



10A.17 Update

PRESENTED BY: KRISTIN NEVEDAL / DIRECTOR
MENDOCINO CANNABIS PROGRAM

Topics To Cover

- ▶ Compliance Update
 - ▶ Annual Permit Renewal
 - ▶ Phase One & Phase Two Re-Application Portal
 - ▶ Portal Update
- ▶ State Timeline for Transitioning Provisional Licenses to Annual Licenses
- ▶ Local Jurisdiction Assistance Grant Program

Application & Permit Status - May 25, 2021

Local Authorizations	1149
Annual Permits Issued	271
Applications Under Review	878
Between September 2020 and January 2021 – Tiered Application Review	
Reviewed Applications	410
30-Day Corrections Letters Issued	372
• Permits Issued	3
• In Good Standing (Complete Applications)	115
• Recommended for Portal Reapplication	125
• Recommended for Denial	105
• Applications Denied	14
• Voluntarily Withdrawn	8

Annual Permit Review – July 1, 2021

- ▶ Annual Permits are valid for twelve (12) months and subject to renewal.
- ▶ Any revocation or lapse in the renewal of an issued permit extinguishes the ability to obtain a permit for the cultivation site under Phase One.
- ▶ 78 percent of permit holders have State licenses, and
- ▶ 57 percent of the permits issued were expired.
- ▶ July 15, 2021, MCP issued 30-day Courtesy Notices to annual permits that expired in 2018, 2019, and 2020.

Year the Permit Expired	Number of Expired Permits	Number of Expired Permits with Valid State Licenses
2018	16	11
2019	45	27
2020	16	12
2021	80	61

Permit Renewal Policy – July 15, 2021

The updated policies and procedures include:

- ▶ Policies and procedures for approving, issuing, and renewing a permit,
- ▶ Developed and posted an expired permit list,
- ▶ Developed a policy for addressing expired permits in a timely manner, and
- ▶ Established a policy for addressing approved permits that have not been paid for and issued within 30 days of approval,
- ▶ Currently working with Informational Services to develop an automatic renewal notification system, and
- ▶ An annual permit renewal application portal system.

July 15, 2021, 30-Day Courtesy Notices	August 10, 2021	September 1, 2021
Approved	27	56
Received Incomplete	28	0
Hold (subject to correction timeline)	5	12
Not Received	16	0
Denied / Withdrawn	2	2
Expired (failed to complete application)	0	8
Total	78	78

Reapplication Portal – August 2, through November 2, 2021

- ▶ Posted the Portal Reapplication information page on website, end of June 2021,
- ▶ Notifications were sent to Canna Notes list, TRAKiT applicants and agents, and State license holders,
- ▶ Notifications were printed in Ukiah Daily Journal, Willits News, and Anderson Valley Advertiser,
- ▶ A Portal list was posted identifying In Good Standing applicants, and Portal applicants,
- ▶ A Checklist was posted identifying required application materials, and
- ▶ Two Portal informational sessions were held, recorded, and posted on the website.

Reapplication Portal – Initial Review (August through December 2021)



Portal Statistics	
In Good Standing	144
Applications Assigned to Portal	679
Individual Applications Submitted to the Portal	554
Applications Completed via Portal	114
Total Portal Submissions	1022
Portal Submissions Still Needing Review	309
Estimated Total Review Hours	2044
Estimated Cost	\$231,196.84

Re-review of Incomplete Portal Applications

- ▶ January 2022, re-review incomplete applications to assess for issuance of a denial letter or 30-day corrections letter
 - ▶ MCP intends to use contractual planners to conclude this process
 - ▶ Once denial and corrections letters are completed denial letters will be sent via email and certified mail, and corrections letters will be sent via email
 - ▶ The Portal will be reopened to those issued a corrections letter for 30-days allowing the applicant to add the materials necessary to complete their application
 - ▶ If not completed within the 30-day window, these applications will be denied
 - ▶ Estimated 1,954 staff hours for this phase of the Portal project
 - ▶ Total estimated staff hours 3,998, at a cost of \$537,367.14

Application & Permit Statistics – November 15, 2021

Permits Approved / Issued	282
Approved	11
Issued (between May and September 2021)	19
Renewal Approved	2
Renewal Hold	6
Renewal Incomplete	61
Renewal Issued	183
Non Cultivation	3
Under Review	789
Hold	25
Notice of Application Stay	6
Totals	1105

State Imposed Application & CEQA Processing Timelines

- ▶ July 2021, the Legislature passed two Budget Trailer Bills which addressed the sunset timeline of the State Provisional Licensing Program, and
- ▶ Established the Local Jurisdiction Assistance Grant Program (LJAGP) intended to assist local jurisdictions with processing outstanding applications and finalizing CEQA analysis
 - ▶ Mendocino County was deemed eligible for \$7,611,370 in Grant Funding, plus
 - ▶ \$10,473,468 in funding due to having an Equity Program
 - ▶ The LJAGP application opened on October 8 and closed at 11:59 PM on November 15, 2021.

New Provisional Licenses

Timeline	Requirements
Until June 30, 2022	<ul style="list-style-type: none">• Applies to all license types• If compliance with CEQA is not complete that it is underway;• If compliance with local ordinances is not complete that it is underway;• The application is submitted by March 31, 2022
Until September 30, 2022	<ul style="list-style-type: none">• Applies to cultivation only• The application is not for a cultivation license premises that exceeds 20,000 SQ FT of total canopy for outdoor cultivation.• Issuing the license would not cause the applicant to hold multiple contiguous cultivation licenses in excess of one acre of total canopy for outdoor cultivation, or 22,000 SQ FT for mixed-light or indoor cultivation.• The application to the department is submitted on or before June 30, 2022.
Until June 30, 2023	<ul style="list-style-type: none">• Applies to equity applicants only• The equity application is not a cultivation license premises that exceeds one acre of total canopy for outdoor cultivation, or 22,000 SQ FT for mixed-light or indoor cultivation.• Issuing the license would not cause the applicant to hold multiple contiguous cultivation licenses in excess of one acre of total canopy for outdoor cultivation, or 22,000 SQ FT for mixed-light or indoor cultivation.• The local equity applicant submits an application to the department on or before March 31, 2023

Elevated CDFW Requirements for New Provisional Cultivation Licenses

- ▶ Cultivation applicants must show compliance with CDFW 1602 regulations by providing one of the following:
 - ▶ A final executed Lake and Streambed Alteration Agreement (LSAA);
 - ▶ A draft LSAA provided by CDFW and signed and returned to CDFW;
 - ▶ Written verification by CDFW that a LSAA is not needed;
 - ▶ Written verification by CDFW that the applicant has submitted a notification, submitted payment of applicable fees, and is responsive to CDFW.
- ▶ An applicant is considered **not** responsive if either of the following apply:
 - ▶ The notification has been deemed incomplete a second time, and/or
 - ▶ After a notification was deemed incomplete once and CDFW has not received the requested information for more than 60 days.

Timelines for Provisional License Renewals

	July 1, 2022 – June 30, 2023	July 1, 2023 – December 31, 2024
Compliance with CDFW 1602	<ul style="list-style-type: none"> • A final and executed LSAA, or • A draft LSAA provided by CDFW and signed and returned to CDFW, or • Written verification by the CDFW that the provisional licensee has submitted a complete notification. • Written verification by CDFW that an LSAA is not needed. 	<ul style="list-style-type: none"> • A final and executed LSAA, or • A draft LSAA provided by CDFW and signed and returned to CDFW, or • Written verification by CDFW that an LSAA is not needed.
Compliance with CEQA:	<ul style="list-style-type: none"> • The lead agency is in the process of preparing a site-specific initial study, addendum, or checklist to demonstrate consistency with a previously circulated and adopted negative declaration, mitigated negative declaration, or environmental impact report. 	<ul style="list-style-type: none"> • The lead agency has certified to the department that it has conducted a reasonably comprehensive site-specific review and has reviewed, prepared, and deemed complete a checklist which demonstrates consistency with a previously circulated and adopted negative declaration, mitigated negative declaration, or environmental impact report, in preparation for approval of an annual license.

Provisional cultivation licenses not eligible for renewal

- ▶ The State Water Resources Control Board has notified the department that the provisional licensee is not in compliance with subdivision (a) or (b) of Section 26060.1 or the principles, guidelines, and requirements established pursuant to Section 13149 of the Water Code.
- ▶ The California Department of Fish and Wildlife has notified the department that the provisional licensee is not in compliance with any final LSAA, any conditions set forth in a signed draft LSAA, or a condition established pursuant to subdivision (a) or paragraphs (1) and (2) of subdivision (b) of Section 26060.1

Local Jurisdiction Assistance Grant Program	\$18,084,837.00
A. Direct Technical Assistance: County personnel for the purposes of processing Phase One and Phase Two applications and Appendix G Checklists	\$963,952.57
B. Direct Technical Assistance (Other): Consultants for the purposes of processing Phase One and Phase Two applications and Appendix G Checklists	\$1,987,762.19
C. Indirect/Administrative - Personnel: County personnel for the purposes of administering the grant. Includes underwriting and administration of direct grant program.	\$1,024,895.86
D.(1) Indirect/Administrative – Other: Items that provide administrative or indirect support to the intent of the grant program. This includes: Power Score (GH Gas Emission and Water Use tracking), TRAKiT Custom Screens and Data Capture Update, Renewal Application Portal, Site Inspection Technology, RFQ Development & Analysis, Satellite & Aerial Imagery, GIS Station, Office Supplies, DocuSign Service, and Outside Agency Cost Recovery.	\$3,634,758.30
D.(2) Indirect/Administrative – Other: Direct Grant Program to assist MCP and PBS applicants and permit holders with provisional licenses in achieving annual licenses. Programs include: Fee Waiver Program, CEQA Assistance Program, Improving Air Quality and Reducing Greenhouse Gas Emissions, Remediation and Relocation to an Environmentally Superior Location, Hydrology and Water Quality Program	\$10,473,468.00