



Mendocino County General Government Committee  
501 Low Gap Road  
Ukiah, CA 95482

April 17, 2023

Re: Item 2a on 4/17 - Discussion and Possible Action Including Providing Recommendations to Staff and a Referral to the Board of Supervisors Recommending Approval of the County of Mendocino Cannabis Department Monthly Update for April 2023

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Honorable Supervisors,

We appreciate several items outlined in the April MCD Report, including the introduction of a Departmental Mission Statement and reference to the Time Studies which have identified significantly less time required for processing applications than had been previously predicted by the Department. We further appreciate the commitments of the GGC and Staff to continue working with stakeholders on additional streamlining and operational improvements both within the ordinance and the Department for items that are more procedural and process oriented.

Along these lines, we have some questions and recommendations related to the report itself, as well as general procedural recommendations for MCD operations below.

#### **April MCD Report**

1. Mission Statement - We appreciate the development of the MCD Mission statement, and the use of the words 'professional' and 'compassionate' within it. In line with our mutual commitment to streamlining and reducing barriers to compliance, **we request the addition of the word 'timely' after the word 'professional' in the statement.**
2. Priority Processing - As of April 15<sup>1</sup> the DCC listed 61 provisional cultivation licenses (including nursery licenses) that would be up for renewal in July and 58 in August. The MCD chart for this item indicates 40 renewals in July and 25 in August. That's a total difference of 54 renewals. Thus, it still appears that only operators who have not been 'Deprioritized' are being accounted for in the queue for renewal in July and August.
  - a. The current Tax Delinquency Plan<sup>2</sup> published by the Treasurer Tax Collector's office indicates that payments for the plan will be accepted between April 28 and

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<sup>1</sup> [https://docs.google.com/spreadsheets/d/1GYJ4EjuPD9hAjaIPG8JCGL3t0TDesyjrPgUp304V9o/edit?usp=share\\_link](https://docs.google.com/spreadsheets/d/1GYJ4EjuPD9hAjaIPG8JCGL3t0TDesyjrPgUp304V9o/edit?usp=share_link)

<sup>2</sup> <https://www.mendocinocounty.org/home/showpublisheddocument/57375>

May 31, 2023. Processing for prioritized operators who renew in July is currently underway.

- i. **We request an update on any process that may have been set up between TTC and MCD for informing MCD of the ‘Reprioritization’ of operators who enter the Payment Plan.** If such a process has not been developed we recommend it be set up and shared with the public as soon as possible.
  - ii. **Additionally, we request confirmation that if Deprioritized operators are Reprioritized through the Payment Plan prior to May 31, they will still be able to meet processing deadlines for July and August.**
3. Application Status - For this item we have the following questions:
  - a. **We request clarification on what MCD plans to do with those applicants who have been identified as ‘Non-Responsive or Inadequate Material.’**
  - b. **We request that MCD provide the number of operators in each category (Non-Responsive vs. Inadequate Materials).**
  - c. What constitutes a designation of ‘Inadequate Material’ and are those operators, if responsive, being provided the opportunity to provide adequate materials?
4. LEEP Grant - We appreciate the staffing challenges in the department and understand that currently only the Tax and Fee Waiver Program is operational for those already granted Eligibility.
  - a. Does MCD have an idea when a staff member from the Department or from another Department (CEO’s office, PBS, etc.) could be made available to resume Eligibility processing under the currently existing program?
  - b. We are aware the application for the next round of funding will not be until Fall. MCA has undertaken a significant analysis of the Round 4 Funding application that was denied, and looks forward to working with the Department and the GGC on updating reporting procedures and other items within the program to address concerns from GoBiz and secure funding in the next round.
  - c. Additionally, we have the following questions about the current status of the program:
    - i. How many direct grants have been approved with legal documents drafted that need to be entered into Cobblestone?
    - ii. Have all applicants who are in Cobblestone been informed of where they are in the process?
    - iii. How much time does it take to enter approved documents for an applicant into Cobblestone?
5. Department Efficiency Study - We are glad to see this process underway and look forward to seeing the final results which include the accurate estimates for processing of applications. Per our comment above related to Priority Processing, **we request clarification as to whether MCD will have the ability to process all applications from both Deprioritized and Prioritized operators in time for the July and August deadlines.**

## **MCD Procedural Recommendations**

In addition to the recommendations above, we are including a list of recommendations for streamlining operations within MCD that would not require an ordinance change, but rather shifts in MCD procedures.

1. Publish a document outlining every step in the permitting process from application submission to permit issuance.
2. Provide a complete list of all current versions of all documents required by MCD
3. Provide the opportunity for in-person permit application meetings between operators and planners.
  - a. Assign a person within MCD with basic knowledge and access to the planner/underwriter's schedule with the ability to make appointments for technical assistance for the application processes.
4. Remove any unnecessary language threatening permit denial from requests for documentation from operators.
5. Compliance Plans
  - a. Request confirmation that Code Enforcement Compliance Plan (as opposed to Phase 1 Compliance Plan) would essentially allow for more reasonable time. Currently, the Compliance Plan timing in Phase 1 says there is 1 year to complete it, but if ultimately that is not possible (ex: waiting on solar installer) then we recommend it be referred to Code Enforcement (instead of the license being terminated) and Code Enforcement can issue its own compliance plan.
6. Cobblestone Updates
  - a. In communications with Cobblestone, we have been informed that there could be updates made to the system that would potentially reduce the amount of time it takes to move through the program. We recommend that the County undertake an internal review of the various issues with the system and engage directly with Cobblestone to identify these updates and implement them to the benefit of all.
7. 15 Day Notices
  - a. Please include language in all 15 Day notices that informs recipients that they can request an extension beyond 15 days, and how they can request that extension.
8. Restricted Area Access Ag Pass Program
  - a. Please inform applicants when a submission has been received and when they will receive additional follow up with information on how to obtain the pass.

9. Community Staffing Support

- a. When searching the Mendocino County jobs page, zero listings<sup>3</sup> come up for the Cannabis Department. Provide information on roles being sought within the Department to the community, along with information on which roles could potentially be filled by licensees (admin support, etc.).

10. Equity Program

- a. Expand raid eligibility to include Law Enforcement raids beyond CAMP Raids in the existing Equity Manual prior to additional program revisions.
- b. For Equity Fee Waivers, allow applicants to request verification from the Tax Collectors office through an electronic submission, rather than requiring applicants to get a hard copy with hand stamped proof of approval from the office before submitting to MCD. As it currently stands, applicants can submit the fee waiver request electronically to MCD but they first need to obtain the hard copy approval from the Tax Collector's Office. This would align with the County's goals for going paperless and reducing carbon emissions by reducing the amount of driving back and forth between Ukiah, Willits, and wherever in the county the operator lives.
- c. Create a Technical Assistance program for Equity Operators that could include in-person meetings with Planners to streamline application review and answer questions directly rather than back and forth over email. The creation of such a program would have the added benefit of adding points to our next Equity funding application.

11. Work with stakeholders and CDFW to align the screening tool for CDFW referrals with the MND.

### Requesting Clarification on Tax Appeal Scenarios

With regard to the Tax Appeal information and opening of the window for submission through April 28th, upon reviewing the ordinance, the process for an appeal<sup>4</sup> is explained but it does not speak to the content of the appeal. On the Appeal Application<sup>5</sup> it includes the following text:

County Staff will review the appeal application and all available evidence relating to whether or not the Appellant cultivated cannabis.

Is this the ONLY acceptable reason for an Appeal - if cannabis was determined not to have been cultivated in the previous tax year - or are there other circumstances under which Tax Appeals can be accepted? The following text is in the 09-17-2019 PBS CoCo memo<sup>6</sup>:

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<sup>3</sup> <https://www.governmentjobs.com/careers/mendocinoca?keywords=cannabis>

<sup>4</sup> [https://library.municode.com/ca/mendocino\\_county/codes/code\\_of\\_ordinances?nodeId=MECOCO\\_TIT6BULIRE\\_CH6.32CABUTA\\_S6.32.250TAASHEAPDE](https://library.municode.com/ca/mendocino_county/codes/code_of_ordinances?nodeId=MECOCO_TIT6BULIRE_CH6.32CABUTA_S6.32.250TAASHEAPDE)

<sup>5</sup> <https://www.mendocinocounty.org/home/showpublisheddocument/57305/638167107158130000>

<sup>6</sup> [https://drive.google.com/file/d/1fUw4SE0xpxJlXlNqz1wBblfK0OTr9d6/view?usp=share\\_link](https://drive.google.com/file/d/1fUw4SE0xpxJlXlNqz1wBblfK0OTr9d6/view?usp=share_link)

'Staff recommends that the process discussed today be limited only to appeals involving the appropriateness of the minimum tax being imposed based on whether cultivation occurred, **and that all other appeals follow the process as currently stated in Mendocino County Code section 6.32.030, as adopted by the Board through Ordinance No. 4432<sup>7</sup> in July 2019.**' (emphasis added)

MCA recommends clarification regarding all reasons for which Tax Appeals can be accepted. Such additional reasons might include the loss of some or all of an applicant's crops due to weather events. Other examples include if an operator had product stolen and filed a police report. Yet another valid reason might be if an operator did not receive payment for product and they have the invoices and communications with delinquent vendors as evidence.

It is our understanding from speaking with the Treasurer Tax Collector's office that these determinations are made by MCD. **We request that the GGC direct MCD to be as accommodating as possible of cannabis tax appeals that are submitted for the 2022-2023 Tax Year.**

#### **Recent Tax Reform Clarifications**

Finally, on the document released by the Treasurer Tax Collector's office related to the Reduction in Cannabis Business Tax<sup>8</sup> only the 50% reduction in the Gross Receipts percentage was listed. **We request that this be updated to also reflect the 50% reduction in the Minimum Tax.**

We appreciate your consideration of these recommendations and look forward to continuing our dialogue on how to best improve conditions on the ground for our locally licensed operators.

Thank you for your consideration of these items.

Sincerely,

Mendocino Cannabis Alliance  
e: [info@mendocannabis.com](mailto:info@mendocannabis.com)

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<sup>7</sup> <https://mendocino.legistar.com/LegislationDetail.aspx?ID=4052230&GUID=92AC8ECD-BFFF-4828-AA8F-39F35EE2ECEB&Options=&Search=&FullText=1>

<sup>8</sup> <https://www.mendocinocounty.org/home/showpublisheddocument/57373>