

CANNABIS LAND USE ORDINANCE (CLUO) IMPLEMENTATION

Allocation of Limited Cannabis License Types and Permits

Board of Supervisors Meeting March 22, 2022

Option #	Option Summary	Pros	Cons	CUP Application Deadline	CUP Issuance Target Date	Capped License Allocation Target Date	Notes
1	No Action at This Time	Allows for attrition.	Creates procedural uncertainty for applicants.	Dec 16, 2022	Jun 30, 2023	Sep 29, 2023	This option retains current schedule.
2	Merit Based	Allows for attrition. Eliminates procedural uncertainty. Continues merit-based approach of CUP process.	Some applicants may not meet advanced application deadline. Requires two hearings. Step two may be considered subjective. Some applicants may require additional processing during step one.	Jun 30, 2022	Nov/Dec 2022	Mar/Apr 2023	This option accelerates schedule so license allocation for capped types can happen sooner.
3	Lottery	Allows for attrition. Eliminates procedural uncertainty. Eliminates concerns about subjectivity for step two. Faster process for step two	Step two is based on chance rather than merit. Outcome of lottery is not appealable.	Dec 16, 2022 or Jun 30, 2022	Jun 2023 or Nov/Dec 2022	Jul 2023 or Jan 2022	Fastest option. The lottery could be completed within days of the conclusion of the CUP process.

Note: Under all options a two-step decision making process will be required:

- **Step One:** Determine whether a CUP should be approved and under what conditions. This will involve evaluating the merits of each applicant and site against the requirements of the CLUO. This evaluation must be conducted for each CUP application and must proceed step two in order to know who qualifies.
- **Step Two:** Allocate in some manner those license types for which demand exceeds availability. If the merit-based option is preferred, this step would involve evaluating the merits of each applicant/site against the others as a batch.

Capped License Type ²	CLUO Limit	Pre-Application Interest
Cultivation	49	20 ^{1,3}
Nursery	5	13 ¹
Processing	7	12
Manufacturing	6	11
Testing/Laboratory	2	1
Distribution	7	15
Retail Non-storefront	10	9
Microbusiness	5	5

1/The early DA applicant has requested a cultivation license and a nursery license. If approved one of the available licenses in each of these categories would be used for that applicant.

2/All applicants must secure approval of a CUP in order to be awarded one or more cannabis licenses. The CLUO restricts the total number of CUPs countywide at 65 of which no more than 5 may be located in the Capay Valley.

3/ Three of the 17 applications that requested capped license types also proposed co-located cultivation (17 + 3 = 20). Co-located cultivation will share a CUP but require individual cultivation licenses.

Red = demand in excess of availability

Green = demand within availability