

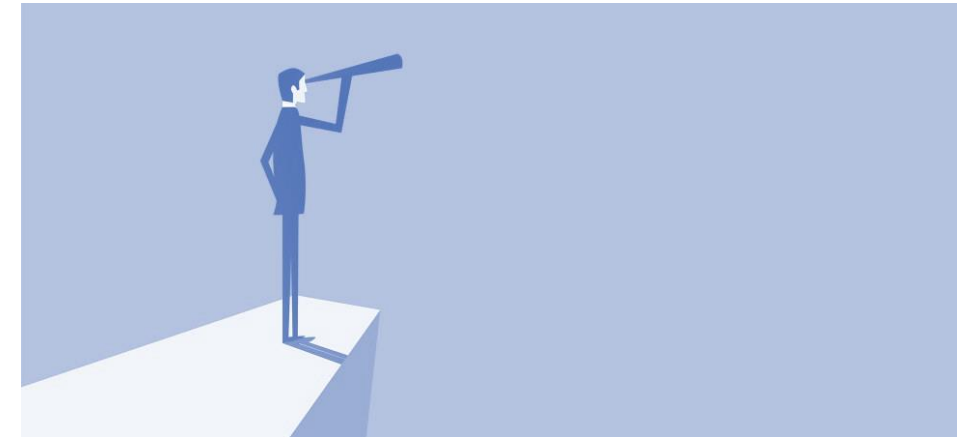
2019 Board Objective

Adopt a County cannabis ordinance and implement an effective cannabis compliance and permitting program to promote permitted cannabis activities



Cannabis Update - Outline

- **Cannabis Permitting**
 - Permit stats/update, first year challenges, process improvement, 2020 possibilities
- **Cannabis Enforcement**
 - Enforcement stats/update, first year accomplishments and challenges, 2020 possibilities
- **Cannabis Appeals Process**
 - Process overview
- **Cannabis Tax Measure Update**
- **Hemp**
 - Short overview and 2020 possibilities
- **Cannabis Budget**
- **Board Discussion**



Cannabis Update - Permitting

- **Administrative Development Permits (ADP)**
 - Applications Received: 73 Approved: 28
- **Cannabis Cultivation Permits (CCP)**
 - Applications Received: 16 Approved: 10
- **Total Cannabis Cultivation Applications Received: 89**
- **Total Cannabis Cultivation Permits Approved: 38**



Cannabis Update - Permitting

Average Cannabis Permit Review Timelines

- Average time from intake to first review: **26 days**
- Average time from first review to re-submittal: **51 days**
- Average time from intake to approval: **143 days**
- Average project submissions: **3**
- Fastest project approval: **59 days**
- Longest project approval: **212 days**



Cannabis Update - Permitting

Permitting Challenges:

- Applicants unfamiliarity with development permit process/time dedication needed
- Additional land use permits and as-built permits needed – associated costs
- Unfamiliarity with state/local fire regulations for commercial facilities
- Lack of available and qualified design professionals
- Changes to project with resubmittals/Incomplete resubmittals



Cannabis Update - Permitting

Permitting Challenges Cont.:

- New Process with New Regulations
- Routing and Coordination
- Transition Periods
- Keeping up with State Regulations
- Plants-In-Ground Allowance



Cannabis Update - Permitting

Striving for Improvement:

- Process improvement focus – CDA – Stakeholders
- Expedited resubmittal review options (DRC)
- Improved checklists, applications, and handouts for applicants/design professionals
- Continued outreach and education
- Continued meetings with stakeholders
- Fire district connectivity and use of permitting system
- Process improvement team



Cannabis Update - 2020

2020 Possibilities

- Focus on improving process & increasing number of permitted sites
- Reviewing additional license types such as distribution, manufacturing, dispensaries, or other supply chain license types
 - Timing/need to add these types
 - Reviewing effects to EIR, CEQA, and other rel
 - Reviewing changes needed to local ordinance
 - Community and industry feedback
 - Adapting permit process for these types



Cannabis Update - 2020

2020 Possibilities

- Compassionate Use Options
 - Possibilities for adaptation with personal use regs
 - Reviewing effects to EIR, CEQA, and other related impacts
 - Reviewing changes needed to local ordinances
 - Community and industry feedback
 - Adapting permit process for these types
 - State licensing, tax, & fee effects



Cannabis Update - Enforcement

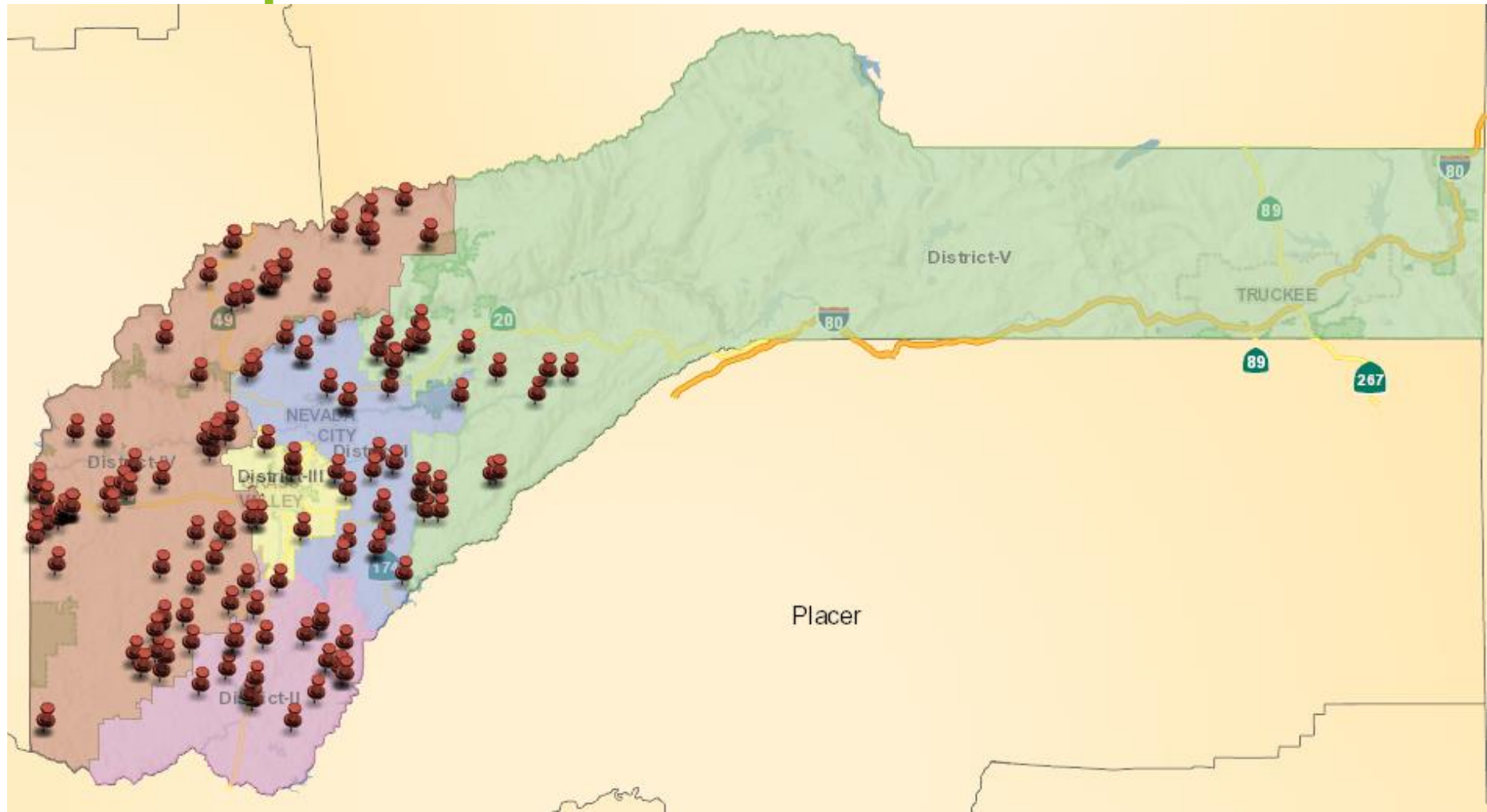
Estimated 3,500-4000 grows in County



Illegal Cannabis Cultivation Enforcement:

- Total Complaints Received: **197**
 - ALL complaints were investigated
- Cases Currently Open: **46**
- Cases Unfounded/Unverified: **91**
- Cases Self Abated: **60**
- Administrative Appeal Hearings: **8**

Cannabis Update - Enforcement



Cannabis Update - Enforcement

Enforcement Activity:

- Conducted hundreds of inspections in collaboration with the Nevada County Sheriff's Office with two cannabis officers
- Assisted with numerous joint task force operations regarding egregious illegal cultivation sites
- Collaborated CA Water Boards and Cal Cannabis regarding enforcement complaints
- Assisted illegal cultivators into the legal permitting process
 - 3 illegal cultivators out of 60 that choose self-abatement



Cannabis Update - Enforcement



Cannabis Update - Enforcement



Cannabis Update - Enforcement

Enforcement 2020

- Appeal process improvement with County Counsel and COB
- Additional planned education/outreach with stakeholders and agencies
- Continued collaboration with agencies for abatements
- Overall enforcement process improvement
- Aerial imagery possibilities
 - Unmanned Aerial System (Drone) use
 - Operated from public right-of-way
 - 2 County jurisdictions currently utilizing this tool for cannabis enforcement
 - Regularly utilized by local law enforcement
 - Improved staff safety



Cannabis Update - Overall

Lessons Learned

- Continued outreach/education needed
- Communication remains key
- Permitted vs. illegal sites are vastly different
- Continued need to adapt to state regulations
- Enforcement vital aspect to permitting
- Importance of establishing a solid process prior to adding additional aspects to permitting
- New program and will continue to improve



Cannabis Update – Budget

Cannabis Compliance Division Overview

- 2 FTE's
 - Majority of permit review being done with existing staff throughout CDA
- Total budget: \$421,574
- Projected Expenditures: \$483,035
- Revenue (projected/actual to date):
 - Permitting: \$54,150/\$27,074
 - Enforcement Penalties: \$66,607/\$56,607



Cannabis Update – Appeal Process

- **County Code § L-II 3.30(M)**
 - Appeal to Hearing Officer
 - Hearing conducted within 5 to 20 days of appeal request
 - Hearing Body's decision is final
- **Administrative Enforcement Ordinance Update**
 - Amendment to § L-II 5.23 Planned for early 2020
 - Comprehensive “one stop” appeal



Cannabis Update – Appeal Process

Liability for Costs and Penalties

- Administrative costs
- Administrative Civil Penalties
- Enforced as Lien
- Personal Obligation
- Cost accounting hearing – detailed and reasonable
- Special Assessment



Cannabis Update – Tax Measure

- **Tax Revenue:**
 - Projected 19/20: **\$60,000**
 - Actual 19/20: **\$250**
 - Projected 20/21: **\$210,000**
- **22 Welcome packets issued, 9 registrations.**
- **Majority of first “season” of tax revenue will come in 3rd and 4th quarter.**
- **Planned collaboration with Cannabis Compliance Division regarding registration and revenue reporting.**
- **Appeals are to Board of Supervisors after TTC determines amount of tax, interest, penalties and fees.**



Cannabis Update – Hemp

Nevada County:

- April 9, 2019 BOS passed 45-day urgency interim ordinance placing a temporary moratorium on Hemp
- April 23, 2019 BOS extended moratorium 10-months 15-days
- Moratorium expires March 9, 2020

What other Counties are doing:

- 25 Counties have moratoriums
- 32 counties allow cultivation (16 also allow cannabis)
 - 625 registrants
 - Approximately 40,000 acres of hemp cultivation



Cannabis Update – Hemp

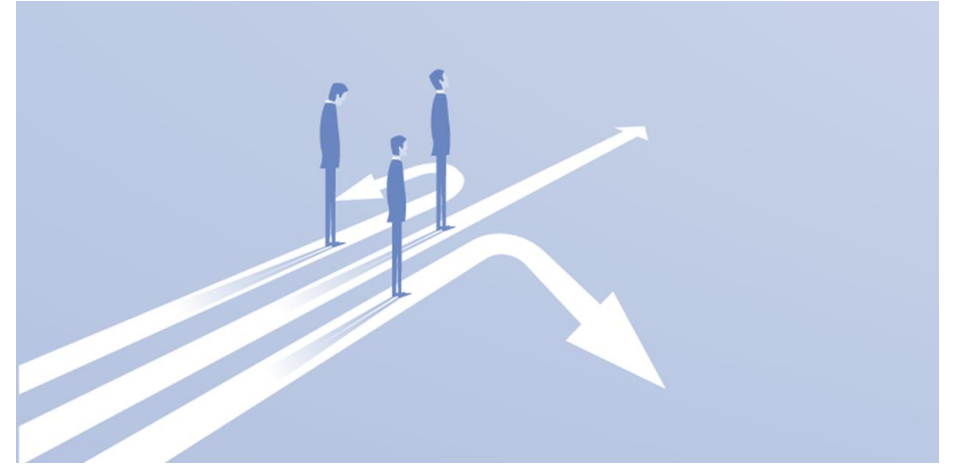
- Cross-Pollination with Cannabis
- Local regulations are supported by state regulations
- Clear local regulatory and enforcement framework for hemp
- Economic viability for hemp in Nevada County
- What lessons can be learned from other counties/states.
- Staffing levels to carry out the program

Next Step:

- In February 2020, extend moratorium for one more year, as allowed by state law. Seek further direction from BOS at that time.



Decision Points



- **License Types**
- **Compassionate Use Program**
- **Plants-in-ground allowances for 2020 season**

