



Mendocino County Cannabis Department Deliverables

DATE: November 13, 2024
TO: Mendocino County General Government Committee
FROM: Mendocino County Cannabis Department
RE: Monthly Activity Report – October 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: 50

Active Commercial Cannabis Cultivation Business Licenses (“CCBL”) issued by MCD ¹ :	594
Total:	644

October Breakdown

CCBL Renewals issued:	5
CCBL Phase I and I Initial issuance:	19
CCBL Phase III issuance:	0
CCBL Withdrawn:	2
CCBL Denial:	7
Total number of modifications processed:	2
Total number of reassignments processed:	1
Total number of CCBLs processed for October:	33

2024 YTD Total CCBLs issued:	327
2024 YTD Total CCBLs denied or withdrawn:	187

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 generally renewed every 5 years and applicants require a state license issued by the Department of Cannabis Control (“DCC”) to actively cultivate commercial 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 the renewal.

Active Commercial CCBLs issued by MCD

MCD Issued License with DCC (Annual):	30
MCD Issued License with DCC (Provisional):	463
MCD Issued without DCC:	101
TOTAL:	594

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

Renewals Issued YTD:	132
Renewals pending (waiting for review by staff):	7

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: 6,248,000

CCBL Subtype	Number Issued	Approx. Sq. Ft.
1	64	320,000
2	411	4,110,000
4	79	1,738,000
C	32	80,000

Approximate total of under-review square footage for cultivation: 75,000

CCBL Subtype	Number Under Review	Approx. Sq. Ft.
1	1	5,000
2	21	21,000
4	2	44,000
C	2	5,000

MCD CCBL Applications

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

Review Data

Number of Under Review Applications assigned to contract planners:	15
Number of Under Review Renewals assigned to contract planners:	3
Number of Under Review Applications assigned to MCD planners:	16
Number of Under Review Renewals assigned to MCD planners:	4

Site Inspections

Number of Inspections Completed Month of September:	2
<ul style="list-style-type: none">• On-site: 2• Virtual: 0	
• Miles Traveled Month of September:	67.2

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 actively working on CCBL applications in advance of the DCC provisional license renewal 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.

Possible 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. The AP is a discretionary permit with conditions of approval. The AP approval process could take 6-8 months to complete, and it is the license holder’s responsibility to ensure all conditions are met in the timeline provided.

The Planning and Building Services team is working to get all APs to a December 12, 2024, ZA hearing, unless they are already scheduled for the November 14, 2024, meeting. Additionally, the Planning and Building team is working to get a special meeting for APs that need an Archeological review.

California Department of Fish and Wildlife (“CDFW”)

At this time, all Provisional license holders have completed the Sensitive Species Habitat Review and CDFW has been consulted on any sites that were identified as having Sensitive Receptor Indicators.

Environmental Review

Environmental Impact Report (“EIR”):

The DCC and Mendocino County continue to work in partnership to support provisional cultivation licensees’ transition to annual licensure and support the issuance of annual licenses for new cultivation within the County.

In accordance with the California Environmental Quality Act (“CEQA”), the DCC, as Lead Agency, certified the EIR for the Licensing of Commercial Cannabis Cultivation in Mendocino County on October 17, 2024. The DCC currently issues commercial cannabis cultivation licenses under Division 10 of the Business and Professions Code and California Code of Regulations, title 4, division 19.

All legal commercial cannabis activity must be conducted pursuant to state licensing requirements. The EIR programmatically evaluates the environmental 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. DCC continues to review individual applications for licensure and will use the EIR to streamline site-specific review as applicable under CEQA to enable the issuance of annual licenses.

For more information on EIR, please visit [The Licensing of Commercial Cannabis in Mendocino County Project Environmental Impact Report - Department of Cannabis Control](#)

Additionally, the DCC is working on the possibility of Annual Licenses being able to have conditions of approval set forth by CDFW. The DCC has confirmed there will be a group of Provisional Licenses able to transition within the first 30 days after certification.

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 over \$5M 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.

LEEP Fee Relief Applications were accepted by the Department May 13, 2024, through June 13, 2024. As a result of this fee relief window, the Department processed a total of \$514,630.14.

The Department has begun work with our procured vendor, MGT Consulting, to provide an update to the County equity assessment. The Department anticipates this project will take place September 2024 through May 2025.

Canna Business Services (“CBS”) started Direct Technical Assistance for Mendocino County verified LEEP applicants beginning in July 2024. So far, they have held several webinars with topics such as weekly Q&A, Annual License Overview, METRC training and a CEQA overview. CBS can also assist equity applicants one on one with questions regarding CEQA, Licensing, Grants/Financing, Vetting Vendors, etc. Recorded Direct Technical Assistance materials that are posted on CBS Vimeo platform and have a 33%

view rate. Additionally, CBS is still actively seeking feedback from equity applicants to find the most agreeable time for applicants to attend live webinars. CBS MailChimp campaigns have a 54% open rate. Equity applicants who may be interested in Direct Technical Assistance or may have questions for CBS can reach them at mendocino@cannabusinessservices.com.

Local Jurisdiction Assistance Grant Program (“LJAGP”)

Mendocino County was one of 21 local jurisdictions awarded funds from 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.

As of August 29, 2024, the CA State auditor has closed the previous 2023-048 LJAGP direct grant audit and released the final report to the public. Mendocino County did not have any recommendations from this report. The Department received notice of the next routine direct grant audit, 2024-048 LJAGP, on July 30, 2024. This audit is currently ongoing.

MCD was able to increase the total grant amount available to applicants by \$283,876.97 with the LJAGP Direct Grant Amendment (A2) which was approved on July 2, 2024. The new total amount of Direct Grant funding available is \$5,090,621.15. With the close of FY23-24, the Department worked with the DCC on a third amendment (A3) to true up all budgetary line items. A3 was approved on September 18, 2024.

MCD received preliminary approval on LJAGP Direct Grant Amendment (A4) on October 31, 2024. This amendment reallocated around \$700K of previously allocated EIR funds. A4 will increase the amount of LJAGP Direct Grant funding to a total of \$5,671,881.83. The Department is reaching out to individual Provisional License holders who have not yet applied to encourage additional applications. Furthermore, the Department will be contracting with Canna Business Services to assist with processing any outstanding LJAGP Direct Grant Applications.

The Department received notification that all LJAGP must be expended by March 31, 2025.

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](#)

- Total amount of Direct Grant funding available: \$5,671,881.83
- Total amount of Direct Grants received to date: 269 applications
- Total amount of Direct Grants in queue (removing duplicates): 247 applications
- Total funding remaining: \$1,033,488.53 = 41.34 more applications
- Total amount of applications processed: 150 (143 checks for AP batches)
- Total amount of applications in Cobblestone: 206 applications

Department Staffing levels

As of September 2024: MCD Planners: 3
Contract Planners: 5 (4 Full Time Equivalent ("FTE"))

As of October 2024: MCD Planners: 3
Contract Planners: 5 (4 FTE)

Filled positions: Department Head (Interim)
Senior Program Manager
Program Administrator
Planner I/II (x3)
Administrative Assistant

Current Recruitments: 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>