



February 22nd, 2021

The Honorable Anna Caballero Senator
District 12 State Capitol Room 5052
Sacramento, CA 95814

**Re: SB 59 (Caballero) Cannabis Provisional Licenses
NOTICE of SUPPORT**

Dear Senator Caballero,

The Covelo Cannabis Advocacy Group is pleased to support your bill, **SB 59**, which would extend the provisional license program for cannabis businesses until January 1, 2028.

Mendocino County has issued approximately 1,100 ministerial permits for cannabis cultivation resulting in approximately 720 active cultivation licenses. Because State Annual licenses are discretionary and subject to project-specific CEQA review, and ministerial permits do not require such review, 99 percent of the County's cultivators are operating under provisional licenses with no clear pathway to annual licensure.

The cannabis community was told for years by County Staff to not worry about CEQA because an agreement was in the works and that we would not have to forge this path alone. As such the County has been diligently working with CalCannabis to negotiate a clear pathway for these provisional license holders to meet the State's CEQA compliance requirements.

Mendocino's cultivators are desperate for answers and more importantly, finding a clear pathway to annual licenses. Recently, CalCannabis and County staff determined that cultivators may be allowed to utilize a Mendocino specific CEQA checklist, referred to as Appendix G, to meet the State's CEQA requirements and transition into annual licenses.

However, several years into this debacle, we have discovered that most of the County's cultivators will not meet the requirements of the Appendix G, as it is a PASS/FAIL review that does not allow the County, or the State, to work with the licensee to resolve environmental issues requiring mitigation. Cultivators that will not be able to pass, or unexpectedly fail the Appendix G checklist will need to

reapply under a new, and not yet approved, land use ordinance that establishes a discretionary permit process. While the County is actively in the process of adopting the new ordinance, it will not go into effect until May 2021, at the very earliest.

Mendocino County holds the third most cultivation licenses of any County in the State and per the County's ordinance are limited to no more than 10,000 square feet of mature plant canopy. These small farmers fear they will have to shut down their cultivation sites if they can't meet the Appendix G checklist and need to reapply under the new ordinance. The time associated with achieving a discretionary permit could take months or years to accomplish, especially with the high volume of applications Mendocino will receive. For many, losing their provisional license and shutting down their small farm during this transition would result in financial hardship potentially eliminating their opportunity to participate in the legal market.

Part of the solution to this unfortunate mess is to not only extend the provisional licensing program, but to also provide an allowance for current provisional license holders to continue operating while they fulfill the CEQA requirements.

We respectfully request that language be inserted into SB59 that clearly allows provisional license holders to remain in operation while CEQA compliance is underway, even if the operator is required to reapply for a discretionary permit at the local level. The ability to continue operations while achieving CEQA compliance should be limited to only those operators that currently hold provisional licenses and not extended to new applicants. Keeping these operators in the legal market is an important economic driver to our rural community and will continue to generate badly needed local and State tax revenue.

Furthermore, we are in strong support of the 5-year extension, as processing hundreds of discretionary permits will likely take County staff several years to complete. We thank you for authoring such an important bill for the legal cannabis industry and look forward to working with you to ensure the bills successful passage.

Sincerely,



Monique Ramirez
for the Covelo Cannabis Advocacy Group

