

GLENN MCGOURTY
1st District
Supervisor

**MAUREEN
MULHEREN**
2nd District
Supervisor

JOHN HASCHAK
3rd District
Supervisor

DAN GJERDE
4th District
Supervisor
Chair

TED WILLIAMS
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Supervisor
Vice-Chair



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MENDOCINO COUNTY
BOARD OF SUPERVISORS
BOARD OF SUPERVISORS AGENDA

SPECIAL MEETING

October 05, 2021 - 9:00 AM
BOARD CHAMBERS, ROOM 1070
COUNTY ADMINISTRATION CENTER

Effective March 20, 2020, the Mendocino County Board of Supervisors meetings will be conducted virtually and not available for in person public participation (pursuant to State Executive Order N-29-20). Meetings are live streamed and available for viewing online on the Mendocino County YouTube page, at <https://www.youtube.com/MendocinoCountyVideo> or by toll-free, telephonic live stream at 888-544-8306.

The public may participate digitally in meetings in lieu of personal attendance. Comment may be made in any of the following ways: via written comment to bos@mendocinocounty.org, through our online eComment platform at <https://mendocino.legistar.com/Calendar.aspx>, through voicemail messaging by calling 707-234-6333, or by telephone via telecomment. For details and a complete 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>

1. OPEN SESSION (9:00 A.M.)

1a) Roll Call

1b) Pledge of Allegiance

2. PUBLIC EXPRESSION

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

Individuals wishing to address the Board under Public Expression are welcome to do so via email, telephone, Zoom, or via voicemail message. For information on each of these methods, call Mendocino County Clerk of the Board at (707) 463-4441 or visit <https://www.mendocinocounty.org/government/board-of-supervisors/public-engagement>.

*All correspondence will be attached to the item and made available online at:
<https://mendocino.legistar.com/Calendar.aspx>.*

Public Expression

- Attachments:** 10-04-21 Carrera Correspondence
 10-05-21 MCA Correspondence
 10-04-21 Lai Correspondence
 10-04-21 Gibson Correspondence
 10-04-21 Rashall and Green Correspondence
 10-05-21 Byarlay Correspondence

3. COUNTY EXECUTIVE OFFICE AND DEPARTMENTAL MATTERS

- 3a) Discussion and Possible Action Regarding the Local Jurisdiction Assistance Program Including 1) Direction to Staff to Prepare an Application for up to \$18,084,837.00 in Local Jurisdiction Assistance Program Grant Funding, 2) Providing Recommendations to Staff on Program Purposes and Uses, and 3) Direction to Staff to Bring a Completed Application Back to the Board of Supervisors on the Consent Calendar for the October 26 or November 9 Meeting of the Board for Review and Approval Prior to Submission (Sponsor: Cannabis)**

Recommended Action:

1) Direct Staff to Prepare an Application for up to \$18,084,837.00 in Local Jurisdiction Assistance Program Grant Funding 2) Provide recommendations to staff on program purposes and uses, and 3) Direct staff to bring a completed application back to the Board of Supervisors on the consent calendar for the October 26 or November 9 meeting of the Board for review and approval prior to submission.

- Attachments:** [Local Assistance Application Form DRAFT](#)
[Local Assistance Guidelines DRAFT](#)
[DRAFT Budget Report Form](#)
[DRAFT Application Budget 20210928](#)
[10-05-21 MCA Correspondence](#)
[10-04-21 Harness Correspondence](#)
[10-04-21 CCAG Correspondence](#)
[10-05-21 McCowen Correspondence](#)

- 3b) Discussion and Possible Action Regarding Amendments to the County of Mendocino Cannabis Equity Program Including, But Not Limited To, 1) Eliminating the Income Threshold Associated with the Cannabis Equity Program's Eligibility Criteria, 2) Allowing Direct Grant Funds to be Dispersed in a Single Tranche, 3) Expanding the Direct Grant Criteria, and 4) Authorizing and Directing the Cannabis Program Manager (Director) to Execute Grant Agreements with Eligible Equity Awardees on Behalf of the County (Sponsor: Cannabis)**

Recommended Action:

Direct staff to amend the County of Mendocino Cannabis Equity Program including but not limited to 1) eliminating the income threshold associated with the grant program's eligibility criteria, 2) allowing direct grant funds to be dispersed in a single tranche, 3) expanding the direct grant criteria to reflect the criteria outlined in statute, and 4) authorize and direct the Cannabis Program Manager (Director) to execute grant agreements with eligible equity awardees on behalf of the County.

Attachments: [10-05-21 MCA Correspondence](#)
 [10-04-21 Clein Correspondence](#)
 [10-04-21 CCAG Correspondence](#)
 [10-05-21 Supervisor Williams Draft Analysis of Cannabis Tax Revenue](#)
 [10-05-21 Birger Correspondence](#)

4. BOARD OF SUPERVISORS AND MISCELLANEOUS

- 4a) Discussion and Possible Action Including Receiving a Workshop Presentation from the Sheriff's Office on the Annual Budget of the Sheriff-Coroner's Office (BU 2310) (Sponsor: Sheriff-Coroner and Supervisor McGourty)**

Recommended Action:

Receive a workshop presentation from the Sheriff's Office on the annual budget of the Sheriff-Coroner Office (BU 2310).

Attachments: [Budget Workshop Presentation PDF - Oct 5th](#)

ADJOURNMENT

Additional Meeting Information for Interested Parties

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Clerk of the Board staff remains dedicated to finding new and innovative civic engagement methods during this challenging time. For a complete list of the latest available options by which to engage with agenda items, please visit <https://www.mendocinocounty.org/government/board-of-supervisors/agendas-and-minutes>

All public comment will be available to the Supervisors, staff, and the general public, and can be viewed as attachments to this meeting agenda at <https://mendocino.legistar.com/Calendar.aspx>

LIVE WEB STREAMING OF BOARD 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 Mendocino County Board of Supervisors.



Mendocino County Board of Supervisors Agenda Summary

Item #:

Good Morning Mendocino County Board of Supervisors and Staff,

Our office is losing sleep over the fact there continues to be newly required documentation for the Portal that is not being communicated to the public. Therefore, incompletes, if there is enough staff working on the Portal, will be/are being issued for items required by MCP without public knowledge of these requirements. Obviously, this takes away from much needed county Portal processing time, not to mention, the public having no knowledge of these new requirements when submitting their Portal package.

JC&A was set up to have all clients in the portal at (what is documented twice by MCP) 12:00am August 2, 2021. The portal did not open then and instead opened eight hours later. We have been unable to duplicate the staff up with the six people who were going to upload client Portal packages at 12:00am August 2nd (it took us 3 months to hire on that temp staff, who ended up standing around for an hour and then sent home, not wanting to come back). We have been chasing the Portal finish line with the ever changing, non published, Portal requirements - most recent changes being a requirement for an SIUR for ground water well projects and annual waterboard reporting - when all that is visible on the Portal is the requirements for Notice of Applicability. When will be the actual day and time the Portal will be closing?

This Portal was to be for "re-application" of the original applications taken in and never processed by MCP. What it has turned into is a total new application process with new requirements and ever changing paperwork requirements without any public knowledge of the ever changing paperwork requirements until an incomplete is issued. Will there be any more changes to required paperwork for the Portal? As we are pulling all the ground water well project SIURs and annual Waterboard reporting, and want to make sure there is no other new paperwork requirement MCP has initiated without the public being informed.

We want to make MCPs Portal review as easy as possible. And, we can't do that if we don't know what paperwork is required because MCP is not posting or emailing newly created requirements during the portal process to applicants having to move through the Portal. Please let me know ASAP of any more new changes to required Portal paperwork. We are out of time to wait for incompletes to learn about new paperwork requirements as the only way to discover there is a new Portal paperwork requirement.

Thank you kindly,
Julia Carrera, M.S.
Compliance Specialist



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

October 5, 2021

Re: Extending the Portal Resubmission Window

Honorable Supervisors,

We write today to discuss the ongoing Portal Resubmission Process, which is currently slated to close on October 30, 2021.

MCA strongly urges the County to extend the Portal deadline until at least December 31, 2021 for the following reasons:

1. The number one difficulty applicants are having with the Portal is response time. Resubmissions go to the back of the line and must wait to be re-checked, which could easily take till after Oct 30th, leaving the obvious question of how many will be denied for being incomplete or late?
2. Many applicants need more time to meet the continually changing County requirements. For example, applicants must work to complete building designs and site diagrams, with the help of busy consultants.
3. Applicants may soon benefit from the expansion of equity grant eligibility; and on the state level, recently passed legislation mandates state funded fee waiver programs. Both of these changes could enable more people to enter into the program through the portal. On the regulatory front, additional funding opportunities are imminent, such as the CDFW Qualified Cultivator Grant Opportunity and other state funds targeted at helping local jurisdictions to staff up and help operators pay for environmental compliance. These monies are in the pipeline and the County needs to assertively pursue them as they become available.
4. Seeking equity assistance, as well as other potential state and county sources of financial support, takes an extraordinary amount of time and certainly cannot be secured by the end of October. People have simply run out of money. They need more time from the County.
5. Ordinance 22.18 has been dropped and there is a moratorium on 10A.17 Phase 3 applications until March, 2022. Since there is no ordinance in place for potential new applicants, and given the tremendous amount of work that staff are currently facing as they process existing operators, the Portal should be extended.
6. MCP has indicated that they may not be able to apply for essential Equity Grant funds for our community due to understaffing. The extension of the Portal will enable MCP to apply for these crucial funds.

MCA conducted a 3 day survey, from September 28th till October 1st, asking for feedback to 20 questions posed to our cultivator members on how the Portal is working for them.

Most germane to the need to extend the Portal end-date, the survey asked “How long have you waited to hear back from the County after Portal Submission or Re-submission?” 13% answered over a week; 19% said over 2 weeks; 13% said over 3 weeks; 6% said over 4 weeks; 13% said they had not heard back.

1. When asked if applicants were waiting for a Building permit to be processed, 66% of respondents said yes.
2. When asked if they had difficulty uploading documents, 50% of respondents said yes.
3. When asked “If you have tried to contact MCP with questions regarding the Portal, how long did it take for you to receive a response?” 29% said over a week.

Here are several comments that indicate substantial confusion on the part of those using the Portal:

- ◆ “I find the forms confusing, Not sure if I am supposed to include any additional forms as attachments to primary forms or as separate attachment?”
- ◆ “Realized that the Portal is NOT like CalCannabis (cannot attach additional forms at any later point during the process).”
- ◆ “MCP has been unresponsive to questions, They have changed requirements for what needs to be submitted after documents have already been submitted.”
- ◆ “Can’t combine PDF’s for the LSA and concordance page because they came from CDFW and are protected so no merging allowed. My application is being rejected for this reason.”
- ◆ “The portal logs you off without knowing and documents show uploaded on entry side but are not uploaded on back side.”
- ◆ “The lack of information as to which planner is reviewing the deemed complete portal submittal is frustrating. The generic MCP email signature on responses are lame and are structured so that no one individual is held accountable for lack of customer service.”
- ◆ “This has been a very disturbing experience. They have removed personal interaction and have “requirements” that were never mentioned, expectations for remediation plans from YEARS ago.”
- ◆ “I understand the process but wish we had more time after the portal is closed to meet the criteria. People are working hard trying to get there but its difficult as its right at harvest time”

And here are comments from folks who have yet to submit, indicating some reasons that they have not yet been able to use the system:

- ◆ Finding time to review and resubmit everything by myself is taking time. Im 3/4 done
- ◆ Gathering all the documents & the forms have changed 3 times since the Portal has been implemented. Making it very confusing to gather correct forms to fill out
- ◆ Most of my clients have not yet, due to waiting on money and professional assistance and busy being farmers.
- ◆ We have hired someone to help and they are still working on it.

- ◆ Still working on my premises diagrams. The county's requirement that everything be to scale and discouragement from using satellite imagery put me way behind in my application process, forcing me to hire a professional with expertise in CAD design.
- ◆ I haven't had access to a computer until recently because of the pandemic and I've been hard pressed on time with the market crashing and the pandemic and the struggle of life in this moment. This random portal timeline overlapping with harvest is extremely burdensome and seemed unfair and designed to fail.
- ◆ Trying to work with State Water Resource and CDFW to finalize LSA agreements and relocation approvals. Not the quickest responses from governing bodies.
- ◆ Waiting on well permits and engineer sign off on drawings for building permit applications

As you can see, at this moment Phase 1 cultivators are facing challenges on many different levels, including the significant demands of harvest season. They should not have to face losing their license over an arbitrary deadline that can be extended. The County has the power to provide relief for the challenges many cultivators are having completing the Portal. We empathize with MCP's lack of staffing, but it should not be a reason that cultivators are not able to successfully resubmit. We hope you will consider these facts and extend the Portal Resubmission process accordingly.

Further, there has been no reporting on the number of Portal submissions made since the BoS meeting on September 14. We request an update from MCP that includes the total number of Portal submissions, those deemed complete, and those still in process to achieve completeness.

Thank you for your consideration of this important matter.

Sincerely,

Mendocino Cannabis Alliance

e: info@mendocannabis.com

Dear BOS,

I understand the importance of the portal; having a completed application and processing these applications in a timely manner is a necessity. I would just like to express my concern about closing the portal after only 90 days. It would be one thing to expect a primary submission, but if "one signature" is missing, I find it problematic to consider it incomplete and therefore deny the permit if there is not time for re-submission.

Considering the very low submission rate, I think an extension is prudent.

With Respect,

Lisa Lai

To Dan Gjerde and Mendocino County Board of Supervisors,

Dear BOS- Please do not create a psychiatric unit on Whitmore Lane in a neighborhood which has already been sold to another developer for a new development -despite a water shortage -of 180 planned homes. I realize there is a used building which used to be a care facility on Whitmore .However a psychiatric unit should have space around it not be in a highly populated neighborhood. There are many fields available that are not near to homes throughout the valley. What about the Masonite area- the Talmage area? I certainly would hate it after 30 years of living here - to have my home directly in the path of this plan. Sincerely cassie gibson

To Dan Gjerde and Mendocino County Board of Supervisors,

My husband and I are second generation residents/ landowners of the Northern Mendocino County Coast. We have been in the arduous process of bringing and keeping our Cannabis farm into compliance in Mendocino County and are current State Provisional License holders (Green Farms CCL20-0003241).

We are writing to gain some clarity on the current and very concerning situation in the Mendocino County Cannabis Program and hope to be heard and helped by our BOS.

There continues to be unpublished changes being made to the portal requirements, resulting in incomplete application submittals that would otherwise be complete had no unpublished changes been made.

How can we move forward within the portal deadline with unpublished changes? Will there be more changes? If there are more requirement changes, will they be published?

I urge the Board of Supervisors to extend the portal deadline by 60 days due to this situation. We are doing all we can to bring our small farm into compliance and to thrive in this heavily regulated industry, it is of utmost importance that the applicants are able to move forward. Please open the pathway.

Sincerely,

Ruby Rashall

and Ben Green

Please vote to extend Cannabis portal program thru January 1st. Many good people have not been able to complete their application. Residents of Mendocino county should've given more time so that they might remain in their homes. Also please raise the Cap on the equity program and again give Resident homeowner preference, so that they might keep there homes and work places.

Thank you for your service.



Mendocino County Board of Supervisors Agenda Summary

Item #: 3a)

To: Board of Supervisors

From: Cannabis

Meeting Date: October 5, 2021

Department Contact: Kristin Nevedal

Phone: 707-234-6680

Item Type: Regular Agenda

Time Allocated for Item: 60 Minutes

Agenda Title:

Discussion and Possible Action Regarding the Local Jurisdiction Assistance Program Including 1) Direction to Staff to Prepare an Application for up to \$18,084,837.00 in Local Jurisdiction Assistance Program Grant Funding, 2) Providing Recommendations to Staff on Program Purposes and Uses, and 3) Direction to Staff to Bring a Completed Application Back to the Board of Supervisors on the Consent Calendar for the October 26 or November 9 Meeting of the Board for Review and Approval Prior to Submission
(Sponsor: Cannabis)

Recommended Action/Motion:

1) Direct Staff to Prepare an Application for up to \$18,084,837.00 in Local Jurisdiction Assistance Program Grant Funding 2) Provide recommendations to staff on program purposes and uses, and 3) Direct staff to bring a completed application back to the Board of Supervisors on the consent calendar for the October 26 or November 9 meeting of the Board for review and approval prior to submission.

Previous Board/Board Committee Actions:

None.

Summary of Request:

The Budget Act of 2021 authorized the Local Jurisdiction Assistance Grant Program (Grant Program) which allows the Department of Cannabis Control (DCC) to award \$100 million in funding, on a one-time basis, to local jurisdictions with commercial cannabis licensees needing the greatest assistance in transitioning from provisional licenses to annual licenses. The Grant Program funds will aid local jurisdictions in more expeditiously reviewing local permitting requirements, including project specific California Environmental Quality Act (CEQA) review. Additional funding has been allocated to those local jurisdictions that have received grant funding from the state to support the already established local equity program. Because the County of Mendocino has established a state recognized local equity program, and because the County has a significant number of commercial cannabis cultivation businesses, the County is eligible to apply for \$18,084,837.00 in Grant Program funding.

Eligible Grant Program expenditures may start no earlier than the date of approval by the local jurisdiction to enter into the Grant Agreement with the DCC and to accept the funding under the Grant Program. The application period for the Grant Program opens on October 8, 2021 and closes on November 15, 2021. Eligible costs, and uses, for funding may include, but are not limited to the following:

Item #: 3a)

- Local government review, technical support, and certification for application requirements.
- Local government or other professional preparation of environmental documents in compliance with CEQA for permits, licenses, or other authorizations to engage in commercial cannabis activity.
- Mitigation measures related to environmental compliance, including water conservation and protection measures.
- Other uses that further the intent of the program as determined by the DCC, or as identified on a case-by-case basis through review of the local jurisdiction's application and Annual Plan, including Budget Forms.

Staff is seeking input from the Board of Supervisors to assist with the development of the Grant Program application and direction to move forward with developing the application. Additionally, staff is seeking direction from the Board of Supervisors to bring the completed application to the Board for approval and receive permission for the Cannabis Program Manager, or Department Head, to execute the grant agreement should it be awarded. This request for application approval and permission to execute the grant agreement should be placed on the consent calendar of the October 26, 2021 or November 9, 2021 regular Board of Supervisors meeting.

Alternative Action/Motion:

Provide alternative direction to staff.

How Does This Item Support the General Plan? N/A

Supervisory District: All

vote requirement: Majority

Supplemental Information Available Online At: N/A

Fiscal Details:

source of funding: Local Jurisdiction Assistance Grant Program **budgeted in current f/y:** N/A

current f/y cost: None

annual recurring cost: None

budget clarification: N/A

if no, please describe:

revenue agreement: N/A

Agreement/Resolution/Ordinance Approved by County Counsel: Choose an item.

CEO Liaison: Judy Morris, Deputy CEO

CEO Review: Choose an item.

CEO Comments:

FOR COB USE ONLY

Executed By: Atlas Pearson, Deputy Clerk I

Date: October 5, 2021

Final Status: **Approved with Modification**



Item #: 3a)



Applicant Information

Local Jurisdiction Name (City, County, or City & County):

Federal Tax ID Number:

Entity Submitting the Application

- Name:
- Address:
- Phone:
- Email:

Point of Contact – Grant lead who will engage with the DCC team on grant program questions and reporting

- Name:
- Title:
- Address:
- Phone:
- Email:

Grant Funds Requested:

- Designated Allocation:
- Requested Amount:

Executive Summary

Provide a brief summary of the intended use of funds in non-technical language that describes the overall goals of this funding (not to exceed 300 words).



Application Narrative

Program Description

Provide a brief description of the current cannabis permitting process in your jurisdiction, including the following:

1. Identify the necessary requirements for a local permit for commercial cannabis activity to be issued. Describe or attach a visual of your permitting process. Clearly identify when site specific CEQA is conducted.
2. Describe the applicable environmental review process relevant to the cannabis permits that you allow for in your jurisdiction.
3. Identify what requirements must be met by your permittee when providing the state with local authorization for each of the following:
 - a. "in compliance"
 - b. "compliance under way"
 - c. "not in compliance"

Statement of Needs/Problem Statement

1. Describe the challenges in the local jurisdiction permitting process that impede the timely transition of your permittees' license from a provisional license to an annual license.
2. If you have an equity program, describe any additional challenges in implementing the equity program in your local jurisdiction and/or challenges faced by equity applicants in receiving local permits and annual state licenses.
Application section specific to challenges

Goals and Intended Outcomes

1. List the goals and intended outcomes of this funding opportunity.

Goals should explain how funding will be utilized to impact the issue areas stated in the problem statement.

Outcomes should describe specific change(s) or result(s) when the goal is achieved.

At a minimum, the following should be addressed:

- How CEQA compliance will be achieved
- How obstacles will be removed from the permitting process, including opportunities to reduce time to permit issuance.
- How these goals will align with the statutory deadlines mandated for maintenance of a provisional license.



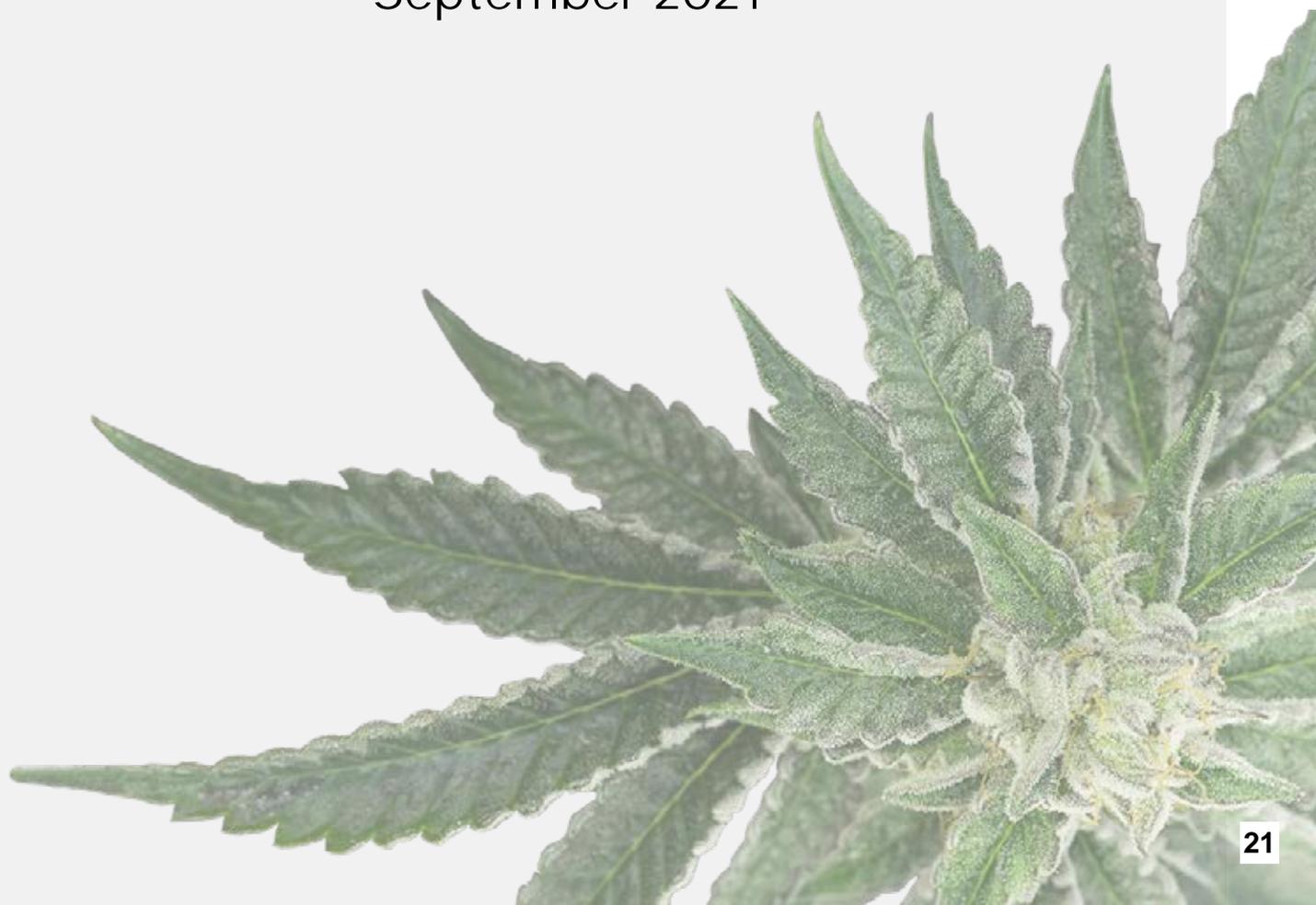
- Local coordination necessary to reach specific outcomes, if multiple departments, divisions, or offices are involved.
2. For those jurisdictions that have been identified as eligible to receive additional funding due to the status of the local equity program, address the following in your goal(s):
 - a. How this funding, particularly the dollars provided due to local equity program status will:
 - 1) support local equity applicants in entering the regulated cannabis industry;
 - 2) allow local equity applicants to receive cannabis permits and annual licenses more quickly; and
 - 3) go to further support local and/improve equity program implementation.
 3. If your local jurisdiction has not adopted or is not operating a local equity program, please indicate whether the local jurisdiction is considering adopting a local equity program, including a potential timeline for this decision.



Department of
Cannabis Control
CALIFORNIA

Local Jurisdiction Assistance Grant Program

Draft Guidelines and Application Instructions
September 2021



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I. Grant Overview

The Department of Cannabis Control (Department) announces the availability of \$100 million in funding for the Local Jurisdiction Assistance Grant Program (Grant Program), which will provide funding to local jurisdictions with commercial cannabis licensees needing the greatest assistance in transitioning from provisional licenses to annual licenses. The Grant Program is authorized by the Budget Act of 2021, Item 1115-101-0001 – For local assistance found in Senate Bill 129 (2021).

Under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Act), the Department is the California state agency that licenses and regulates cannabis businesses. Annual licenses are issued to conduct commercial cannabis activity once an applicant or licensee meets all requirements for annual licensure as determined by the Department. The Act also allows the Department to issue a provisional license for commercial cannabis activity before certain requirements for full, annual licensure are completed. (Business and Professions Code section 26050.2)

In particular, as relevant here, provisional licenses may be issued if the applicant has submitted a completed license application to the Department that also confirms compliance with the California Environmental Quality Act (CEQA) and local ordinances is underway. The Act contains specific timelines for when the Department can no longer issue or renew provisional licenses. Therefore, provisional license holders must complete the annual license process by certain dates or face a potential gap in licensure. Approximately 75 percent of California's commercial cannabis licenses are provisionally licensed.

The Grant Program is allocating \$100 million on a one-time basis to, at a minimum, assist local jurisdictions that have high numbers of provisional licenses obtain CEQA compliance required for annual licensure. Those local jurisdictions eligible to receive grant funding represent those with significant numbers of provisional licenses who are legacy and equity applicants, and provisional licensees that are more likely to have mitigation measures related to environmental compliance. The Grant Program funds will aid local jurisdictions in more expeditiously reviewing provisional licensee local requirements. This in turn will allow the Department to transition provisional licenses to annual licenses, without sacrificing California's environmental commitments. Additional funding was allocated to those local jurisdictions that have received grant funding from the state to support an already established local equity program. The full amount of Grant Program funds are available for encumbrance or expenditure at any time during the grant period, but no later than March 31, 2025.

Local jurisdictions eligible for Grant Program Funding are: the cities of Adelanto, Commerce, Desert Hot Springs, Long Beach, Los Angeles, Oakland, Sacramento, San Diego, and Santa Rosa; the counties of Humboldt, Lake, Mendocino, Monterey, Nevada, Sonoma, and Trinity; and the City and County of San Francisco. (Budget Act of 2021, Item 1115-101-0001 – For local assistance.)

Applications will not be accepted from any other local jurisdictions at this time. If funds become available for additional jurisdictions at a later date, the Department will issue updated grant guidelines before re-opening an application period for additional jurisdictions to apply for remaining funds.

A. Timeline

The following timeline provides due dates and deadlines for the following events related to the Grant Program:

Event	Date (Dates are tentative and may be modified)
Notice of Funding Availability Release with Draft Guidelines	September 14 – September 27, 2021
Grant Guidelines and Request for Proposals Published	September 30, 2021
Application Submission Period Opens	October 8, 2021
Questions and Answers Period Due Date <ul style="list-style-type: none"> · Grant applicants or interested parties may submit questions from [Notice of Funding Availability Release Date] to October 8, 2021. · Grant applicants or interested parties must submit questions by email to: 	October 8, 2021
Questions and Answers Posted <ul style="list-style-type: none"> · The Department will post answers to questions submitted during the Questions and Answers Period. 	October 15, 2021
Last Day to Submit Applications <ul style="list-style-type: none"> · Grant applicants must submit applications by 11:59 p.m. on this date. · Technical assistance will be available until 4:00 p.m. on this date. 	November 15, 2021
Grant Award Notification	December 2021

B. Definitions

The following terms used in this document are defined below, unless the context clearly indicates otherwise:

- (a) “Annual license” means a non-provisional license issued by the Department of Cannabis Control pursuant to Section 26050 of the Business and Professions Code.
- (b) “Grant Applicant” refers to either the local jurisdiction applying for funding under this grant program, or to a person authorized by the local jurisdiction to complete an application on behalf of the local jurisdiction (this is usually the primary contact listed on the application, but could also be the secondary contact, signature authority, consultant, or other authorized person).
- (c) “Grantee” means a local jurisdiction that is the recipient of funds pursuant to the Grant Program.
- (d) “Legacy applicant” means an applicant who has submitted, or will submit, an application to a local jurisdiction to engage in commercial cannabis activity within the jurisdictional boundaries of that jurisdiction, and who was conducting commercial cannabis activity in the local jurisdiction in compliance with the Compassionate Use Act of 1996 before September 1, 2016.
- (e) “Local cannabis licensing program” means a program established by a local jurisdiction to permit or otherwise allow a person or entity to engage in commercial cannabis activity within the jurisdictional boundaries of that jurisdiction.
- (f) “Local equity applicant” means an applicant who has submitted, or will submit, an application to a local jurisdiction to engage in commercial cannabis activity within the jurisdictional boundaries of that jurisdiction and who meets the requirements of that jurisdiction’s local equity program.
- (g) “Local equity licensee” means a person who has obtained a license from a local jurisdiction to engage in commercial cannabis activity within the jurisdictional boundaries of that jurisdiction and who meets the requirements of that jurisdiction’s local equity program.
- (h) “Local equity program” means a program adopted or operated by a local jurisdiction that focuses on inclusion and support of individuals and communities in California’s cannabis industry who are linked to populations or neighborhoods that were negatively or disproportionately impacted by cannabis criminalization.



- (i) "Local jurisdiction" means a city, county, or city and county.
- (j) "Provisional license" means a provisional license issued by the Department of Cannabis Control, or its legacy commercial cannabis licensing authorities (the California Department of Food and Agriculture, the California Department of Public Health, or the Bureau of Cannabis Control) pursuant to Section 26050.2 of the Business and Professions Code, to engage in cultivation, manufacture, distribution, testing, or retail activities.

C. Eligible Applicants and Maximum Funding Amounts

Grant Program funds may not be awarded to any local jurisdiction that is not in the table below.

The following local jurisdictions shall be eligible for funding up to the following amounts:

Local Jurisdiction	Grant Program Funding	Additional Funding Due to an Equity Program	Total Maximum Funding Allocated
City of Adelanto	\$972,696		\$972,696
City of Commerce	\$416,870		\$416,870
City of Desert Hot Springs	\$822,160		\$822,160
County of Humboldt	\$7,842,974	\$10,792,162	\$18,635,137
County of Lake	\$884,309	\$1,216,834	\$2,101,143
City of Long Beach	\$1,748,537	\$2,187,405	\$3,935,942
City of Los Angeles	\$9,912,238	\$12,400,122	\$22,312,360
County of Mendocino	\$7,611,370	\$10,473,468	\$18,084,837
County of Monterey	\$1,737,035		\$1,737,035
City of Oakland	\$4,400,293	\$5,504,727	\$9,905,020
County of Nevada	\$1,221,188		\$1,221,188
City of Sacramento	\$2,570,697	\$3,215,919	\$5,786,617
City of San Diego	\$764,261		\$764,261
City and County of San Francisco	\$1,366,407	\$1,709,363	\$3,075,769
City of Santa Rosa	\$775,841		\$775,841
County of Sonoma	\$1,158,023		\$1,158,023
County of Trinity	\$3,295,102		\$3,295,102

For the above local jurisdictions, those that have received grant funding from the state to support an already established local equity program, not including funding awarded by the Governor’s Office of Economic and Business Development to provide assistance to conduct a cannabis equity assessment and develop an equity program, are allocated additional funding. These local jurisdictions include, the cities of Long Beach, Los Angeles, Oakland, and Sacramento; the counties of Humboldt, Lake, and Mendocino; and the City and County of San Francisco.

D. Grant Funding Expenditures

Eligible Grant Program expenditures may start no earlier than the date of approval by the relevant decision maker (such as a governing body) of the local jurisdiction, consistent with applicable law, to enter into the Grant Agreement with the Department and to accept the funding under the Grant Program .Grant Program funds shall be encumbered or expended no later than March 31, 2025. Grantees may expend the maximum funding awarded at any time prior to March 31, 2025.

E. Eligible and Ineligible Uses for Funding

1. Eligible Uses and Costs

Eligible costs may include, but are not limited to the following:

- Local government review, technical support, and certification for application requirements.
- Local government or other professional preparation of environmental documents in compliance with the California Environmental Quality Act for permits, licenses, or other authorizations to engage in commercial cannabis activity.
- Mitigation measures related to environmental compliance, including water conservation and protection measures.
- Other uses that further the intent of the program as determined by the Department, or as identified on a case-by-case basis through review of the local jurisdiction’s application and Annual Plan, including Budget Forms.

2. Ineligible Uses and Costs

The following activities, products, or costs are ineligible uses under the Grant Program funding and will not be allowed:

- Costs or fees related to litigation.

- Payment of fines or other penalties incurred for violations of environmental laws and regulations.
- State or local commercial cannabis license or application fees, excluding fees related to California Environmental Quality Act compliance and review.
- Supplanting existing cannabis-related funding, i.e. using Grant Program funds for ongoing activities already budgeted for by the local jurisdiction.
- Costs incurred outside the Grant Funding Expenditure period.
- Acquisitions where the purchase price is greater than the appraised value.
- Enforcement costs, related to measures to ensure compliance with local or state commercial cannabis laws or regulations.
- Other prohibited uses as determined by the Department of Cannabis Control.

3. Specific Uses

The specific uses below are prohibited as indicated unless the Grant Applicant can provide a detailed description that satisfies the Department as to how the specific use will further the intended purpose of transitioning commercial cannabis licenses from a provisional license to an annual license.

Grant Program funding is allocated for the purpose of assisting provisional license holders to transition to annual license holders. For any specific use or expenditure that may generate income or funding for the local jurisdiction beyond the Grant Funding Expenditure period, the termination of the Grant Agreement, or past March 31, 2025, the Grant Applicant must provide detailed justification for how the expenditure will primarily transition provisional license holders to annual license holders.

Specific Use	Prohibited Uses	Allowable Uses
Alcoholic Beverages	Purchase or reimbursement of alcoholic beverages.	
Conferences	A meeting, retreat, seminar, symposium, workshop, or event whose primary purpose is the dissemination of technical information.	
Contingency Provisions	Miscellaneous and similar rainy-day funds for events the occurrence of which cannot be foretold with certainty as to the time or intensity, or	

Specific Use	Prohibited Uses	Allowable Uses
	with an assurance of their happening.	
<p>Building and Land-Construction</p> <p>Building means any permanent structure that is designed or intended for support, enclosure, shelter, or protection of person, animals, or property having a permanent roof that is supported by columns or walls.</p> <p>Uses related to building and land construction shall be subject to Labor Code section 1782.</p>	Acquisition of buildings, facilities, or land, including lease agreements to own (i.e. rent-to-own).	
<p>Contractual/Consultant Costs (Professional Services)</p>		Contractual/consultant costs may be allowable and are the expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the applicant in the form of a procurement relationship.
<p>Disparaging Other Products or Organizations</p>	Projects cannot disparage the work of another group, or the quality, safety, etc. of other products.	
<p>Entertainment Costs</p>	Amusement, diversion, and social activities and any costs directly associated with such costs (i.e. bands, tickets to shows, meals, lodging, rentals, transportation, and gratuities).	
<p>Equipment</p> <p>Equipment means tangible personal property (including</p>	Acquisition costs of general purpose equipment or lease agreements to own (i.e., lease-to-own or rent-to-own).	May be allowable for rental costs of general purpose equipment. Vehicles may be leased, but not purchased.



Specific Use	Prohibited Uses	Allowable Uses
<p>information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000.</p> <p>Acquisition Cost means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.</p> <p>General Purpose Equipment means equipment that is not limited to technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning or refrigeration equipment, reproduction and printing equipment, and motor vehicles.</p>	<p>For vehicle and equipment leases or rentals with an acquisition cost that equals or exceeds \$5,000, rates should be in light of such factors as: rental costs of comparable vehicles and equipment, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the vehicle or equipment leased.</p>	<p>The lease or rental agreement must terminate at the end of the grant period.</p>
<p>Fines, Penalties, Damages, and other settlements</p>	<p>Costs resulting from violations of, alleged violations of, or failure to comply with, federal, state, tribal, local or foreign laws and regulations.</p>	

Specific Use	Prohibited Uses	Allowable Uses
<p>Fundraising and Investments Management Costs</p>	<p>Organized fundraising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, regardless of the purpose for which the funds will be used. This includes salaries of personnel involved in activities to raise capital.</p>	
<p>Goods and Services for Personal Use</p>	<p>Costs of goods or services for personal use of the recipient's or subrecipient's employees, regardless of whether the cost is reported as taxable income to the employees.</p>	
<p>Information Technology Systems</p> <p>Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information.</p>	<p>Information technology systems, which include computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources.</p> <p>Examples of prohibited information technology systems include service contracts, operating systems, printers, and computers that have an acquisition cost of \$5,000 or more.</p> <p>Information Technology services such as networking, data management, help/support desk services, etc. are considered indirect costs and may not be charged directly. Indirect costs (also known as "facilities and administrative costs") are costs incurred for</p>	<p>May be allowable for website development, mobile apps, etc., which are not considered to be information technology systems, but rather social media applications, if it is necessary to carry out the Grant Program purpose.</p> <p>May be allowable for information technology systems having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established in accordance by generally accepted accounting principles (GAAP) by recipient or subrecipient for financial statement purposes or \$5,000. Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use.</p>

Specific Use	Prohibited Uses	Allowable Uses
	common or joint objectives that cannot be identified specifically with a particular project, program, or organizational activity.	Acquisition costs for software includes those development costs capitalized in accordance with GAAP.
License Fees	State or local commercial cannabis license or application fees.	May be allowable for fees related to California Environmental Quality Act compliance and review.
Lobbying	Expenses associated with attempts to influence the outcomes of any Federal, state, or local election, referendum, initiative, or similar procedure, through in kind or cash contributions, endorsements, publicity, or similar activity.	
Meals	Meals consumed while in official or non-official travel status.	
Memberships, Subscriptions and Professional Activities Costs	Costs of membership in business, technical, and professional organizations.	
Printing and Publications		Costs of preparing information leaflets, reports, manuals, and publications that further the intent of the Grant Program; however, the printing of hard copies is discouraged given the prevalence of electronic/ virtual publication means.
Salaries and Wages	Salary and wage amounts charged to grant-supported projects or programs for personnel services must be based on an adequate payroll distribution system that documents such distribution in accordance with generally	May be allowable as part of employee compensation for personnel services in proportion to the amount of time or effort an employee devotes to the grant-supported project or program during the period of

Specific Use	Prohibited Uses	Allowable Uses
	<p>accepted practices of like organizations. Standards for payroll distribution systems are contained in the applicable cost principles (other than those for for-profit organizations).</p> <p>Salaries, wages and fringe benefits for project staff that devote time and effort to non-cannabis related specific venues, tradeshow, events, meetings, programs, conventions, symposia, seminars, etc. where costs cannot be specifically identified and easily and accurately traced to activities that enhance the legalization of commercial cannabis market.</p>	<p>performance under the award, including salaries, wages, and fringe benefits. Such costs must be incurred under formally established policies of the organization, be consistently applied, be reasonable for the services rendered, and be supported with adequate documentation.</p>
Training		<p>May be allowable when the training is necessary to meet the objectives of the project or program.</p>
Travel – Domestic and Foreign	<p>Travel costs to specific states with discriminatory laws. In accordance with California Assembly Bill 1887 costs for travel to states with active discriminatory laws will not be reimbursed. As of the issuance of this document the following states are subject to California’s ban on state-funded and state sponsored travel: Alabama, Florida, Montana, Arkansas, Kansas, Kentucky, Idaho, Iowa, Mississippi, North Carolina, Oklahoma, South Carolina, North Dakota, South Dakota,</p>	<p>May be allowable for travel when provided in the approved budget or with prior written approval when costs are limited to those allowed by formal organizational policy; in the case of air travel, the lowest reasonable commercial airfares must be used.</p>



Specific Use	Prohibited Uses	Allowable Uses
	Tennessee, West Virginia, and Texas. Prohibited for any foreign travel.	

F. Questions and Answers Process

Questions regarding the application and its requirements must be emailed to grants@cannabis.ca.gov. The Department must receive questions by October 8, 2021.

Grant Applicants or interested parties may access the Questions and Answers web page from the Grant Funding web page. The Department may group together similar or related questions or re-word them for clarity and respond to them as one question. The Department will post all Questions and Answers approximately one week after the deadline. The posted Questions and Answers are subject to updates. It is the Grant Applicant's responsibility to check the Questions and Answers web page for the latest information.

II. Application Requirements

In order to receive funding, the Grant Applicant must submit an Application to the Department, which includes all of the following.

A. Annual Plan

The Grant Applicant must submit the provided Annual Plan Form that describes how the local jurisdiction will address the provisional licensee environmental compliance requirements necessary to transition provisional licenses to annual licensees.

B. Budget

The Grant Applicant must complete the provided Budget Detail Worksheet. The Budget Detail Worksheet must be completed for proposed costs and expenditures for each year of grant funding.

All Grant Program expenditures must be for activities, products, and costs that have been included in an approved Annual Plan and Budget. Approved expenditures must be incurred and paid after the Grant Fund Expenditure period and before the end of the Grant Term (March 31, 2025). Approved expenditures

must be incurred and paid after the local jurisdiction’s decision-making authority (i.e., governing body) authorizes the local jurisdiction to enter into the Grant Agreement and receive Grant Program funding.

All expenditures for which grant funds are used must be incurred and paid no later than March 31, 2025. Grant Program funding is available to local cannabis licensing programs within the eligible local jurisdiction, as well as departments or other programs within the eligible local jurisdiction that may be involved in processes that are necessary for a provisional licensee to meet requirements for annual licensure. Grant Applicants must show how Grant Program funding will be used for its intended purpose of transitioning commercial cannabis licenses from a provisional license to an annual license.

C. Required Documents

The Applicant must submit the following:

- Application Form (Attachment #1)
- Permitting and Licensing Metrics (Attachment #2)
- Application Budget (Attachment #3)
- Local ordinances, resolutions, or regulations related to applying for a cannabis permit or operating a cannabis business. If this information is available through the local jurisdiction’s website, please provide a link or website address to the local ordinance, resolution, or regulation.
- Any additional documents as requested by the Department.

D. Application Submission Process

[DCC will insert process for submitting application]

III. Application Review and Award Process

A. Application Review

The Department will review and approve the applications based on factors including, but not limited to, the following:

- The local jurisdiction is an eligible local jurisdiction.
- The local jurisdiction’s proposed budget does not exceed the amount for which they are eligible.
- The local jurisdiction has developed and submitted an Annual Plan explaining how they will use the funds, and the Annual Plan is consistent with the Grant Guidelines.

- The local jurisdiction's Annual Plan specifies how the jurisdiction intends to address the licensure requirements necessary to transition provisional licenses to annual licenses and contains specific criteria that will allow the state to determine whether the jurisdiction has made measurable progress toward these goals as determined by the Department of Cannabis Control.

In addition to the above, the Department will also assess the local jurisdiction's objectives and goals for transitioning provisional licenses to annual licenses, the metrics to measure the objectives and goals, and how the Grant Program funds will be used to reach those objectives and goals. The Department will also evaluate the Budget to ensure it is within the maximum award amount for the local jurisdiction and that it aligns with the Annual Plan's goals and objectives. The Department may require and request additional information with deadlines for any requested amendments, modifications, or changes to the Annual Plan or Budget that will clarify or specify the factors above. The Department may deny applications that do not meet the requirements or intent of the program.

The Department's determinations as to the application review and approval, and amount of grant funding awarded, are not subject to appeal.

B. Award Process

Once applications have been reviewed and a funding determination has been made by the Department, the Grant Applicant will receive a Grant Award Notification. Before receiving an award, a local jurisdiction will also be required to enter into an agreement setting forth further terms and conditions relevant to the receipt and use of grant funding.

Pursuant to applicable local laws, a local jurisdiction may also need to take additional action before receiving a grant award. For example, it may be necessary for a local legislative body to adopt a resolution authorizing a local government agency to accept and/or expend grant funds.

IV. Grant Administration

A. Documentation and Reporting Requirements

1. For each year of grant expenditures, the Grantee must provide bi-annual progress reports to the Department on August 15, for the reporting period of January 1 to June 30, and on February 15, for the reporting period of July 1 to December 31. The first bi-annual progress report shall be due August 15, 2022 for all Grantees and shall include any Grant Program expenditures or activities preceding January 1, 2022, if applicable.

2. The progress report must include, at a minimum:
 - Progress Report Form (Attachment #4);
 - Budget Report Form (Attachment #5);
 - Permitting and Licensing Metrics (Attachment #2); and
 - Any additional information requested by the Department.
3. The Grantee must be able to demonstrate to the satisfaction of the Department that the Grant Program funds were expended for eligible uses and consistent with the activities identified in its application, and under the Grant Program.
4. The Grantee shall provide a progress report to the Department notwithstanding whether or not the Grant Term has expired, or Grantee has expended the Grant Program funds before the end of the Grant Term. The Grantee shall provide any updated forms, budget worksheets, or Annual Plans if requested by the Department.
5. The Grantee shall maintain such records for possible audit for a minimum of seven (7) years after the grant term end date, or final payment of any grant funds, whichever is later.
6. Failure to adhere to the documentation and reporting requirements may constitute a material breach of the Grant Agreement and can result in termination of the Grant Agreement and funding, the Department recapturing disbursed funds, or reimbursement of expended Grant Program funds to the Department.

B. Auditing

Beginning January 1, 2021 and annually through January 1, 2026, the California State Auditor will conduct a performance audit of the local jurisdictions receiving Grant Funds, as provided for in the Budget Act of 2021, Item 1115-101-0001 – For local assistance.

The Department, the Department of Finance, the California State Auditor, and their designated representatives, shall have the right to review and to copy any records and supporting documentation pertaining to the performance of the Grant Agreement. The Grantee shall allow the designated representatives access to such records immediately upon request, as well as allow interviews of any employees or staff who may reasonably have information related to such records and the grant program. The Grantee shall also include a provision allowing State review and audit records, as well as the ability to interview employee or staff who may reasonably have information relate to the records and grant program activities, in any contract or subcontract related to the performance of the Grant Agreement.

C. The Department May Recapture Funds

The Department may recapture funds disbursed as follows:

- Funds are not expended by the date established by the Department, either by March 31, 2025, or an earlier date as determined by the Department.
- Funds are used for an ineligible purpose.
- Use of funds does not comply with the Budget or Annual Plan submitted to, and approved by, the Department.
- The local jurisdiction has failed to demonstrate progress toward addressing requirements necessary to attain annual licensure, as measured by the specific criteria provided in the Annual Plan.

D. Grant Agreement

These Grant Guidelines, including its provisions and the terms and conditions below, will be attached to, and incorporated by reference, into the Grant Agreement. The Annual Plan, Budget, and all documentation submitted as part of the application shall comprise the Scope of Work (SOW) for the Grant Agreement.

These terms and conditions will comprise in part, the Grant Agreement between the Department and the local jurisdiction receiving grant funding.

1. **Authority.** This Agreement is authorized and entered into pursuant to the Budget Act of 2021, Item 1111-490 –. The Local Jurisdiction Assistance Grant Funding allows for direct assistance to local jurisdictions' commercial cannabis programs to transition provisional licenses to annual licenses.
2. **Grant Term.** The performance period of this Agreement shall be from the **specified date of the Grant Funding Expenditure Period through March 31, 2025** ("Grant Term"). Grant funds shall be expended only during the Grant Term.
3. **Grant Award.** Based on the Department's review of the application pursuant to the Grant Guidelines, and conditioned upon the requirements set forth in this Agreement, the Department shall provide Grantee a grant award amount as specified in the Grant Award Notification for the term of this Agreement. In no event shall the Department be obligated to pay any amount in excess of the awarded amount. Grantee waives any and all claims against the Department and the State of California for any costs that exceed the grant award amount identified in the Grant Award Notification.
4. **Unused Grant Funds.** Any amount of grant funds provided for under this Agreement that is not expended by the end of the Grant Term, or at the



termination of this Agreement, whichever is sooner, shall be returned to the Department. Grantee shall notify Department of such unused funds and Department shall provide Grantee with instructions as to how to return the funds.

5. **Funding Contingency Clause.** The funding for this Agreement is allocated pursuant to the Local Jurisdiction Assistance Grant Funding. Grantee agrees that the Department's obligation to pay any sum under this Agreement is contingent upon availability of funds disbursed from the Local Jurisdiction Assistance Grant Funding. If there is insufficient funding, the Department shall have the option to either: 1) terminate this Agreement, whereby no party shall have any further obligations or liabilities under this Agreement, or 2) negotiate an Agreement amendment with Grantee to reduce the grant award and scope of services to be provided under this Agreement.
6. **Grant Fund Disbursement.** Grant funds awarded pursuant to the Local Jurisdiction Assistance Grant Funding will be issued directly to Grantee in one disbursement, upon execution of this Agreement, and passing of a resolution or similar approving authority by the local jurisdiction.
7. **Subcontractors.** No amount of the grant award may be used to subcontract any of the commitments contemplated in this Agreement to another entity or person, unless with the written approval of the Department pursuant to section 13 of this Agreement.
8. **Documentation and Reporting Requirements.** Grantee must be able to demonstrate to the satisfaction of the Department that the grant funds were expended for eligible uses and consistent with the activities identified in its application, and under the Grant Program. Grantee must provide progress and annual reports as specified in the Grant Guidelines. Grantee must maintain records detailing the expenditure of all grant funds for a period of seven (7) years after the end of the Grant Term, and shall provide this information to the Department upon request.
9. **Audit.** The books, accounts, files, receipts, and other records of Grantee which are applicable to this Agreement shall be made available for inspection, review, and audit immediately upon request by the Department and its representatives to verify proper use of the grant award, in accordance with the Grant Guidelines.
10. **Eligible Uses.** Grant funds shall be used for the purpose of assisting local applicants and local licensees in that local jurisdiction to transition from provisional licenses to annual license, and to successfully operate in, the state's regulated cannabis marketplace and consistent with the Grant



Guidelines and the Grantee's application for Local Jurisdiction Assistance Grant Funding. As determined by the Department, upon its review, Grantee shall reimburse the Department for any ineligible or improper uses of grant funds.

11. **Termination of Agreement.** This Agreement may be terminated by the Department upon action, or inaction by the Grantee that constitutes a material breach of this Agreement. A material breach includes, but is not limited to, refusal or inability to complete the commitments contemplated in this Agreement or the Grant Guidelines, improper expenditure of grant funds, failure to properly maintain records or allow the Department access to records as required under this Agreement or the Grant Guidelines, and failure to timely complete and submit the reports required under this Agreement or the Grant Guidelines. The Department will notify Grantee in writing if it intends to terminate the Agreement pursuant to this section and provide Grantee an opportunity to cure the breach within thirty (30) calendar days.
12. **Assignment.** This Agreement is not assignable by Grantee, either in whole or in part, without the consent of the Department in the form of a written amendment.
13. **Amendment.** This Agreement may be amended or modified only in writing signed by all parties.
14. **Grantee – Representations and Warranties.** Grantee represents and warrants that:
 - a. Grantee is an eligible applicant as set forth in the Grant Guidelines;
 - b. It is not a party to any agreement, written or oral, creating obligations that would prevent it from entering into this Agreement or satisfying the terms herein;
 - c. All of the information in its grant application and all materials submitted to the Department are true and accurate; and
 - d. Grantee's governing body has authorized the Grantee to enter into this Agreement and has designated by title the individual authorized to sign the Agreement on behalf of Grantee.
15. **Nondiscrimination.** Grantee shall comply with all applicable federal and state laws and statutes related to nondiscrimination, including, but not limited to, race, color, national origin, gender, handicap or disability, sexual preference, drug addiction, and alcoholism.



16. **Union Activities.** Grantee acknowledges that Government Code Section 16645.2 applies to this Agreement. Pursuant to Government Code Section 16645.2, Grantee certifies that none of the grant award will be used to assist, promote, or deter union organizing. If Grantee makes expenditures to assist, promote, or deter union organizing, it shall maintain records sufficient to show that no portion of the grant award was used for those expenditures. Grantee shall provide those records to the Attorney General upon request.
17. **Media Release.** Grantee may elect to issue a press release related to this Agreement, but any release shall be approved by the Department in writing prior to such release. Such approval shall not be unreasonably withheld.
18. **Indemnification/Warranty and Disclaimer/Limitation of Liability.** Grantee shall defend, indemnify, and hold the Department and its agents or assigns, harmless from and against all claims, damages, and liabilities (including reasonable attorneys' fees) arising from this Agreement due to the Grantee's breach of this Agreement, or the result of the Grantee's negligence or willful misconduct. UNDER NO CIRCUMSTANCES WILL THE STATE OF CALIFORNIA, THE DEPARTMENT, ITS AGENTS OR EMPLOYEES, BE LIABLE TO THE GRANTEE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES THAT ARISE FROM THIS AGREEMENT.
19. **Force Majeure.** If by reason of force majeure Grantee's performance hereunder is delayed or prevented, then the performance by Grantee may be extended for the amount of time of such delay or prevention. The term "force majeure" shall mean any fire, flood, earthquake, or public disaster, strike, labor dispute or unrest, embargo, riot, war, insurrection or civil unrest, any act of God, any act of legally constituted authority, or any other cause beyond the Grantee's control which would excuse Grantee's performance as a matter of law.
20. **Notice of Force Majeure.** Grantee agrees to provide the Department written notice of an event of force majeure under this Agreement within ten (10) days of the commencement of such event and within ten (10) days after the termination of such event, unless the force majeure prohibits Grantee from reasonably giving notice within this period. Grantee will give such notice at the earliest possible time following the event of force majeure.
21. **Integration.** This Agreement (including the exhibits hereto and any documents explicitly incorporated by reference, and any written amendments hereof executed by the Parties) constitutes the entire Agreement between the Parties related to this grant award and supersedes



all prior agreements and understandings, oral and written, between the Parties with respect to the grant award described herein.

22. **Notice.** Within thirty calendar (30) days of the effective date of this Agreement, Grantee shall notify the Department, in writing, of the name, address, phone number, and email of its contact person for future communication relating to this Agreement. In addition, Grantee agrees to immediately inform the Department of any changes to the name, address, phone number, and email of its contact person. Unless otherwise specified in this Agreement, any notice required or permitted to be given under this Agreement to the Department shall be emailed to grants@cannabis.ca.gov.
23. **Ambiguities.** Each Party has had the opportunity to seek the advice of counsel or has refused to seek the advice of counsel. Each Party and its counsel, if appropriate, have participated fully in the negotiation, drafting, review, and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any Party.
24. **Necessary Acts, Further Assurances.** The Parties shall at their own cost and expense execute and deliver any further documents and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.
25. **Sections and Other Headings.** The section and other headings contained in the Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.
26. **Representation on Authority of Parties/Signatories.** Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized, and that this Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.
27. **Severability.** If any portion of this Agreement is to any extent invalid, illegal, or incapable of being enforced, such portion shall be excluded to the extent of such invalidity, illegality, or unenforceability; all other terms hereof shall remain in full force and effect.
28. **Governing Law and Consent to Jurisdiction.** The Agreement will be governed, construed, and enforced according to the laws of the State of



California without regard to its conflict of laws rules. Each party hereby irrevocably consents to the exclusive jurisdiction and venue of any state court located within Sacramento County, State of California in connection with any matter arising out of this Agreement or the transactions contemplated under this Agreement.

E. Fund Disbursement

Grant Program funds not originally distributed, and funds recaptured, by the Department may be redistributed by the Department to any local jurisdiction with both a local cannabis licensing program and local equity program until June 30, 2025.



**Local Jurisdiction Assistance Grant Program
Budget Report Form**

Local Jurisdiction:	
Reporting Period:	

Grant Program Budget Category	Total Budget	FY 21-22 Budgeted	FY 21-22 Projected	FY 22-23 Budgeted	FY 22-23 Projected	FY 23-24 Budgeted	FY 23-24 Projected	Total Projected	YTD
Section A - Direct Technical Assistance - Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Section B - Direct Technical Assistance- Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Section D - Indirect/Administrative Assistance - Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Section C - Indirect/Administrative Assistance - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Budget Worksheet Instructions

General Guidance	
Step 1	Enter the jurisdiction's name and Total Grant Amount Requested where indicated at the top of the spreadsheet. Complete each section as specified below.
Step 2	Make sure the information provided in this budget spreadsheet matches the response to the budget narrative question in the online application.
Step 3	Ensure all information is complete and correct. If the Grand Total does not match the Total Grant Amount Requested.
Step 4	Provide the budget workbook as an excel file (do not convert to a PDF).

Guidance on Budget Worksheet Sections	
Direct Technical Assistance Costs	
Section A. Personnel	Indicate the jurisdiction's expenses related to personnel that will provide direct technical assistance to the intent of the grant program.
Personnel Classifications	List the title of the staff member(s).
Role in Project	Describe their role in the grant program
Annual Salary and Benefits	Enter the annual salary and benefits (in dollars) for each staff member using only numeric characters.
Percentage of Time Per Fiscal Year (FY)	Enter the full-time equivalent (FTE) percent of time using only numeric characters. For example, for 25% enter 0.25.
Total	Total of personnel expenses for the length of the grant.
Section B. Other	Indicate the jurisdiction's expenses related to the direct support of the grant program.
Cost Category/ Type or Vendor	Provide the cost category and type of expense or vendor's name (if known) associated with the item. See "Cost Categories" tab for more details.
Description	Describe the purpose of the expense/item in the grant program.
Amount	Enter the cost of the expense/item.
Percentage of Costs Per Fiscal Year (FY)	Enter the percent of expense/item total for that FY using only numeric characters. For example, for 25% enter 0.25.
Total	Total of other expenses for the length of the grant.
Indirect / Administrative Assistance Costs	
Section C. Personnel	Indicate the jurisdiction's expenses related to personnel that will provide indirect/administrative assistance to the intent of the grant program.

Personnel Classifications	List the title of the staff member(s).
Role in Project	Describe their role in the grant program
Annual Salary and Benefits	Enter the annual salary and benefits (in dollars) for each staff member using only numeric characters.
Percentage of Time Per Fiscal Year (FY)	Enter the full-time equivalent (FTE) percent of time using only numeric characters. For example, for 25% enter 0.25.
Total	Total of personnel expenses for the length of the grant.
Section D. Other	Indicate the jurisdiction's expenses related to the indirect/administrative support of the grant program.
Cost Category/ Type or Vendor	Provide the cost category and type of expense or vendor's name (if known) associated with the item. See "Cost Categories" tab for more details.
Description	Describe the purpose of the expense/item in the grant program.
Amount	Enter the cost of the expense/item.
Percentage of Costs Per Fiscal Year (FY)	Enter the percent of expense/item total for that FY using only numeric characters. For example, for 25% enter 0.25.
Total	Total of other expenses for the length of the grant.
Section E. Totals	
Direct Technical Assistance Costs Total	Total of personnel and other expenses associated with direct technical assistance of the grant program.
Indirect/Administrative Assistance Costs Total	Total of personnel and other expenses associated with indirect/administrative assistance of the grant program.
Grand Total	Total of all expenses associated with the grant program. This total should match the "Total Grant Amount Requested."

Allowable Cost Categories

The following are list of potential "Cost Categories" that could be indentified on the Budget Worksheet:

Item	Description
Contractual/ Consultant Costs (Professional Services)	Contractual/consultant costs are the expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the applicant in the form of a procurement relationship.
Printing and Publications	Pay the costs of preparing information leaflets, reports, manuals, and publications relating to the project; however, the printing of hard copies is discouraged given the prevalence of electronic/virtual publication means.
Training	When the training is required to meet the objectives of the project or program.
Information Technology System Updates	Allowable for website development, mobile apps, etc., which are not considered to be information technology systems, but rather social media applications, if it is necessary to carry out the proposal.
Supplies	All tangible personal property other those described as Equipment (less than \$5,000), regardless of the length of its useful life.
Rental of Equipment	May be allowable for rental costs of general purpose equipment. Vehicles may be leased, but not purchased. The lease or rental agreement must terminate at the end of the grant cycle.
Facilities	Office space associated with the personnel indentified in grant program, both direct and indirect.

*Allowable costs shall not supplant existing cannabis-related funding.

Application Budget

Jurisdiction Name	
Total Grant Amount Requested:	

A. Direct Technical Assistance Costs - Personnel									
Personnel that will provide direct technical assistance to support the intent of the grant program. Include the cost of salary and benefits for time spent working on the grant by the employees									
Personnel Classification	Role in Grant Program	Annual Salary & Benefits	FY 21-22 Percentage of Time	FY 22-23 Percentage of Time	FY 23-24 Percentage of Time	FY 24-25 Percentage of Time	TOTAL		
<i>Example</i>	<i>Local Planner</i>	<i>Reviews CEQA documentation provided by</i>	<i>\$ 150,000.00</i>	<i>0.50</i>	<i>0.75</i>	<i>1.00</i>	<i>1.00</i>	<i>\$ 487,500.00</i>	
A1								\$ -	
A2								\$ -	
A3								\$ -	
A4								\$ -	
A5								\$ -	
A6								\$ -	
A7								\$ -	
A8								\$ -	
A9								\$ -	
A10								\$ -	
A11								\$ -	
A12								\$ -	
Direct Technical Assistance Costs - Personnel								\$	-

B. Direct Technical Assistance Costs - Other									
Items that provide direct benefits to the intent of the grant program.									
Cost Category / Service or Vendor (if known)	Description	Annual Cost	FY 21-22 Percentage of Costs	FY 22-23 Percentage of Costs	FY 23-24 Percentage of Costs	FY 24-25 Percentage of Costs	TOTAL		
<i>Example</i>	<i>Contractual / Environment Consultants</i>	<i>Contractor to assist with the development of a PEIR for the county.</i>	<i>\$ 500,000.00</i>	<i>1.00</i>	<i>0.50</i>	<i>0.50</i>	<i>0.50</i>	<i>\$ 1,250,000.00</i>	
B1								\$ -	
B2								\$ -	
B3								\$ -	
B4								\$ -	
B5								\$ -	
B6								\$ -	
B7								\$ -	
Direct Technical Assistance Costs - Other								\$	-

C. Indirect/Administrative - Personnel								
To provide or fund administrative assistance to support the intent of the grant program. Cost of salary and wages for time spent supporting the work of the grant.								

Personnel Classification		Role in Grant Program	Annual Salary & Benefits	FY 21-22 Percentage of Time	FY 22-23 Percentage of Time	FY 23-24 Percentage of Time	FY 24-25 Percentage of Time	TOTAL
<i>Example</i>	<i>Accounting Analyst</i>	<i>To track expenditures associated with the</i>	<i>\$ 89,000.00</i>	<i>0.25</i>	<i>0.25</i>	<i>0.25</i>	<i>0.25</i>	<i>\$ 89,000.00</i>
C1								\$ -
C2								\$ -
C3								\$ -
C4								\$ -
C5								\$ -
C6								\$ -
C7								\$ -
C8								\$ -
C9								\$ -
C10								\$ -
C11								\$ -
C12								\$ -
Indirect/Administrative Costs - Personnel								\$ -

D. Indirect/Administrative - Other								
Items that provide administrative or indirect support to the intent of the grant program.								
Cost Category / Service or Vendor (if known)		Description	Annual Cost	FY 21-22 Percentage of Costs	FY 22-23 Percentage of Costs	FY 23-24 Percentage of Costs	FY 24-25 Percentage of Costs	TOTAL
<i>EX</i>	<i>Facilities / Headquarters</i>	<i>Costs associated with office space for direct technical assistance staff.</i>	<i>\$ 1,250,000.00</i>	<i>0.02</i>	<i>0.02</i>	<i>0.02</i>	<i>0.01</i>	<i>\$ 81,250.00</i>
D1								\$ -
D2								\$ -
D3								\$ -
D4								\$ -
D5								\$ -
D6								\$ -
D7								\$ -
Direct Technical Assistance Costs - Other								\$ -

E. TOTALS								
<i>Direct Technical Assistance Costs - TOTAL</i>								<i>\$ -</i>
<i>Indirect/Administrative Costs - TOTAL</i>								<i>\$ -</i>
GRAND TOTAL								\$ -



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

October 5, 2021

Re: Discussion and Possible Action Regarding the Local Jurisdiction Assistance Program Including 1) Direction to Staff to Prepare an Application for up to \$18,084,837.00 in Local Jurisdiction Assistance Program Grant Funding, 2) Providing Recommendations to Staff on Program Purposes and Uses, and 3) Direction to Staff to Bring a Completed Application Back to the Board of Supervisors on the Consent Calendar for the October 26 or November 9 Meeting of the Board for Review and Approval Prior to Submission

Honorable Supervisors,

MCA is encouraged by the State's efforts to address the obstacles our community faces in transitioning from Provisional to Annual licensure. The Local Jurisdiction Assistance Program Grant Funding (Grant) funds can provide critical financial assistance to many local cannabis businesses, enabling those in the Provisional Licensing pipeline to complete regulatory compliance, achieve an Annual State license and remain in the legal market.

MCA supports the proposed MCP recommended action #1 to apply for \$18,084,837 of Grant funds. The timeline for application is limited and immediate. The Annual Plan, Budget and Required Documentation are a significant scope of work for this Grant application in addition to applications currently under review by MCP and the need to apply for additional Local Equity funding. It is essential that Board direction and MCP Grant requests focus on the purpose of this one-time funding opportunity: "transitioning commercial cannabis licenses from a Provisional license to an Annual license".

This Grant focus will require prioritizing current Provisional Licensees and applicants in the County's application review process. Funds must be used by March 31, 2025, necessitating that staff concentrate on current Provisional license holders or applicants.

Item #2 of the Recommended Action, "Provide recommendations to staff on program purposes and uses..." is the crux of Board consideration today as it will not only shape the construction of the County's Grant application, but also determine what assistance may be available to Provisional license holders and applicants.

"Eligible" Grant fund uses are broadly defined on page 7 of the Department of Cannabis Control's (DCC) "Draft Guidelines and Application Instructions" for the Grant Program published on September 30, 2021. The DCC is aware that CEQA site-specific review and compliance is a major obstacle to Provisional Licensees achieving Annual licenses and therefore approves

Grant funds use in multiple activities incurred by both the County and applicants to achieve CEQA compliance. Toward that shared goal, MCA recommends the Board make the following directives to staff:

- 1) Reassign staff, as necessary, to complete the Grant Application by November 15, 2021.
- 2) Include in Grant application:
 - a. Funds for Provisional licensee and application costs pertaining to state agency compliance fees and environmental mitigations imposed by CDFW, the Water Board, CalFire, MCAQMD and any other state or local department or agency criteria required for Annual Licenses.
 - b. Funds for Provisional Licensees cost to engage CEQA consultants and professional assistance in completing Appendix G and Project Descriptions, or any other regulatory documentation, required for site-specific CEQA compliance.
 - c. Funds for water infrastructure: storage, catchment systems, ponds, pumps and irrigation equipment, among other things, aimed at conservation and efficiency.
 - d. Funds for assistance with County fees and other costs to construct F1/ADA compliant structures for commercial cannabis activities as required by County Code interpretation.
 - e. Funds to cover the costs for any environmental review, or legal costs associated with reaching the determination that environmental review is not required, to amend 10.a.17 to add a discretionary permitting pathway for current applicants under the ministerial permitting provisions.

MCA suggests an MCP sponsored zoom session be scheduled toward the end of October to discuss priorities with local stakeholders who can provide the best insight on their application process pain points that can be alleviated with Grant funding. Potential applicants will need information to consider funding opportunities that may shape their business plans for 2022. With many local operators at the end of their ropes, it is essential that we work together to identify the most impactful uses of these funds.

MCA requests that the Grant development process be sufficiently inclusive of local stakeholders, the cohort for whom the funds have been made available by the State. Three-minute public comment opportunities are not adequate to inform the Board and MCP of stakeholder input. MCA recommends that Grant decisions of this magnitude be brought back to the Supervisors in open session for final consideration of Public input.

We are aware that 10A.17 will need amending to add a discretionary permitting pathway for an unknown number of existing operators. It is essential that we begin this amendment process as soon as possible, and MCA continues to be available to assist in the amendment process with the County and local stakeholders.

Thank you for your consideration of these items.

Mendocino Cannabis Alliance

e: info@mendocannabis.com

Dear board of supervisors,

I'm writing to support the Covelo Cannabis Advocacy Group's recommendations on the agenda items 3a and 3b.

Sincerely,
Jessica Harness



October 4th, 2021

Re: Board of Supervisor Meeting 10-5-2021 Agenda Items: 3a and 3b

Dear Honorable Board of Supervisors,

The Covelo Cannabis Advocacy Group appreciates Agenda Items 3a and 3b coming before the Board for consideration. Equity Grants and Local Jurisdiction Program Grant Funding are both such important ways to help our cannabis program applicants and we have provided the following comments in response to these agenda items.

3a) Discussion and Possible Action Regarding the Local Jurisdiction Assistance Program Including: 1) Direction to Staff to Prepare an Application for up to \$18,084,837.00 in Local Jurisdiction Assistance Program Grant Funding 2) Providing Recommendations to Staff on Program Purposes and Uses, and 3) Direction to Staff to Bring a Completed Application Back to the Board of Supervisors on the Consent Calendar for the October 26 or November 9 Meeting of the Board for Review and Approval Prior to Submission (Sponsor: Cannabis)

We support the County preparing an application for the State Grant funding. We believe it will be extremely important for our Cannabis Program to receive this funding, as our current cannabis applicants continue to navigate CEQA compliance. We would like to offer the following recommendations for grant uses:

1. Allow applicants to use grant funding to receive a fee waiver of DCC cannabis application and licensing fees.
2. Fee waivers for the State Water Board Tier 1 and 2 fees
3. Fee waivers for CDFW LSAA application fees
4. Grant funding for assistance in completing LSA projects (such as upgrading culverts)
5. Grant funding for building ponds and water storage such as rainwater catchment systems or water storage tanks
6. Grant funding for Cal-Fire or Local Fire department cannabis

- building fees
7. Grant funding to be set aside to create a Best Management Practices Program for Mendocino County, to incentivize best growing practices and regenerative farming
 8. Fee Waivers for enrolling in the O-Cal certification program
 9. Fee Waivers for creating an appellation

We support the recommendation to bring this back at the dates requested to ensure the County can meet the State deadline to receive this grant funding and put a program in place.

3b) Discussion and Possible Action Regarding Amendments to the County of Mendocino Cannabis Equity Program Including, But Not Limited To, 1) Eliminating the Income Threshold Associated with the Cannabis Equity Program's Eligibility Criteria, 2) Allowing Direct Grant Funds to be Dispersed in a Single Tranche, 3) Expanding the Direct Grant Criteria, and 4) Authorizing and Directing the Cannabis Program Manager (Director) to Execute Grant Agreements with Eligible Equity Awardees on Behalf of the County (Sponsor: Cannabis)

CCAG supports eliminating the income threshold requirement for the Cannabis Equity Eligibility Criteria since this should have nothing to do with receiving funds. Many cultivators that were severely impacted by the war on drugs have been shut out from applying because they don't meet the income eligibility requirements even with the recent Board direction to lower the income threshold. We do believe that this grant should be based on how an applicant was affected by the war on drugs, not on how much money they are making currently. If this criteria changes, we want to be sure that priority is given to those that have experienced the greatest impacts from the war on drugs.

We support the disbursement of the funding into 1 tranche, however we have concerns for how it may impact applicants that applied under the lower income thresholds. The direct grant will impact other services such as medi-cal or food stamp programs for those in the lower income thresholds, since the grant will have to be reported as taxable income on an applicant's tax filings and could jeopardize their eligibility for health care etc. This is unfortunate since grant funding is not direct cash, it MUST be spent on very specific things for their cannabis business. By creating 2 installments of payments, this can help with tax filings for some applicants and CCAG requests that the ability to provide the payments in 2 tranches still be made available to those in the lower income brackets. We also understand that the funding must be spent by a certain time and if the ability to award

applicants this funding rests on being able to issue the funding in 1 tranche rather than 2, CCAG supports this to move forward.

CCAG supports expanding the Direct Grant criteria. Currently it only includes funding for the following:

- Budget
- Regulatory Compliance
- Capital Improvement
- Fixtures or Equipment
- Training and Retention of Workforce

If the Board is to consider expanding the criteria, CCAG recommends expanding the list to include:

- Fire suppression
- Bookkeeping and tax filing fees
- Consultant fees to prepare Appendix G applications

CCAG supports more assistance for expediting grant awards and if this can be achieved by appointing the Cannabis Program Manager to participate in this role, we support it.

We would like to also highlight that there are currently some errors on the Elevate Impact website when applying for Direct Grants. There is no way to upload supporting documents or budget spreadsheets. We hope the Board can direct Staff to work with the Equity Grant administrators to fix these issues so that applicants can easily upload documents and ensure a streamlined process.

Thank you for the opportunity to provide comments on these agenda items.

Sincerely,

Monique Ramirez
for the Covelo Cannabis Advocacy Group

Mendocino County currently does not have a fully functional cannabis cultivation program. This will be the case unless and until a discretionary land use based permit system similar to that contained in Chapter 22.18 is enacted. With the expiration of the State CEQA exemption it is unlikely that any substantial changes to the cannabis program can be made without an environmental impact report. Therefore, I strongly encourage you to direct staff to include within the grant application funding for an EIR for a discretionary land use based permit system for cannabis cultivation.

Further, in line with the goal of helping as many current applicants as possible succeed, please consider either extending the cannabis cultivation submission date until 12/31/2021 or at least extend it for those applicants who made or will make an initial submission prior to the closing date.

Thank you for your consideration of these comments.

Sincerely,

John McCowen



Mendocino County Board of Supervisors Agenda Summary

Item #: 3b)

To: Board of Supervisors

From: Cannabis

Meeting Date: October 5, 2021

Department Contact: Kristin Nevedal

Phone: 707-234-6680

Item Type: Regular Agenda

Time Allocated for Item: 60 minutes

Agenda Title:

Discussion and Possible Action Regarding Amendments to the County of Mendocino Cannabis Equity Program Including, But Not Limited To, 1) Eliminating the Income Threshold Associated with the Cannabis Equity Program's Eligibility Criteria, 2) Allowing Direct Grant Funds to be Dispersed in a Single Tranche, 3) Expanding the Direct Grant Criteria, and 4) Authorizing and Directing the Cannabis Program Manager (Director) to Execute Grant Agreements with Eligible Equity Awardees on Behalf of the County
(Sponsor: Cannabis)

Recommended Action/Motion:

Direct staff to amend the County of Mendocino Cannabis Equity Program including but not limited to 1) eliminating the income threshold associated with the grant program's eligibility criteria, 2) allowing direct grant funds to be dispersed in a single tranche, 3) expanding the direct grant criteria to reflect the criteria outlined in statute, and 4) authorize and direct the Cannabis Program Manager (Director) to execute grant agreements with eligible equity awardees on behalf of the County.

Previous Board/Board Committee Actions:

On October 13, 2020 the County of Mendocino Board of Supervisors approved the Local Equity Entrepreneur Program (LEEP) and authorized the Chief Executive Officer to execute the Grant Agreement, including the contract for Administrative Services.

On July 20, 2021 the Board of Supervisors directed Staff to increase the income threshold for eligibility from "extremely low" and "very low" to the "moderate", to simplify the application process, to increase the direct grant award to \$50,000 to be disbursed in two \$25,000 tranches, and to report back to the Board of Supervisors in September 2021 on the impact of the amendments.

Summary of Request:

Over the last two years, the County of Mendocino has been awarded \$2.7 million from the Cannabis Equity Grants Program for Local Jurisdictions, administered by the Governor's Office of Business and Economic Development (GO-Biz). With this fund, the County developed the Local Equity Entrepreneur Program (LEEP) and in February 2021, opened the application for eligibility.

As of September 29, 2021, the County had approved 25 eligibility applicants, 4 direct grants, 4 fee waivers, and 5 requests for technical assistance. An additional 33 eligibility applicants are under review, as are 8 direct

Item #: 3b)

grants, 9 fee waivers, and 6 requests for technical assistance. A total of 3 applicants have been denied eligibility. The Cannabis Program has held 3 workshops since the Board of Supervisors amended the LEEP in July 2021.

Cannabis community members continue to report challenges with qualifying for eligibility due to the moderate income level threshold. Income thresholds are not a requirement of the State program. Staff recommends eliminating the income threshold from the LEEP eligibility criteria, to eliminate this challenge.

Persons Per Household	1	2	3	4	5	6	7	8
Extremely Low Income	15200	17420	21960	26500	31040	35580	40120	44660
Very Low Income	25350	28950	32550	36150	39050	41950	44850	47750
Low Income	40500	46300	52100	57850	62500	67150	71750	76400
Median Income	49500	56550	63650	70700	76350	82000	87650	93300
Moderate Income	59400	67900	76350	84850	91650	98450	105200	112000

The cannabis community has also brought to our attention that the two tranche plan for awarding direct grants of \$50,000 is problematic. Many of the direct grant applications received thus far are for mitigations and projects that require earth work, which may only be conducted during the dry season (May thru October). The two tranche system requires the awardee to spend the first tranche and provide the receipts to Staff, before being awarded the second tranche. While Staff can award the first tranche immediately, there may not be time for the first tranche to be spent before the State combs back the unspent funds on March 1, 2022, if the direct grant includes earth work that cannot begin until May of 2022. Staff is seeking direction to award up to \$50,000 in a single tranche in an effort to help manage the timeline challenges.

The County of Mendocino currently provides direct grants to eligible equity applicants for the following activities:

- (1) Water storage for irrigation during forbearance periods of surface water diversion required by state or local regulations;
- (2) Remediation and relocation of cannabis facilities located within streamside setbacks required by state or local regulation;
- (3) Installation of solar electrical systems to replace diesel or gasoline generator power for off-grid cannabis facilities where connecting to the grid is economically infeasible.
- (4) Road remediation, watershed mitigation, culverts or infrastructure needed to meet state or local regulations.
- (5) Grants for the purpose of employment skill training for eligible equity participants or seeking employment in licensed cannabis operations in Mendocino County.

However, the cannabis community has expressed the need for funding to support general business development not currently included in the LEEP direct grant criteria. Staff recommends expanding the direct grant criteria to also allow for the following activities:

- (1) Small business support services offering technical assistance or professional services including but not limited to consultants providing technical assistance and support with CEQA analysis and Appendix G development, biological studies, bookkeeping, accounting, legal assistance with entity development, insurance requirements, and required surety bonds.
- (2) Assistance securing business locations prior to or during the application process. This could include rent and/or lease assistance to support those who need to relocate.
- (3) Assistance in required trainings such as Cal OSHA.

Lastly, the Board of Supervisors has not authorized Cannabis Program Staff to enter into an equity grant agreement on behalf of the County. Due to the very short timeline to get LEEP funds out to the community,

Item #: 3b)

Staff is seeking authorization and direction for the Cannabis Program Manager (Director) to execute grant agreements with eligible equity awardees on behalf of the County.

Alternative Action/Motion:

Provide staff with alternate direction.

Supervisorial District: All

vote requirement: Majority

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

Agreement/Resolution/Ordinance Approved by County Counsel: N/A

CEO Liaison: Judy Morris, Deputy CEO

CEO Review: Choose an item.

CEO Comments:

FOR COB USE ONLY

Executed By: Atlas Pearson, Deputy Clerk I

Date: October 5, 2021

Final Status: Approved with Modification





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

October 5, 2021

Re: Item 3b for 10/5/2021: Discussion and Possible Action Regarding Amendments to the County of Mendocino Cannabis Equity Program Including, But Not Limited To, 1) Eliminating the Income Threshold Associated with the Cannabis Equity Program's Eligibility Criteria, 2) Allowing Direct Grant Funds to be Dispersed in a Single Tranche, 3) Expanding the Direct Grant Criteria, and 4) Authorizing and Directing the Cannabis Program Manager (Director) to Execute Grant Agreements with Eligible Equity Awardees on Behalf of the County

Honorable Supervisors,

MCA is sincerely grateful to the MCP for hearing the comments of the community and fast-tracking these important items related to the management of the Equity Program. We support the recommended action, which provides MCP with the tools necessary to more efficiently distribute these essential funds to folks who need them as soon as possible.

While we do agree with eliminating the Income Threshold requirements, we do also believe that those who have applied already and fall under the previous Income Threshold requirements should be given priority access to available Equity funding.

Additionally, we request a full report from Elevate Impact Mendocino on work done to date as far as hours spent on the various tasks identified in their contract. It is our hope that any monies not spent directly on administering the program will be redirected to Equity Applicants.

Thank you for your consideration of these items.

Mendocino Cannabis Alliance

e: info@mendocannabis.com

Dear Supervisors,

The three memos that MCA has compiled are clear doable action items that need your immediate attention. Please keep them in mind as cannabis comes up through the meeting today.

- 1.From the Equity grant edits to make it more in alignment with the original application & opening up the opportunity to more farms.
- 2.To the need for the specifically earmarked money that will help Provisional Licenses to transition to Annual License, in other words the \$18million+ grant writing to happen ASAP.
- 3.To extending the portal date to at least the end of the year... while the bugs in the system are fixed, forms edited, staff hired, etc.

Mendocino County's entire cultivation program could be an Equity program at this point & with another \$18million we could create a thriving network of independently owned cultivation, distribution, retail, micro-business... all to stimulate tourism & taxes! PLEASE SUPPORT SMALL FARMS!

You know by now, it's not all on the applicants, but also the systems that have been faulty since day one. It's convoluted at every turn, a tangled web of over-regulation. But please at least give us a fighting chance. The County & State agencies continue to point fingers at each other. The smallest farms continue to exist in limbo... None of you wants to see us fail, you have said so yourselves. Great! So please take actions that support that. Everyone we know (us included & we were not required to go through the portal, we have a permit) is stuck somewhere along the path to licensing. TIME & MONEY WOULD HELP!

Create a direction that will assist as many of your applicants as possible toward annual state licenses.We are at a critical threshold, your actions now are ultimately responsible for what happens to hundreds of family run businesses, thousands of peoples lives & livelihoods. PLEASE SUPPORT SMALL BUSINESS!

Thank you,

Laura & Marty Clein



October 4th, 2021

Re: Board of Supervisor Meeting 10-5-2021 Agenda Items: 3a and 3b

Dear Honorable Board of Supervisors,

The Covelo Cannabis Advocacy Group appreciates Agenda Items 3a and 3b coming before the Board for consideration. Equity Grants and Local Jurisdiction Program Grant Funding are both such important ways to help our cannabis program applicants and we have provided the following comments in response to these agenda items.

3a) Discussion and Possible Action Regarding the Local Jurisdiction Assistance Program Including: 1) Direction to Staff to Prepare an Application for up to \$18,084,837.00 in Local Jurisdiction Assistance Program Grant Funding 2) Providing Recommendations to Staff on Program Purposes and Uses, and 3) Direction to Staff to Bring a Completed Application Back to the Board of Supervisors on the Consent Calendar for the October 26 or November 9 Meeting of the Board for Review and Approval Prior to Submission (Sponsor: Cannabis)

We support the County preparing an application for the State Grant funding. We believe it will be extremely important for our Cannabis Program to receive this funding, as our current cannabis applicants continue to navigate CEQA compliance. We would like to offer the following recommendations for grant uses:

1. Allow applicants to use grant funding to receive a fee waiver of DCC cannabis application and licensing fees.
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4. Grant funding for assistance in completing LSA projects (such as upgrading culverts)
5. Grant funding for building ponds and water storage such as rainwater catchment systems or water storage tanks
6. Grant funding for Cal-Fire or Local Fire department cannabis

- building fees
- 7. Grant funding to be set aside to create a Best Management Practices Program for Mendocino County, to incentivize best growing practices and regenerative farming
- 8. Fee Waivers for enrolling in the O-Cal certification program
- 9. Fee Waivers for creating an appellation

We support the recommendation to bring this back at the dates requested to ensure the County can meet the State deadline to receive this grant funding and put a program in place.

3b) Discussion and Possible Action Regarding Amendments to the County of Mendocino Cannabis Equity Program Including, But Not Limited To, 1) Eliminating the Income Threshold Associated with the Cannabis Equity Program's Eligibility Criteria, 2) Allowing Direct Grant Funds to be Dispersed in a Single Tranche, 3) Expanding the Direct Grant Criteria, and 4) Authorizing and Directing the Cannabis Program Manager (Director) to Execute Grant Agreements with Eligible Equity Awardees on Behalf of the County (Sponsor: Cannabis)

CCAG supports eliminating the income threshold requirement for the Cannabis Equity Eligibility Criteria since this should have nothing to do with receiving funds. Many cultivators that were severely impacted by the war on drugs have been shut out from applying because they don't meet the income eligibility requirements even with the recent Board direction to lower the income threshold. We do believe that this grant should be based on how an applicant was affected by the war on drugs, not on how much money they are making currently. If this criteria changes, we want to be sure that priority is given to those that have experienced the greatest impacts from the war on drugs.

We support the disbursement of the funding into 1 tranche, however we have concerns for how it may impact applicants that applied under the lower income thresholds. The direct grant will impact other services such as medi-cal or food stamp programs for those in the lower income thresholds, since the grant will have to be reported as taxable income on an applicant's tax filings and could jeopardize their eligibility for health care etc. This is unfortunate since grant funding is not direct cash, it MUST be spent on very specific things for their cannabis business. By creating 2 installments of payments, this can help with tax filings for some applicants and CCAG requests that the ability to provide the payments in 2 tranches still be made available to those in the lower income brackets. We also understand that the funding must be spent by a certain time and if the ability to award

applicants this funding rests on being able to issue the funding in 1 tranche rather than 2, CCAG supports this to move forward.

CCAG supports expanding the Direct Grant criteria. Currently it only includes funding for the following:

- Budget
- Regulatory Compliance
- Capital Improvement
- Fixtures or Equipment
- Training and Retention of Workforce

If the Board is to consider expanding the criteria, CCAG recommends expanding the list to include:

- Fire suppression
- Bookkeeping and tax filing fees
- Consultant fees to prepare Appendix G applications

CCAG supports more assistance for expediting grant awards and if this can be achieved by appointing the Cannabis Program Manager to participate in this role, we support it.

We would like to also highlight that there are currently some errors on the Elevate Impact website when applying for Direct Grants. There is no way to upload supporting documents or budget spreadsheets. We hope the Board can direct Staff to work with the Equity Grant administrators to fix these issues so that applicants can easily upload documents and ensure a streamlined process.

Thank you for the opportunity to provide comments on these agenda items.

Sincerely,

Monique Ramirez
for the Covelo Cannabis Advocacy Group

RStudio

```

1 library(readxl)
2 2020Cannabis <- read_excel("Documents/2020Cannabis.xlsx", skip = 3)
3 View(2020Cannabis)
4
5 dfdata = data.frame(2020Cannabis)
6 permit_paid <- aggregate(x = dfdata$Total.Paid, by = list(dfdata$Reference..), FUN = sum,
7 hist(permit_paid$x, col="lightblue", breaks=100, xlab="Dollars per Year", main="2020 Mendocino Cannabis Cultivation Reported Revenue")
8
9 gross_receipts <- aggregate(x = dfdata$Gross.Receipts, by = list(dfdata$Reference..), FUN = sum, na.rm=TRUE, na.action=NULL)
10 hist(gross_receipts$x, col="blue", breaks=100, xlab="Dollars per Year", main="2020 Mendocino Cannabis Cultivation Reported Revenue")
11 table(dfdata$Status)
12
13 colSums(gross_receipts == 0)
14
15
16

```

Environment History Connections Tutorial

R - Global Environment

\$ Type	: chr [1:6528]	"GR - Cultivator Type 1" "GR - Cultivator Type 1" "GR - ...
\$ TaxYear	: num [1:6528]	2020 2020 2020 2020 2020 2020 2020 2020 2020 2020 ...
\$ Period	: num [1:6528]	NA 1 2 3 4 4 NA 1 2 3 ...
\$ Supp/True UP	: num [1:6528]	NA 0 0 0 0 1 NA 0 0 0 ...
\$ Status	: chr [1:6528]	NA "Paid" "Paid" "Filed" ...
\$ Gross Receipts	: num [1:6528]	NA 49916 3150 0 0 ...
\$ Tax	: num [1:6528]	NA 1247.9 78.8 0 0 ...
\$ Penalty	: num [1:6528]	NA 0 0 0 0 NA 0 0 0 ...
\$ Interest	: num [1:6528]	NA 0 0 0 0 NA 0 0 0 ...

Files Plots Packages Help Viewer

Zoom Export Publish

2020 Mendocino Cannabis Cultivation Reported Revenue (by Supervisor Ted Williams, unverified by County staff)

Frequency

Dollars per Year

16.1 (Top Level) R Script

```

(R 3.6.2 -)
110 Cannabis Cultivation Tax Revenue\n(b) Supervisor Ted Williams, unverified by County staff")
> gross_receipts <- aggregate(x = dfdata$Gross.Receipts, by = list(dfdata$Reference..), FUN = sum, na.rm=TRUE, na.action=NULL)
> hist(gross_receipts$x, col="blue", breaks=100, xlab="Dollars per Year", main="2020 Mendocino Cannabis Cultivation Reported Revenue\n(b) Supervisor Ted Williams, unverified by County staff")
> table(dfdata$Status)

```

Filed	Inactive	Not Filed	Paid
2106	182	1663	1439

1663 quarterly and/or annual tax reports not filed?

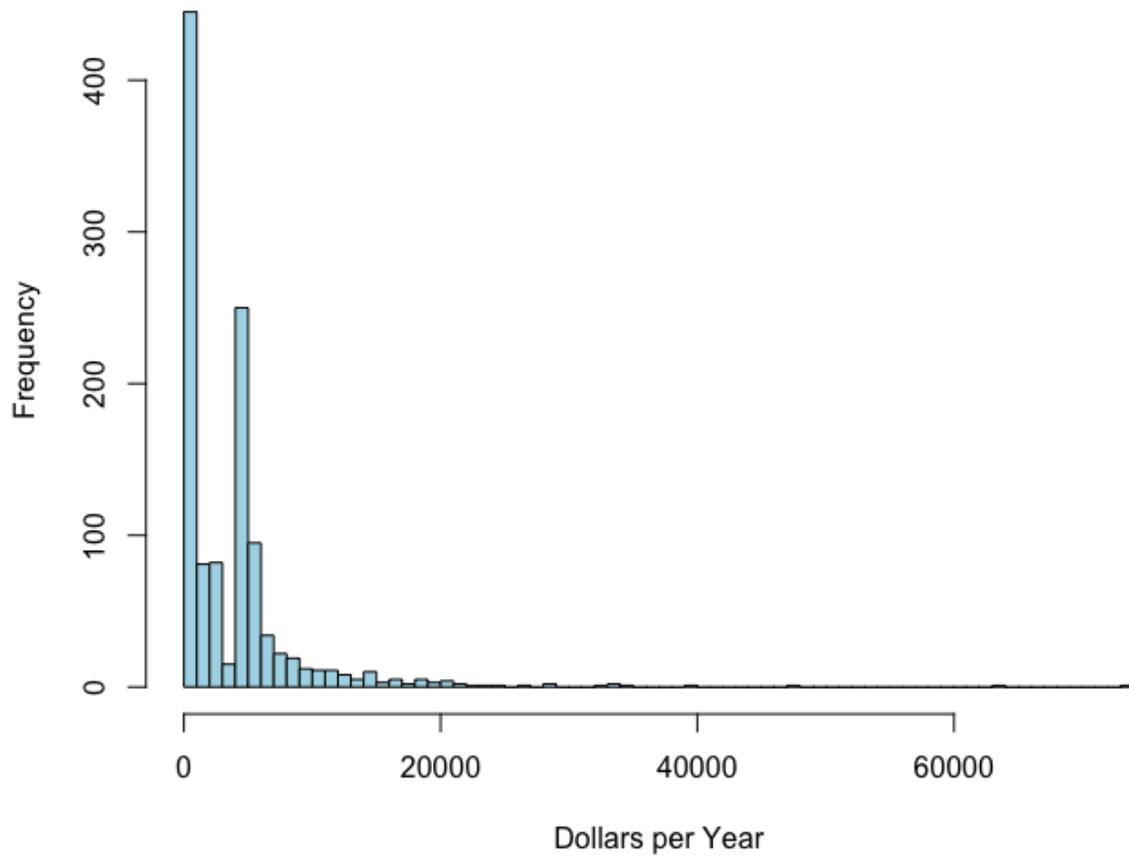
```

> colSums(gross_receipts == 0)
Group.1
0      728

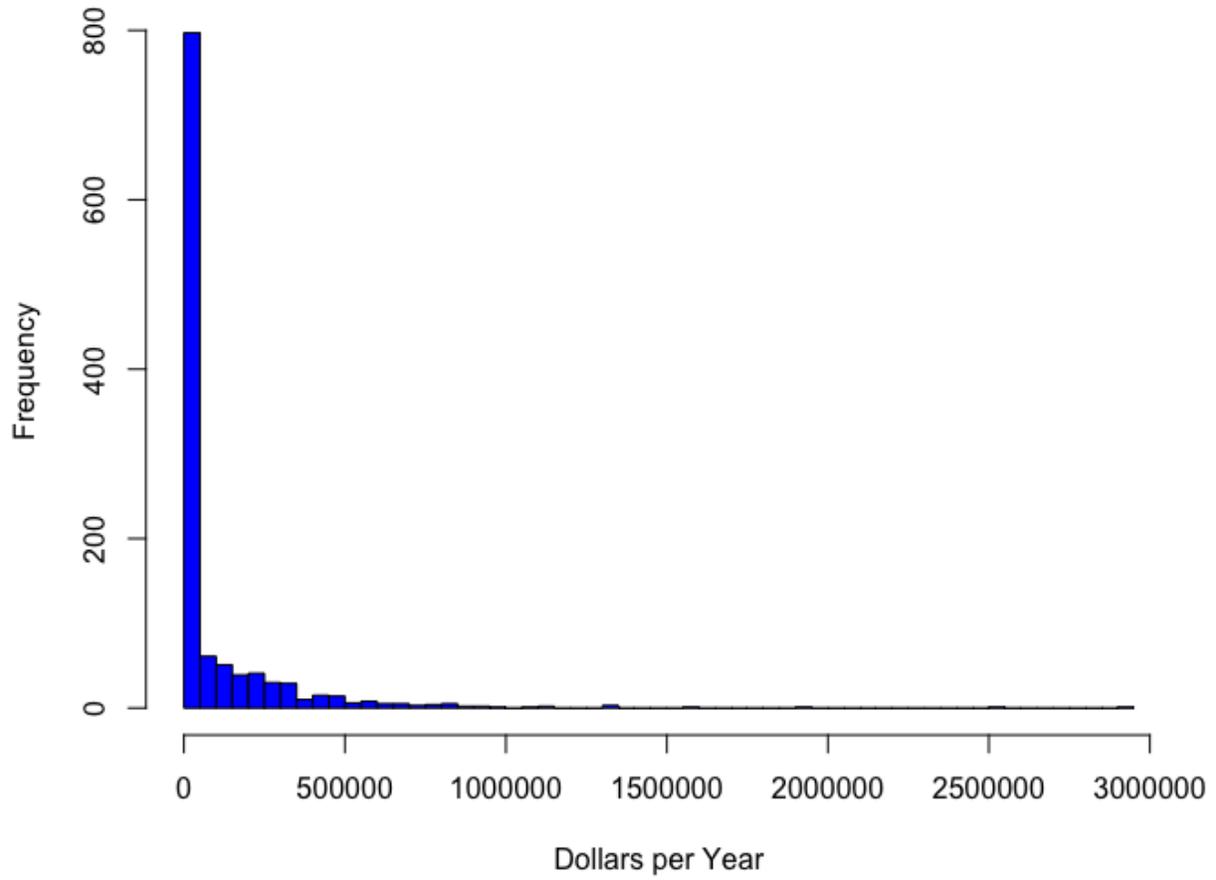
```

63% of cultivators reported 0 revenue in 2020?

**2020 Mendocino Cannabis Cultivation Tax Received
(by Supervisor Ted Williams, unverified by county staff)**



**2020 Mendocino Cannabis Cultivation Reported Revenue
(by Supervisor Ted Williams, unverified by county staff)**



Hi BOS,

Imagine for a few moments what the cannabis program would look like if you supported small cannabis farmers.

Phase I Legacy farmers could use your support. They're up to big things. Things that benefit the county. Now is the time for BOS to support legacy farmers, even if you haven't in the past.

Today is the day to begin.

Please consider changing negative talk into positive talk regarding Phase I.

I align with the MCA memos. Please read them again and make history today with your votes.

I align with the CCAG memo. Please read it again, and make history today with your votes.

*It's acceptable to submit paperwork up until the last day of a deadline.

If a legacy farmer submits their application and supporting paperwork **any time** the portal is open, including the last day, they should be treated/reviewed **exactly the same** as the farmer who submitted their application on the first day.

*There are deadlines for the submission of the grants. Please adjust the cannabis program's schedule accordingly to complete the paperwork for the grants before the deadline expires.

***BOS, please begin to lobby the state for small growers (under 10,000 sq ft gardens) to sell direct-to-consumers.** Your voices are important.

We're all worthy of lives filled with joy.

Thank you,

Marnie Birger

John Haschak. You've been a stellar voice for the people and a voice of reason. We appreciate you.



Mendocino County Board of Supervisors Agenda Summary

Item #: 4a)

To: Board of Supervisors

From: Sheriff-Coroner Supervisor McGourty

Meeting Date: October 5, 2021

Department Contact: Matthew Kendall

Phone: 463-4085

Department Contact: Supervisor McGourty

Phone: 463-4441

Item Type: Regular Agenda

Time Allocated for Item: 2 Hours

Agenda Title:

Discussion and Possible Action Including Receiving a Workshop Presentation from the Sheriff's Office on the Annual Budget of the Sheriff-Coroner's Office (BU 2310)
(Sponsor: Sheriff-Coroner and Supervisor McGourty)

Recommended Action/Motion:

Receive a workshop presentation from the Sheriff's Office on the annual budget of the Sheriff-Coroner Office (BU 2310).

Previous Board/Board Committee Actions:

None.

Summary of Request:

An overview of the annual budget of the Sheriff-Coroner's Office (BU 2310) will be presented with the goal of creating a better understanding for the Board of Supervisors. The presentation will include descriptions of major revenues and expenditures, how they are projected and reported, and what are the conditions in which overages may occur. Funding sources including the general fund and special grants will be identified.

Alternative Action/Motion:

Return to staff for alternative handling.

How Does This Item Support the General Plan? N/A

Supervisorial District: All

vote requirement: Majority

Supplemental Information Available Online At: n/a

Fiscal Details:

source of funding: 2310

budgeted in current f/y: N/A

Item #: 4a)

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

if no, please describe:
revenue agreement: N/A

Agreement/Resolution/Ordinance Approved by County Counsel: N/A

CEO Liaison: Cherie Johnson, Deputy CEO

CEO Review: Choose an item.

CEO Comments:

FOR COB USE ONLY

Executed By: Atlas Pearson, Deputy Clerk I

Final Status:**No Action Taken**

Date: October 5, 2021



Mendocino County Sheriff's Office Budget Unit 2310 Workshop

Presentation by: Juanita Dreiling, MCSO Fiscal Manager

October 5, 2021

FISCAL YEAR 2021-2022



Sheriff's Office BU 2310 Budget

Table of Contents:

- ▶ Slide 3 – Overview of BU 2310 Budget Development
- ▶ Slide 4 - Sheriff's Office Revenues
- ▶ Slide 5 – Sheriff's Office Revenue Accounts (Chart)
- ▶ Slide 6 – Sheriff's Office Expenses
- ▶ Slide 7 – Sheriff's Office Expenses 1000 Series (Salaries)
- ▶ Slide 8 – BU 2310 Salaries (Chart)
- ▶ Slide 9 – Sheriff's Office Expenses 1000 Series (Salaries) Variable Factors
- ▶ Slide 10 – Sheriff's Office Expenses 2000 Series
- ▶ Slide 11 – Sheriff's Office Expenses 2000 Series (Chart)
- ▶ Slide 12 – Sheriff's Office Expenses 4000 Series
- ▶ Slide 13 – Sheriff's Office BU 2310 Totals
- ▶ Slide 14 – Sheriff's Office Grants
- ▶ Slide 15 – Sheriff's Office FY 2021-22 Projected Awards

MCSO BU 2310 Fiscal Year 2021/22 Budget Development

The development of the Sheriff's budget this year included an in-depth examination of many different factors. In order to estimate County cost for maintaining Sheriff's BU 2310, fiscal staff examined two main areas:

1. The amount of **revenues** (or credits) that will likely be received into the Sheriff's budget.
2. The amount of **expenses** (or debits) that will likely be coming out of the Sheriff's budget.

Methodologies

The methodologies involved in making budget projections vary, depending on the nature of a given revenue or expense. For example, a revenue can be based on legislation (sales taxes), but it can also be based on things like set fees for service (fingerprinting). One is dependent on the economy and the other on demand for service.

One of the best indicators of future revenues/expenses is recent past actual year-end totals. COLAs and unusual trends, such as emergencies, changes in legislation, etc., must also be factored into any projection. Budgeting is not an exact science. We use the most reliable information available at the time the budget is being drafted to project the budget.

Sheriff's Office BU 2310 Revenues

- ▶ As shown in more detail in the next slide, the Sheriff's Office receives a modest assortment of revenues from various sources, including but not limited to:
 - ▶ The State
 - ▶ Fees for Permits and Services
 - ▶ Warrants
 - ▶ Court Fines and Penalties
 - ▶ The Federal Government
 - ▶ Other Agencies
 - ▶ Donations
 - ▶ Grants (discussed separately)

SO/2310 Revenue Accounts

Line Item	Description	FY18/19 Budgeted	FY18/19 Actuals	FY19/20 Budgeted	FY19/20 Actuals	FY20/21 Budgeted	FY20/21 Actuals	FY21/22 Budgeted	FY21/22 YTD Actuals
821510	Sales Tax - Public Safety	\$ (3,198,741.00)	\$ (3,359,234.06)	\$ (3,375,050.00)	\$ (3,250,045.69)	\$ (3,454,000.00)	\$ (3,841,553.92)	\$ (4,495,167.00)	\$ (365,151.23)
822600	Other Permit	\$ (500.00)	\$ (930.00)	\$ (500.00)	\$ (830.00)	\$ (500.00)	\$ (940.00)	\$ (500.00)	\$ (37.50)
822601	Gun Permit	\$ (50,000.00)	\$ (61,228.97)	\$ (50,000.00)	\$ (48,815.29)	\$ (56,000.00)	\$ (62,125.51)	\$ (56,000.00)	\$ (4,474.87)
823110	Criminal Justice Construct Fund	\$ (150,000.00)	\$ (145,000.00)	\$ (150,000.00)	\$ (140,000.00)	\$ (150,000.00)	\$ (104,000.00)	\$ (150,000.00)	\$ -
823130	Warrant System	\$ (1,000.00)	\$ (2,396.48)	\$ (2,000.00)	\$ (986.24)	\$ (1,000.00)	\$ (456.27)	\$ (1,000.00)	\$ (44.86)
823204	Misc Court Fine	\$ (125,000.00)	\$ (13,310.59)	\$ (125,000.00)	\$ (36,625.93)	\$ (12,000.00)	\$ (62,915.95)	\$ (10,000.00)	\$ (5.10)
823210	Fine Judicial District	\$ -	\$ (28.23)	\$ -	\$ (45.62)	\$ -	\$ (70.72)	\$ -	\$ (1.49)
823300	Forfeiture & Penalty	\$ -	\$ (167.72)	\$ -	\$ (521.39)	\$ -	\$ (38,690.01)	\$ (10,000.00)	\$ -
823310	Asset Forfeiture	\$ (57,000.00)	\$ (49,500.00)	\$ (150,000.00)	\$ (117,624.56)	\$ -	\$ -	\$ -	\$ -
825344	2011 Realignment Public Safety	\$ (1,606,525.75)	\$ (1,667,152.64)	\$ (1,608,195.00)	\$ (1,673,477.19)	\$ (1,840,034.00)	\$ (1,651,362.65)	\$ (1,699,144.00)	\$ -
825398	SB90 Reimbursement	\$ -	\$ -	\$ -	\$ (26,198.00)	\$ -	\$ (24,115.00)	\$ -	\$ -
825490	State Other	\$ (875,000.00)	\$ (622,002.61)	\$ (885,000.00)	\$ (575,880.97)	\$ (805,000.00)	\$ (560,163.00)	\$ (742,253.00)	\$ (31,915.27)
825670	Federal Other Revenue	\$ (25,000.00)	\$ (82,532.18)	\$ (27,912.00)	\$ (23,195.99)	\$ (11,000.00)	\$ (9,234.82)	\$ (11,000.00)	\$ (300.00)
826223	Civil Fee Sheriff	\$ (100,000.00)	\$ (78,587.48)	\$ (100,000.00)	\$ (61,772.66)	\$ (80,000.00)	\$ (55,630.36)	\$ (61,000.00)	\$ (990.48)
826242	Domestic Animal Control Contra	\$ (22,000.00)	\$ (22,000.00)	\$ (22,000.00)	\$ -	\$ -	\$ (22,000.00)	\$ (22,000.00)	\$ (22,000.00)
826250	Law Enforcement Services	\$ (160,000.00)	\$ (102,333.99)	\$ (160,000.00)	\$ (183,563.01)	\$ (160,000.00)	\$ (128,988.50)	\$ (100,000.00)	\$ (16,706.96)
826254	Pt. Arena Contract Sheriff's Svcs	\$ (100,000.00)	\$ (91,666.63)	\$ (100,000.00)	\$ (99,999.96)	\$ (100,000.00)	\$ (108,333.00)	\$ (100,000.00)	\$ (24,999.99)
826258	Restitution	\$ -	\$ (25,750.00)	\$ -	\$ (33,000.00)	\$ -	\$ (144,625.00)	\$ (10,000.00)	\$ -
826390	Other Charges	\$ -	\$ (14,427.85)	\$ -	\$ (14,614.11)	\$ -	\$ (15,520.78)	\$ (500.00)	\$ (1,552.00)
827600	Other Sales	\$ -	\$ (13,663.02)	\$ -	\$ (3,760.43)	\$ -	\$ (1,991.92)	\$ (500.00)	\$ (184.00)
827700	Other	\$ -	\$ (24,290.77)	\$ -	\$ (1,367.25)	\$ -	\$ (1,400.00)	\$ -	\$ (100.00)
827707	Donation	\$ -	\$ (1.00)	\$ -	\$ -	\$ -	\$ (677.00)	\$ -	\$ -
		\$ (6,470,766.75)	\$ (6,376,204.22)	\$ (6,755,657.00)	\$ (6,292,324.29)	\$ (6,669,534.00)	\$ (6,834,794.41)	\$ (7,469,064.00)	\$ (468,463.75)

Sheriff's Office BU 2310 Expenses

- ▶ Primary expenses associated with operating the Sheriff's Office are:
 - ▶ Salaries and benefits
 - ▶ Supplies
 - ▶ Training
 - ▶ Equipment and maintenance
 - ▶ Information technology
 - ▶ Contracts
 - ▶ Vehicles and vehicle equipment

Sheriff's Office BU 2310 Expenses – 1000 Series (Salaries)

- ▶ A regular salary and benefit projection for funded filled positions is provided to the Sheriff's Office from the Auditor each year for budget purposes.
- ▶ Budgeted salary expenses include regular salaries, overtime, extra-help and associated benefits/employer contributions for Sheriff's Office law enforcement positions:
 - ▶ Deputies
 - ▶ Courtroom Bailiffs
 - ▶ Command staff (Sheriff, Undersheriff, etc.)
 - ▶ Dispatchers
 - ▶ Detectives/Investigators
 - ▶ Evidence staff
 - ▶ Records staff
 - ▶ Front office staff
 - ▶ Professional Standards Bureau
 - ▶ Sheriff's IT staff
 - ▶ Fiscal staff

BU 2310 1000 Series Salary Expenses									
<u>ORG</u>	<u>OBJ</u>	<u>ACCOUNT DESCRIPTION</u>	<u>18/19 FY BUDGET</u>	<u>18/19 FY ACTUALS</u>	<u>19/20 FY BUDGET</u>	<u>19/20 FY ACTUALS</u>	<u>20/21 FY BUDGET</u>	<u>20/21 FY ACTUALS</u>	<u>21/22 FY ADOPTED</u>
SO	861011	SALARIES	8,290,919	7,819,917	8,442,664	8,016,274	8,151,273	8,187,497	8,998,748
SO	861012	EXTRA HELP	95,761	439,645	213,083	430,628	75,000	386,005	250,000
SO	861013	OVERTIME	313,221	1,424,811	650,000	1,648,601	750,000	2,089,078	1,161,185
SO	861021	CO CONT RETIRE	3,640,868	3,483,142	3,790,339	3,706,320	4,154,077	3,953,925	5,043,813
SO	861022	OASDI	526,815	540,510	493,452	570,523	522,549	590,565	547,193
SO	861023	SDI MC	123,696	135,524	115,797	141,266	123,806	150,753	129,633
SO	861024	CO CONT R- COLA	1,899,310	1,811,286	1,618,757	1,593,811	1,525,753	1,435,095	1,327,457
SO	861030	CO CONT HEALTH	770,580	776,032	1,150,100	1,015,536	1,068,120	1,000,653	1,093,551
SO	861031	CO CONT UNEMPLOYMENT INSURANCE	12,689	12,742	10,999	10,999	10,254	10,254	11,374
SO	861035	CO CONT WORKERS COMPENSATION I	1,169,805	1,169,939	1,121,832	1,121,832	1,177,170	1,177,170	1,074,869
		TOTAL 1000 SERIES	16,843,665	17,613,548	17,607,023	18,255,791	17,558,002	18,980,995	19,637,823

Sheriff's Office BU 2310 Expenses – 1000 Series (Salaries)

- ▶ Some factors that may have an impact on budgeted salary expenses include:
 - ▶ Cost of Living Allowances (COLAs) provided for in labor agreements
 - ▶ Market study parity implementations
 - ▶ Premium pay and incentives
 - ▶ Changes to employer portion of state and federal contributions
 - ▶ Increases or decreases in employer paid portion of health benefits
 - ▶ Worker's compensation rates
 - ▶ Personnel transactions (such as new hires, promotions, reclassifications, retirements, and terminations)
 - ▶ Ability to recruit, hire and retain qualified staff
 - ▶ Vacant positions
 - ▶ Emergencies, trainings, and other events requiring staff to work overtime/backfill
 - ▶ Court mandates
 - ▶ Changes to retirement plan contributions

Sheriff's Office BU 2310 Expenses – 2000 Series

- ▶ Budgeted expenses for services and supplies include:
 - ▶ Law enforcement related services and supplies
 - ▶ Office expenses and supplies
 - ▶ Communications and data
 - ▶ Communications microwaves
 - ▶ Utilities
 - ▶ General insurance
 - ▶ Equipment maintenance
 - ▶ Medical and dental services (autopsies and exams)
 - ▶ Education and training
 - ▶ Professional and specialized services
 - ▶ Publications and legal notices
 - ▶ Rents for buildings and equipment
 - ▶ IT equipment, technology, supplies and software
 - ▶ Transportation and travel
 - ▶ Memberships

BU 2310 2000 Series Expenses

Line Item	Description	FY18/19 Budgeted	FY18/19 Actuals	FY19/20 Budgeted	FY19/20 Actuals	FY20/21 Budgeted	FY20/21 Actuals	FY21/22 Budgeted	FY21/22 Actuals
862050	Clothing & Personal Items	\$ 3,000	\$ 395	\$ 3,000	-	\$ 1,500	-	\$ 1,000	-
862060	Communications	\$ 135,000	\$ 182,133	\$ 135,000	\$ 195,846	\$ 190,000	\$ 210,481	\$ 197,000	\$ 36,699
862062	Communications Microwave	-	-	-	-	-	-	\$ 367,595	-
862101	Insurance-General	\$ 195,650	\$ 195,814	\$ 210,998	\$ 217,184	\$ 162,706	\$ 162,706	\$ 212,582	-
862120	Maintenance Equip	\$ 178,450	\$ 38,266	\$ 178,450	\$ 25,069	\$ 35,000	\$ 75,841	\$ 40,000	\$ 4,125
862150	Memberships	\$ 20,000	\$ 7,951	\$ 20,000	\$ 8,332	\$ 20,000	\$ 7,766	\$ 20,000	\$ 40
862170	Office Expense	\$ 110,000	\$ 86,060	\$ 110,000	\$ 144,995	\$ 85,000	\$ 110,867	\$ 85,000	\$ 17,391
862185	Medical & Dental Svcs	\$ 400,000	\$ 302,958	\$ 400,000	\$ 522,185	\$ 350,000	\$ 862,408	\$ 750,000	\$ 149,798
862187	Education & Training	\$ 215,000	\$ 144,330	\$ 211,500	\$ 129,082	\$ 211,500	\$ 83,789	\$ 150,000	\$ 26,760
862189	Prof & Spec Svcs - Other	\$ 383,253	\$ 386,542	\$ 190,627	\$ 339,663	\$ 286,717	\$ 396,398	\$ 429,840	\$ 97,259
862190	Publ & Legal Notices	-	-	-	\$ 42	-	\$ 361	\$ 500	-
862200	Rnts & Leases-Equipment	-	\$ 1,797	\$ 2,000	-	\$ 1,000	-	\$ 1,000	-
862210	Rnts & Leases-Bld Grd	\$ 32,736	\$ 32,736	\$ 32,736	\$ 32,736	\$ 30,336	\$ 28,896	\$ 35,000	\$ 10,592
862230	Info Tech Equip	\$ 350,555	\$ 224,640	\$ 350,555	\$ 285,127	\$ 441,137	\$ 351,637	\$ 445,000	\$ 8,492
862232	Law Enforcement Supplies & Services	\$ 464,443	\$ 284,631	\$ 469,341	\$ 217,605	\$ 385,359	\$ 335,853	\$ 375,000	\$ 25,279
862239	Spec Dept Exp	\$ 50,000	\$ 44,770	\$ 50,000	\$ 53,107	\$ 60,000	\$ 51,154	\$ 55,000	\$ 1,692.
862250	Transportation & Travel	\$ 630,000	\$ 635,208	\$ 630,000	\$ 761,402	\$ 755,000	\$ 654,352	\$ 765,000	-
862253	Transportation & Travel-Out of County	-	\$ 10,910	\$ 10,000	\$ 1,592	\$ 10,000	\$ 1,291	\$ 8,000	-
862260	Utilities	\$ 15,000	\$ 14,384	\$ 15,000	\$ 10,783	\$ 15,000	\$ 15,682	\$ 16,200	\$ 1,885
	TOTAL 2000 SERIES	\$ 3,183,087	\$ 2,593,531	\$ 3,019,207	\$ 2,944,754	\$ 3,040,256	\$ 3,349,486	\$ 3,953,717	\$ 380,013

Sheriff's Office BU 2310 Expenses – 4000 Series

- ▶ Budgeted expenses for structures and improvements/equipment typically include:
 - ▶ Facility modifications
 - ▶ Currently we have a men's locker room door relocation project that is unfunded
 - ▶ There is a fiber optic and rewire project in the works that BU 2310 may cost share
 - ▶ The Sheriff's Office has no other improvements or structural purchases planned
 - ▶ Equipment
 - ▶ Vehicles (Patrol and other law enforcement related vehicles)
 - ▶ Equipment/technology for vehicles (vehicle outfitting, mobile data terminals, etc.)
 - ▶ Radios (current cost per unit exceeds fixed asset threshold)
 - ▶ IT and technology related equipment that exceeds the fixed asset threshold (over \$5,000 per item and useful life of more than one year)
 - ▶ Example: Livescan machines, network switches, servers, videoconferencing equipment critical to operations

Sheriff's Office BU 2310 Totals



Adopted BU 2310

REVENUE = (\$7,469,064)

- 1000 SERIES \$19,637,823
 - Salaries = \$8,998,748
 - Extra Help = \$250,000
 - Overtime = \$1,161,185
 - Benefits = \$8,141,647
 - Unemploy Ins = \$11,374
 - Worker's Comp = \$1,074,869
- 2000 SERIES = \$3,953,717
 - Contracts/Supplies/etc.
- 4000 SERIES = \$3,000
 - Vehicles/Equipment

NCC BU 2310 = \$16,125,476

Revised BU 2310 w/PG&E funds in 4000s

REVENUE = (\$7,469,064)

- 1000 SERIES \$19,637,823
 - Salaries = \$8,998,748
 - Extra Help = \$250,000
 - Overtime = \$1,161,185
 - Benefits = \$8,141,647
 - Unemploy Ins = \$11,374
 - Worker's Comp = \$1,074,869
- 2000 SERIES = \$3,953,717
 - Contracts/Supplies/etc.
- 4000 SERIES = \$1,386,110
 - Vehicles/Equipment

NCC BU 2310 = \$17,511,586

- Quarterly Budget Reports are submitted to the Executive Office.
- Any line item variance of 5% or more must be explained on budget narratives accompanying quarterly reports.

MCSO Grants

- ▶ **Budget Unit 0450 – Justice Assistance – Federal**
 - ▶ Provides critical funding necessary to support a range of program areas including law enforcement, crime prevention and education, technology improvement.
- ▶ **Budget Unit 0466 – DEA COMMET – Federal**
 - ▶ Domestic Cannabis Suppression / Eradication Program assistance allows the enhancement of illicit marijuana eradication enforcement activities in Mendocino County.
- ▶ **Budget Unit 0474 – Cal MMET – State**
 - ▶ Allocated funds by the State for law enforcement activities concerning methamphetamine investigations.

Fiscal Year 2021-22 Projected Awards

- ▶ **Budget Unit 0450 – Justice Assistance – Federal**

- ▶ \$42,544

- ▶ \$26,388 – PPE Purchase

- ▶ \$16,156 – Technology improvement program for patrol deputies

- ▶ \$150,000 (Competitive grant, application pending review)

- ▶ Resident Deputy Pay Incentive Plans

- ▶ **Budget Unit 0466 – DEA COMMET**

- ▶ \$230,000

- ▶ County of Mendocino Marijuana Enforcement Team (COMMET) program expenses such as leases, equipment, and law enforcement supplies & services.

- ▶ **Budget Unit 0474 – Cal MMET**

- ▶ \$133,155

- ▶ Methamphetamine related expenses such as body scanners and Task Force OT