

NEVADA COUNTY BOARD OF SUPERVISORS RESPONSES TO

2021 Nevada County Civil Grand Jury Report

Cannabis in Nevada County: A Growing Problem?

REPORT DATE: February 9, 2021

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In accordance with California Penal Code § 933.05(b), the Nevada County Board of Supervisors is responding to the Nevada County Civil Grand Jury FY 2020/21 Report entitled *Cannabis in Nevada County: A Growing Problem*. The responses to findings and recommendations are based on examination of official county records, review of the responses by the County Executive Officer, County Counsel and representatives or testimony of the Board of Supervisors and County staff.

A. RESPONSES TO RECOMENDATIONS

R1: The County should streamline the permitting process and reduce the costs to legalize cannabis operations.

This recommendation has been implemented.

We agree that a streamlined permitting process is important which is why the County has already and continues to pursue efforts to streamline the permitting process, thereby minimizing the associated costs with legal cannabis operations. The majority of costs to legal cannabis operations are related to Health and Safety Codes which cannot be reduced or waived. These measures protect both people (employees, neighbors, and customers) and the environment (water, air, and endangered species) and are consistent with other commercial business regulations.

Specifically, the Community Development Agency (CDA) has implemented several process improvement and cost reducing initiatives for the commercial cannabis program that include:

- 1) Creating a pre-application process in March of 2019 to give applicants a head-start on the application review process to help streamline permitting when the ordinance was adopted with 57 cultivators utilizing this pre-application process.**

- 2) A Cannabis Process Improvement Team was created in 2019 that meets regularly to discuss opportunities to streamline the permitting process and remove barriers to entry. Several improvements have been implemented including but not limited to improvements to permitting software to streamline agency routings, policy development, and the creation of educational materials/checklists for applicants.
- 3) In November 2020, CDA released four policy amendments addressing key areas determined by stakeholders as barriers to entry. These policies allowed minor electrical in ag-exempt greenhouses, flexibility of disabled accessible parking (not associated with permitted commercial structures), issuance of land-use related permits (building, grading, septic, etc.) prior to finalization of cannabis land-use entitlements, and development options for restroom, waste disposal, and septic standards for commercial cannabis projects.
- 4) The current permitting process is an administrative process that is a timelier and cost-effective land-use permitting process compared to many other jurisdictions that have implemented a Conditional Use Permit (CUP) process. The below costs are the approximate permit application fees for six (6) comparison jurisdictions:

Jurisdiction	Program Longevity	Permits Approved	Permit Application Fee
Humboldt	5 years	1,113	\$7,000
Mendocino	4 years	0 (CEQA)	\$3,783
Monterey	5 years	21	\$4,653
Nevada	2 years	117	\$2,100
Santa Barbara	4 years	25	\$12,250
Sonoma	4 years	57	\$30,000-40,000
Yolo	5 years	47	\$21,821

- 5) CDA has also implemented a “Plants in Ground” policy the last three cultivation seasons that has allowed cultivators to start cultivation activities under certain conditions to improve permitting achievability.
- 6) The cannabis ordinance allows for a two (2) year transition period to bring noncompliant land use issues into compliance that are unrelated to the commercial cannabis operations that improves affordability of permitting related to site improvements.
- 7) CDA is currently contracted with the California Center of Rural Policy at Humboldt State University to complete a cannabis Local Equity

Assessment (LEA) and cannabis Local Equity Program (LEP) Manual to create a cannabis local equity program. This program will allow the use of grant funds to assist cannabis applicants in becoming compliant with local and state laws that have been adversely impacted by the criminalization of cannabis. This assessment and program will be presented to the Board of Supervisors during the Summer of 2021 for review and adoption.

R2: The County should return primary enforcement of illegal cannabis violations to the Sheriff.

The recommendation will not be implemented.

Adoption of the Nevada County Commercial Cannabis Ordinance (Ord. 2467) established that unpermitted cannabis cultivation is a land-use violation. The criminal statutes that apply to unpermitted cannabis are limited. CDA has and will continue to work closely with law enforcement and state agencies to improve accountability for unpermitted cannabis cultivators.

R3: The County should re-evaluate fines and abatements to ensure compliance by those that can afford to pay to continue growing illegally

The recommendation will not be implemented.

CDA has implemented and adopted a fine fee schedule that is consistent with state government code allowances. In addition, the Board of Supervisors recently amended the Commercial Cannabis Ordinance removing the \$25,000 cap on fines and penalties to hold unpermitted cannabis cultivators accountable via Ordinance No. 2491 on April 27, 2021.