



June 21, 2022, County of Mendocino Cannabis Department (MCD) Update

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Public Outreach

The MCD has hosted twenty-one (21) public meetings since January 1, 2022. All meetings have been offered via Zoom, include time for Q & A Discussion, are live streamed, and are available on the County's YouTube page. Upcoming meetings are noticed using the County's e-notification system, Canna Notes, and are posted to the Cannabis Program's 2022 Cannabis Department Events page. The 2022 Cannabis Department Events page includes the log-in and dial-in information, and the agenda for each meeting. The slides and YouTube video are posted to the Department Events page shortly after each meeting.

This year's meetings to date, have included the following:

- Local Equity Entrepreneur Program (LEEP) Monthly Meeting, MCD staff, along with the Elevate Impact Mendocino team, has hosted five (5) LEEP Monthly Meetings this year. LEEP monthly meetings are the third Wednesday of each month from 3:30 – 5:00 p.m. Agenda topics include - program funding sources, program statistics, program timelines, and program updates. Meetings are noticed via Canna Notes, email list-serve to equity applicants, and posted to the MCD website.

- Local Jurisdiction Assistance Grant Program (LJAGP) / Direct Grant Development Meeting, MCD staff has held one (1) meeting this year specific to the LJAGP. During the February 23, 2022, meeting, staff provided an overview of the direct grant program outlined in the LJAGP application that was approved by the Department of Cannabis Control (DCC) in 2021. Staff also sought input from the public on direct grant project allowances and qualifying criteria; maximum direct grant award amounts & payment terms (payment schedules); benefits to equity eligible applicants; and fee waiver program development.
- MCD Update Meetings, MCD staff has held fourteen (14) general update meetings so far this year. These meetings have been scheduled for Friday mornings, from 8:30 – 10:00 and were offered weekly throughout February, March, April, and May. MCD Weekly Update Meetings have been scheduled through the end of June. These meetings have provided an important opportunity to notify the public about important upcoming dates and deadlines; to share important application, permitting, and licensing updates; and to receive feedback from the public.
- Technical Assistance Meetings, MCD staff has been working closely with the California Department of Fish and Wildlife to develop and schedule in-person technical assistance meetings. These meetings are slated to start in July and will be offered every other Friday once the schedule is set. Technical assistance meetings will be by appointment only and held throughout the County. The technical assistance meetings will be for applicants and permit holders with active Phase 1 & Phase 2 AG_Numbers only. Technical assistance meetings will provide an opportunity for the applicant, or permit holder, and/or that individual's agent, to meet with the participating agencies to ask questions about completing the local permitting process, the state licensing process, and state resource agency permitting processes. Applicants and permit holders may also use the scheduled appointment time for assistance with their local grant application. Participating agencies for these meetings include but may not be limited to:
 - Mendocino Cannabis Department,
 - California Department of Fish and Wildlife, and
 - Department of Cannabis Control
 - State Water Resource Control Board, Division of Water Quality and Division of Water Rights (has been invited to participate but had not confirmed as of the drafting of this report)

The table below, provides a summary of the topics discussed during the MCD Weekly Update Meetings.

Agenda Topics	February 9, 2022	February 18,	February 25,	March 4, 2022	March 11, 2022	March 18, 2022	March 25, 2022	April 1, 2022	April 8, 2022	April 15, 2022	April 22, 2022	May 6, 2022	May 13, 2022	May 20, 2022	May 27, 2022	June 3, 2022
Updates / Important Dates	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Future Agenda Items		X	X	X	X		X	X	X	X			X	X		X
Renewal Applications	X									X						
Modification Applications	X								X							
Transfer Applications	X															
Withdrawals	X															
Vegetation Modification / Prohibited Tree Clearing	X		X													
Corrections Portal Update	X			X	X		X			X						
Website Tour		X														
Fallowing, Notice of Application Stay, & Non-Cultivation	X	X														
Provisional Licenses / State Timelines				X								X				
LEEP Policy Manual Updates						X		X								
CEQA				X					X				X	X	X	X
Staffing											X					
Projected Application Review Timelines											X	X			X	X
Sensitive Species Habitat Review / CEA*					X*										X	X

Please visit the 2022 Cannabis Department Events page for more information.

<https://www.mendocinocounty.org/government/cannabis-program/2021-events-copy>

MCD Staffing

The MCD continues to recruit, interview, and hire to fill vacant allocated positions.

MCD Staffing as of March 1, 2021

1. Kristin Nevedal, Program Manager
2. Nicholas Duncan, Planner I
3. Gabriella Eaton, Planner I
4. Elora Babinni, Planner I (through August 2021)
5. Rob Fitzsimmons, Planner I (through December 2021)
6. Caitlin Shaffer, Administrative Assistant (through March 2021)
7. Michael Campling, Staff Assistant III (through June 2021)
8. Heather Blough, Extra Help, Department Analyst (through May 2021)

Year	Month	Staff Person	Position
2018	July	1. Nicholas Duncan	Planner II
2019	February	2. Gabriella Eaton	Planner II
2021	March	3. Kristin Nevedal	Director
	November	4. William Riley	Program Administrator
	December	5. Diana De Los Santos	Planner I
		6. Geneva Beaman	Staff Assistant III
2022	February	7. Audrey Gardner	Department Analyst
		8. Nina Holloway	Administrative Assistant / Planner Tech I
	April	9. Angelina Lane	Planner Tech II
	May	10. Tarah Rhine	Planner Cartographer
		11. Kasie Miller	Planner Tech I
		12. David Strock	Planner Tech I

Local Equity Entrepreneur Program (LEEP) Update

On April 12, 2022, County Counsel flagged the direct grant program due to concerns raised over the County's responsibility should a LEEP awardee misuse direct grant funds. MCD staff reached out to GO-Biz seeking guidance on this matter and on May 20, 2022, GO-Biz issued updated guidance to local jurisdictions to clarify the roles and responsibilities of local jurisdictions when awarding direct grants to equity eligible applicants. The guidance from GO-Biz is included in the table below.

GO-Biz Guidance on the Misuse of Funds and Jurisdiction Liability	
Jurisdictions are responsible for the following:	
1. Enacting policies and procedures to ensure state grant funds are used appropriately by equity applicants and licensees, including:	
a. Informing equity applicants and licensees of eligible uses of the state grants funds	
b. Periodically collecting and reviewing documentation from equity applicants and licensees, and require them to preserve and retain documents for a reasonable period of time for audit purposes	
c. In the case of misuse of funds by an equity applicant or equity licensee, attempt to recover misspent funds in a manner similar to how the jurisdiction would attempt to collect other debts owed to it, based on analysis of the circumstances, size of debt, and potential recoverability.	
2. Informing GO-Biz when it becomes aware of misspent funds, and when it has either collected the funds, or deemed them unrecoverable.	
3. If funds are misspent and not repaid by the equity applicant or licensee, withhold further state grant funding to the equity applicant or licensee that misused and failed to repay the state grant funds. Jurisdictions that follow the above referenced guidelines will not be required to repay the misspent funds to GO-Biz.	

County Counsel is currently reviewing the Local Equity Entrepreneur Program Guide, the MCD's LEEP application review practices, and approved grant agreements to ensure the County is meeting the GO-Biz guidance.

The following tables show progress made by department staff and the County's contract administrators, Elevate Impact Mendocino.

Equity Eligibility Certification	January	February	March	April	May
Certified Equity Eligible	91	121	131	150	167
Completed Applications	165	204	212	225	247

LEEP Grant Program*	
LEEP Grant Program Funding (Rounds 1 & 2)	\$2,462,400.08
Waiver Program Allocation	\$800,000
Waiver Program Awards to Date	(\$248,330.42)
<u>Waiver Program Allocation Balance</u>	<u>\$551,669.58</u>
Direct Grant Program Allocation	\$1,662,400.08
Direct Grant Program Approvals to Date	(\$1,747,435.63)
<u>Direct Grant Program Allocation Balance</u>	<u>(\$85,035.33)</u>
<u>LEEP Grant Program Funding Balance (Rounds 1 & 2)</u>	<u>\$477,883.95</u>

* LEEP Grant Program includes both the LEEP Waiver Program and the LEEP Direct Grant Program. This amount does not include the dollar amounts set aside for Technical Assistance or Administrative Costs.

** Approvals means direct grant agreements that have been approved by the MCD and entered into Cobblestone for review and approval by various County departments and divisions.

LEEP Waiver Progress

WAIVER TYPE	Waiver Numbers (05.17.22)	Waiver Amounts (05.17.22)	Waiver Numbers (05.23.22)	Waiver Amounts (05.23.22)	Waiver Numbers (06.08.22)	Waiver Amounts (06.08.22)
Dept. of Agriculture	16	(\$1,972.80)	20	(\$2,488.00)	21	(\$2,600.40)
PBS	29	(\$9,945.08)	36	(\$15,114.82)	40	(\$18,663.00)
TTC	21	(\$48,895.97)	66	(\$154,099.25)	87	(\$216,880.21)
MCD	11	(\$7,253.49)	11	(\$7,253.49)	15	(\$10,186.81)
Round 1 & 2 Funding		<u>\$800,000</u>		<u>\$800,000</u>		<u>\$800,000</u>
Waiver Subtotals	77	(\$63,067.34)	133	(\$178,955.76)	163	(\$238,330.42)
Waiver Program Balance		<u>\$736,932.66</u>		<u>\$621,044.24</u>		<u>\$551,669.58</u>

Streamlining Application Submittal, Application Review, and Annual Compliance Inspections

On May 4, 2021, the Mendocino County Board of Supervisors directed staff to have all County-wide public facing services/permit application be made available online by the end of the 2021 calendar year, starting with Planning and Building Services (PBS) and Cannabis as a priority.

On August 2, 2021, the Mendocino Cannabis Department (MCD) and Informational Services (IS) launched the MC Portal, a Phase 1 & 2 re-application portal. The MC Portal is a tool developed by IS to support the MCD's ability to electronically receive application materials directly into a secured file management system capable of migrating the submitted files into TRAKiT, the County's permit tracking platform.

The MC Portal streamlined the way the MCD received Phase 1 & 2 re-application materials by:

- eliminating the need for staff to gather submitted materials from the MCD's general email inbox, and
- eliminating the need for staff to electronically file application materials in preparation to be assigned for review.

In the fall of 2021, the MCD applied for Local Jurisdiction Assistance Grant Program (LJAGP) funding and included in the LJAGP application, multiple upgrades to the MC Portal and TRAKiT. Because the development needs of the MCD are extensive, IS staff began researching off-the-shelf solutions and discovered Accela which offers digital solutions to local and state governments to ease commercial cannabis program implementation.

The Accela platform provides scalable SaaS applications, mobile apps, data analytics, and task management. The following table describes the features the MCD and IS have identified as priorities to develop and compares the features of the MC Portal, TRAKiT, and Accela.

User Portal Features - Applicants, Permit Holders, & Agents	MC Portal	TRAKiT	Accela
1. Ability to create a secure user account	X		X
2. Ability for the user account holder to add individuals to the user account			X
3. Ability for the user account holder to restrict the access of any users added to the user account			X
4. Provides an electronic application submission portal	X		X
5. Provides users the ability to make payments electronically			X
6. Provides users who are qualified equity applicants the ability to pay for their permit using a LEEP Waiver			X
7. Provides users the ability to amend, modify, or update an application at any time, including after submission			X
8. Provides users with the ability to see 'where' their application is in the review process			X

9. Allows users the ability to schedule annual compliance inspections			X
10. Allows agents with multiple clients to establish a log-in that provides them access to all of their client accounts			X
11. Allows users to open, view, and download any document previously uploaded.			X
MCD Support Features			
1. Uses the same document storage platform for user portal uploads and MCD uploads – eliminating the need for MCD staff to 'file' uploaded application materials and eliminates 'shadow files'			X
2. Allows MCD staff to access, open, and download all files attached to an application	X	X	X
3. Allows MCD staff to email applicants, permit holders, and agents on record through the platform – attaches the email to the user account for future reference that both the user and MCD staff continually has access to			X
4. Provides pre-application qualification screening			X
5. Provides public facing user application portal for cultivation, nursery, processing, manufacturing, retail, distribution, and laboratory testing facilities.	X*		X
6. Allows MCD staff to set automated renewal notifications and sends automated reminders in intervals determined by staff (ex. – 90-days, 60-days, or 30-days to renew your permit)			X
7. Allows MCD staff to set up pre-application screening questions designed to automatically require a modification application as necessary	X*		X
8. Allows MCD staff to set up pre-application screening question designed to allow qualifying applicants to automatically renew a permit as applicable	X*		X
9. Allows MCD staff to set 'compliance flags' that block an applicant, permit holder, or agent from submitting the application without first addressing the compliance issue(s) so that the flags can be removed		X*	X
10. Integrates with the County's GIS system allowing the MCD to set allowed and excluded zones for commercial cannabis projects			X
11. Integrates with the County's GIS system providing mapping and travel directions to projects subject to inspection			X

12. Provides electronic field inspection platform that allows the inspector to "connect" to an applicant or permit holder's files while connected to the internet and to continually access those files when the location does not have mobile or internet service.			X
13. Allows field inspectors to record written information and photos during a site inspection and will automatically add those entries to the applicant or permit holder's file as soon as internet connection is restored.			X
14. Provides automated DCC license verification			X
15. Provides the MCD the ability to restrict and allow application and permit amendments, modifications, or updates at any time, including after submission			X
16. Includes a robust workflow management system that provides the MCD with the ability to assign application review, inspection schedules, and set deadlines for completion.		X*	X

* Indicates limited functionality

At this time, the MCD and IS believe that transitioning from the MC Portal and TRAKiT to the Accela system would significantly streamline the MCD's ability to:

- receive applications,
- manage permit renewals,
- implement a robust compliance inspection program,
- manage application assignments and planner workflow,
- increase MCD transparency, and
- reduce MCD and IS staff time by eliminating the need for the buildouts described in the LJAGP application.

We also believe that the Accela platform would be the most efficient and effective way to remedy the challenges users have experienced with the MC Portal and the public facing version of TRAKiT. As such, we look forward to bringing a contract forward to the Board of Supervisors seeking approval for this transition.

State Licensing Timelines

The Department of Cannabis Control (DCC) may not renew a provisional license after January 1, 2025, and no provisional license shall be effective after January 1, 2026.

Timelines for Issuing New Provisional Licenses	Application Deadline	Issuance Deadline	Renewal Deadline
New Applications (General) - All new applicants for commercial cannabis licenses with some exceptions	March 30, 2022	June 30, 2022	January 1, 2025
Small Cultivator Exception - Applicants with less than 20,000 sq. ft. of outdoor canopy	June 30, 2022	September 30, 2022	January 1, 2025
Local Equity Applicant Exception - Local equity applicants who meet the requirements of a jurisdiction's local equity program where they operate and would not cause the applicant to hold multiple cultivations licenses that exceed one acre of total canopy for outdoor or 22,000 sq. ft. for mixed-light or indoor	March 31, 2023	June 30, 2023	January 1, 2025

CEQA Progress for New and Renewed Provisional Licenses

New Provisional Licenses & Renewals Until June 30, 2022

If CEQA is not complete

1. Evidence that CEQA compliance is underway.
2. Evidence that compliance with local ordinances is completed or underway.

New Provisional Licenses & Renewals from July 1, 2022 - June 30, 2023

If CEQA is not complete, a determination from the DCC that one of the following requirements has been met:

1. The lead agency is in the process of preparing a site-specific initial study, addendum, or checklist; or
2. The lead agency (local jurisdiction) has made substantial progress during the previous 12-months toward completing project-specific environmental review by drafting, preparing, or circulating for public review an environmental document; or

3. If the DCC is the lead agency, information requested by the DCC of the provisional licensee that demonstrates the furtherance of environmental review; or
4. Information submitted to the DCC by the provisional licensee applicant that demonstrates evidence of substantial progress toward compliance with CEQA during the previous 12-month term

Renewals On or After July 1, 2023

If CEQA is not complete, a determination from the DCC that one of the following requirements has been met:

1. The lead agency for the license has prepared and circulated for public review a negative declaration or a mitigated negative declaration.
2. The lead agency for the license has determined that an environmental impact report (EIR) is required and has either made substantial progress in preparing that EIR, or has a contract or contracts with consultants in place for the preparation of that EIR
3. The lead agency has certified to the DCC that it has conducted a reasonably comprehensive site-specific review and has reviewed, prepared, and deemed complete an initial study, addendum, or checklist which demonstrates consistency with a previously circulated and adopted negative declaration, mitigated negative declaration, or environmental impact report
4. The lead agency for the license has reviewed, prepared, and deemed complete a notice of exemption, except for ministerial projects not subject to CEQA

Department of Fish and Wildlife Progress – For Cultivation Related Activities

New Provisional Licenses & Renewals Until June 30, 2023

For cultivation activities, any of the following documents:

1. A final Lake or Streambed Alteration Agreement (LSAA); or
2. A draft LSAA signed and returned to the Department of Fish and Wildlife (DFW); or
3. Written verification by the DFW that a LSAA is not needed; or
4. Written verification by DFW that the applicant has submitted a notification as prescribed, submitted payment of applicable fees, and is responsive

Renewals On or After July 1, 2023

For cultivation activities, any of the following documents:

1. A final streambed alteration agreement (LSAA); or
2. A draft LSAA signed and returned to the Department of Fish and Wildlife (DFW); or
3. Written verification by the DFW that a LSAA is not needed.

New License & Provisional Renewal Restrictions

A provisional license shall not be renewed if the DCC is notified of either or both of the following:

1. The State Water Resources Control Board has notified the DCC that the provisional licensee is not in compliance with (a) or (b) of Section 26060.1 or the principles, guidelines, and requirements established pursuant to 13149 of the Water Code.
2. The Department of fish and Wildlife has notified the DCC that the provisional licensee is not in compliance with any final streambed alteration agreement, any conditions set forth in a signed draft streambed alteration agreement, or a condition established pursuant to subdivision (a) or paragraphs (1) and (2) of subdivision (b) of Business and Professions Code Section 26060.1