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February 7, 2021

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

Re: PUBLIC EXPRESSION - Update on CEQA for Provisional License Holders

CDFA Provisional Licensure and the Upcoming Request to Demonstrate CEQA is Underway.

MCA met with CDFA CalCannabis on Friday 2/5/2021 in collaboration with our state-level advocacy partner, Origins Council.

We confirmed CDFA's intent to send notices to Mendocino County's provisional license holders asking them to provide evidence that site-specific CEQA is underway. We inquired about how this would work and expressed concern for any potential discontinuity of provisional licenses as an unintended consequence of this process.

CDFA provided us with the following information and offered to meet with us again once the process and messaging had been further developed. We have offered to be a resource to CDFA in supporting this process and are committed to providing timely and accurate information to our members - as well as the County's provisional license holders more broadly - about what to expect and how they can begin to prepare for this process.

Below is the information we received from CDFA during our meeting:

Letters will likely be going out to provisional licensees in Mendocino County from CDFA in late February or early March. The intent is for the agency to engage directly with provisional licensees and request documentation that site specific CEQA review is underway.

CDFA has not yet determined exactly what will be permissible as evidence of CEQA being underway.

From CDFA's perspective, there are currently 3 pathways available for site-specific CEQA compliance and annual license eligibility for Mendocino's Phase 1 operators:

The CDFA approved checklist (Appendix G*) prepared and certified by the County, which the County then submits to CDFA.

The CDFA approved checklist (Appendix G*) prepared by the licensee or their consultant(s) and submitted to the County for review and certification, which the County then submits to CDFA.

Submission by the operator or their consultant(s) of site specific CEQA documents direct to CDFA.

- Mendocino's proposed Phase 3 discretionary land use ordinance in development *may become* a viable pathway for existing Phase 1 provisional license holders after the ordinance is adopted and CDFA has been able to review and consider the specifics of the ordinance.
- Use of third party consultants:
 - If an operator chooses to prepare the CDFA approved checklist (Appendix G*) materials for submission to the County. CDFA is not requiring the County to limit the use of consultants to a pre-approved list, nor is it prohibiting licensees from preparing the documents themselves, but will require complete and accurate submissions.
 - If an operator chooses to submit site-specific CEQA documents directly to CDFA. *CDFA is not requiring any specific consultant criteria, nor is it prohibiting licensees from preparing the documents themselves, but will require complete and accurate submissions.*
 - If a consultant is used by the licensee in any of the available pathways, CDFA will likely request that the consultant be identified as part of demonstrating CEQA is underway.
- Provisional licensees will likely be required to provide periodic updates to CDFA that demonstrate progress with CEQA.
- CDFA understands that operators may need to pursue multiple pathways to CEQA compliance simultaneously, or change pathways while in process and will take that into consideration as these requirements are being developed.
- CDFA understands our concerns regarding lapse in licensing and will take that into consideration as these requirements are being developed.

*NOTE: "Appendix G" refers to the specific checklist prepared for use by Mendocino County provisional licensees. <u>Linked here is a draft version of the checklist</u>. Please note this is not the final draft approved for use.

Thank you for the consideration of this information.

Sincerely, Mendocino Cannabis Alliance