



Mendocino County Cannabis Department Deliverables

DATE: July 31, 2023
TO: Mendocino County General Government Committee
FROM: Mendocino County Cannabis Department
RE: Monthly Activity Report – June 2023

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. In the future, the Department will request guidance from the Board to assist the Department in clarifying and prioritizing this list.

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, which is clearly outlined in the mission statement, which is to issue cannabis cultivation licenses within the regulatory framework.

Department Deliverables

MCD Activity

The total workload of MCD is best reflected by these two primary data sets;

Active Commercial Cannabis Cultivation Applications submitted to MCD:	604
Active Commercial Cannabis Cultivation Licenses issued by MCD ¹ :	229
Total:	833

Issued MCD License Status

When a commercial cannabis cultivation application meets all required criteria and is approved by MCD it becomes an issued license. Issued licenses are renewed annually and require a state license issued by the Department of Cannabis Control (“DCC”) to actively cultivate cannabis. The main objective is for all applicants and licensees to have an issued county license as well as an annual state license.

Active Commercial Cannabis Cultivation Licenses issued by MCD

MCD Issued License w/ DCC (Annual):	11
MCD Issued License w/ DCC (Provisional):	209
MCD Issued w/o DCC:	9
TOTAL:	229

Annual MCD License Renewals (Applies to the issued licenses above)

Renewals Issued YTD:	39
Renewals Approved (Pending issuance) YTD:	0
Renewals pending (waiting for review by staff) ² :	86

MCD Applications/Issued Licenses

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

Review Data

Number of Applications assigned to contract planners:	358
Preliminary review and deficiency notice submitted to applicant (If needed) ³ :	51
Sensitive Species Habitat Review Completed in-house:	3

Referrals

¹ Renewals are accounted for within the Issued Licenses data set.

² Renewals are entered into pending once the license is within 90 days of the license annual expiration.

³ “Under review” applications only, renewals may already have the AQMD referral completed.

Department Deliverables

Sensitive Species Habitat Review: 57

Air Quality Management District³: 61

Site Inspections

Number of Inspections Month of June: 12

Miles Traveled Month of June: 1,013

Is MCD on track?

In previous months, the Department was utilizing a chart that tracked license applications and issued license renewals in time for expiring DCC provisional licenses. Since mid-June, the Department identified a more effective way to divide labor between the contract planners and MCD staff planners. Going forward, DCC will serve as lead agency under California Environmental Quality Act ("CEQA") for cultivation licenses in Mendocino County. This work will be supported by a contractor, Ascent Environmental. DCC and Ascent Environmental are performing a programmatic environmental impact report ("EIR") for a streamlined CEQA analysis of specific cultivation sites. This has extended the previous July 1, 2023 deadline for annual licensure for applicants as the EIR process is being worked through. Moving forward, it is anticipated MCD will divide the labor to review applications as noted below:

- Internal staff will focus on phase three applications, site inspections, renewals and applications with no DCC provisional licenses, and applications with an annual license.
- Contract planners will continue to focus 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 program grant.

Once we gather July 2023 data, we will include a chart to showcase forward progress.

MCD Application Status

Active commercial cannabis cultivation license applications that have been submitted to MCD and are in one of the following stages of review.

<u>Status</u>	<u>Responsibility</u>	<u>Applications</u>
Applications received, pending review	Department	362
Active Review	Department	205
Non-responsive or inadequate material ⁴	Applicant	37
TOTAL:		604

Environmental Review

Future CEQA review:

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The process for the programmatic EIR described above may result in the identification of specific sites that can satisfy CEQA using other documentation, such as a negative declaration or mitigated negative declaration.

Existing Appendix G work product:

Because DCC (rather than the County) will now serve as lead agency under CEQA for cultivation licenses in Mendocino County, DCC does not anticipate that it will be possible to complete CEQA review, going forward, using only Appendix G.

DCC recognizes that provisional cultivation licensees in Mendocino County have often expended significant effort in connection with the preparation of Appendix G. To prevent wasted effort, wherever possible, DCC intends to use Appendix-G-related work product to assist in the preparation of the appropriate CEQA documents for a site.

Training Materials

MCD is training staff on reviewing applications and renewals under the new streamlined Cannabis Cultivation Ordinance. Guidance materials are being updated to reflect the changes. Staff and contract planners have received training on referral processes including to outside agencies and departments, as well as how to notify applicants regarding completion of internal reviews.

MCD has streamlined the process for internal review and notice to applicants that they will need to potentially follow up with Mendocino County Air Quality Management District (“MCAQMD”) for certain criteria. Once MCD or contract staff sign, no further action or documentation is needed for MCD to complete the MCAQMD portion of the application review. In working with California Department of Fish and Wildlife (“CDFW”), MCD has implemented requesting response within 30 days for SSHR referrals. If an extension for review time is requested in writing by CDFW, an extension may be granted.

Local Equity Entrepreneur Program (LEEP) Grant

Mendocino County was awarded three rounds of funding from the Cannabis Equity Grants Program for Local Jurisdictions which is being administered by the Governor’s Office of Business and Economic Development (GO-Biz). LEEP aims to provide funding and services for those hardest hit by the War on Drugs by lowering barriers to cannabis licensing. All waivers submitted to MCD have been processed and completed.

Please note: MCD has received notice from the State that the program is under a routine audit for all 3 awarded rounds of funding. As MCD is actively working with the State through these audits, MCD has suspended processing all Direct Grant applications. Once the audit is complete, MCD will continue to process Direct Grants that are awaiting in que until all funding is exhausted.

MCD is planning on applying for the next available round of funding this fall.

Eligibility

Applications received:

141

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Direct Grants

Processed to completion YTD:	54
In Review:	23
In que:	71
Cancelled:	5
TOTAL:	153

Waivers processed

Agricultural Department (TD):	66
Agricultural Department (June):	2
Environmental Health Department (TD):	2
Environmental Health Department (June):	1
Mendocino Cannabis Department (TD):	96
Mendocino Cannabis Department (June):	11
Planning and Building Services Department (TD):	330
Planning and Building Services Department (June):	116
Treasurer Tax Collector (TD):	453
Treasurer Tax Collector (June):	150

Waivers in que

Agricultural Department:	0
Environmental Health Department:	0
Mendocino Cannabis Department:	0
Planning and Building Services Department:	0
Treasurer Tax Collector:	0

Local Jurisdiction Assistance Grant Program (LJAGP)

On March 14th, the BOS unanimously voted on item (4)(f), directing MCD to work with the DCC to identify mechanisms to streamline CEQA reviews and to support the timely compliance of provisional licensees with state law. To resource this effort, the DCC requested that Mendocino County pause the issuance of unspent Local Jurisdiction Grant funds to assess how best to align the use of these dollars to support CEQA compliance of provisional license holders. In light of this assessment, Mendocino County will discontinue any disbursement of funds including those towards the grant program until the assessment is complete. Both Departments are committed to work collaboratively and have initiated their assessment efforts.

The Departmental accounting system and methodology is in the process of being restructured to ensure proper reconciliation of the internal data. These figures will be added to the report once it becomes available.

Department Deliverables

Department Efficiency Study

As of May 2023

MCD Planners:	6
Contract Planners:	16
Review time:	Approximately 16 to 80 Hours*

As of June 2023

MCD Planners:	6
Contract Planners:	16
Review Time:	Approximately 16 to 80 Hours*

*The above review time is still reflected based on the Departments previous time study. The Department is still working to gather new time study data that incorporates the new streamlined Cannabis Cultivation Ordinance.

Data Management

As of June 1, 2023, Accela is officially live and the Department has implemented the software into our workflow. The Department is actively working to correct bugs and is working on acquiring funds for the Phase 2 implementation. There are ongoing phases of data transfer into the Accela platform. Once data transfer and updates have been completed, Accela will become our authoritative resource for data in the Department.

Department Staffing levels

Planning

Filled positions:	Chief Planner
	Senior Planner
	Cartographer
	Planner I/II (x6)

Vacant Positions:	Planner I/II (x4)
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Administration

Filled positions:	Department Head (Interim)
	Senior Program Manager
	Office Services Supervisor
	Administrative Assistant

Vacant positions:	Program Administrator
	Department Analyst I/II

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Administrative Assistant

Staff Assistant I/II/III

Current Recruitments

Program Administrator

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>