



Mendocino County Cannabis Department Deliverables

DATE: October 30, 2023
TO: Mendocino County General Government Committee
FROM: Mendocino County Cannabis Department
RE: Monthly Activity Report – September 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.

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 the following two primary data sets:

Active Commercial Cannabis Cultivation Applications submitted to MCD:	526
Active Commercial Cannabis Cultivation Business Licenses (“CCBL”) issued by MCD ¹ :	296
Total:	822

September Breakdown

CCBL Renewals issued:	13
CCBL Initial issuance:	38
Total number of CCBLs processed for the month:	51

Issued MCD CCBL Status

When a commercial cannabis cultivation application meets all required criteria and is approved by MCD it becomes an issued CCBL. Issued CCBLs 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 CCBL as well as an annual state license.

Active Commercial CCBLs issued by MCD

MCD Issued License with DCC (Annual):	15
MCD Issued License with DCC (Provisional):	263
MCD Issued without DCC:	13
TOTAL:	291

Annual 2023 MCD CCBL Renewals (Applies to the issued licenses above)

Renewals Issued YTD:	55
Renewals pending (waiting for review by staff):	164

MCD Applications/Issued CCBLs

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

Review Data

Number of Applications and renewals assigned to contract planners:	376
Number of Applications and Renewals assigned to MCD planners:	382

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

Department Deliverables

In Process

Preliminary review and deficiency notice submitted to applicant (If needed):	99
• Total number of non-responsive applicants to date:	7
Sensitive Species Habitat Review (“SSHR”) Completed in-house:	105
SSHR Referred to California Department of Fish and Wildlife (“CDFW”):	127
CDFW Responses Received to date:	47
• Longest Response Time for Responses Received: 125 days	
• Quickest Response Time for Responses Received: 28 days	
• Average Response Time for Responses Received: 65 days	
CDFW Referrals No Response Received:	80
• CDFW No Response Received and Past 45-Day Deadline: 41 referrals	
• Total Number of Days Since Referral Sent to CDFW: 124 days to 46 days	
• Total Number of Days Past the 45-day Due Date: ranges from 79 days to 1 day	

Site Inspections

MCD has launched an aerial pilot program starting this month that will utilize satellite imagery to complete a comparative analysis for onsite vs virtual inspections.

Number of Inspections Completed Month of September: 13

Miles Traveled Month of September: 680.4

Is MCD on track?

Please find the Department Gantt Chart attached which reflects goals and expected timelines. The Department is working towards the deadline of December 31, 2024.

- 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 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.

Environmental Review

Future CEQA review:

The DCC intends to lead CEQA review in connection with annual state licensure of cannabis cultivation in Mendocino County. DCC and a consultant, Ascent Environmental, are working to prepare a programmatic environmental impact report (“EIR”) addressing state licensure of cannabis cultivation in Mendocino County. As CEQA requires, this process will include opportunities for public review and input. Once complete, this programmatic EIR will allow for streamlined CEQA review of license applicants’ specific cultivation sites in Mendocino County, using site-specific addenda. This process may also result in the identification of specific sites that can satisfy CEQA using other documentation, such as negative declarations or mitigated negative

Department Deliverables

declarations; if so, it may be possible to complete environmental review as to those specific sites without awaiting completion of the programmatic EIR. Meanwhile, and of significant note, while this CEQA review process is underway, DCC can continue to renew provisional cultivation licenses in Mendocino County that otherwise satisfy applicable renewal requirements through December 31, 2024.

Ordinance Streamlining Update

In cooperation with County Counsel the second streamlining meeting was held on September 18, 2023. MCD, in coordination with the General Government Committee, has planned a special meeting for discussion and possible action including providing recommendations to staff and a referral to the BOS regarding Chapter 10A.17 on October 10, 2023.

General Cannabis Grant Update

MCD is looking to issue a Request for Proposal (RFP) to contract with one qualified contractor to provide Cannabis Grant Program administrative services. The current draft schedule will have proposals due October 30, 2023; MCD anticipates bringing a related agreement to the Board for approval by December 5, 2023.

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 licensee. The County has submitted applications for LEEP funding in the four rounds which have opened so far; three 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.

This grant program is still under audit and MCD is actively working with GO-Biz regarding routine audit findings while working to distribute approximately \$910K in direct grant funding before the deadline of October 31, 2023.

GO-Biz has requested additional data to support Mendocino County's 5-mile radius eligibility criterion, including a map of CAMP raids in jurisdiction, the dates of when the raids occurred, and the corresponding 5-mile radius. At this time, the Department is unable to move forward on any applications in que for applicants relying solely on this criterion.

MCD is planning on applying for Round 5 funding. The submission period opens on November 6, 2023.

No new LEEP direct grant applications or waivers will be accepted at this time.

Due to inaccurate information given by the MCD at a public meeting, MCD will open an eligibility window specifically for equity applicants who qualified for local verification under the criterion of

Department Deliverables

being an “individual who has obtained or applied for a cannabis permit in Mendocino County, or who has worked in or currently works in the cannabis industry, and was arrested and/or convicted of a non-violent cannabis-related offense” but did not apply during the previous submission period. The dates of this submission window have not yet been confirmed by the Department and will be announced via CannaNote.

Direct Grant Data

Processed to completion YTD:	58
In Review:	24
In que:	49

Funding

Total unspent Direct Grant funding:	\$910,981.57
Total amount of funding distributed via Direct Grants and Waivers:	\$3,975,068.73

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. On February 17, 2023, the County received notification that the LJAGP Grant was under routine audit; to date, this audit has not yet been cleared.

MCD is currently revising the Direct Grant and Waiver Program Manual previously shared with the Board to maximize the effectiveness of this program. MCD is receiving comment from DCC staff and from community advocates. The manual will ultimately guide distribution of \$4.8 million dollars to local operators to assist with the transition to annual licensure. The program manual is currently a reimbursement model with an award amount of up to \$25,000 per applicant. The manual will require review and approval from the DCC and then will be brought to the BOS for approval.

The Department anticipates the expected timeline for direct grant application submittal will be January 2024.

Direct grant funds are intended to support local operators with transition to annual licensure prior to December 31, 2024.

Department Efficiency Study

As of August 2023

Department Deliverables

MCD Planners: 5
Contract Planners: 16 (14 Full Time Equivalent (Full Time Equivalent “FTE”))
Review time: Approximately 25 Hours for Initial Application Review and 15 hours for Renewals.

As of September 2023

MCD Planners: 4
Contract Planners: 16 (14 FTE)
Review Time: Approximately 25 Hours for Initial Application Review and 15 hours for Renewals.

Department Staffing levels

Filled positions: Department Head (Interim)
Senior Program Manager
Program Administrator
Planner II
Planner II
Planner II
Planner I

Current Recruitments:

Planner I/Tech

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>