



General Government Committee
501 Low Gap Road
Ukiah, CA 95482

October 17, 2022

Re: Agenda Item 2a on 10/17 - Discussion and Possible Action Including Providing Recommendations to Staff Regarding the Local Jurisdiction Assistance Grants Program Direct Grant and Fee Waiver Program Manual¹ (LJAGP Program Manual); and Referral of the LJAGP Program Manual to the Board of Supervisors for Approval (Sponsor: Cannabis)

Honorable Supervisors,

We appreciate the opportunity to share comments on this proposed program, and we do so with the intention of providing support for you and the MCD to help ensure that together we create the most effective, efficient and useful program possible.

The following are questions related to specific language in the LJAGP Direct Grant & Waiver Program Manual DRAFT 20221002:

1. Page 4 section C. Award Thresholds & Disbursement of Funds
 - a. The proposal indicates an award of up to \$100K per applicant. Some quick math shows that \$10M in direct grants would support only 100 applicants at that maximum award amount. We understand that applicants may have significant differences in their funding needs, and wonder if any thought has been given to how MCD will determine the most equitable way to distribute the funds so as not to overly restrict the number of recipients. We recommend a stakeholder meeting be held as soon as possible by MCD to solicit input from the community of licensees for whom the Grants are allocated, and to incorporate that feedback into a proposal for the full Board or the GGC, whichever is most expedient.
 - b. We also understand that the intention is to prioritize Equity Operators in funds distribution. We appreciate that, and at the same time suggest that a portion of the funding be dedicated to operators without Equity designation. Has MCD considered this already, and if so, is there an amount or percentage identified?
 - c. Regarding the distribution of funds in increments we appreciate the desire to track and meter the use of funds, but it is possible that different situations will require more flexibility than is currently included in the language. Some larger

¹ <https://mendocino.legistar.com/View.ashx?M=F&ID=11309524&GUID=D9B9AC72-F416-4671-9E3D-5554D8EDBE2A>

projects may require more than 50% of an award amount to begin work, between materials and labor, and operators are currently very cash-poor, which is one of the reasons for this grant program. Is there a way the program can build in the flexibility to allocate whatever funding is needed for each project, with a tracking schedule that is specifically tailored to each project?

2. Page 4 Section D.2 Direct Grants

- a. "D.2.iii A detailed narrative explaining how the proposed renewable resource will eliminate or vastly reduce the provisional license holder's reliance on the combustion engine(s)"
 - i. Is it possible for MCD to detail the exact components that they think would be necessary to include in this narrative so applicants can incorporate the correct information with their initial application?
- b. "D.2.iv - A project timeline that describes in detail the phases, benchmarks, and timeline for completing the project"
 - i. Is there a way that we can make sure this requirement allows Applicants to be as detailed as possible but also flexible enough to account for administrative factors that are outside of the applicant's control, such as potential delays with application review or funding?

3. Page 5 Section D.2 Direct Grants (continued)

- a. "D 2.d.ii (hydrology and improved water quality) For applications that include LSAA and/or SWRCB fees such as LSAA notification fees, renotification fees, and extension fees, or SWRCB reporting and/or permitting fees provide the applicable agency's fee schedule and a detailed narrative describing the required fees and why they are required for the proposed project(s)."
 - i. Is there a way to streamline this requirement so as not to require duplicative information? We appreciate if MCD is needing to distinguish between fees to an Agency and fees for work performed, but in regards to Agency fees themselves is there a reason why the fee schedule itself would not provide enough information to the department without requiring an additional 'detailed narrative'?

4. Page 5 Section 3 - Timeline for Application Submission

- a. 'Direct Grant applications may be submitted during submission timelines prescribed by the department.'
 - i. Does MCD have an idea of when the submission process might begin, and if it will be open ended or if there will be specific windows similar to the 2 week notice before the portal opens followed by a 3 month open window period developed for the In Good Standing Portal?

5. Page 6 section IV Use of Direct Grant Awards

- a. "IV.1.b Copies of all such documentation shall be provided to staff of the Cannabis Department or its contractor no later than one (1) week following each use of such funds."

- i. We understand the need to track the use of funds, but is there a way to set up reporting so as not to be overly onerous? Understanding that MCD will be requiring a certain amount of spend-down in order to release additional funds (hopefully in a flexible way as mentioned above depending on each project's needs) could reporting spend-down be part of the process to have additional funds released, rather than a weekly reporting requirement?

Effective distribution of the LJAGP direct grant funding is essential to the survival of many of our locally licensed operators who are facing multiple challenging fronts on their pathway to Annual Licensure.

MCA remains committed to working with the GGC, MCD, County Staff and the Board to build out the most equitable and impactful version of the program possible. We recommend that the GGC implement a more workshop-like meeting format for this and other items going forward to enable a more in depth discussion than is possible with comments limited to 3 minutes.

Thank you for your consideration of these important items.

Sincerely,

Mendocino Cannabis Alliance
e: info@mendocannabis.com