



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