



Potential Extinction of Tax-paying Legal Mendocino Cultivators Must Be Addressed By Mendocino County

Recently, Mendocino County cannabis cultivation permit applicants were given a short window to resubmit their application and all supporting materials. The “portal” had been delayed from its intended opening multiple times, but finally opened on August 2nd and closed on November 2nd. It was intended to streamline the process and finally straighten out the County’s records for each applicant after many years of program management under different leadership losing files and long delays in processing applications.

Unfortunately, the monumental efforts of the new Mendocino Cannabis Program (MCP) have once again failed to streamline the process and it has once again stalled out. Chronic understaffing and poorly thought through actions have not resulted in positive outcomes. While MCP works tirelessly to rectify problems (some self-inflicted and some due to outside forces), there has been NO clear or consistent communication or guidance to the applicants. Instead, they have been sent notices that their applications are incomplete and that there is no current way to correct the deficiencies or errors---some of which are simply incorrect determinations by staff reviewers---and are told that they may be denied as a result. This is despite the fact that reviews are not conducted pursuant to consistent or clear guidelines, there were insufficient instructions given, the limitations of the portal technology, and other challenges.

While there is no question that MCP needs and deserves full staffing, legitimate questions remain:

- Why hasn’t MCP staffed up since being directed and funded by the Board of Supervisors?
- Why did MCP not establish and publish clear standards, guidelines and educational materials that would give applicants and staff clear and consistent basis for the portal submission requirements?
- Why have the applicants not been told when they will be able to correct any noticed deficiencies and, more than that, what is the process of clearing up mistakes by staff or any unclear comments by staff regarding items they deemed deficient?
- Why do different reviewers review the same files and come to different determinations?
- What will the appeal process be if applicants are wrongly denied?

We have asked these questions in various ways over the past several months, and have not received any clear answers.

Will the County answer these questions and address these issues now, in public, or will the answers and solutions only come from and be forced through existing and future litigation?

This is not the same old gripe about the inefficiencies of County government, which is quite common here in Mendocino. The sad fact is that concurrent factors combine with these local problems to create what amounts to an existential crisis for most of these small local tax-paying cannabis businesses. The recent cannabis market crash, exorbitant local and state cultivation taxes, the looming deadline for state Provisional licenses, the shifted CEQA burden, drought, fire and Covid all are contributing to make this an EXTINCTION-LEVEL EVENT.

On top of this, the County has failed to properly supervise the outside contractor that is responsible for rolling out the Equity Grant funds to the qualified grantees and has not insisted that other County departments that are necessarily involved in that process were coordinated with from the beginning. As a result, time-limited approved funding from the state is in very real jeopardy of having to be returned, and intended recipients that might have been saved from shuttering may not receive this desperately needed relief in time to save their businesses.

The County was also granted \$17.5 million dollars in a local jurisdiction grant, which will likely also suffer from the same bureaucratic entropy as the Local Equity Program and as a result, may not get to the intended beneficiaries in the form of real services or grants in time to be meaningful in addressing the huge challenges they face TODAY.

These businesses are going to be lost PERMANENTLY if something is not done.

Where is the ACCOUNTABILITY of the County?

It is time to stop blaming the Applicants and instead work in partnership with them and other stakeholders to save this necessary component of our community and local economy.

Every applicant has VOLUNTEERED to be regulated and stepped forward into the abyss. No one thought it would be as torturous of a process (neither the County nor the applicants) as it has been and continues to be. Every one of these tax-paying businesses is tracked and traced at the state level. Accountability of state license holders is no longer the issue, it is now the County.

[CLICK HERE](#) for a more thorough and detailed explanation of the issues touched on above.

Sincerely,

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[Hannah L. Nelson](#) is a local attorney with extensive experience in cannabis issues, policy, and compliance at the local and state level.

[Mendocino Cannabis Alliance](#) serves and promotes Mendocino County's world-renowned cannabis cultivators and businesses through sustainable economic development, education and public policy initiatives.

Together they have consistently offered free, pragmatic assistance to the County to help resolve these and a myriad of other issues. Their requests to provide "fixes" to proposed regulations in the County by vetting them for practical implications prior to implementation have consistently been rejected.