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## Mendocino County Cannabis Department Deliverables

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**DATE:** October 23, 2024  
**TO:** Mendocino County General Government Committee  
**FROM:** Mendocino County Cannabis Department  
**RE:** Monthly Activity Report – September 2024

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### **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: 75

|  |     |
|--|-----|
| Active Commercial Cannabis Cultivation Business Licenses (“CCBL”) issued by MCD <sup>1</sup> : | 578 |
| Total:   | 653 |

September Breakdown

|   |           |
|---|-----------|
| CCBL Renewals issued:                                 | 14        |
| CCBL Phase I and I Initial issuance:                  | 15        |
| CCBL Phase III issuance:                              | 1         |
| CCBL Withdrawn:                                       | 5         |
| CCBL Denial:  | 7         |
| Total number of modifications processed:              | 2         |
| Total number of reassignments processed:              | 3         |
| <b>Total number of CCBLs processed for September:</b> | <b>42</b> |

|   |     |
|---|-----|
| 2024 YTD Total CCBLs issued:              | 304 |
| 2024 YTD Total CCBLs denied or withdrawn: | 180 |

**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):      | 26  |
| MCD Issued License with DCC (Provisional): | 459 |
| MCD Issued without DCC:                    | 93  |
| TOTAL:                                     | 578 |

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

|   |     |
|---|-----|
| Renewals Issued YTD:                            | 128 |
| Renewals pending (waiting for review by staff): | 15  |

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<sup>1</sup> Renewals are accounted for within the Issued Licenses data set.

## Mendocino County Approximate Square Footage<sup>2</sup>

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: 6,197,500

| CCBL Subtype | Number Issued | Approx. Sq. Ft. |
|--------------|---------------|-----------------|
| 1            | 62            | 310,000         |
| 2            | 405           | 4,050,000       |
| 4            | 80            | 1,760,000       |
| C            | 31            | 77,500          |

Approximate total of under-review square footage for cultivation: 210,000

| CCBL Subtype | Number Under Review | Approx. Sq. Ft. |
|--------------|---------------------|-----------------|
| 1            | 5                   | 25,000          |
| 2            | 55                  | 55,000          |
| 4            | 5                   | 110,000         |
| C            | 8                   | 20,000          |

## **MCD CCBL Applications**

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

### Review Data

|  |    |
|--|----|
| Number of Under Review Applications assigned to contract planners: | 19 |
| Number of Under Review Renewals assigned to contract planners:     | 8  |
| Number of Under Review Applications assigned to MCD planners:      | 52 |
| Number of Under Review Renewals assigned to MCD planners:          | 7  |

### Site Inspections

|   |       |
|---|-------|
| Number of Inspections Completed Month of September:                           | 3     |
| <ul style="list-style-type: none"><li>On-site: 3</li><li>Virtual: 0</li></ul> |       |
| • Miles Traveled Month of September:  | 301.3 |

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<sup>2</sup> "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.

### 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.

## **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 comment period closed on June 24, 2024.

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](#)

The DCC anticipates the EIR to become certified in October 2024. The DCC has confirmed that once the EIR is certified, there will be a group of Provisional Licenses able to transition within the first 30 days after certification.

Additionally, the DCC is working on the possibility of Annual Licenses being able to have conditions of approval set forth by CDFW.

Applicants with questions regarding their individual EIR process should direct questions to [licensing@cannabis.ca.gov](mailto: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](mailto:mendocino@cannabusinessservices.com).

## **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.

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.

It appears around \$700K of previously allocated EIR funds may be available to repurpose. The Department plans to work with the DCC on a fourth amendment request to reallocate these funds. For the fourth amendment, the Department would like to propose an increase to available direct grant funding, including funds to contract with Canna Business Services for direct grant processing, adding funding to include the annual Accela renewal fee and add CEQA training for staff.

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: \$5,090,621.15
- Total amount of Direct Grants received to date: 263 applications
- Total amount of Direct Grants in queue (removing duplicates): 245 applications

- Total funding remaining: \$542,072.78 = 21.68 more applications
- Total amount of applications processed: 133 (117 checks for AP batches)
- Total amount of applications in Cobblestone: 186 applications

### **Department Staffing levels**

As of August 2024:

MCD Planners: 3  
 Contract Planners: 9 (6 Full Time Equivalent (“FTE”))

As of September 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>