

Charter: Nevada County Cannabis Initiatives

Prepared by/Project Manager: Matt Kelley, Director – Code & Cannabis Compliance Department

Project Sponsor: Trisha Tillotson, Community Development Agency Director

Project Lead: Matt Kelley

BACKGROUND AND PROJECT JUSTIFICATION

This charter is focused on cannabis related initiatives under the Economic Development Board Objective.

The January 2025 Board of Supervisors Workshop included a discussion with a panel of agency and department heads as a component of the Economic Development Board Objective. As part of this Board Objective, a continued focus on supporting business attraction, retention and growth and supporting potential high grow sectors was identified, which included the cannabis industry. Specific initiatives identified included cannabis related grants, changes to the cannabis ordinance, and revisions to the Cannabis Division's inspection processes.

Two departments are primarily responsible for cannabis permitting and approvals in Nevada County. The Planning Department oversees the approval of cannabis operations under an Administrative Development Permit (ADP). The Code and Cannabis Compliance Department oversees the Annual Cannabis Permits (ACP) and administers an enforcement program to correct violations of cannabis codes and ordinances, enacted by the Nevada County Board of Supervisors.

PROJECT SCOPE AND TIMELINE

As outlined at the Board of Supervisors Workshop and as part of the Economic Development Board Objective, the following initiatives are included as they were outlined in the Board Objective.

Nevada County Good to Grow Grant Program

1. Cannabis Equity Grant Program:

- A. The Nevada County Good to Grow Grant Program is intended to address the challenges that are a result of the historical criminalization of cannabis and to create a more equitable and inclusive cannabis industry. The Grant Program has continued to secure grant funds from the Governor's Office of Business and Economic Development (GO-Biz) and the Department of Cannabis Control (DCC). The program has been designed to provide support and assistance to existing cannabis applicants and those who may be interested in entering the regulated cannabis market.
- B. The Cannabis Compliance Division will continue to administer this program to review cannabis equity grant applications as funding continues to be available to provide support and assistance to existing cannabis applicants and those who may be interested in entering the regulated cannabis market. The Cannabis Compliance Division will also

PROJECT CHARTER

continue to utilize the Sierra Business Council or a similar contractor to assist in distributing cannabis equity funding as it continues to be available to local cannabis growers and business owners.

Nevada County Zoning Ordinance - Cannabis Ordinance Updates:

1. The Planning Department and the Code & Cannabis Compliance Department, as directed at the January 2023 Board Workshop, completed the updates to the Cannabis Ordinance, including the creation of Commercial Cannabis Dispensary Application Evaluation Committee, which was approved by the Nevada County Board of Supervisors at their regular meeting of November 12, 2024, by the adoption of Ordinance No. 2538 and Resolution No. 24-594.

The amendments to the Cannabis Ordinance included:

- A. Limited Retail Storefront and Non-Storefront (mobile) in commercial and/or industrial zone districts, subject to the approval of a Use Permit. Including a competitive selection process.
 - B. Limited commercial cannabis activities in M1 zoning; subject to the approval of an Administrative Development Permit or Development Permit; including indoor cannabis cultivation, testing laboratories, non-volatile or volatile manufacturing.
 - C. Temporary Cannabis Events allowed subject the approval of an Administrative Development Permit process and only allowed in M1, BP, C1 or C2 zoning districts.
 - D. Consider an overlay or exclusion zoning to preclude cultivation and other cannabis related activities from some properties/neighborhoods.
 - E. Require upfront disclosure of compliance with applicable CC&R's.
2. The Planning Department and the Code & Cannabis Compliance Department will continue to work with the Cannabis Ad-Hoc Committee, consisting of two (2) Board of Supervisors Members to receive input and guidance on the process of creating the Bylaws for the Commercial Cannabis Dispensary Application Evaluation Committee and the continued Cannabis Retail Dispensaries Competitive Selection process. The Ad-Hoc Committee will also provide direction and review of the draft Retail Storefront Selection criteria which will be reviewed and approved by the Selection Committee for final approval by the Nevada County Board of Supervisors.

It is anticipated that during the Summer / Fall 2025 staff will present the final Retail Storefront Selection criteria to the Commercial Cannabis Dispensary Application Evaluation Committee with consideration by the Nevada County Board of Supervisors at a regular meeting during the Fall or Winter 2025. It is anticipated that staff will open the application window to receive Retail Storefront Dispensary selection applications in Fall or Winter 2025.

Continue to explore other amendments to the Cannabis Ordinance

1. The Cannabis Compliance Division will continue to work with the Cannabis Ad-Hoc Committee to explore additional amendments to the Cannabis Ordinance.

PROJECT CHARTER

Refine and Facilitate Annual Cannabis Permit Inspection Process:

1. The Cannabis Compliance Division is continuing to review and update the Annual Cannabis Permit inspection process of our permitted cannabis cultivators. As part of the updates to the process, the Division has automated the inspection process to allow for cannabis cultivators to self-schedule their annual inspections. This has resulted in a more efficient use of staff resources to ensure that inspections are completed at least twice a year. This process will continue to be ongoing.

High Level Risks and Assumptions:

1. Cannabis Community: External economic factors affecting the success of cannabis businesses within unincorporated Nevada County.
2. Regulatory Challenges: Changes in regulations and ordinance requirements impacting the Nevada County Cannabis Community.
3. Community Resistance: Potential opposition from certain groups within the community to permitted and unpermitted cannabis activities.

COMMUNICATIONS PLAN:

The Working Group and project implementers will utilize County/Department PIO's and Public Hearing Notices to involve community stakeholders in certain project components and/or community outreach.

Summary Budget:

The majority of the objectives will be funded through existing staff capacity and no new fiscal resources are required for the staff components. Cannabis Equity Project Funding will come from a variety of local, state, and federal grant opportunities as available and awarded. Local funding will be provided through normal County competitive bidding processes, i.e. Request for Proposal or Request for Bid.

WORKGROUP MEMBERS – ROLES & RESPONSIBILITIES

Team Member Name	Department	Roles/Responsibility
Trisha Tillotson	Community Development Agency Director	Project Sponsor
Supervisor Sue Hoek	Nevada County Board of Supervisor	Cannabis Ad-Hoc Committee
Supervisor Hardy Bullock	Nevada County Board of Supervisor	Cannabis Ad-Hoc Committee
Matt Kelley	Director, Code & Cannabis Compliance	Project Manager

PROJECT CHARTER

Brian Foss	Planning Director	Community Development Agency Collaborator
Thomas Maioli	Cannabis Compliance – Senior Cannabis Compliance Officer	Cannabis Compliance Division Collaborator
Jessica Rist	Cannabis Compliance – Senior Community Development Technician	Cannabis Compliance Division Collaborator
Susan Caplan	Cannabis Compliance – Cannabis Compliance Officer II	Cannabis Compliance Division Collaborator
Other County Staff	Department with specific Cannabis Division activities to be addressed	Varied

Method of Operation:

The working group meets on a bi-monthly or as-needed basis. Meetings serve as a time to share information, check on progress of activities and initiatives, bring forth areas for discussion and identify emerging issues and needs of the cannabis community.

The Cannabis Division Charter and working group is closely related to the Economic Development Board Objective and alignment with this working group is important and updates and discussions will be brought into the Cannabis Division Charter working group meetings.

1. HIGH LEVEL REQUIREMENTS:

Major Stakeholders:

1. Nevada County Departments
2. Nevada County Executive Office
3. Nevada County Community Development Agency
4. Nevada County Cannabis Alliance
5. City of Grass Valley
6. City of Nevada City
7. Town of Truckee
8. State of California Department of Cannabis Control
9. State of California, Governor's Office of Business and Economic Development

Approved by (Project Sponsor): _____ Date: _____