TO: Mendocino County Board of Supervisors and County Staff

FROM: Casey O'Neill, HappyDay Farms, Vice-Chair for California Growers Assoc., Acting Chair MCGA

As always, we appreciate the efforts by everyone to build a workable program. It is important that we continue to revisit the issues in this shifting, complex policy process. It is of utmost importance that we get this process right, not that we do it fast. If we are unable to make the appropriate changes during the meeting on Tues, then we should push the First Read of the ordinance back. The following have been identified for suggested changes to the ordinance, divided into 4 categories. First, structural changes suggested to overall process. Second, cultivation specific topics. Third, topics that fall under land-use and regulation, and finally, items specific to the permit process itself.

Development of Ordinance and Functional Regulatory Program

Cannabis Advisory Group: Mendocino must create a Cannabis Advisory Group in order to achieve a workable program. The Advisory Group process has become commonplace in other counties which are also grappling with this complex policy process. The need for continuous revision is clear; we must be able to respond efficiently to challenges as they occur.

Communication with State Agencies: It is of utmost importance that cultivators who are in the application process be safe from raids by other agencies. We need communication channels open between county and state agencies to ensure the functionality of the permit process.

Streamlined Cottage Program: I have emailed a policy analysis and brief synopsis of a proposed program for Cooperatives and streamlined Cottage Cultivation regulations. As is common with many other industries, the county should consider providing resources and support to farmers seeking to make this transition. In doing so, the county would reap long term benefits in tax revenue and community stability. These points are outlined further in my other memo.

Mendocino Sustainably Farmed Certificate: One of the conditions of participating in the Cottage Cooperative Project might be that the fees for the MSF program are waived or drastically reduced. The Cooperatives could provide onsite assessments and information to cultivators to ensure participation to the expected standards defined in the MSF program. It would be nice to see the MSF program be free to cultivators who demonstrate that they meet the standards, while cultivators who choose not to meet those standards would be assessed the fee.

Require Progress Reports: In order to move the process as effectively as possible, there should be progress reports at every meeting on the status of any working group or other staff exploration of other problem solving techniques related to many of the various building issues

Cultivation:

Ag Exempt: We are thrilled about the ability to permit drying sheds as ag-exempt. We wonder if it would be possible to alter the restrictions about space between drying sheds and other structures, so long as one cannot be accessed from the other. Many drying sheds also have small cottages attached or nearby, and it would make sense to allow for separate permitting processes for each so long as separate entrances are maintained.

Trimming/Processing: Given that the county is still working on figuring out standards and that harvest time is upon us, it would make sense to allow cultivators to sign a waiver that states that unpermitted buildings will be used only by the business owners. Cultivators who do not have employees should be exempt from all discussion of Commercial Building Permits and ADA Compliance. This should further be considered for farms with fewer than 5 employees.

Hoophouses: The Hoop House policy needs to be modified to allow for a greater range of hoop houses AND must NOT expire on 12/31/17/. There has been some discussion from Building and Planning that hoophouses might be phased out or limited in timeframe. We would oppose this position and ask that hoophouses be allowed indefinitely. Many types of farmers rely on hoophouses and should not be required by regulation to change the type of farming they engage in. In a time of change that makes being a small farmer difficult, programmatic flexibility can mean the difference between survival and failure.

Mix of cultivation styles under one permit: Cultivators should be able to permit multiple styles of cultivation under one permit so long as they do not exceed the 10,000 sq feet.

Clear Criteria for Rejection of a Permit: Clarity is essential in this process. A review process for denials is also essential.

Delayed Submission of Plans: Expand the period of days from Planning and Building's suggested 60 days to 180 days for the delayed submission of plans. This is common sense; there are not enough people available to draw plans to bring all of the buildings into compliance in such a short time.

Outstanding Building Issues: Ensure that no one with outstanding building issues will be prevented from getting an Ag Permit so long as they deal with the issues within a given period of time (at least a year).

Tree Removal: If permits are denied for trees that were illegally cleared before the ordinance took effect, but after Jan 1, 2016, then it creates a greater likelihood that these sites will not be remediated. Because one of the conditions of the permit program is to require remediation through Calfire for illegally cleared trees, we will create better environmental compliance by bringing these cultivators into the program where they will have to follow environmental regulations.

Track and Trace : It is already nearly harvest time, better to delay this until state T&T rollout.

Water Board Grace Period: Better to delay the requirement of Water Board Compliance until after State rollout.

Permit Process

Proof of Prior Cultivation: There are many sites which were cultivated by multiple individuals; these sites must be able to stand as proof of prior cultivation for each partner who was involved. Also, the ordinance should separate proof for site and for cultivator, proof shouldn't have to be from the same site. Setbacks should NOT be part of proof of prior.

Timeout: There are many reasons why a cultivator would want to take a year off from permitting a farm. The way the program is currently constructed, cultivators must expect that they will never face a major accident, life change, sickness, desire to travel, or any other reason for needing to take a season off. As a younger cultivator, it scares me to think that I will have to license my farm every single year or risk losing out forever.

Transferability: Cannabis farmers are evaluating the economics of compliance and permitted cultivation. For our elder cultivators, there is a reality that many of them may not be cultivating long enough to realize the return on investment that will be required to achieve compliance. If the economics don't pencil, then it doesn't make sense to attempt the process. Allowing cultivators with prior cultivation who live in TPZ, FL and RL to sell their parcels to someone else who would then seek a permit would provide incentive for these cultivators to participate in the program, without increasing environmental impacts. This expansion in the current program would help to avoid upward pressure on land prices for AG zones, while also avoiding downward pressure on prices for RL, TPZ and FL.

Future Exception Zones Eligible for Permit Now: Cultivators need to be able to move forward without having to wait for the lengthy development of Overlay/Exception processes.

Good Standing: We support the proposed creation of a "good standing" process to make sure cultivators are eligible for state licensure.

Felony Probation unrelated to violence: We support allowing people who are on felony probation for non-violent crimes to be allowed to participate in the compliance program.

Certificate of Compliance: Should be returned to "if property is eligible for COC", not that it have already been recorded.

Casey O'Neill, HappyDay Farms, Vice Chair California Growers Association Cell: 707-354-1546 <u>Casey@cagrowers.org</u> http://www.calgrowersassociation.org/