CAMP raids and the historical criminalization of cannabis engendered a widespread and deep-seated multi-generational mistrust of government and regulation that significantly inhibits efforts to transform the legacy cannabis culture and economy into a legal, regulated commercial cannabis market. Further distrust of the government was engendered by the Federal subpoena of the County's "zip tie" program. Although the names of farmers were not disclosed, some see the County's effort to reduce impacts on the community as becoming an informant of the community it was trying to protect.

Working with Humboldt County and the California Center for Rural Policy ("**CCRP**"), the 5-mile radius was developed as a recommended eligibility criteria for the Cannabis Equity Assessment based on the following: (1) a data-based review of the historic impacts of the illegalization of cannabis on the community, (2) to provide an avenue to help community members who have been disproportionately affected by cannabis prohibition successfully enter the legal cannabis workforce, (3) and a route to assure that there is equity and diversity in the emerging cannabis industry.

In an interview published in *Cash Crop: An American Dream* by Ray Raphael, CAMP commander Bill Ruzzamenti made clear that community disruption was a goal of the CAMP raids. In that interview, he spelled out that CAMP was going after "community support systems" in an attempt to eradicate all prohibited cannabis farms. Specifically, he stated that "the situation that's developed in southern Humboldt and northern Mendocino particularly is that you have vast enclaves of marijuana growers... We're going after the community support system that makes it appear as a viable and legitimate enterprise since everyone around you is doing it". Raphael, Ray, *Cash Crop: An American Dream*, The Ridge Times Press, 1985.

Acting on this broad assumption about the nature of Mendocino County, communities were disrupted by regular paramilitary raids that disproportionately targeted Mendocino County. In the



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CANNABIS DEPARTMENT**
860 NORTH BUSH STREET
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<https://www.mendocinocounty.org/departments/cannabis-department>

case of *National Organization for Reform Marijuana Laws (NORML) v. Mullen*, several individuals who suffered injuries from CAMP activities provided declarations stating that "warrantless searches and seizures, arbitrary detentions, and destruction of property, and sustained low-altitude helicopter activity resulting in repeated invasions of privacy, emotional distress, property damage, disrupted schooling and work, and general danger to the public." *National Organization for Reform Marijuana Laws (NORML) v. Mullen*, 608 F. Supp. 945, 950. Furthermore, the Plaintiffs contended that CAMP was "out of control" and had turned its areas of operations into "war zones." *Id.* This was demonstrated by the Plaintiffs by providing several instances of improper helicopter use at low altitudes to intimidate community members, regardless of whether enforcement actions were being conducted on that property.

As demonstrated above, the War on Drugs in Mendocino County intentionally affected and intimidated entire communities rather than just the individuals who were convicted. The 5-mile criterion allows a critical eligibility avenue for those individual applicants who were personally impacted by the War on Drugs but not personally convicted to receive the funding needed to enter the legal cannabis market. Keeping this eligibility criterion in place will reduce barriers to the distribution of funds, ensure timely distribution of those funds, and assist those in Mendocino County who were disproportionately affected by CAMP raids and the War on Drugs.

Thank you.



Date: September 1, 2023

Via e-mail

From: William Koch
Deputy Director, Community and Local Equity Grants Unit
California Governor's Office of Business and Economic Development

To: Steve Dunnicliff
Deputy CEO
County of Mendocino
501 Low Gap Road
Ukiah, CA 95482
dunnicl@s@mendocinocounty.org

RE: Cannabis Equity Grants Program for Local Jurisdictions – Audit of Grant Expenditures – Preliminary Findings and Request for Additional Information

Dear Mr. Dunnicliff:

Thank you for providing the information requested in our Audit Memo dated July 7, 2023. Based on a review of your completed Audit Spreadsheet and the documentation submitted, we are requesting additional information and have made the following preliminary findings:

Grant Agreement Number: CEG-2020-021

Grant Term: 5/15/2020 – 11/30/2022

Grant Award Amount: \$2,245,704.40

Grants and Loans

The amount allocated to Grants and Loans per the Grant Agreement is \$1,796,579.91. The amount entered into your completed Audit Spreadsheet is \$1,777,342.65, which leaves \$19,237.26 unaccounted for. Unless you have additional information for us to consider, **\$19,237.26** allocated to this funding category will need to be returned to GO-Biz. In addition, we are requesting additional documentation for disbursements under this funding category. Please refer to the attached **Supplemental Request for Documentation** for a list of transactions in which we are requesting additional documentation.

Direct Technical Assistance

The amount allocated to Direct Technical Assistance per the Grant Agreement is \$224,526.58. The amount entered into your completed Audit Spreadsheet is \$21,680.00 with an evidence of expenditure reference of "Admin Cost Expense Evidence Packet – Page 1-7, 10". Based on a review of the aforementioned evidence of expenditures, the \$21,680.00 in expenses do not meet our definition of Direct Technical Assistance. However, these expenses can be counted towards the Administrative Costs funding category

(up to the maximum amount allowed for Administrative Costs). Unless you have additional information for us to consider, **\$224,526.58** allocated to this funding category will need to be returned to GO-Biz.

Administrative Costs

The amount allocated to Administrative Costs per the Grant Agreement is \$224,579.91. The amount entered into your completed Audit Spreadsheet is \$224,597.91 with an evidence of expenditure reference of "Admin Cost Expense Evidence Packet – Page 1-7, 10". The total amount of expenses reflected in the aforementioned evidence of expenditures is \$211,560.00, which includes the \$21,680.00 misidentified as Direct Technical Assistance. Unless you have additional information for us to consider, **\$13,019.91** (\$224,579.91 - \$211,560.00) allocated to this funding category will need to be returned to GO-Biz.

Grant Agreement Number: CEG-2021-135

Grant Term: 4/15/2021 – 01/31/2023

Grant Award Amount: \$832,274.17

Grants and Loans

The amount allocated to Grants and Loans per the Grant Agreement is \$665,820.17. The amount entered into your completed Audit Spreadsheet is \$574,284.81, which leaves \$91,535.36 unaccounted for. Unless you have additional information for us to consider, **\$91,535.36** allocated to this funding category will need to be returned to GO-Biz. In addition, we are requesting additional documentation for disbursements under this funding category. Please refer to the attached **Supplemental Request for Documentation** for a list of transactions in which we are requesting additional documentation.

Direct Technical Assistance

The amount allocated to Direct Technical Assistance per the Grant Agreement is \$83,227.00. The amount entered into your completed Audit Spreadsheet is \$1,760.00 with an evidence of expenditure reference of "Admin Cost Expense Evidence Packet – Page 8". Based on a review of the aforementioned evidence of expenditures, the \$1,760.00 in expenses do not meet our definition of Direct Technical Assistance. However, these expenses can be counted towards the Administrative Costs funding category (up to the maximum amount allowed for Administrative Costs). Unless you have additional information for us to consider, **\$83,227.00** allocated to this funding category will need to be returned to GO-Biz.

Administrative Costs

The amount allocated to Administrative Costs per the Grant Agreement is \$83,227.00. The amount entered into your completed Audit Spreadsheet is \$83,227.00 with an evidence of expenditure reference of "Admin Cost Expense Evidence Packet – Page 8". The total amount of expenses reflected in the aforementioned evidence of expenditures is \$83,200.00, which includes the \$1,760.00 misidentified as Direct Technical Assistance. Unless you have additional information for us to consider, **\$77.00** (\$83,227.00 - \$83,200.00) allocated to this funding category will need to be returned to GO-Biz.

Grant Agreement Number: CEG-2022-387

Grant Term: 3/25/2022 – 10/31/2023

Grant Award Amount: \$2,944,034.62

Grants and Loans

The amount allocated to Grants and Loans per the Grant Agreement is \$2,534,422.84. The amount entered into your completed Audit Spreadsheet is \$1,561,560.11, which leaves **\$972,862.73** unaccounted

for. Please be advised per the Grant Agreement the term for this grant ends on October 31, 2023. Any funds unaccounted for or not expended by the end of the grant term must be returned to GO-Biz. In addition, we are requesting additional documentation for disbursements under this funding category. Please refer to the attached **Supplemental Request for Documentation** for a list of transactions in which we are requesting additional documentation.

Direct Technical Assistance

The amount allocated to Direct Technical Assistance per the Grant Agreement is \$294,300.00. The amount entered into your completed Audit Spreadsheet is \$568.75 with an evidence of expenditure reference of "Admin Cost Expense Evidence Packet – Page 9". Based on a review of the aforementioned evidence of expenditures, the \$568.75 in expenses do not meet our definition of Direct Technical Assistance. However, these expenses can be counted towards the Administrative Costs funding category (up to the maximum amount allowed for Administrative Costs). As a result, **\$294,300.00** in this funding category is unaccounted for. Please be advised per the Grant Agreement the term for this grant ends on October 31, 2023. Any funds unaccounted for or not expended by the end of the grant term must be returned to GO-Biz.

Administrative Costs

The amount allocated to Administrative Costs per the Grant Agreement is \$115,311.78. The amount entered into your completed Audit Spreadsheet is \$94,419.22 with an evidence of expenditure reference of "Admin Cost Expense Evidence Packet – Page 9, 11-22". A review of page 9 of the "Admin Cost Expense Evidence Packet" reflects an invoice of \$115,281.25, however on the Audit Spreadsheet only \$79,967.59 is shown for this expense. Please provide additional information to clarify this discrepancy. Further, please be advised per the Grant Agreement the term for this grant ends on October 31, 2023. Any funds unaccounted for or not expended by the end of the grant term must be returned to GO-Biz.

Please provide the information requested in the **Supplemental Request for Documentation**, as well as any additional information you'd like us to consider by **October 2, 2023**.

If you have any questions regarding the contents of this letter, please do not hesitate to contact your CEG Program Grant Manager, Katie Raley at katie.raleigh@gobiz.ca.gov.

Respectfully,

Will Koch

William Koch
Deputy Director
Community and Local Equity Grants Unit
California Governor's Office of Business and Economic Development



Mendocino County Board of Supervisors Agenda Summary

Item #: 3a)

To: General Government Standing Committee

From: Executive Office

Meeting Date: September 25, 2023

Department Contact: Atlas Pearson

Phone: 707-463-4441

CEO Contact: Darcie Antle

Phone: 707-463-4441

Time Allocated: 15 Minutes

Agenda Title:

Approval of the Minutes of August 28, 2023 Regular Meeting

Recommended Action/Motion:

Approve minutes of August 28, 2023 regular meeting.

CEO Liaison: Executive Office

CEO Review: Yes

CEO Comments:

FOR COB USE ONLY

Executed By: Deputy Clerk

Date: Date Executed

Final Status: Item Status

Executed Item Type: item Number:

GLENN MCGOURTY
1st District
Supervisor
Chair

MAUREEN MULHEREN
2nd District
Supervisor
Vice-Chair

JOHN HASCHAK
3rd District
Supervisor

DAN GJERDE
4th District
Supervisor

TED WILLIAMS
5th District
Supervisor



DARCIE ANTLE
Chief Executive Officer/
Clerk of the Board

CHRISTIAN M. CURTIS
County Counsel

COUNTY ADMINISTRATION CENTER
501 Low Gap Road, Room 1070
Ukiah, CA 95482
(707) 463-4441 (t)
(707) 463-5649 (f)
cob@mendocinocounty.org

MENDOCINO COUNTY GENERAL GOVERNMENT COMMITTEE ACTION MINUTES – August 28, 2023

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF MENDOCINO - STATE OF CALIFORNIA
FAIR STATEMENT OF PROCEEDINGS
(PURSUANT TO CALIFORNIA GOVERNMENT CODE §25150)**

AGENDA ITEM NO. 1 – OPEN SESSION (PLEDGE OF ALLEGIANCE AND ROLL CALL 9:00 A.M.)

Present: Committee Member/Supervisor Maureen Mulheren and Committee Member/Chair John Haschak. Chair Haschak presiding.

Staff Present: Steve Dunncliff, Deputy Chief Executive Officer; Christian M. Curtis, County Counsel; Atlas M.A. Pearson, Senior Deputy Clerk of the Board; and Lillian Bearden, Deputy Clerk of the Board.

The Pledge of Allegiance was led by: Scott Ward.

AGENDA ITEM NO. 2 – REGULAR CALENDAR**2A) DISCUSSION AND POSSIBLE ACTION INCLUDING PROVIDING RECOMMENDATIONS TO STAFF AND A REFERRAL TO THE BOARD OF SUPERVISORS RECOMMENDING APPROVAL OF THE COUNTY OF MENDOCINO CANNABIS DEPARTMENT MONTHLY UPDATE FOR JULY 2023 - SPONSOR: CANNABIS**

Presenter/s: Sarah McBurney, Senior Program Manager, Cannabis; Matt Goines, Senior Planner, Cannabis; Steve Dunncliff, Interim Cannabis Director and Deputy Chief Executive Officer; Christian M. Curtis, County Counsel; and Jared Schwass, Deputy County Counsel.

Public Comment: Michael Katz; Scott Ward; Corrin Powell; Hannah Nelson; Michele Schott; Monique Ramirez; and Paul Handsbury.

Committee Action: Upon motion by Supervisor Mulheren, seconded by Supervisor Haschak, IT IS ORDERED that the General Government Committee provides recommendations to staff and a referral to the Board of Supervisors recommending approval of the County of Mendocino Cannabis Department Monthly Update for July 2023. The motion carried by the following vote:

Aye: 2 – Supervisor Mulheren and Supervisor Haschak

No: 0 – None

Absent: 0 – None

AGENDA ITEM NO. 3 – OTHER BUSINESS**3A) APPROVAL OF MINUTES OF JULY 31, 2023 REGULAR MEETING - SPONSOR: EXECUTIVE OFFICE/CLERK OF THE BOARD**

Presenter/s: Atlas M.A. Pearson, Senior Deputy Clerk of the Board.

Public Comment: None.

Committee Action: Upon motion by Supervisor Mulheren, seconded by Supervisor Haschak, IT IS ORDERED that the General Government Committee approves minutes of July 31, 2023, regular meeting. The motion carried by the following vote:

Aye: 2 – Supervisor Mulheren and Supervisor Haschak

No: 0 – None

Absent: 0 – None

3B) PUBLIC EXPRESSION

Presenter/s: Hannah Nelson; and Michael Katz.

3C) ANNOUNCEMENTS

None.

THERE BEING NOTHING FURTHER TO COME BEFORE THE COMMITTEE, THE MENDOCINO COUNTY GENERAL GOVERNMENT COMMITTEE ADJOURNED AT 9:56 A.M.

Attest: ATLAS M.A. PEARSON
Senior Deputy Clerk of the Board

JOHN HASCHAK, Chair

NOTICE: PUBLISHED MINUTES OF THE MENDOCINO COUNTY BOARD OF SUPERVISORS MEETINGS

- Effective March 1, 2009, Board of Supervisors minutes are produced in “action only” format
- LIVE WEB STREAMING OF BOARD MEETINGS is available via the County’s YouTube Channel, which can be found here: <https://www.youtube.com/@MendocinoCountyVideo>
- Minutes are considered draft until adopted/approved by the Board of Supervisors
- The Board of Supervisors’ action minutes are also posted on the County of Mendocino website at: <https://mendocino.legistar.com/Calendar.aspx>
- For technical assistance or any requests for official meeting records of the Mendocino County Board of Supervisors, please contact the Clerk of the Boards Office at (707) 463-4441
- Additional resource information: <https://www.mendocinocounty.org/government/board-of-supervisors>

Thank you for your interest in the proceedings of the Mendocino County Board of Supervisors