



January 2, 2021

Sonoma County Board of Supervisors
bos@sonoma-county.org

Sonoma County Administrator's Office
christina.rivera@sonoma-county.org

Sonoma County Permit and Resource Management Department
tennis.wick@sonoma-county.org
cannabis@sonoma-county.org

Sonoma County Department of Agriculture/Weights & Measures
SonomaAg@sonoma-county.org
andrew.smith@sonoma-county.org

Re: Postponement of Release of Draft Cannabis Ordinance Amendments

Dear County Supervisors and Staff,

We are writing to you today to express our sincere disappointment with the county's announcement that release of the proposed amendments to the Commercial Cannabis Land Use Ordinance is being postponed yet again, this time allegedly until sometime before the end of January 2021. Local stakeholders have been waiting months to receive a copy of the draft language, and years to get the county's cannabis program up off the ground. Throughout 2020 the county kept stating that a draft would be published soon, in what seems like an attempt to keep kicking the can down the road rather than exploring what could be done to make the current process work better.

Sonoma County's cannabis industry cannot wait any longer. Countless local cannabis cultivators have been forced to change their livelihood, sell their property, and are struggling to make ends meet in response to the County's bungling of this program which had so much potential; and many legacy cannabis operators have even had to move out of the county entirely in search of better opportunities elsewhere. This is a cruel irony given the fact that Sonoma County has perfect conditions (in terms of climate, geography, and decades of institutional knowledge beginning with the "Back to the Land" movement) to grow cannabis. Moreover, the County's motto is "Agriculture, Industry, Recreation," and cannabis businesses quite literally provide opportunities in all of these areas.

Sonoma County Growers Alliance
www.scgalliance.com • info@scgalliance.com



Cannabis businesses are unable to benefit from the federal aid given out during the COVID-19 pandemic, yet are considered “essential” workers. This is all the more reason to prioritize matters related to cannabis. This industry has the potential to bring in significant additional tax revenue and job growth to Sonoma County, yet folks are leaving to find opportunities in this industry elsewhere. Counties like Monterey and Santa Barbara, which are similar in demographics to Sonoma County, are bringing in over \$10 million in cannabis taxes alone each calendar year (compared to the roughly \$2.5 million in cannabis tax revenue that Sonoma County made during 2019-2020), with the cannabis tax revenue supporting many budget needs for those counties. When cannabis businesses leave or choose not to operate here in the first place, the county doesn’t just lose out on potential cannabis tax revenue, but other funding streams as well including property taxes and support to other local businesses.

The stagnation in new applications coming in is not surprising considering the constant talk of changes that never materialize, and the uncertainty of success even if one submits an application that meets all of the requirements. However, Sonoma County could increase the number of applications that are submitted by demonstrating to the public that it actually cares about the success of this program, for example by increasing transparency (which may take the form of reestablishing a citizen advisory group such as the Cannabis Advisory Group that dedicated countless hours to providing recommendations to the Board and Staff, much of which appears to have fallen on deaf ears); communicating with industry operators and stakeholder organizations to engage in data collection about the industry’s needs and the optimal way to allow cannabis uses here while minimizing any perceived negative impacts; and providing assistance related to the permitting process to current and would-be applicants.

We are very concerned by the County’s recent statement that it does not plan to hire or assign someone to officially manage the cannabis program. Ms. Berrocal, who appeared to be working hard to do what she could to listen to and work with stakeholders to improve the program, was removed from this position and is now not even working for the County anymore; the previous cannabis program manager Tim Ricard was also abruptly removed from that position. All of this seems suspicious, and we plan to look into what was actually going on behind the scenes to lead to these reassignments. It is critical that the Cannabis Program has a dedicated Manager who will "coordinate the day-to-day multi-departmental implementation efforts, be the primary point of contact in the County for cannabis-related inquiries and feedback, coordinate community outreach and engagement, collect and analyze data, track and recommend advocacy positions related to new legislation and regulations, provide business startup and support services, and serve as an ombudsman to assist businesses in navigating the permitting process." The Board of Supervisors agreed to provide this years ago and must follow through with it. We are also concerned at the prospect of the Cannabis Ad Hoc Committee disappearing at some point in 2021, and believe that this should be a standing committee of the Board of Supervisors for as long as there is a cannabis program in Sonoma County.

Sonoma County Growers Alliance

www.scgalliance.com • info@scgalliance.com



2021 is poised to be an important year for cannabis businesses throughout California. The state's "O-Cal" Comparable-to-Organic certification for cannabis will be rolling out, in addition to the state's Appellations of Origin program for cannabis which will allow for the creation of cannabis appellations the way that we currently have wine appellations here in Sonoma County. These are both huge from a branding and tourism standpoint. However, Sonoma County continues to construct barriers to our local businesses being able to succeed on the statewide marketplace (which will soon be a national and even global marketplace, as federal legalization of cannabis is very much on the near horizon) and to participate in these programs.

Few permits have been issued under the current cannabis program compared to initial estimates. When the Sonoma County Growers Alliance began working with the county to develop the parameters of the cannabis program, there was optimism that some reasonable percentage of existing operators would have a pathway to permitting. State Senator Mark McGuire included the cottage license in the original MMRSA legislation specifically to provide opportunity for Sonoma County. To date, of the estimated 5000 cultivators that operated in Sonoma County in 2017, fewer than 70 unique businesses have been permitted for outdoor or mixed light cultivation and only three hold annual licenses at the state level. The effect of the County's inability to successfully implement a broad cannabis program has precipitated very real negative economic externalities. To say industry applicants and operators are exasperated, is an understatement.

That said, we are not entirely convinced how much further changes to the program will help in the long run if the goal is to help local operators get state licensed as quickly as possible so they can legally operate and contribute to the county's economy. That is why, while we support fixing that which is broken and aligning the county's cannabis ordinance with state law, we also think it is critical for the county to work with what it has in the meantime to get out of the current rut of stagnation.

Therefore, we demand that the County commit to the following:

- Immediately appoint a dedicated Cannabis Program Administrator/Manager.
- Commit to continuing the Board of Supervisors Cannabis *Ad Hoc* Committee, and work with other jurisdictions to ensure a pathway for cannabis cultivators to prove CEQA compliance.
- Fast track all permit applications in the county. Some operators are four years and a half dozen independent planners into the county process with no explanation as to why they are perpetually delayed.
- Immediately engage industry stakeholders and release plans to apply for cannabis equity dollars from the state. Applications for the coming year are due February 1, 2021.
- Include cannabis in any and all strategic planning for economic development.

Sonoma County Growers Alliance

www.scgalliance.com • info@scgalliance.com



It's time for the county to communicate, both in words and in deeds, that the cannabis industry is an essential, vital and valued part of Sonoma County's agricultural sector. There is hard and creative work to be done and regardless of the less than acceptable experiences so many in the industry have endured with an inadequate regulatory framework and its dysfunctional implementation, we remain optimistic stakeholders. Cannabis has been commercially grown in Sonoma County for over half a century; we must work together. And, in the face of unprecedented stress on local governments, this essential industry is poised to adapt and contribute; we can only do so with your help.

Sincerely,

Sonoma County Growers Alliance Board of Directors