



Mendocino County Cannabis Department Deliverables

DATE: June 26, 2024
TO: Mendocino County General Government Committee
FROM: Mendocino County Cannabis Department
RE: Monthly Activity Report – May 2024

Mendocino County Cannabis Department Mission Statement

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

Department Priorities

The Mendocino County Cannabis Department (“MCD”) has identified the following priorities via Board of Supervisor (“BOS”) directives. These priorities are beyond the normal duties required for normal business operations and does not represent the entirety of all assigned objectives.

Planning

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

Administration

Staff Support
Process Management
Fiscal and Budget
Grant Management
PRAs

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

MCD Activity

The total workload of MCD is best reflected by the following two primary data sets:

Active Commercial Cannabis Cultivation Applications submitted to MCD: 146

Active Commercial Cannabis Cultivation Business Licenses (“CCBL”) issued by MCD ¹ :	537
Total:	683

May Breakdown

CCBL Renewals issued:	14
CCBL Phase I and I Initial issuance:	23
CCBL Phase III Initial issuance:	1
CCBL Withdrawn:	8
CCBL Denial:	4
Total number of CCBLs processed for the month:	50
Total number of modifications processed for the month:	1
Total number of reassignments processed for the month:	7

2024 YTD Total CCBLs issued:	206
2024 YTD Total CCBLs denied or withdrawn:	135

Issued MCD CCBL Status

When a CCBL application meets all required criteria and is approved by MCD it becomes an issued CCBL. Issued CCBLs are renewed annually and require a state license issued by the Department of Cannabis Control (“DCC”) to actively cultivate cannabis. The main objective is for all applicants and licensees to have an issued county CCBL as well as an annual state license. All provisional CCBLs have a December 31, 2024, deadline for transition to annual.

Active Commercial CCBLs issued by MCD

MCD Issued License with DCC (Annual):	23
MCD Issued License with DCC (Provisional):	481
MCD Issued without DCC:	33
TOTAL:	537

Annual 2024 MCD CCBL Renewals (Applies to the issued licenses above)

Renewals Issued YTD:	75
Renewals pending (waiting for review by staff):	72

¹ Renewals are accounted for within the Issued Licenses data set.

Mendocino County Approximate Square Footage²

To showcase issued and under review CCBLs in a different way, please see the approximate amount of square footage that **could** be grown in Mendocino County, **if** everyone cultivated the maximum square footage they were issued or under review for below. Please note actual cultivation in Mendocino County will not equal the approximations by license type below due to site plan limitations, fallowing and applicants without a valid DCC license.

Approximate total of issued square footage for cultivation: 5,723,000

CCBL Subtype	Number Issued	Approx. Sq. Ft.
1	59	295,000
2	372	3,720,000
4	74	1,628,000
C	32	80,000

Approximate total of under-review square footage for cultivation: 1,494,000

CCBL Subtype	Number Under Review	Approx. Sq. Ft.
1	13	65,000
2	103	1,030,000
4	17	374,000
C	10	25,000

MCD CCBL Applications

Information regarding current "under review" applications is as follows:

Review Data

Number of Under Review Applications assigned to contract planners:	56
Number of Under Review Renewals assigned to contract planners:	36
Number of Under Review Applications assigned to MCD planners:	90
Number of Under Review Renewals assigned to MCD planners:	37

Site Inspections

Number of Inspections Completed Month of May: 23

- On-site: 19
- Virtual: 4

Miles Traveled Month of May: 711

² "Type 1" (5,000) square feet of total plant canopy - for medium outdoor, indoor, or mixed light cultivation
"Type 2" (10,000) square feet of total plant canopy - for large outdoor, indoor, or mixed light cultivation
"Type 4" (22,000) square feet of total plant canopy for the cultivation of cannabis nursery stock and/or seed production
"Type C" (2,500) square feet of total canopy - for small outdoor, indoor, or mixed light cultivation

Is MCD on track?

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

- Internal staff will focus on Phase III applications, site inspections, renewals, and applications with no DCC provisional licenses, and applications with an annual license.
- Contract planners are focused on under-review applications with expiring DCC provisional licenses by order of expiration and renewals with a DCC provisional license as a condition of the contract planner funding source, the Local Jurisdiction Assistance Grant Program (“LJAGP”). As a part of their review, contract planners will assist with applicable Administrative Permits (“AP”), and essential Accela input.

Department Log Jams

Administrative Permits (“APs”)

APs may be required from Planning and Building Services due to zoning or setback reduction discovered during the Department’s review of the CCBL application. If a Bio Survey is deemed necessary during the AP review process, there may be a delay in processing due to the blooming season and the CCBL application will not be able to be completed prior to the DCC’s deadline of December 31, 2024.

Total Number of APs Under Review:	31
Total Number of APs out for CDFW Referral:	1
Total Number of APs on hold due to Tree Removal:	1
Sites Identified as needing an AP with no application submitted to Planning:	11
Total Number of APs issued YTD:	20

Compliance Plans

Per 10A.17.100(C)(1) Failure by applicant to agree in writing to a required compliance plan shall be grounds for denial of the CCBL. Applicants must sign their compliance plan/CCBL affidavit prior to issuance.

Total number of applicants with unsigned compliance plans pending issuance: 2

California Department of Fish and Wildlife (“CDFW”)

The Department is currently working with CDFW to ensure applications deemed not less than significant are prioritized in CDFW review.

Number of Application Referrals with a CDFW Response Pending: 55

Environmental Review

Environmental Impact Report (“EIR”):

The Draft Environmental Impact Report (“DEIR”) for the Proposed Licensing of Commercial Cannabis Cultivation in Mendocino County became available for review on May 3, 2024. The 45-day comment period is now open, extending from Friday, May 3, 2024, to Monday, June 17, 2024, at 5:00 pm.

DCC is the Lead Agency for the preparation and review of the DEIR for the Licensing of Commercial Cannabis Cultivation in Mendocino County (project). The project will apply to unincorporated areas of the County outside of the coastal zone.

The EIR will programmatically evaluate the impacts of the DCC’s annual licensing of such provisionally licensed commercial cannabis operations in the County, as well as the environmental impacts of future licensed commercial cannabis operations. The DCC has prepared a DEIR pursuant to the California Environmental Quality Act (CEQA) to evaluate the environmental impacts of these proposed license actions. The DEIR analyzes impacts in the areas of Aesthetics, Agriculture and Forestry Resources, Air Quality, Archaeological, Historical, and Tribal Cultural Resources, Biological Resources, Energy, Geology, Soils, and Mineral Resources, Greenhouse Gas Emissions and Climate Change, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise and Vibration, Public Services and Recreation, Transportation, Utilities and Service Systems, Wildfire, Cumulative Impacts, and Other CEQA-Required Analysis. Significant impacts are identified in the following areas: odors, historic resources, biological resources, greenhouse gas emissions, construction vibration, wildfire, and cumulative effects.

In compliance with CEQA Guidelines section 15087(c)(6), the lists specified under Government Code section 65962.5.5 related to hazardous waste conditions for known hazardous material and contamination sites in the unincorporated area of Mendocino County is disclosed in the DEIR. To review the DEIR and all documents incorporated by reference, please visit: [The Licensing of Commercial Cannabis in Mendocino County Project Environmental Impact Report - Department of Cannabis Control](#)

Applicants with questions regarding their individual EIR process should direct questions to licensing@cannabis.ca.gov.

Local Equity Entrepreneur Program (“LEEP”) Grant

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

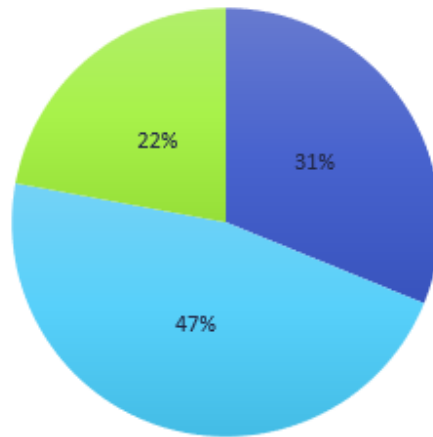
The Department has distributed \$5,125,531.55 in LEEP funding to verified local equity applicants via direct grant and fee relief to date.

LEEP Funding (CEG-2024-583) Round 5

The Department received award notification of the 2023-24 Grant Solicitation (CEG-2024-533, Round 5) on February 7, 2024. The Department received a Type 2 grant with an award amount of \$1,803,929.86.

The Department issued a survey seeking community input on the best way to utilize the funding available for Round 5. The Department had a total of 77 responses, and participants voted in favor of 70% of available funding being utilized towards (\$50,000) Direct Grants and 30% of available funding being utilized for Fee Relief up to \$10,000 per applicant. Please find survey results below:

How do you think LEEP funds should be distributed?



- (A) Direct Grants - (24 total responses)
- (B) A mixture of both Direct Grants and Fee Relief - (36 total responses)
- (C) Fee Relief in the amount of up to \$10,000.00 per verified equity applicant - (17 total responses)

What do you think the maximum Direct Grant award should be?	Responses
\$50,000.00	41
\$25,000.00	13
\$10,000.00	12
Total	66

If you selected (B) A mixture of both Direct Grants and Fee Relief on question number 1, how much of the available funding would you like to see allocated by category?	Responses
30% of available funds allocated towards Direct Grants and 70% of available funds allocated towards fee relief	4
50% of available funds allocated towards Direct Grants and 50% of available funds allocated towards fee relief	14
70% of available funds allocated towards Direct Grants and 30% of available funds allocated towards fee relief	23
Total	41

LEEP Fee Relief Applications started being accepted by the Department on May 13, 2024, at 8:00AM.

A Direct Technical Assistance workshop with Canna Business Services was held on May 10, 2024, from 10:00 am-11:30 am via Zoom. Interested applicants were able to meet with Canna Business Services staff and asked questions regarding Direct Technical Assistance. A recording of the Zoom meeting can be found here: [Canna Business Services - Meet and Greet - LEEP DTA \(youtube.com\)](https://www.youtube.com/watch?v=...)

The Department notified vendors of Request for Proposal (“RFP”) RFP-015-24 selection on May 6, 2024. The County has procured MGT Consulting to provide an update to the County equity assessment and expects to begin this process this summer.

Local Jurisdiction Assistance Grant Program (LJAGP)

Mendocino County was one of 21 local jurisdictions awarded funds from Department of Cannabis Control (DCC) for the LJAGP. This one-time funding is to assist local jurisdictions with the greatest need to transition provisional licensees to annual licenses. In January 2022, the County was awarded over \$17.5 million in assistance, a portion of which was set aside by County staff to offer direct grants and fee waivers to qualified provisional license holders located within the unincorporated areas of Mendocino County. On February 17, 2023, the County received notification that the LJAGP Grant was under routine audit; to date, this audit has not yet been cleared.

The LJAGP Direct Grant Application and supporting materials are published on the Department’s website. Eligible Provisional License holders are encouraged to apply: [Cannabis LJAGP Direct Grant Application | Mendocino County, CA](https://www.cannabis.ca.gov/ljagp-direct-grant-application-mendocino-county-ca)

- Total amount of Direct Grant funding available: \$4,806,744.18
- Total amount of Direct Grants received to date: 254 applications
- Total amount of Direct Grants in queue (removing duplicates): 237 applications
- Total funding remaining: \$292K = 11.7 more applications
- Total amount of applications processed: 48 (37 checks for AP batches)
- Total amount of applications in Cobblestone: 71

MCD Budget

MCD's Fiscal Mid-Year Reporting for 2023-2024 shows the Department is currently projecting to end the year with an unbudgeted expense to the general fund.

Department Staffing levels

<u>As of April 2024:</u>	MCD Planners: 4
	Contract Planners: 16 (9 Full Time Equivalent ("FTE"))
<u>As of May 2024:</u>	MCD Planners: 4
	Contract Planners: 9 (8 FTE)
<u>Filled positions:</u>	Department Head (Interim)
	Senior Program Manager
	Program Administrator
	Planner I/II (x3)
	Planner I/Tech
	Administrative Assistant
<u>Current Recruitments:</u>	None

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