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Mendocino County Board of Supervisors
501 Low Gap Road
Ukiah, CA 95482

Re: Board Meeting 1/9/18 Agenda Item 5d

Dear Honorable Supervisors:

Happy New Year! While I very much appreciate the mechanism of the Working Groups to flush out issues of importance, there are a number of issues that can/should be resolved by the Board so that a more timely resolution can be implemented. Please consider the following requests:

1. Please calendar the "Mix and Match" cultivation amendment: As previously discussed, allowing small farmers to "mix and match" cultivation styles under one permit locally, so long as they do not exceed the permissible cultivation square footage for the parcel and so long as they follow the requirements for the types of cultivation styles they are engaged in, will allow our small farmers to better compete in the market. The Board has already agreed to the issue in concept. If we were to wait for the working Group to flush out the recommended ordinance, people will not be able to move forward under the state licensing system in accordance with the plans they will be able to implement under the amended ordinance. **As a result, a simple ordinance amendment allowing for all cultivation styles to be permitted under ONE permit with the following simple requirements:**
Any commercial for flowering commercial cannabis cultivation may cultivate different styles (i.e., outdoor, indoor, mixed light) under one permit so long as:
 - a. The maximum square footage of all cultivation styles cannot exceed that which is permissible for the parcel under the commercial cultivation ordinance.
 - b. The applicant must specify the types of cultivation styles they will be engaged in and the square footage of each style. This allows not only for compliance checks that the requirements of each style are being adhered to, ensure the total square footage is within the allowable amount for the parcel, but also allow the County to list each style on the embossed receipt and then the permit so that verification for State licenses can happen easily.
Nursery permits remain a separate and distinct permit.
2. Please Clarify that FL & TPZ do NOT need Administrative Permits for cultivation UNLESS there is EXPANSION and please direct Staff to immediately prepare any necessary documents to deal with this clarification with the Planning Commission at the same time that they are presenting the changes removing any AP requirement on Range Land (regardless of expansion. At this time, Staff is requiring that ALL TPZ and FL properties apply for an Administrative Permit. This is contrary to what the



Board originally directed. I recall that Aps were going to be required for EXPANSION (on FL & TPZ) only. It is URGENT that we correct this misunderstanding immediately and get any changes that Staff feels must be made in front of the Planning Commission on that calendar so that people are not waiting many more months to have this resolved.

3. Please consider amending the local ordinance to align with the State with respect to immature plants NOT counting towards square footage. As previously discussed, local farmers need every advantage they possibly can have in the larger competitive state market. By not counting immature plants in the total square footage, we will allow our local farmers to stand on equal footing with the other farmers in the state, rather than at a further disadvantage. This would not apply to Nursery licenses, but only for flowering commercial cultivation. As it is, some local farmers are applying for nursery permits not because they wish to provide plants to other farmers, but because it entitles them to the additional square footage for immature plants. Rather than having to apply and pay separately for a Nursery permit, why not follow the State rule and don't count immature plants in the square footage. Given the ability to obtain a separate local Nursery permit, it would not have ANY additional environmental impact whatsoever, but would save our local farmers from being disadvantaged either by not having as much flowering square footage as their counterparts in other jurisdictions, or by having to apply for a separate nursery permit when they have no need to sell immature plants to others.
4. Please consider directing Staff to issue TEMPORARY cultivation permits to people who have clear examples of a likely exception, or a likely overlay zone. In the Overlay working Group the other day, we learned that 6 months is **unrealistic** to have an exceptions policy in place and implemented. Likewise, any "opt-in" overlay zone is not likely to occur within 6 months. Given the continued law enforcement activities, expanding the window to apply for a local permit will NOT solve the current problem: There are historic farmers that have always grown 25 plants who were totally legal until this past year when unbeknownst to them, their zoning or parcel size preventing them from participating in the commercial cannabis permitting program. This means that even folks that did 9.31 or always bought zip ties are now out in the cold. There are areas of the County where it seems very likely that when an eventual process is created through an "opt-in" process, those folks would once again be eligible to participate in a lawful system. However, if it takes 6-9 months, they will be out of business! **We created a temporary license for facilities, even though the applicant might eventually be rejected. Why can't we do the same for the two groups of people that have had to wait two years to know their fate?**

Specifically, here are some **examples of exceptions** that are probably no brainers:

- a. A setback reduction from 50 feet where the affected neighbor(s) have given written permission
- b. A legal nonconforming parcel, such as an Ag 40 zoned property that is only 1 acre (and therefore not eligible without an exception) where they are surrounded by large Ag parcels



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An **example of a likely “opt-in”** area is downtown Laytonville, where the community, through the LMAC has already had 3 public meetings and surveyed landowners.

As with the Temporary Facilities Licenses, these Temporary permits would be completely conditional and revocable and made at the applicant’s own risk as to having to shut down if the exception or opt-in process does not allow them to proceed once it is in place. Given law enforcement and District Attorney actions against unpermitted cultivation, there is an urgency to create some pathway for these folks.

5. Please set a time-table for the Micro-Business issues to be figured out, especially with respect to ancillary (to cultivation) non-volatile, low-tech manufacturing that does not fall within “home manufacturing” as stated in 20.243.040 (2) (b). There are many permitted cultivation locations that do not require a “home” to be present and need the value-added activity of non-volatile manufacturing in this competitive market. As it stands now, there is no avenue for a micro-business on most of the properties zoned for commercial cultivation. The State requires at least 3 separate commercial cannabis activities on the same property to qualify for a Micro-business license at the State level (and processing does NOT count as one). There is no way that these rural properties would be able or would necessarily want to conduct retail activity, That means that the remaining activities are : cultivation, manufacturing and distribution (or distribution/transporter). Again, at every turn, we must look to ways to save our small cultivators money through consolidation of permits and licenses as much as possible for each applicant and by ensuring that important value-added products can be produced.

Thank you very much for considering these issues. The most important thing at this time is to continue to keep the issues calendared and moving forward. If there are discrete issues that can be decided by the Board, we should not delay in action. Where there are more complex issues that need to be vetted, the Working Group process is a good forum, but not at the expense of putting people out of business.

Thank you for your consideration of these important, time-sensitive issues.

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