



Sonoma County Cannabis Equity Assessment

Abstract: The Sonoma County Cannabis Equity Assessment provides a data-informed look at the impacts of cannabis criminalization and the war on drugs on communities in Sonoma County. The assessment includes policy recommendations to guide the creation of a local cannabis equity (LCEP) program. A Sonoma County LCEP intends to advance economic justice for populations and communities disproportionately affected by cannabis prohibition.



TABLE OF CONTENTS

Section 1. Executive Summary	3
1.1 Key Findings	3
1.2 Key Recommendations	4
Section 2. Background	5
Section 3. Overview	6
Section 4. Equity Analysis	9
4.1 Methodology	9
4.2 Impacts of Cannabis Criminalization in Sonoma County	10
4.3 Cannabis, Drug Arrest Rates and Racial Disproportionality in Sonoma County, California, and the United States	15
Section 5. Current Conditions in Sonoma County	28
5.1 Poverty in Sonoma County	29
5.2 Natural Disaster and Infrastructure in Sonoma County	35
5.3 Housing in Sonoma County	40
5.4 Youth Cannabis Use in Sonoma County	43
5.5 Educational Attainment in Sonoma County	45
Section 6. Overview of Sonoma County’s Cannabis License Process & Applicants	45
Section 7. Barriers to Entry	48
Section 8. Cannabis Equity Program Recommendations	49
8.1 Review of Other Jurisdictions Effort to Promote Equity in Cannabis Implementation	49
8.2 Recommendations	50
Sonoma County Cannabis Appendix A. Historical Impacts	55
Appendix B. The CAG Report and Equity-Related Recommendations from June 2019	78
Appendix C. Cannabis Policy Reforms in Sonoma County	84

Section 1. Executive Summary

The California Center for Rural Policy (CCRP) at Humboldt State University worked with the County of Sonoma County Administrator's staff to create a Cannabis Equity Assessment (CEA or Assessment) to:

- Provide a data-informed look at the history of impacts of poverty and the criminalization of cannabis on Black, Indigenous, and People of Color (BIPOC).
- Provide findings to develop policy recommendations as the County considers a Local Cannabis Equity Program (LCEP) intended to advance economic justice for populations and communities disproportionately affected by cannabis prohibition.

In order to accomplish the established scope, CCRP partnered with the Humboldt Institute for Interdisciplinary Marijuana Research and Sonoma County stakeholders to create the CEA.

It is important to note that the County of Sonoma has adopted a Racial Equity and Social Justice pillar within its 5-year 2020-21 Strategic Plan and, as such, has committed to working to ensure racial equity in all County policy decisions and service delivery. The March 2, 2021 [Board-adopted Strategic Plan](#) identifies Equity, Excellence, Accountability, Collaboration, and Innovations as the values that represent the core beliefs the County wishes to foster through its actions and in pursuit of its mission. "Equity is an outcome whereby you cannot tell the difference in critical markers of health, well-being, and wealth by race or ethnicity, and a process whereby we explicitly value the voices and contributions of people of color, low income, and other underrepresented and underserved communities who identify solutions to achieve that outcome." While the County's focus is on racial equity, this Assessment tracks the State of California SB 1294 program guidance, which defines equity in terms of differential access to ownership. As a result, this Assessment's data collection and analysis focuses on communities with inequitable access to ownership equity.

1.1 Key Findings

- Sonoma County's legacy small cultivation applicants, particularly those in the Penalty Relief Program (PRP) program, have been disproportionately impacted by bottlenecks, program requirements, and subsequent costs in the County's permitting process. State classification of their crops as agricultural products rather than agriculture creates a distinct and more expensive permitting process than other agricultural businesses follow. Other issues include rural neighborhood opposition, ordinance volatility, and high capital barriers to entry including high real estate values in the County.
- Sonoma County's Latinx and low-income populations have been disproportionately impacted by pre-Proposition 64 enforcement- and the war on drugs.

- As in the rest of California and across the nation, wealthy, white stakeholders increasingly own Sonoma County's licensed cannabis landscape whose investments in land and resources result in limited opportunities for small cannabis businesses.

Findings are derived from the data and information included in Equity Analysis (section 4), Current Conditions in Sonoma County (section 5), Overview of Sonoma County's License Process & Applicants (section 6), and Barriers to Entry (section 7).

1.2 Key Recommendations

For the complete explanation of recommendations, please see Section 8.

Recommendation #1: Prioritize review and completion of PRP applications by seeking grant assistance from the State.

Recommendation #2: Establish equity program eligibility factors focused on specific targeted populations. Eligibility criteria is informed by equity assessment data, inclusive of recommendations found in the June 26, 2019 Cannabis Advisory Group (CAG) Report¹, wherever possible.

Recommendation #3: Ensure that applicants meeting equity program eligibility criteria have adequate opportunity to take advantage of the program.

Recommendation #4: Consider creating more flexibility in zoning and parcel size rules to accommodate two major and often reinforcing barriers: neighborhood compatibility issues and costs of real estate.

Recommendation #5: Track data on general and equity applicants on an ongoing basis to measure the success of the equity program.

Recommendation #6: Create specific services/programs for equity applicants that address/mitigate barriers to entering the legal cannabis market.

Recommendation #7: Invest cannabis tax revenue to augment education, training, and support for County staff working on cannabis permitting. County staff should be able to handle the expertly crafted applications from well-capitalized applicants and be able to offer technical assistance and support for less-resourced applicants who are struggling to navigate a complex and expensive permitting process.

¹ The June 26, 2019 Sonoma County Cannabis Advisory Group (CAG) Report can be found on Sonoma County's website below: <https://sonomacounty.ca.gov/Cannabis-Advisory-Group/Cannabis-Advisory-Group-Meeting-June-26-2019/>

Recommendation #8: Designate local cannabis tax revenue to community reinvestment programming. A portion of County cannabis taxes can be identified annually to supplement equity funding received from the State of California and present a more competitive funding request.

Recommendation #9: Update the Sonoma County Equity Assessment the year after implementation and every three years afterwards.

Section 2. Background

In 2018, the State of California enacted SB 1294 (Bradford) referred to as the California Cannabis Equity Act. The purpose was to ensure that persons most harmed by cannabis criminalization and poverty be offered assistance to enter the multibillion-dollar cannabis industry as entrepreneurs or as employees with high quality, well-paying jobs.

According to SB 1294, “during the era of cannabis prohibition in California, the burdens of arrests, convictions, and long-term collateral consequences arising from a conviction fell disproportionately on Black and Latinx people, even though people of all races used and sold cannabis at nearly identical rates. The California Department of Justice data shows that from 2006 to 2015, inclusive, Black Californians were two times more likely to be arrested for cannabis misdemeanors and five times more likely to be arrested for cannabis felonies than White Californians. During the same period, Latinx Californians were 35 percent more likely to be arrested for cannabis crimes than White Californians. The collateral consequences associated with cannabis law violations, coupled with generational poverty and a lack of access to resources; make it extraordinarily difficult for persons with convictions to enter the newly regulated industry.”

“Cannabis prohibition had a devastating impact on communities across California and across the United States. Persons convicted of a cannabis offense and their families suffer the long-term consequences of prohibition. These individuals have a more difficult time entering the newly created adult-use cannabis industry due, in part, to a lack of access to capital, business space, technical support, and regulatory compliance assistance.”

“It is the intent of the Legislature in enacting this act that the cannabis industry be representative of the state’s population, and that barriers to entering the industry are reduced through support to localities that have created local equity programs in their jurisdictions.”

“In order to accomplish this goal, SB 1294 created a fund for local jurisdictions which have created cannabis equity programs to apply for funding to assist local equity applicants and local

equity licensees gain entry to and to successfully operate in the state’s regulated cannabis marketplace.”

Section 3. Overview

Sonoma County has been a wine-producing, grape-growing area since the 1840s. Reported total gross production values for Sonoma’s agricultural industry during 2019 was \$958,546,600², with wine grapes making up a bulk of the value at \$654 million dollars. Agriculture, Forestry, Fishing & Hunting takes up 2.85% of the employed population in Sonoma County. The County’s primary industries by employment are Retail Trade (12.3%), Health Care and Social Assistance (12.1%), and Manufacturing (9.5%).³ Sonoma County’s Accommodation and Food Services industry holds 7.74% of all employed workers⁴. Tourism in Sonoma during 2020 generated approximately \$112 million in revenue for County reinvestment.⁵

The County has a significant connection with the migration of cannabis-consuming countercultural people from the Bay Area starting in 1966,⁶ when the [Diggers](#) organized direct transportation from the Haight-Ashbury to the Sebastopol Morningstar Ranch commune.

Sonoma County has a population of 488,863⁷ and borders the counties of Mendocino, Napa, Lake, and Marin. Its population is significantly composed of young adults, middle-aged families, and older retirees. It is a moderately affluent County with a mix of urban and rural regions.

Race/Ethnicity/Citizenship

The largest census ethnic categories are White (58.5%, compared with 34.7% in CA) and Hispanic or Latinx (29%, compared with 39.4% in CA). The County’s Black population is much lower than the state average, 1.5% compared with 5.4% in CA. Sonoma County has a higher proportion of their population that identifies as American Indian and Alaskan Native than the state (0.6%, compared with 0.4% in CA). Additionally, 16.4% of the County’s population is foreign-born.

² Sonoma County Department of Agriculture/Weights & Measures (2019). *2019 Sonoma County Crop Report*. Retrieved from <https://sonomacounty.ca.gov/Agriculture-Weights-and-Measures/Crop-Reports/>, accessed September 29, 2021.

³ <https://datausa.io/profile/geo/sonoma-county-ca#economy>

⁴ Ibid.

⁵ <https://www.sonomacounty.com/partners/statistics>

⁶ Wasserman, Abby. 2017. “Summer of Love: Two Sonoma Communes’ Psychedelic Rise and Fall. *Sonoma Magazine*. Electronic document accessed October 6, 2021. Url: <https://www.sonomamag.com/50-years-later-sonomas-summer-love/?gSlide=1>

⁷ U.S. Census Bureau (2020). DEC Redistricting Data, *Sonoma County, California*. Retrieved from <https://data.census.gov/cedsci/table?t=Race%20and%20Ethnicity&g=0500000US06097&tid=DECENNIALPL2020.P2>, accessed September 28, 2021.

Sonoma County has a growing Hispanic/Latino population as 17.3% of the population identified as such in 2000, whereas approximately 29% identify as such in 2020⁸. Nine (9) percent of Sonoma County's population are non-citizens. For the County's citizen population, 8.8% of them have become citizens through naturalization⁹. A little over a quarter (25.6%) of Sonoma County's Hispanic/Latinx population are non-citizens.

Poverty and Housing

Sonoma County is moderately wealthy, as it falls close to the state when compared to peer counties. Its median household income (\$81,018) is a bit higher than the state's (\$75,235), and thus it has a higher per capita income rate (\$42,178) than the state (\$36,955) as well. When compared with the median household income for Sonoma's White population (\$85,314), the median household income is about 20% lower for Sonoma's Latinx population (\$67,701) and Black or African American population (\$68,975).

Sonoma County's poverty rate is 7.2%; lower than California's which is 11.8%. These statistics do not necessarily reflect the hardships exacerbated by Sonoma County's high cost of living (see Section 5.1 for a breakdown of Sonoma County residents living in poverty by race/ethnicity). In Sonoma's context, there is significant disproportionality for BIPOC communities in rates of homeownership. White populations, not identifying as Latinx, occupy roughly 82 percent of the total owner-occupied housing units in the County¹⁰. Latinx residents occupy roughly 11 percent of these owner-occupied housing units.

A lack of affordable housing, a lack of living wage jobs, and disparities in socioeconomic status and access to opportunity have been identified as challenges to achieving economic and housing security in the County.¹¹

⁸ U.S. Census Bureau (2002). Summary Population and Housing Characteristics, *Sonoma County*. Retrieved from <https://www.census.gov/prod/cen2000/phc-1-6.pdf>, accessed July 30, 2021.

⁹ U.S. Census Bureau (2019). Nativity and Citizenship Status in the United States. *Sonoma County*. Retrieved from <https://data.census.gov/cedsci/table?q=&t=Citizenship&g=0500000US06097&tid=ACSDT5Y2019.B05001>, accessed September 15, 2021.

¹⁰ U.S. Census Bureau (2019) ACS 5-Year Estimates Subject Tables. *Demographic Characteristics for Occupied Housing Units*. Retrieved from <https://data.census.gov/cedsci/table?q=&t=Housing&g=0500000US06097&tid=ACSST5Y2019.S2502>, accessed October 6, 2021.

¹¹ Harder+Company Community Research (2016). Sonoma County Community Health Needs Assessment. Pg. 5. Retrieved from http://www.sonomacf.org/wp-content/uploads/2016/10/Sonoma_CHNA_FINAL_Report.pdf, accessed July 30, 2021.

Educational Attainment

The County of Sonoma is just a step ahead of the state of California when it comes to rates of higher educational attainment¹². Twenty-three percent (23.4%) of all residents over the age of 25 in Sonoma County have their bachelor's degree, higher than the 21.9% of Californians over 25 that do. Comparing rates of graduate degrees shows a similar differentiation than above; 14.1% of residents over 25 in Sonoma have a graduate degree or higher, whereas 13.1% of Californians in that age range do. A little under a quarter (23.8%) of Sonoma's residents over 25 have experienced some college education. Nineteen percent (19%) of Sonoma County residents over 25 have their high school diploma or GED.

Veteran Status

Sonoma County is home to more military veterans, proportionately, than that of the state: 6.4% compared to 5.2%¹³. In Sonoma's context, a little over 43% of veterans in the County are Vietnam veterans (over California's rate of Vietnam veterans, 35.6%). Veteran populations are particularly afflicted with PTSD and, as a demographic; Vietnam veterans were significant consumers of cannabis and other drugs. In 1971, the Department of Defense estimated that 51% of soldiers in Vietnam used cannabis¹⁴, with many turning to heroin when the U.S. Army cracked down on cannabis use in tandem with militarized eradication by the Vietnam government in 1968. Service organizations available to veterans in Sonoma County include Sonoma County Vet Connect, both in Guerneville and in Santa Rosa. Vet Connect is a 501(c)(3) nonprofit that strives to provide outreach to all former military service members and their families and to assist them in obtaining access to services and benefits due to their service to the country¹⁵.

Health

The 2016 Community Health Needs Assessment¹⁶ highlighted conditions that affect the health of the County. The following health needs were identified:

- Early Childhood Development: 22% of adults in Sonoma and Napa Counties report having experienced four or more unique adverse childhood experiences before age 18.
- Access to Education: 43% of third grade children in Sonoma are scoring at or above a proficient level on the English Language Arts California Standards Test.
- Economic and Housing Insecurity: 52.4% of renters in the County spend 30% or more of their household income on rent.

¹² U.S. Census Bureau (2019). American Community Survey. *Educational Attainment*. Retrieved from <https://data.census.gov/cedsci/table?q=&t=Educational%20Attainment&g=0500000US06097&tid=ACSST1Y2019.S1501>, accessed August 16, 2021.

¹³ U.S. Census Bureau (2019). American Community Survey. *Veterans Status*. Retrieved from https://data.census.gov/cedsci/table?t=Veterans&g=0400000US06_0500000US06097&tid=ACSST5Y2019.S2101, accessed August 16, 2021.

¹⁴ <https://www.history.com/news/drug-use-in-vietnam>, accessed August 16, 2021.

¹⁵ <http://www.vet-connect.us/index.html>, accessed August 16, 2021.

¹⁶ Harder+Company Community Research (2016). Sonoma County Community Health Needs Assessment. Retrieved from http://www.sonomacf.org/wp-content/uploads/2016/10/Sonoma_CHNA_FINAL_Report.pdf, accessed July 30, 2021.

- Oral Health: 38.9% of adults in Sonoma County do not have coverage for dental insurance.
- Access to Health Care: Lower income residents of the County remain uninsured as high premium costs exist. Those who do have insurance coverage still have trouble accessing care, as there are not enough primary care providers to meet Sonoma’s demand.
- Mental Health: 12.3 per 100,000 individuals in Sonoma County die by committing suicide, higher than the state rate of 9.8 per 100,000 individuals.
- Obesity and Diabetes: An estimate 25.4% of adults in Sonoma County are obese, and 37.9% are overweight.
- Substance Use: 21.3% of adult Sonoma County residents reported substance abuse, particularly with respect to alcohol consumption.
- Violence and Unintentional Injury: Sonoma County has higher rates of reported violent crime, a rate of 28.4 for Sonoma compared to a rate of 21 for California.

The impacts of cannabis and other drug criminalization in Sonoma County have a significant nexus with evidence of widespread community hardship. Sonoma County was designated as a High Intensity Drug Trafficking Area in 1997¹⁷ for drug markets including methamphetamine. The 2016 legalization of commercial medical and adult use cannabis in California has dramatically shifted the economic climate.

Section 4. Equity Analysis

4.1 Methodology

The goals of the Sonoma County Cannabis Equity Assessment (CEA) are to:

- Provide a data-informed look at the impacts of cannabis criminalization and the war on drugs on communities in Sonoma County.
- Provide assessment findings to guide the development of a Local Cannabis Equity Plan (LCEP) and program components, which can help disenfranchised community members enter the legal cannabis workforce.

To achieve these goals, a combination of primary and secondary data sources were utilized for the report. Primary data was collected through 45 interviews with key stakeholders in Sonoma County between June and September of 2021. Stakeholders represented the following sectors:

- Current and former elected officials (7)
- Local government departments engaged in cannabis-related work (8)
- Local professors with expertise in the industry (2)

¹⁷Office of National Drug Control Policy. 2011. “High Intensity Drug Trafficking Areas Program 2011 Report to Congress.” Page 116. Electronic document accessed September 15, 2021. Url: https://obamawhitehouse.archives.gov/sites/default/files/ondcp/policy-and-research/hidta_2011.pdf

- Cannabis trade association stakeholders (9)
- Lawyers with expertise in cannabis-related cases (3)
- Immigration law attorneys (4)
- Communities impacted by cannabis criminalization (11)
- Law enforcement personnel (1)
- Local non-profit stakeholders (2)

In addition, secondary data was reviewed and analyzed from a variety of sources, including data provided by Sonoma County, and publicly available data related to population demographics, health indicators, and cannabis operations. County-specific secondary data sources reviewed by CCRP included:

- Sonoma County Five-Year Strategic Plan (2021)
- Sonoma County Community Health Needs Assessment (2016)
- A Portrait of Sonoma County: Sonoma County Human Development Report (2014)
- Sonoma County Affordable Housing Needs Report¹⁸ (2021)
- Dirt to Dispensary Workshop Series PowerPoint Presentation (2016)¹⁹
- Economic Impact of Cannabis in Sonoma County (2018)²⁰
- Recommendations from Sonoma County Cannabis Advisory Group (2019)
- Articles from Santa Rosa's Press Democrat website
- National Media Articles
- Jonah Raskin's book *Marijuanaland: Dispatches from an American War* (2011)

4.2 Impacts of Cannabis Criminalization in Sonoma County

Sonoma County communities have been impacted by cannabis criminalization and the war on drugs in a manner consistent with its history as a crossroads for the State's legacy cultivation regions to the north and the medical cannabis movement and major consumption areas in the Bay Area to the south.

As a rural County with significant legacy cultivation history as well as significant urban, Latinx communities that work in the County's agricultural and service industries, there are two distinct types of communities that have been impacted: legacy cultivators that have struggled to get past the permitting process and disproportionately criminalized BIPOC, especially Latinx, people

¹⁸ California Housing Partnership (2021). *Sonoma County 2021 Affordable Housing Needs Report*. Retrieved from https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2021/05/Sonoma_Housing_Report.pdf, accessed August 11, 2021.

¹⁹ Sonoma County Cannabis Program (2016). *Dirt to Dispensary Workshop Series #1 Overview Presentation*.

²⁰ Sustaining Technologies, LLC (2018). *The Economic Impact of the Cannabis Industry, Sonoma County, California*. Retrieved from <https://www.scgalliance.com/wp-content/uploads/2019/02/Economic-Impact-of-Cannabis-in-Sonoma-County-December-2018.pdf>.

with expertise across cannabis supply chains lack access to the County’s regulated cannabis landscape.

The legacy cultivator community shares much in common with nearby rural equity jurisdictions such as Mendocino County, Humboldt County, and Lake County, and the latter with nearby urban equity jurisdictions such as Oakland and San Francisco. Unlike any of these counties, Sonoma has experienced significant challenges to its implementation of cannabis permitting from diverse neighborhood groups since 2016 that have made neighborhood compatibility a politically significant challenge for policy, rule-making, and individual cultivation location processes.

Our interviews indicated that efforts to address these issues through zoning have failed to resolve tensions for a variety of reasons. The 2016 exclusion of RA (Residential Agriculture) and RR (Rural Residential) parcels from permit eligibility displaced many cultivators into new areas of the County. In addition, the 2018 shift from a five-acre minimum to a ten acre minimum regardless of zoning designation decreased the affordability of compliant parcels by making them more scarce. Sonoma County has also experienced multiple significant fire crises in the last five years that has made its permitting and compliance bandwidth for processing cannabis permit applications scarce. The fires also hurt ongoing cultivation businesses, large and small. Finally, the State’s steady expansion of cultivation capacity has not been matched by retail expansion, leading to a major supply glut that threatens the viability of small cultivation as a business model. Poorly resourced small cultivators, especially those stuck in the PRP pipeline that have been unable to make changes to the plans they submitted at the beginning, have been especially impacted by all of these challenges.

Historically, Sonoma was one of 14 counties identified in 1983 as a major cannabis cultivation area by California’s Campaign Against Marijuana Planting (CAMP) and was a top-10 theater of eradication operations between 1984-1995. In addition, it was named as one of nine counties comprising the Northern California High Intensity Drug Trafficking Area (NCHIDTA) by the Office of National Drug Control Policy (ONDCP) in 1997. Sonoma County therefore has a history of impacts specific to the criminalization of cannabis cultivation, as well as broader impacts associated with the war on drugs.

Sonoma cannabis communities were directly connected with Bay Area medical cannabis activism before 1996, as the place where medical cannabis activist “Brownie Mary” lived in Cazadero and made edibles for HIV/AIDS patients, and was arrested in 1991. According to our interview with Sonoma State University Professor Emeritus Jonah Raskin, Dennis Peron (one of the architects of Proposition 215, the Compassionate Use Act) sourced cannabis from Sonoma County for his cannabis buyer’s clubs.

During the Proposition 215 era (1996-2016), Sonoma law enforcement worked with medical cannabis activists to establish guidelines that effectively decriminalized possession of up to three pounds of cannabis for medical cannabis patients. Two of its cities, Santa Rosa and Sebastopol, were especially friendly to the development of commercial medical cannabis businesses. During that same time, the County's Latinx communities, which grew along with the expansion of the County's famous viticulture industry, were significantly and disproportionately impacted by code enforcement against "backyard cultivation." They were also subject to disproportionate policing in the urban areas where they predominantly reside and additional jeopardy to legal permanent residents, undocumented residents and their family members connected with cannabis, given Federal immigration laws that prohibited any immigrant, documented or undocumented, being connected with cannabis cultivation, transport, sale, or consumption.

As a result, Sonoma's licensed landscape is demographically predominantly white, male, and well-capitalized. Small-scale cultivators in the County, particularly ones who came forward to transition through the County's Penalty Relief Program (PRP) for "legacy" cultivators, have walked a brutal gauntlet of challenges related to transition that has culled the vast majority of them. Those that remain are mostly stuck in permitting purgatory, four years after coming forward.

The County has a robust share of California cannabis cultivation licenses, with 122 out of the state's 6061 as of December 2020, according to an analysis conducted by Origins Council²¹. Of those licenses,²² Sonoma has a larger share (89%) of provisional cultivation licenses compared with the state average of 83%. Other types of licenses cluster in Santa Rosa and Sebastopol, two cities that have a history of accommodating first medical and then adult-use cannabis businesses.

The County has a unique place in the State's cannabis licensing history as the birthplace of the cannabis event license as the host of the Emerald Cup at the Sonoma County Fairgrounds. While larger, well-capitalized, vertically integrated businesses that emerged from commercial medical cannabis in Santa Rosa and the City of Sebastopol at the end of California's Proposition 215 era have thrived, small-scale cultivators in the County have been challenged by ordinance volatility and opposition from neighborhood groups. Data about the demographic make-up of Sonoma's cannabis ownership is not collected, but our interviewees consistently remarked that it is mostly white and male. Sonoma Code Enforcement staff estimates ownership demographics as "75-78% white males, very few females, the rest Hispanic."

²¹ Origins Council. 2021 (March 21). Cannabis Cultivation, CEQA and Licensing Reform. Electronic document accessed September 15, 2021. Url: <https://drive.google.com/file/d/1JSxt-znZZw0JcDNv38BkPcMN8-3axwDc/view>

²² There are approximately 100 more permitted California Cannabis license types in the County, according to County officials. Many of these relate to cultivation licenses, such as processing, manufacturing, and distribution. Five of the nine retail licenses allowed by the County are operating as of the time of this writing. Additionally, the City of Santa Rosa was identified by many of our interviewees as a site of significant non-cultivation license location and, by comparison with the County, a much easier place to get permitted.

Our interviews with County officials consistently tracked connections between regulated cannabis and other issues, from public safety concerns about violent crime that is statistically associated with unregulated cultivation to broader concerns about protecting the environment to extractive practices associated with big business interests in general, to real concerns about neighborhood air quality that are often very real direct impacts associated with larger cultivation moving in next door. The neighborhood groups are relatively powerless to deal with these issues as they pertain to non-adult-use-cannabis developments, inclusive of licensed hemp farms, but they can and have made transition to the legal cannabis sector very difficult for less well resourced small legacy cultivation businesses. Small-scale legacy cultivators are collateral damage in a permitting landscape where well-resourced businesses can pay the costs to deal with high capital barriers to entry.

The problems faced by small-scale cultivators, in turn, foreshadow problems facing any small cannabis businesses that might be empowered by an equity program to diversify ownership in the legal landscape. This overlap of impacts that can be addressed by a Local Cannabis Equity Program was especially evident from our interviews with two Sonoma County residents, Dr. George Sellu and Case Manager Elias Hinit.

Dr. George Sellu is a professor of Agribusiness at Santa Rosa Junior College (SRJC) with a unique perspective on the intersection of small-scale cannabis cultivation, low-income communities, and communities of color in Sonoma County. Many have attended SRJC classes and workshops focused on sustainable agricultural practices and processing. Sellu was instrumental in crafting the County's ministerial hemp ordinance, which, thanks to the US Food and Drug Administration, allows the County to regulate cannabis that is classified as hemp as an agricultural product. The permitting process is much easier to get through, he said. By contrast, he said, the County permitting process for cannabis has "made it so that even legal people don't understand what the policies are, there is little education ... I have lawyers calling, writing, and speaking to me." The drawn-out nature of the process benefits "people who have the capital to hold on to a warehouse for however long ... Formerly incarcerated Black or Brown people cannot afford to have a place open for two years without operating."

"We should take the hemp ordinance and apply it to cannabis," he said. Sellu said that the permitting process barriers -- in the State, not just Sonoma County -- are so high that they incentivize people to stay in the shadows or leave the state. "Everyone's being bought out by corporations," he said, that cut costs by downsizing employees and lack communitarian incentives to keep formerly incarcerated people on payroll. "Most businesses are laying off people on the bottom of the chain, which mostly include Black and Brown people."

Beyond struggles with permitting, Sellu says, the cost of compliant real estate is a significant barrier to entry. He suggested that one possible way to overcome this would be for the County to incentivize the creation of cannabis cultivation cooperatives. “I have always been in favor of the co-op model, where it’s owner-operated and owner-owned. He cited the example of Alvarado Street bakery in Berkeley that serves as an incubator for “creating smaller bakery co-ops from the larger co-ops,”. In the cannabis industry, smaller cultivators are often bypassed by dispensaries because they cannot fill large supply orders. “Some people cannot grow and supply the large quantities that some of these dispensaries would like to purchase. Therefore, dispensaries have to go to bigger cultivators.” The real estate challenge, he said, would be to find compliant real estate with workable financing. Using County-owned property, he said, “would be a good place to start, if they can identify certain locations, a five-year lease, give them enough time to plan on putting back resources for them to purchase where they can officially have their business.”

Elias Hinit is a case manager for the Sonoma County Black Coalition, a Santa Rosa-based organization that advocates for youth and works to provide opportunities for unemployed and formerly incarcerated people. His group formed a task force on cannabis equity and spoke with program directors in other jurisdictions to get more information. He rattled off a list of challenges the task force identified for Sonoma County. “We need opportunities for adults and younger people, maybe who were incarcerated in the past, to get assistance with permits.” Challenges that potential equity stakeholders would face include “unexpected fees, three to four thousand dollars a month for the location where they would be, financial advising or coaching. Payroll, learning the systems that businesses use for stocking ... technical assistance, incubation.” Hinit was struck by the disparity in legal cannabis ownership and workplaces and ongoing illegal market activities engaged in by people of color, as “every time I drive through work and back [in Santa Rosa], it’s all white owned. I look and see people of color doing it illegally.”

Sonoma County communities that have been impacted by cannabis criminalization and the war on drugs share much in common, broadly, with other rural and urban jurisdictions. The County has small-scale legacy cultivation communities that have struggled for years to get permitted by the County and clearly identifiable Latinx communities in cities that have not been afforded pathways to ownership in an industry that, every year, is becoming more and more dominated by white, wealthy men. The combination of urban and rural impacts is relatively unique to Sonoma County, as are the impacts of mostly white, older residents who construct even more challenges for less resourced stakeholders, for a variety of reasons depending on where in the County they live. For its part, the County has struggled to provide enough staff to process Conditional Use Permits like many other jurisdictions, but this struggle has been compounded by major fire crises for the last four years.

The County has also experienced ordinance and policy volatility for political reasons as well as economic ones, since its homegrown bigger businesses are able to pay for expensive consultants and property that smaller businesses cannot afford. This has separated their interests from those of their less well-resourced counterparts. County officials struggle to balance a reasonable interest in slowing down cannabis industry growth in parts of the County that are not open to it, but has itself been prevented from expanding the ministerial process by threat of litigation from neighborhood organizations. Sonoma County will benefit from an equity program that helps the sliver of impacted legacy cultivation communities that remain and lays the foundation for a program that opens up opportunities for diversifying ownership in its licensed landscape.

Please see Appendix A. Historical Impacts²³ for an in depth look into Sonoma's history regarding impacts of cannabis criminalization as well as a synthesis of narrative stemming from the primary data that was collected via stakeholder interviews.

Sonoma has already put a lot of thought into what an equity program should look like in the County through its now-disbanded Cannabis Advisory Group (CAG), which brought together neighborhood representatives with cannabis industry advocates. This assessment supports all of the points made in its June 2019 Economic Vitality report, provided to us by a member of the CAG.

Please see Appendix B. The CAG Report and Equity-Related Recommendations from June 2019²⁴ for a breakdown of points of agreement between the cannabis industry stakeholders and the neighborhood group stakeholders that made up the CAG.

Appendix C. Cannabis Policy Reforms in Sonoma County²⁵ touches on levels of support from Sonoma County in the context of cannabis-related measures, including a list of cannabis-related ordinances passed by the jurisdiction.

4.3 Cannabis, Drug Arrest Rates and Racial Disproportionality in Sonoma County, California, and the United States

Sonoma County - Cannabis Arrest Rates

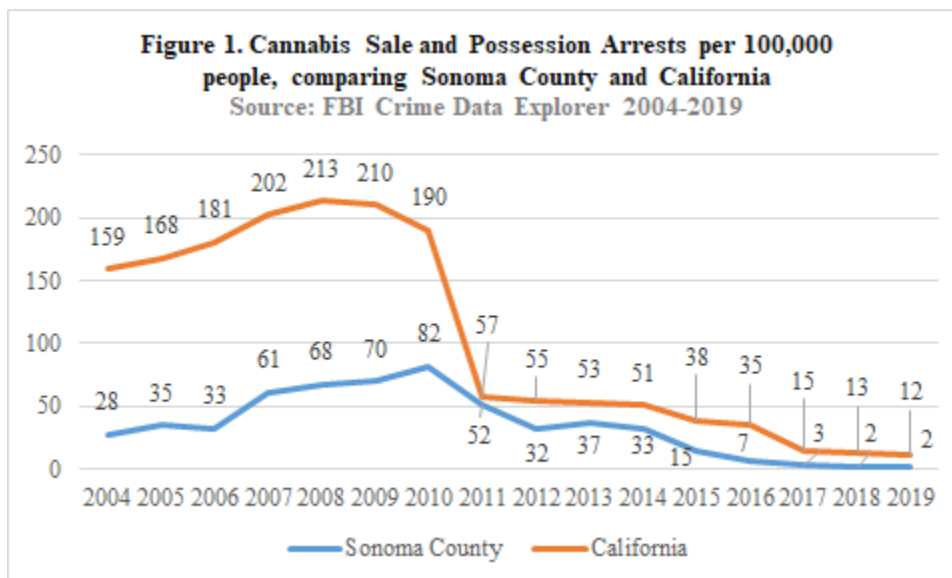
For Sonoma County, between the years of 2004 and 2010, the rate of cannabis arrests increased by 192%. Rates of cannabis arrests declined considerably between 2010 and 2011 by 37%, and continued to decline despite a small increase during 2013.

²³ California Center for Rural Policy (2021). Appendix A: *Sonoma County Cannabis Historical Impacts*. Please see attached a copy of all appendices.

²⁴ California Center for Rural Policy (2021). Appendix B: *The CAG Report and Equity-Related Recommendations from June 2019*. Please see attached a copy of all appendices.

²⁵ California Center for Rural Policy (2021). Appendix C: *Cannabis Policy Reforms in Sonoma County*. Please see attached a copy of all appendices.

The cannabis arrest rate for the state of California follows a similar trend compared to Sonoma County with a major decrease (70%) between 2010 and 2011. From 2004 to 2010, the rate of cannabis arrests for CA was significantly higher in comparison to Sonoma County. Figure 1 below demonstrates the rate of cannabis arrests per 100,000 people in Sonoma County and the state of CA from 2004 to 2019.



Sonoma County - Cannabis Arrests from 2010 - 2021

From 2010 to 2021, about 3,856 Sonoma County residents were arrested for cannabis. Data obtained from the Sonoma County Sheriff's Department did not specify offense types.

Geographic data of cannabis arrests from 2010 to 2021 was provided by the Sonoma County Sheriff's Department. Figure 2a and 2b below is a map that demonstrates the locations and the density of cannabis and narcotics arrests from 2010 to 2021.

Figure 2a. Density of Cannabis Arrests in Sonoma County between 2010-2021.

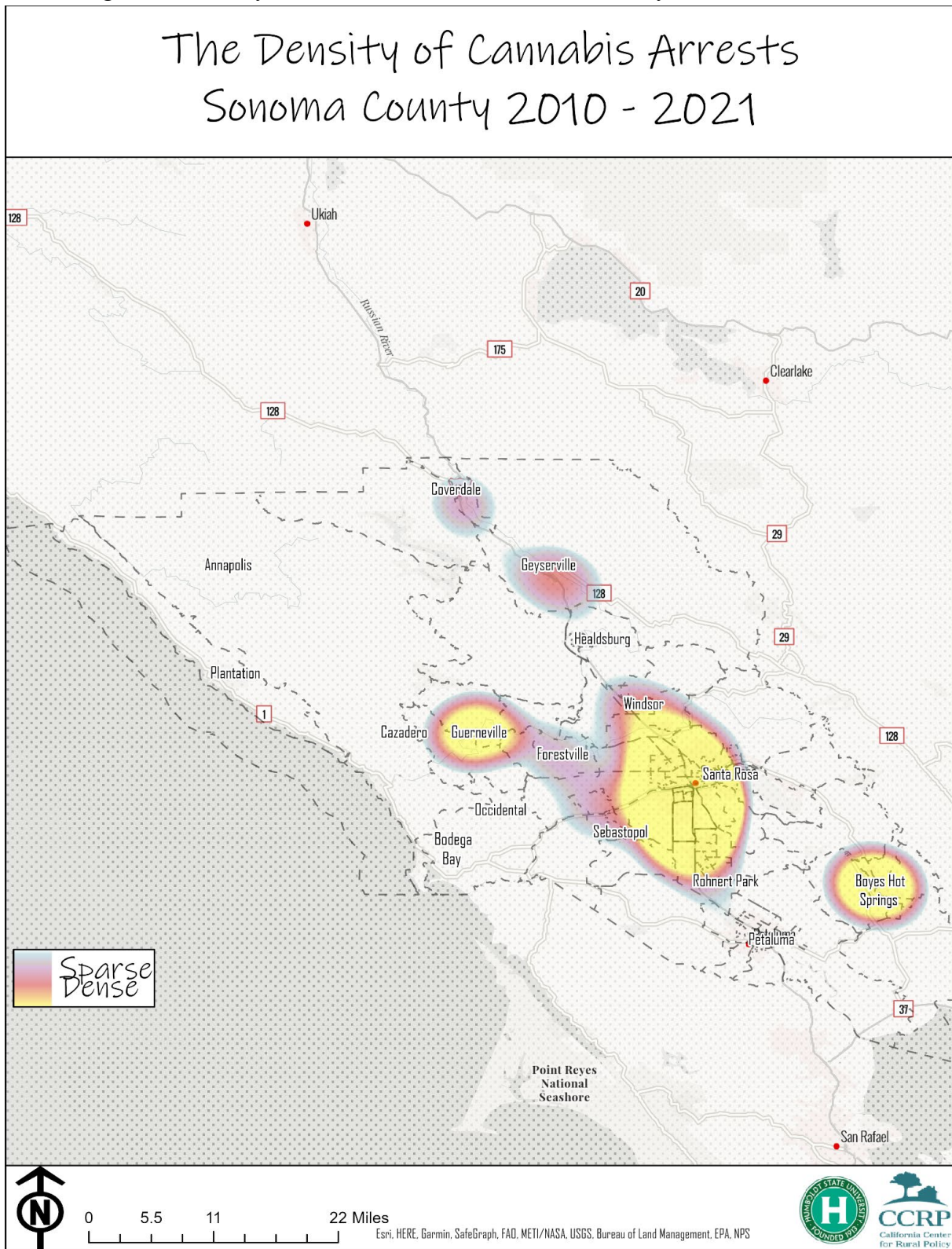
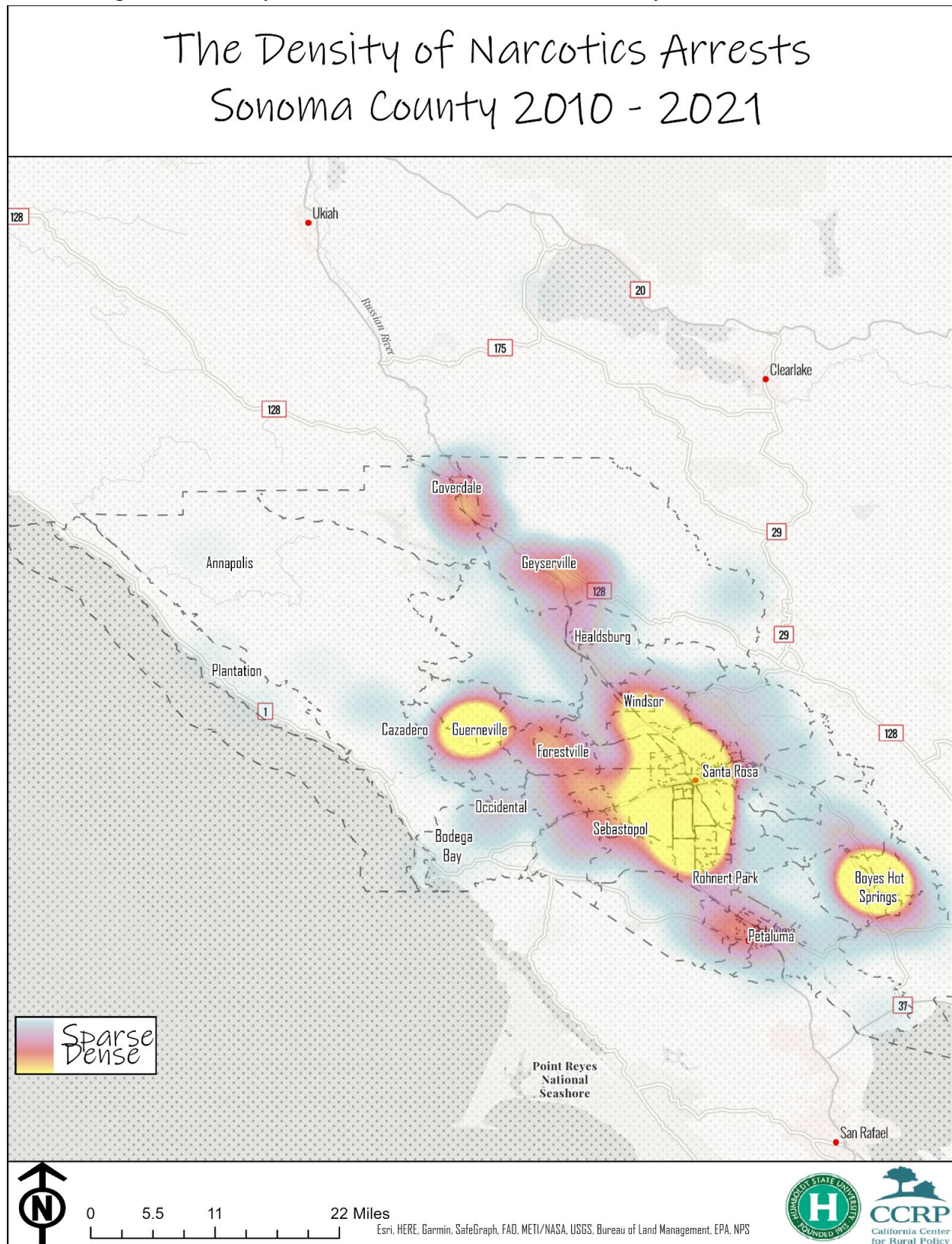


Figure 2b. Density of Narcotics Arrests in Sonoma County between 2010-2021.



Racial Disproportionality in Cannabis, Drug Arrest Rates in Sonoma County

The Uniform Crime Reporting Program does not include Hispanic or Latino as a distinct demographic, which makes it difficult to discern racial proportionality. For instance, it is unclear if the racial category of white also includes people who identify as Latinx.

Table 1 below shows a comparative data snapshot of 10 years of cannabis and narcotic arrests in different Sonoma County cities with the percentage of residents who identify as Latinx.

Table 1. Comparative Table for Cannabis and Narcotic Arrests, Sonoma County Cities, 2010-2021.

City/CDP	Cannabis Arrests per 100,000 people	Narcotic Arrests per 100,000 people	Population (2015)	Percentage of Hispanic/Latino Population ²⁶
Santa Rosa	976	1,059	181,485	34.3%
Sonoma	2,370	2,307	11,009	19.3%
Guerneville	6,309	5,411	3,788	15.9%
Geyserville	21,139	13,970	1,088	39.7%
Cloverdale	1869	1,367	8,774	38.6%
Petaluma	237	242	60,295	22.8%
Windsor	453	365	27,373	33.8%
Forestville	3,534	3,059	3,367	13.9%
El Verano	2,445	2,594	4,008	39.6%
Sebastopol	1,112	983	7,731	14.4%
Cotati	834	619	7,427	22.7%
Graton	3,712	4,443	1,643	17.7%
Hessel ²⁷	33	50	---	---
Aqua Caliente	577	577	5,019	52%
Fulton	4,232	3,918	638	43.7%
Healdsburg	234	190	11,539	34.6%
Occidental	2,243	2,415	1,159	7.2%
Monte Rio	2,487	1,691	1,005	7%

²⁶ U.S. Census Bureau (2019). American Community Survey 5-Year Estimates Subject Tables. *Hispanic or Latino Origin by Specific Origin*. Retrieved from data.census.gov, accessed September 13, 2021.

²⁷ Population and Demographic data from the U.S. Census was unavailable for Hessel. Table data is in raw numbers and not per 100,000 people.

A majority of cannabis arrests (48%) and narcotic arrests (51%) between 2010 and 2021 occurred in the City of Santa Rosa; however, Santa Rosa houses a little over a third of the total County population, so its per capita rates are low when compared to other cities.

The community of Geyserville is comparatively exceptional, as its per capita rates for cannabis and narcotic arrests are far higher than other communities in the County. Approximately forty (40) percent of the population of Geyserville identifies as Hispanic or Latino.

Figure 3 below demonstrates the percentage of residents identifying as Latinx by census tract with the locations of cannabis arrests from 2010 to 2021.

Figure 4 indicates that cannabis arrests disproportionately occurred within census tracts where about 40% to 70% of residents identify as Latinx.

Figure 3. Location of Cannabis Arrests in Sonoma County between 2010-2021 compared with Latinx resident percentages by census tract in 2019.

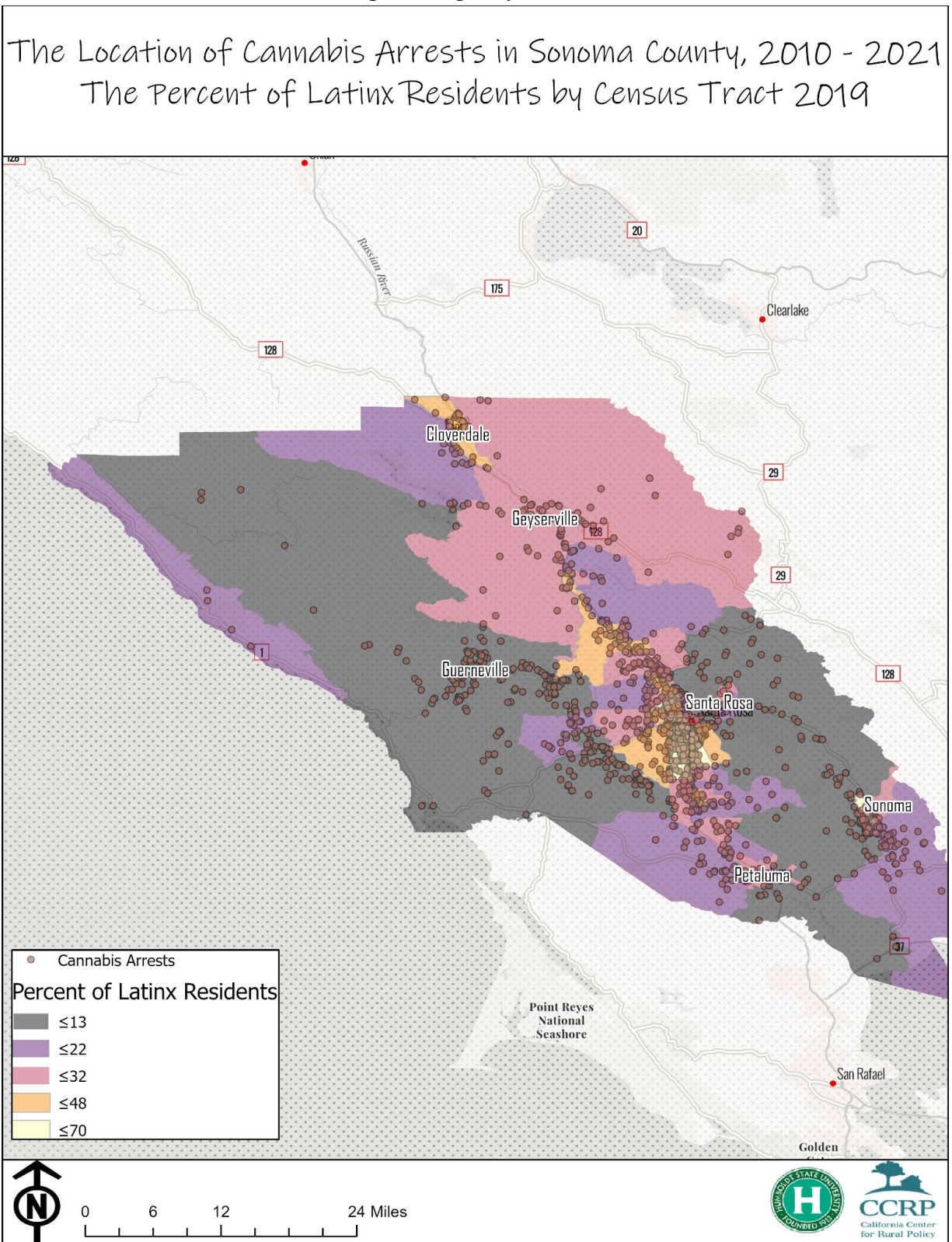
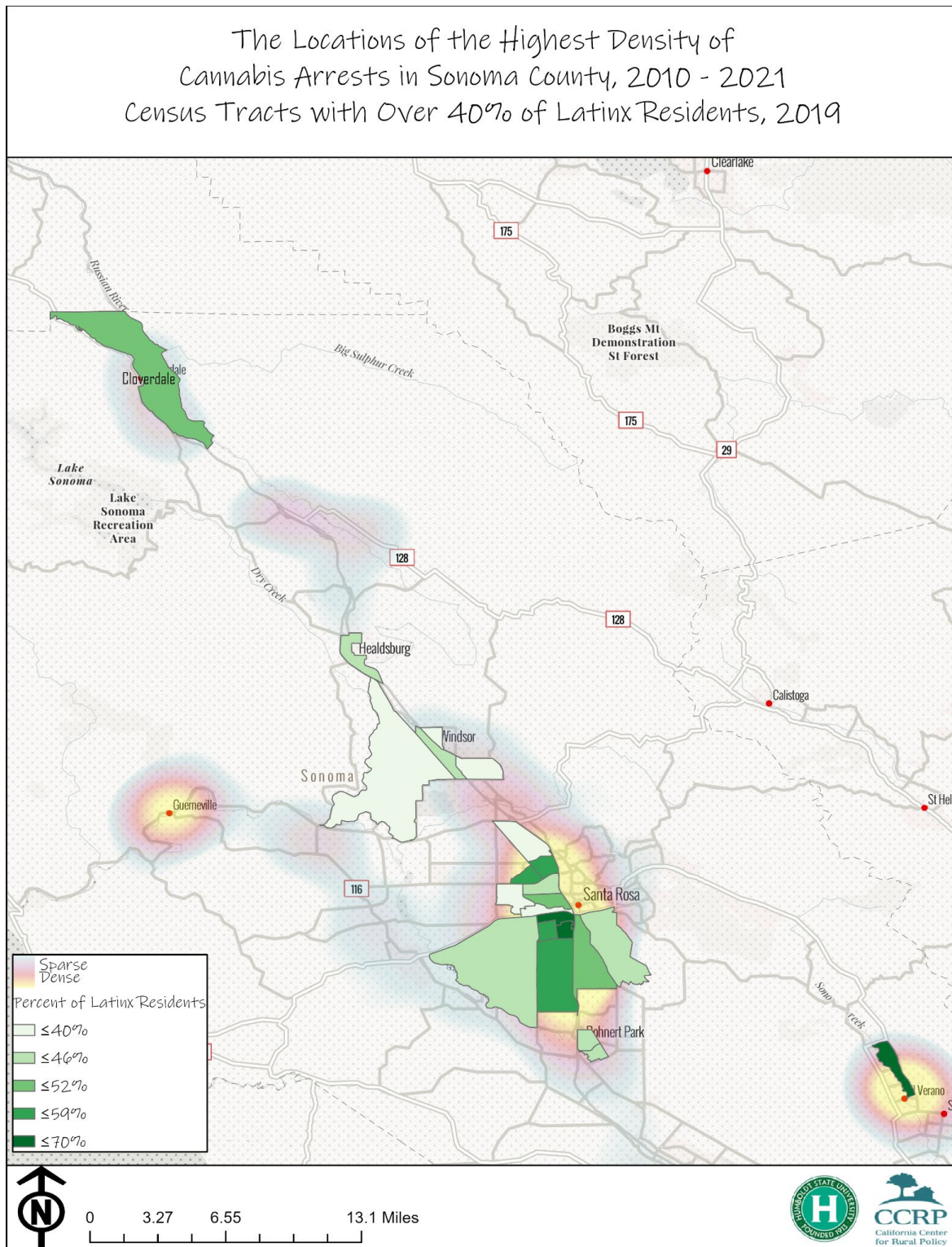
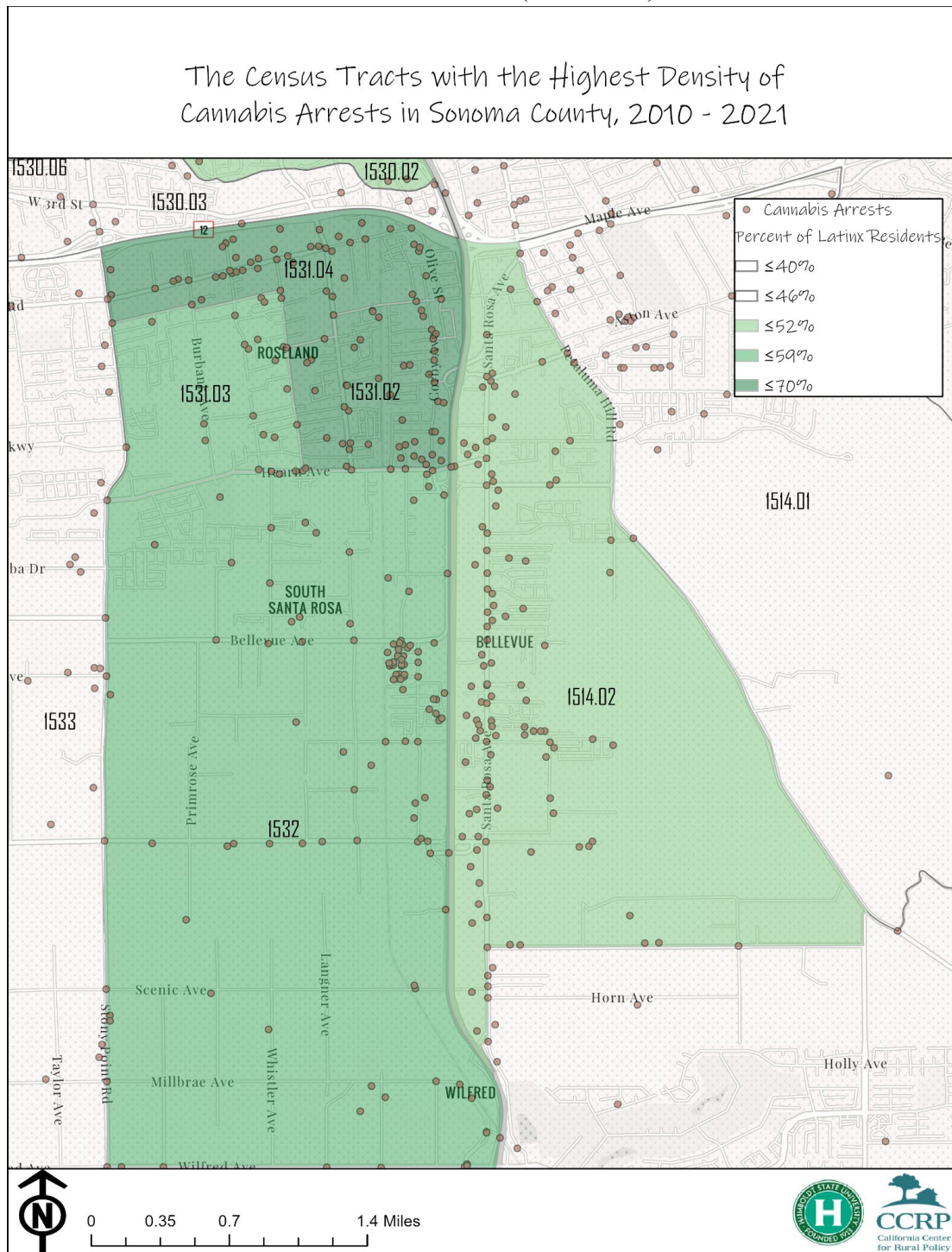


Figure 4. Locations of highest density of cannabis arrests in Sonoma County between 2010-2021 compared with census tracts with over 40% Latinx residency (2019).



Three out of the five areas with a high density of cannabis arrests occurred within census tracts with 48%-70% of the population identifying as Latinx. Figure 5 is a snapshot of the census tract with the highest density of cannabis arrests in Sonoma County.

Figure 5. Census tracts with the highest density of cannabis arrests compared with the percentage of Latinx residents (2010-2021).

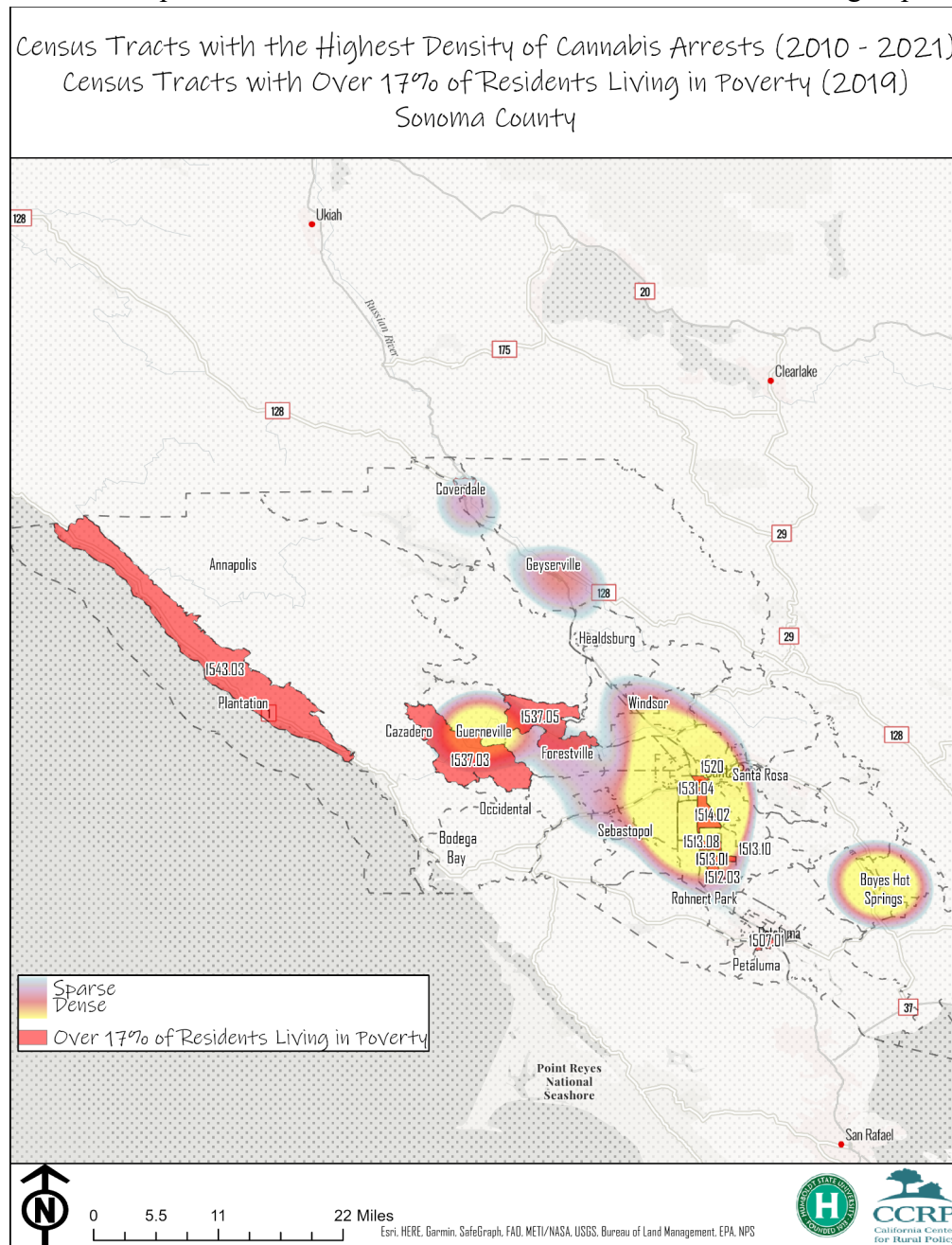


From 2010 to 2021, the highest density of cannabis arrests in Sonoma County occurred in census tracts where 70% of the residents identify as Latinx.

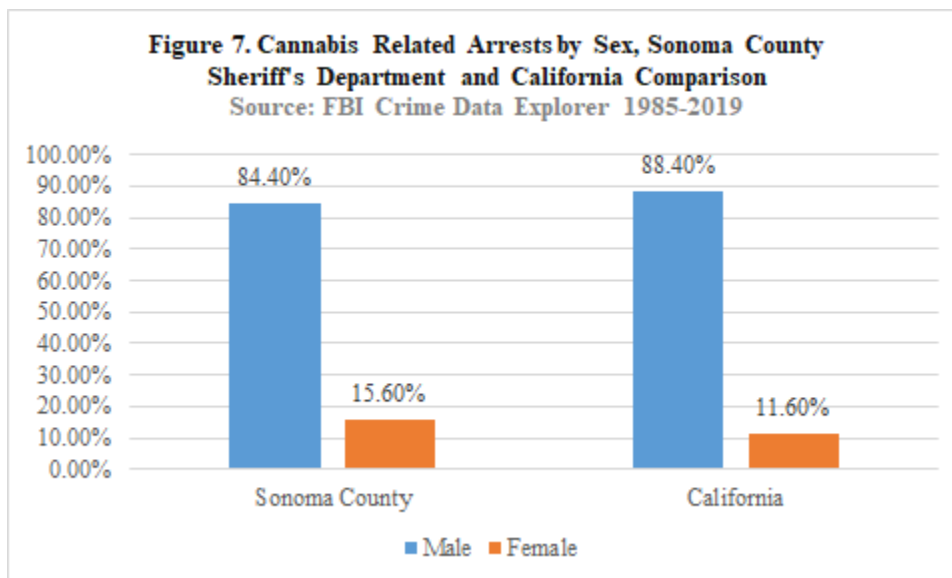
Cannabis Arrests Rates, Poverty Rates, Gender and Age.

Figure 6 below shows the locations with the highest density of cannabis arrests among census tracts with 17% or more residents living in poverty.

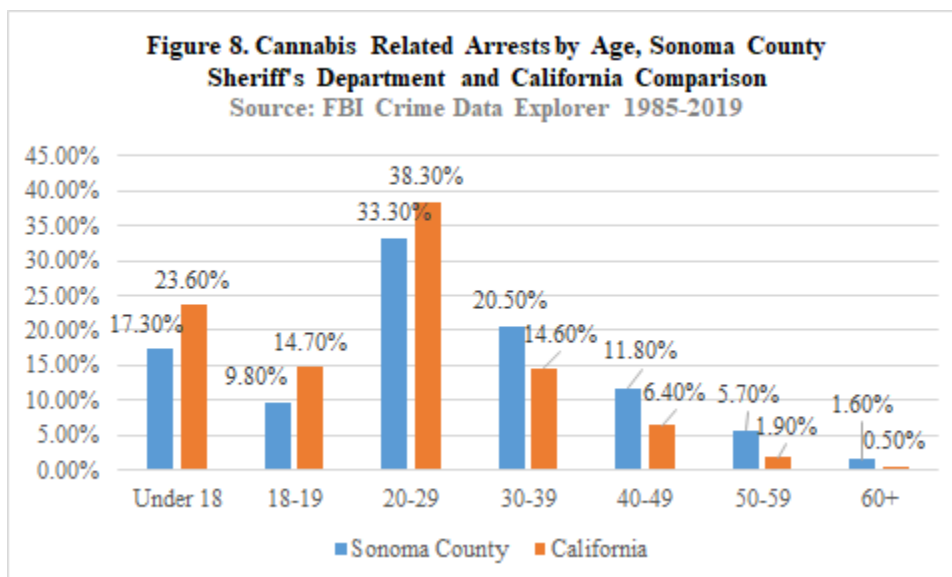
Figure 6. Census tracts in Sonoma County with the highest density of cannabis arrests between 2010-2021 compared with census tracts with over 15% of residents living in poverty.



Sonoma County is arresting a higher percentage of women for cannabis than the state as a whole. (See Figure 7 below).

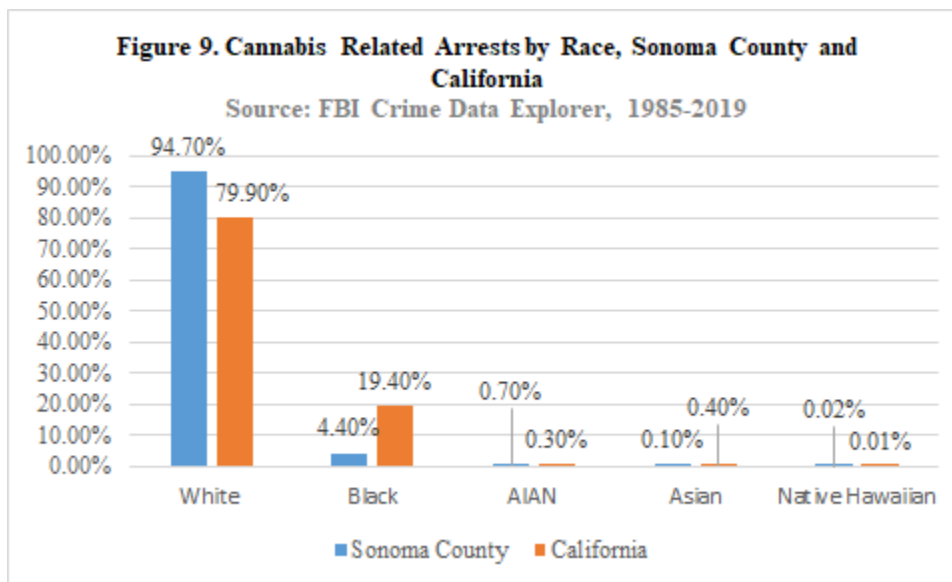


Sonoma County is arresting a higher percentage of people aged 30 and older than the state. Figure 8 below highlights that California as a whole is arresting younger populations than Sonoma County.



Data for race and ethnicity arrest breakdowns in Sonoma County is limited in scope. Related data was sourced from the FBI Crime Data Explorer from the years between 1985 and 2019. The FBI Crime Data Explorer does not outline Hispanic/Latinx as a category in the data, thus statistics for

the White population are inflated. Sonoma County has a very small portion of the population that identifies as Black or African American, about 1.5%, thus they are disproportionately arrested for cannabis related charges (see Figures 9 & 14). Sonoma's disproportionate cannabis arrest rates for its Black or African American population is similar to that of many jurisdictions in California (See *When the Smoke Clears* Report below)²⁸. Approximately sixty-three percent (63.2%) of the population identifies as White and 26.7% of the population identifies as Hispanic/Latinx. Not including Hispanic/Latinx populations as their own category within such data breakdowns is a significant limitation.



California and the United States

The Center on Juvenile and Criminal Justice (CJ CJ) has published several reports that demonstrate patterns in drug arrest rates in California that disproportionately affected people of color²⁹. Starting in the 1990's, arrests in California for drug possession increased dramatically. Cannabis possession rates increased by 124% while other categories of serious crime showed decreased arrest rates. Rates of arrest per 100,000 population rose much faster for African Americans, Hispanics, those under the age of 21 and European Americans over the age of 40.

²⁸ U.C. Davis Center for Regional Change, Public Health Advocates (2020). *When the Smoke Clears: Racial Disparities in California's Marijuana Arrests*. Retrieved from https://regionalchange.ucdavis.edu/sites/g/files/dgvnsk986/files/inline-files/When-the-Smoke-Clears_Report_FINAL.pdf, accessed September 29, 2021.

²⁹ Center on Juvenile and Criminal Justice. *Publications*. Retrieved from <http://www.cjcj.org/news/category/510>, accessed February 15, 2021.

Though a majority of states allows medical cannabis use, cannabis leads drug-related prosecutions in the United States. According to New Frontier Data,³⁰ over 650,000 people were arrested for cannabis-related offenses in 2016. Cannabis accounted for 42% of all drug-related arrests in 2016, with cannabis possession offenses specifically accounting for 37% of all arrests. For comparison, heroin and cocaine accounted for 26% of arrests nationally.

According to a report from the ACLU titled *A Tale of Two Countries: Racially Targeted Arrests in the Era of Marijuana Reform*³¹ “there were more marijuana arrests in 2018 than in 2015, despite the fact that eight states legalized marijuana for recreational use or decriminalized marijuana possession in that timeframe. Marijuana arrests made up 43% of all drug arrests in 2018, more than any other drug category. The overwhelming majority of marijuana arrests- 89.6%- are for possession only.” The report also includes a finding that states, “extreme racial disparities in marijuana possession arrests persist throughout the country and have not improved since 2010.”

According to an article by Josh Adams for New Frontier Data³², “Drug offenses are often the pretext for seizing other cash or property.” For example, a report from the Justice Department Inspector General in 2017³³ found that ‘the DEA seized more than \$4 billion in cash from people suspected of drug activity over the previous decade, but \$3.2 billion of those seizures were never connected to any criminal charges.’ Research has also indicated that civil asset forfeiture disproportionately impacts low-income and minority communities. Relying on the suspicion of a crime allows law enforcement to seize cash and property almost entirely without accountability, often under the pretense of thwarting drug-related activity.’

Section 5. Current Conditions in Sonoma County

A variety of socioeconomic factors play a role in the overall health of a community, and such conditions augment direct and indirect impacts of cannabis criminalization. Topics presented in

³⁰ Song, Bertie (2018). New Frontier Data. *National Arrests for Cannabis-Related Offenses 1996-2016*. Retrieved from <https://newfrontierdata.com/cannabis-insights/national-arrests-cannabis-related-offenses-1996-2016/>, accessed February 15, 2021.

³¹ American Civil Liberties Union (2020). *A Tale of Two Countries: Racially Targeted Arrests in the Era of Marijuana Reform*. Retrieved from <https://www.aclu.org/report/tale-two-countries-racially-targeted-arrests-era-marijuana-reform>, accessed February 15, 2021.

³² Josh Adams (2020). New Frontier Data. *Catching Cannabis Coming and Going: How Law Enforcement Profits from Illicit and Legalized Marijuana Businesses Alike*. Retrieved from <https://newfrontierdata.com/cannabis-insights/catching-cannabis-coming-and-going-how-law-enforcement-profits-from-illicit-and-legalized-marijuana-businesses-alike/>, accessed February 15, 2021.

³³ Ingraham, Christopher (2017). The Washington Post. *Since 2007, the DEA has taken \$3.2 billion in cash from people not charged with a crime*. Retrieved from <https://www.washingtonpost.com/news/work/wp/2017/03/29/since-2007-the-dea-has-taken-3-2-billion-in-cash-from-people-not-charged-with-a-crime/>, accessed February 15, 2021.

this section include the County's strategic plan, poverty, infrastructure needs in the context of natural disasters, the housing market, youth cannabis use, and rates of educational attainment

The *Sonoma County Five-Year Strategic Plan*³⁴ includes the following pillars:

- Healthy and Safe Communities
- Organizational Excellence
- Racial Equity and Social
- Climate Action and Resiliency
- Resilient Infrastructure

5.1 Poverty in Sonoma County

Sonoma County is relatively affluent with high levels of inequality evident for its Hispanic/Latinx population. The inequality is evident within rates of poverty; 9.2% of the County's total population lives in poverty³⁵, whereas 12.1% of its Hispanic/Latinx population live in poverty. Compared with the state average of 13.4%, Sonoma County has a moderately lower level of their total population living in poverty, but the gap is much smaller for Sonoma's Latinx population.

Comparing Sonoma County's census tracts and their percentages of population living under the federal poverty level, it can be seen that the highest percentages of poverty lie in tracts 1520 (Santa Rosa), 1530.01 (Santa Rosa), 1513.01 (Rohnert Park), and 1514.02 (Roseland) (see Figure 10 and Figure 11 below). The aforementioned census tracts also have high proportions of their population identifying as Hispanic/Latinx³⁶. Tract 1520 (28.1%), 1530.01 (44.2%), 1513.01 (46.4%), and 1514.02 (52.3%). It appears that, in Sonoma County's context, higher levels of poverty may correspond with high levels of Hispanic/Latinx population density.

³⁴ Policy, Grants, and Special Projects Division, Sonoma County Administrator's Office (2020). *Sonoma County Five-Year Strategic Plan*. Retrieved from <https://sonomacounty.ca.gov/Board-of-Supervisors/Strategic-Plan/>, accessed August 10, 2021.

³⁵ U.S. Census Bureau (2019). American Community Survey 5-Year Estimates Subject Tables. *Poverty status in the past 12 months*. Retrieved from <https://data.census.gov/cedsci/table?q=&t=Poverty&g=0500000US06097&tid=ACST5Y2019.S1701>, accessed August 11, 2021.

³⁶ U.S. Census Bureau (2019). American Community Survey 5-Year Estimates Subject Tables. *Hispanic or Latino Origin by Specific Origin*. Retrieved from <https://data.census.gov/cedsci/table?q=&t=Hispanic%20or%20Latino&g=0500000US06097%241400000&tid=ACSDT5Y2019.B03001>, accessed September 14, 2021.

Figure 10. Percentage of Sonoma County residents living in poverty by census tract (2019).

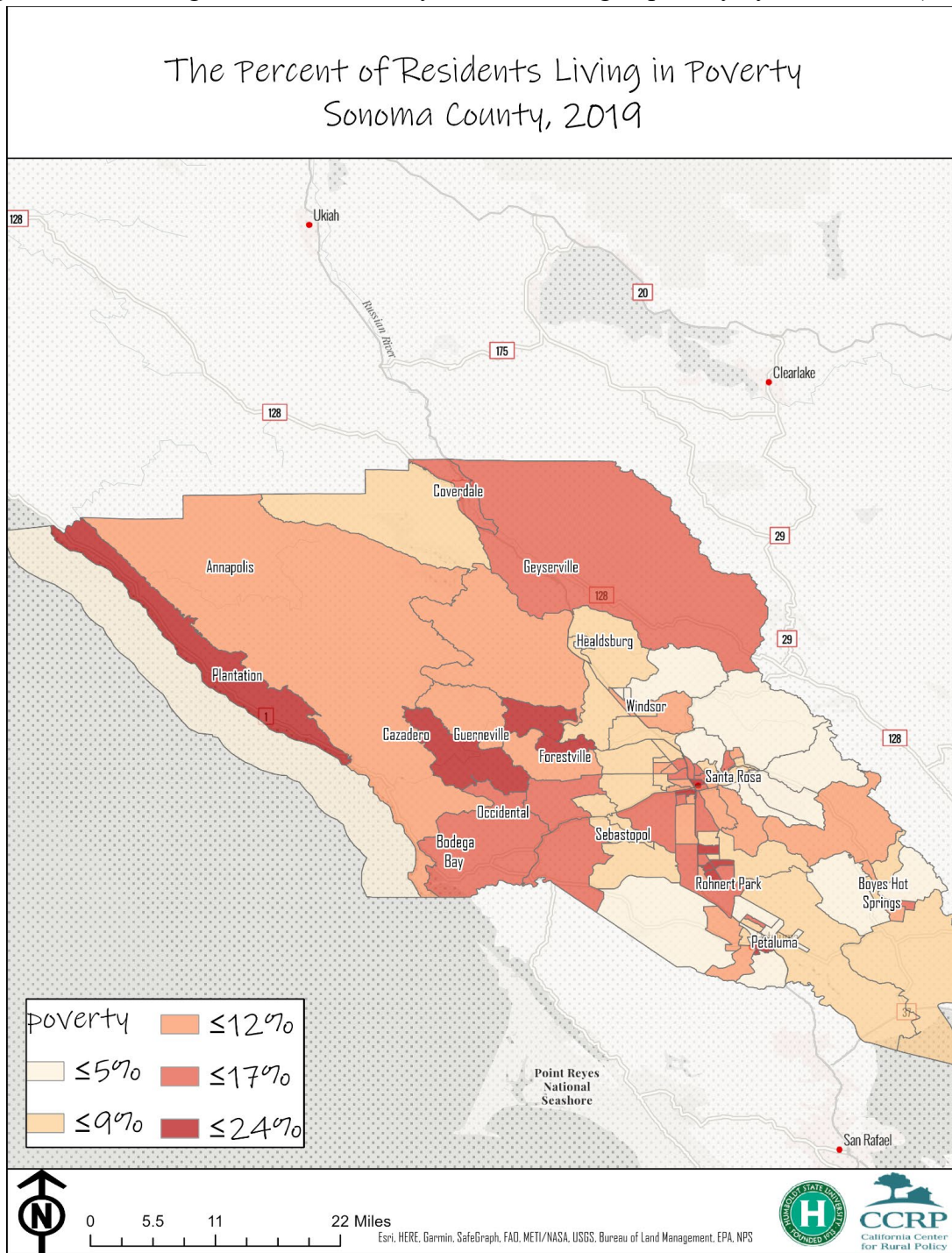
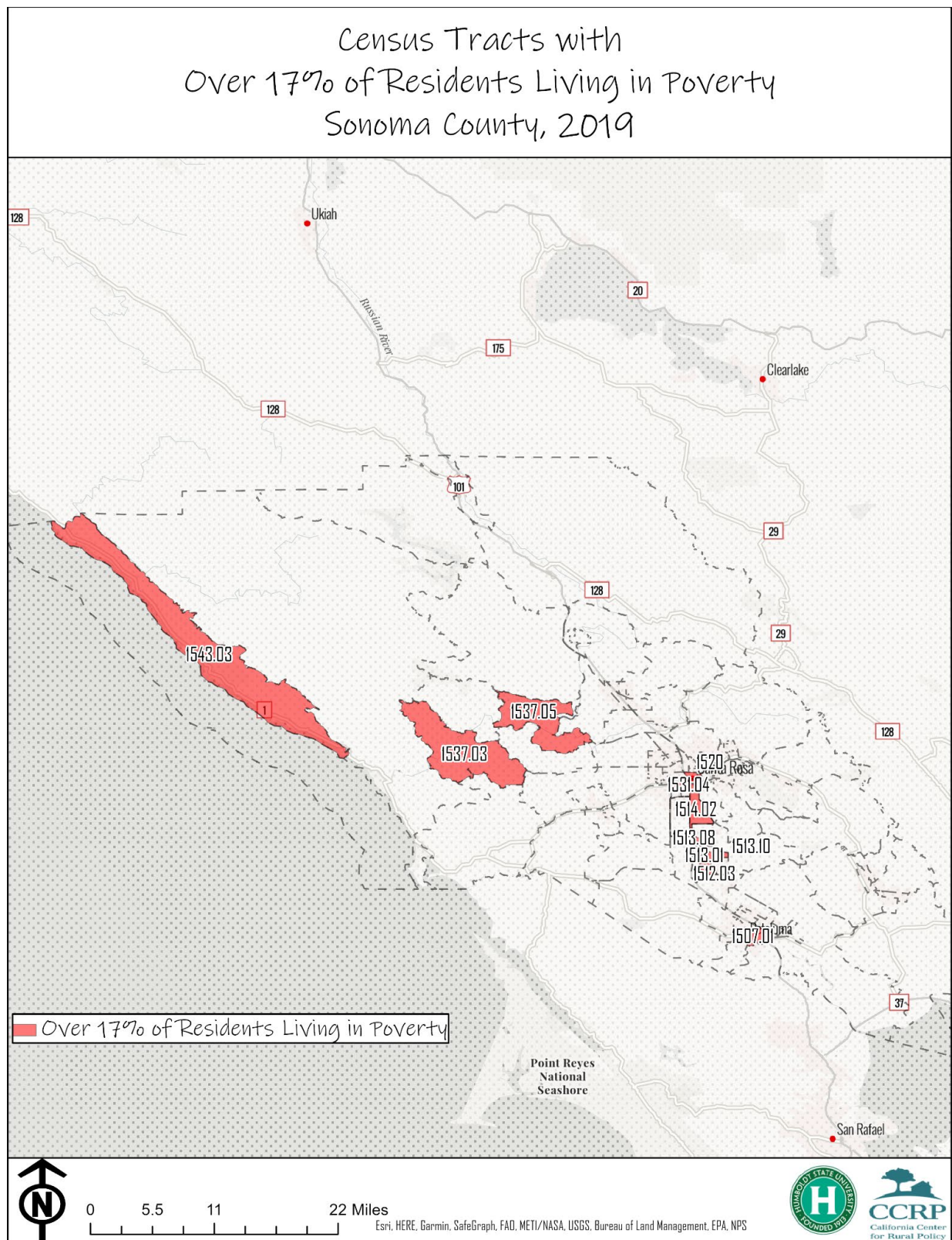
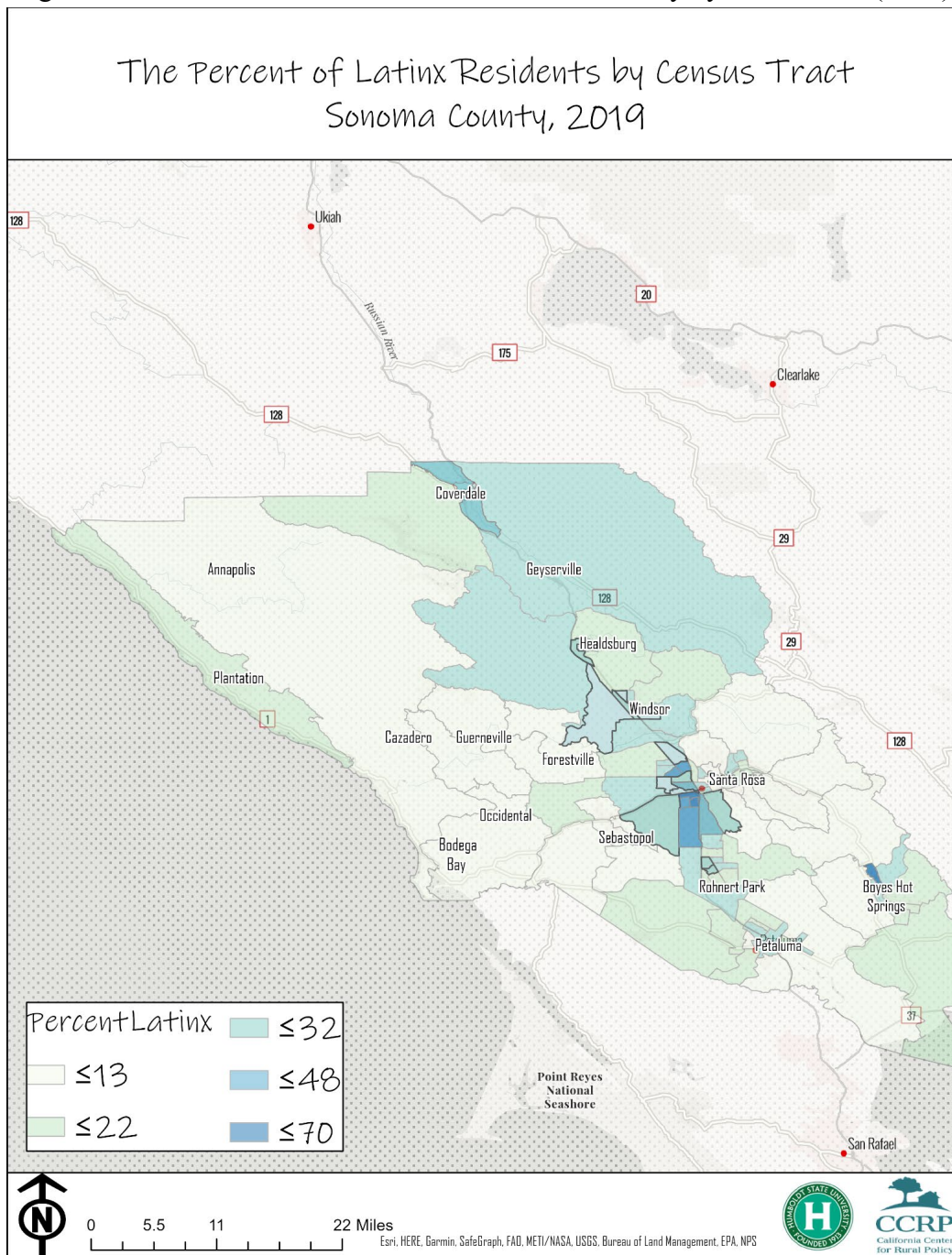


Figure 11. Census tracts with over 17% of their population living in poverty in Sonoma County (2019).



About 11 census tracts have a population of 17%-25% living in poverty. These tracts include: 1507.01, 1512.03, 1513.01, 1513.03, 1513.10, 1514.02, 1520, 1531.04, 1537.03, 1537.05, and 1543.03. Figure 12 demonstrates the percentage of Sonoma County residents who identify as Latinx.

Figure 12. Percent of Latinx residents in Sonoma County by census tract (2019).

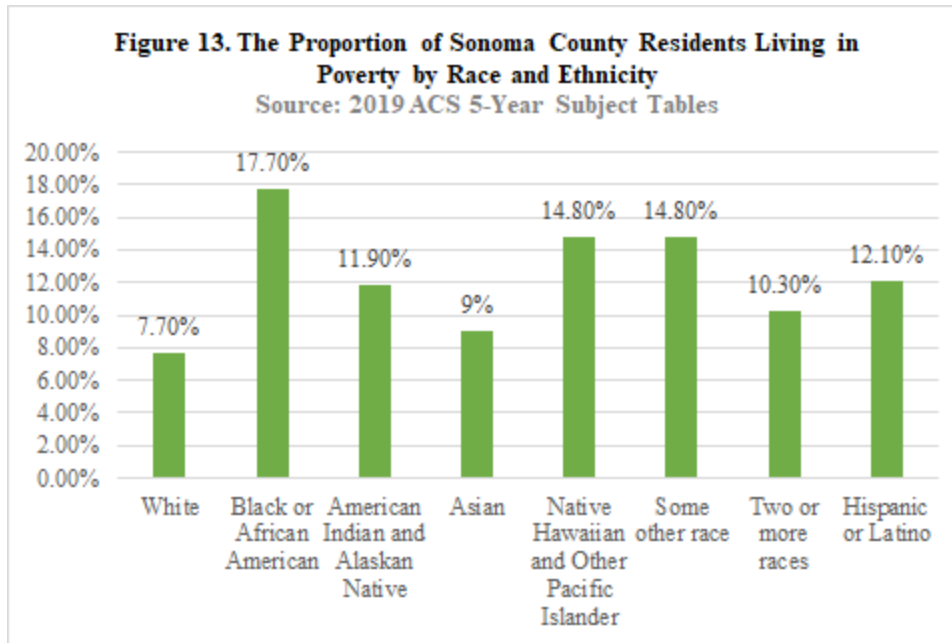


According to the U.S. Census Bureau, in 2019 the Sonoma County estimated median household income was \$81,018, just over the \$80,440 median household income in the state of California. It is also approximately \$18,000 more than the national median household income of \$62,843. By contrast, the median household income for the Latinx population, constituting 26.7% of Sonoma's population (see Figure 14), is \$67,701, significantly lower than the median for Sonoma and California.

A similar trend is observed when examining rates of families living in poverty. It is estimated that 5.3% of all families in Sonoma County live below the federal poverty level, significantly lower than the 9.6% of all families in California³⁷. However, for Hispanic/Latinx families in Sonoma County, 10.9% of families live in poverty, surpassing the rates of the County and the state. Rates of child poverty trends also run parallel to that of family poverty rates, with 15.6% of Hispanic/Latinx children under the age of 18 living in poverty compared to the County's rate of 10.7%. Both of these rates fall below that of the state (18.1%) and the national average (18.5%), but nonetheless highlight the inequality present for Sonoma's Latinx population.

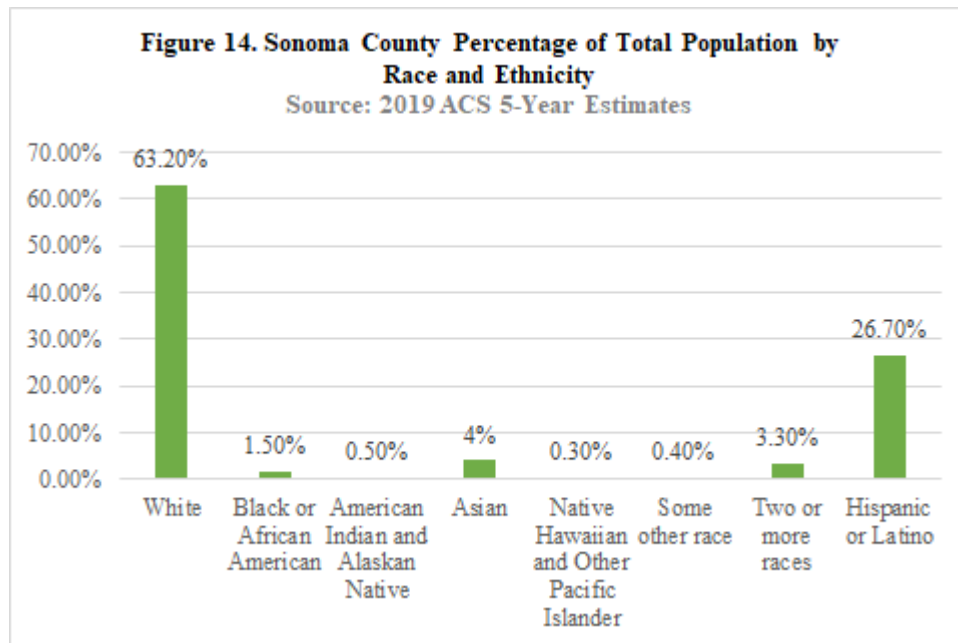
The race with the highest percentage of poverty is the Black/African American population (17.7%). The white population has the lowest percentage of poverty (7.7%). Conversely, the total number of people in poverty is highest in the white population (312,348) and lowest in the Native Hawaiian and Pacific Islander population (1,505), thus it is important to look at both the percentage and the actual numbers (See Figure 13).

³⁷ U.S. Census Bureau (2019). American Community Survey 5-Year Estimates Subject Tables. *Poverty Status in the Past 12 Months of Families*. Retrieved from <https://data.census.gov/cedsci/table?t=Families%20and%20Living%20Arrangements%3APoverty&g=0500000US06097&tid=ACSST5Y2019.S1702>, accessed August 11, 2021.



Levels of disparity in poverty rates exist for all races and ethnicities when compared with the White population in Sonoma County. Sonoma County residents who identify as Black or African American are 2.3 times more likely to live in poverty. Individuals who identify as some other race (1.93), Native Hawaiian, and Other Pacific Islander (1.92) are more likely to live in poverty. Levels of disparity (compared to white population) in regard to poverty for other racial categories are as follows: Hispanic or Latino (1.57), American Indian and Alaskan Native (1.55), two or more races (1.35), and Asian (1.17).

Figure 14 below highlights the County's population by race/ethnicity; individuals that identify as Hispanic/Latinx make up more than a quarter of the County's population. The aforementioned proportions of poverty and Latinx density, variance between median household incomes and poverty rates underline the high levels of inequality that Sonoma's Latinx population face.



5.2 Natural Disaster and Infrastructure in Sonoma County

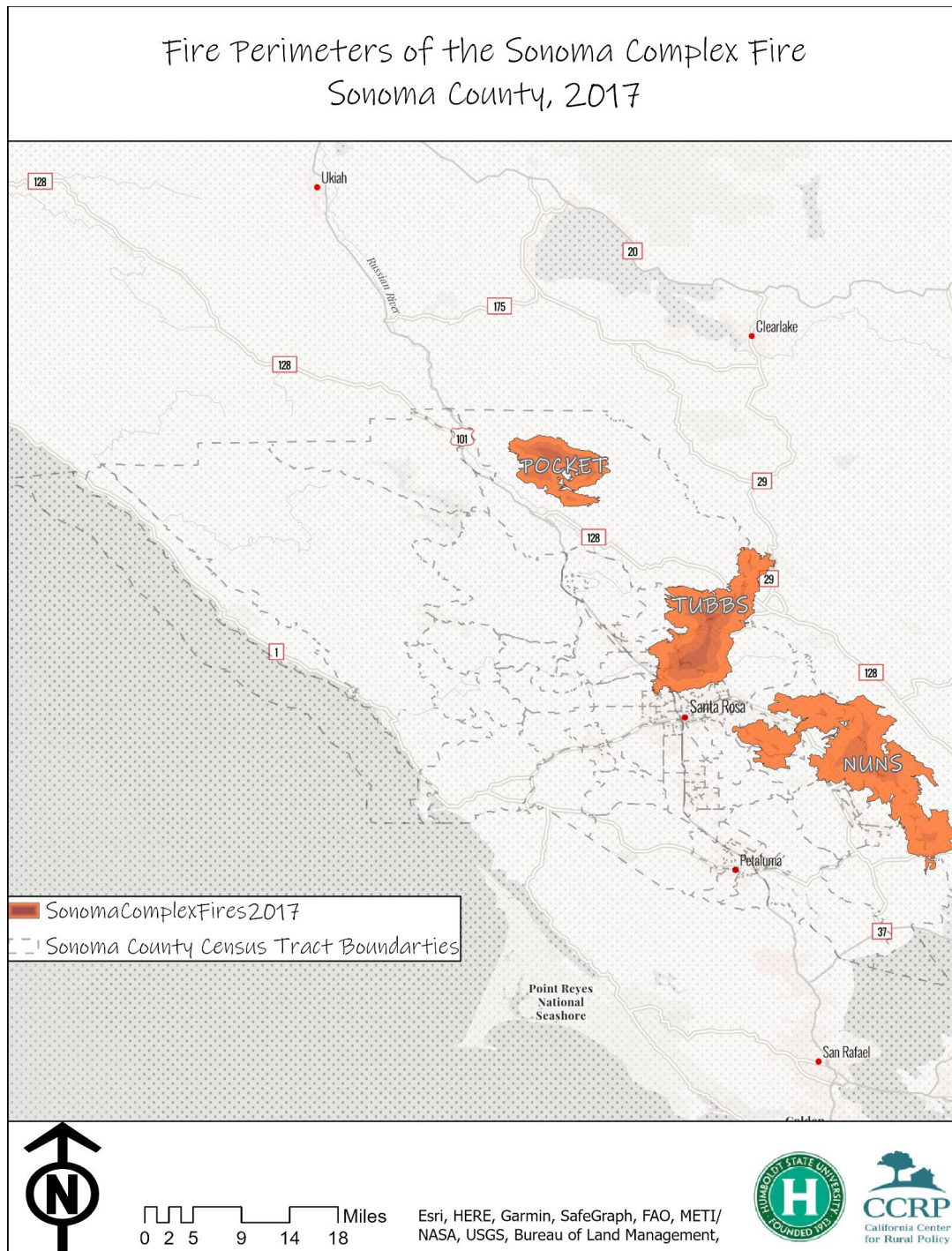
Sonoma County has withstood the worst of numerous natural disasters in the past couple of years, most notably wildfires. Starting October 8, 2017, three fires broke out in parts of Sonoma County, collectively named the Sonoma Complex Fire. The Sonoma Complex Fire was a small cohort of the Central LNU Complex Fires that impacted the Sonoma-Lake-Napa Unit (LNU). The fires included were the Tubbs³⁸, Nuns³⁹, and Pocket⁴⁰ fires, all starting within the span of a day. The figure below is a map of the Sonoma Complex Fire.

³⁸ <https://www.fire.ca.gov/incidents/2017/10/8/tubbs-fire-central-lnu-complex/>

³⁹ <https://www.fire.ca.gov/incidents/2017/10/8/nuns-adobe-norrbom-pressley-partrick-fires-oakmont-central-lnu-complex/>

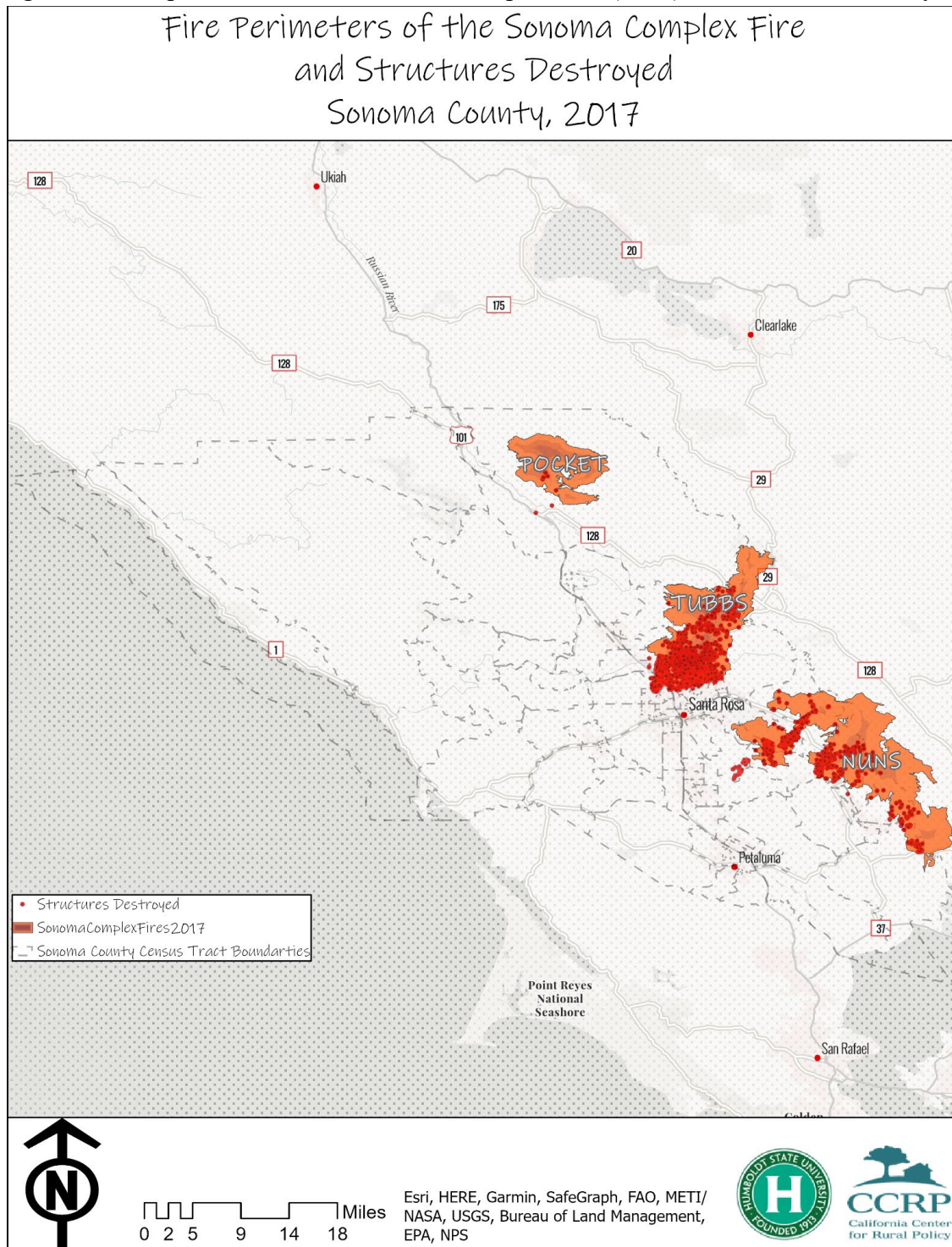
⁴⁰ <https://www.fire.ca.gov/incidents/2017/10/9/pocket-fire-central-lnu-complex/>

Figure 15. Fire perimeters of the Sonoma Complex Fire (2017).



Collectively, these fires burnt 110,720 acres of land or about ten percent of the acreage in Sonoma County. The Sonoma Complex Fire destroyed just under 7,000 structures (6,997). The figure below is a map of the Sonoma Complex Fire with the locations of destroyed structures.

Figure 16. Fire perimeters of the Sonoma Complex Fire (2017) with structures destroyed.



A little over two years later, the Kincade fire broke out, lasting 14 days. The Kincade⁴¹ fire burnt 77,758 acres of vegetation and destroyed 374 structures. Lastly, fires in 2020 included both the Walbridge and Glass fires, cumulatively burning up to more than 70,000 acres and 2,286 destroyed or damaged structures. See Table 2 below for a snapshot of Sonoma County large wildfires from 2013 onward.

⁴¹ <https://www.fire.ca.gov/incidents/2019/10/23/kincade-fire/>

Table 2. Table of wildfires in Sonoma County from 2013 onward.

Wildfire	Start Date	Acreage Covered	Structures Impacted	Injuries	Location Information
McCabe Fire	November 22, 2013	3,505	1 (Destroyed)	6 (Injuries)	10 miles northeast Geyserville
Sawmill Fire	September 25, 2016	1,547	0	2 (Injuries)	20 miles east of Cloverdale
Tubbs Fire	October 8, 2017	36,807	5,643 (Destroyed)	22 (Fatalities) 1 (Injuries)	City of Santa Rosa; Bennett Valley/Tubbs Lane
Nuns Fires	October 8, 2017	56,556	1,355 (Destroyed) 172 (Damaged)	3 (Fatalities)	Highway 12, north of Glen Ellen
Pocket Fire	October 9, 2017	17,357	6 (Destroyed) 2 (Damaged)	0 reported	Geyserville; Pocket Ranch Road/Ridge Ranch Road.
37 Fire	October 9, 2017	1,660	0	0 reported	Highway 37
Kincade Fire	October 23, 2019	77,758	374 (Destroyed) 60 (Damaged)	4 (Injuries)	Northeast of Geyserville; John Kincade and Burned Mountain Roads
Walbridge Fire	August 16-17, 2020	52,068	293 (Destroyed) 156 (Homes Destroyed)	0 reported	North Guerneville / West Healdsburg
Glass Fire	September 27, 2020	67,484	1,555 (Destroyed) 282 (Damaged)	0 reported	Crystal Springs Road (Northeast Sonoma County)

The Sonoma County Five-Year Strategic Plan⁴² identifies the infrastructure in the County as needing resiliency. Resiliency is defined as a system's ability to mitigate, adapt, or positively respond to all hazards as well as transforming in ways that restore, maintain, and improve essential functions. Sonoma's aging infrastructure (including roads, bridges, communication networks, and public buildings) is not designed to modern standards capable of withstanding impacts of natural disasters.

5.3 Housing in Sonoma County

A common occurrence taking place in California during the past two years is what real estate professionals have titled a "COVID bounce". This bounce is characterized by housing prices being driven through the roof, especially in jurisdictions where elements of both rural and urban life reside. Considering the shift from in-person to virtual work, affluent white-collar professionals predominantly from either San Francisco or Los Angeles have shifted their lifestyles by buying up property in more rural areas. Sonoma County has been impacted significantly by this bounce, not only is it close to hyper-urban areas like the bay area, but it also is cheaper in scope than places like Marin.

The median sale price of a single-family home in Sonoma County reached \$825,000 in June of 2021⁴³. Unfortunately, this movement has skyrocketed housing prices in the context of a County that has lost housing stock to natural disaster. According to Generation Housing, an independent housing advocacy organization, Sonoma County will need to build 58,000 houses and apartments by 2030 to alleviate the longstanding housing shortfall and to incorporate the rising demand on the County's housing stock⁴⁴.

Recent increases in the rate of single individuals has significantly impacted the housing market. This change predominantly means higher proportions of rental housing and less commitment to mortgages. Sonoma County has a little over 36% of households comprised of nonfamily households, compared to 31.3% for the state⁴⁵. Sonoma's rate is also higher than the state when compared with single-parent households, as Sonoma's total is 24.4% of households and California's is 18.9%.

⁴² Policy, Grants, and Special Projects Division, Sonoma County Administrator's Office (2020). *Sonoma County Five-Year Strategic Plan*. Retrieved from <https://sonomacounty.ca.gov/Board-of-Supervisors/Strategic-Plan/>, accessed August 10, 2021.

⁴³ Press Democrat (2021). *Sonoma County's booming housing market sets another median price record*. Retrieved from <https://www.pressdemocrat.com/article/business/sonoma-countys-housing-market-sets-price-record-as-buying-frenzy-continues/>, accessed August 11, 2021.

⁴⁴ Generation Housing (2021). *How Much Housing Do We Need? Sonoma County's Housing Shortfall and Future Needs*. Retrieved from https://generationhousing.org/58k_report/, accessed August 11, 2021.

⁴⁵ U.S. Census Bureau (2019). American Community Survey 5-Year Estimates Data Profiles. *Households and Families*. Retrieved from <https://data.census.gov/cedsci/table?q=&t=Housing&g=0500000US06097&tid=ACSST5Y2019.S1101>, accessed August 11, 2021.

An estimated 5.6% of housing units in Sonoma County are mobile homes⁴⁶. Compared to California's rate of 3.9% of housing units, a good amount of Sonoma County residents appear to rely on affordable housing. An interviewee indicated common cases where working class individuals relied on subsidized housing as well as the local food banks to continue living in Sonoma County.

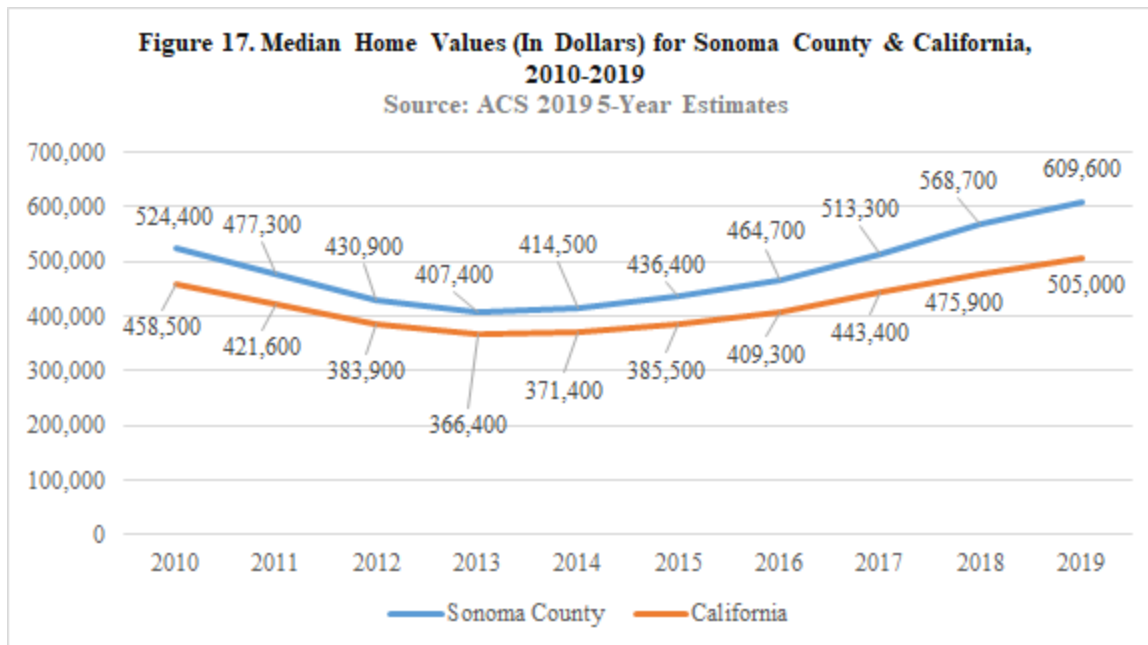
During 2019, 62.2% of housing units in Sonoma County were occupied by their owner, which gives an estimated 29.3% of housing units occupied by renters given Sonoma's vacancy rate of 8.5%⁴⁷. California's vacancy rate is lower than Sonoma's at 7.6% vacant. Sonoma County's ratio of housing ownership is higher than that of the state average (54.9% ownership) but lower than the national average (64.1%)⁴⁸.

Median home values have been on a consistent rise since 2013 in Sonoma County and California in general (see Figure 17 below). Prior to then, in 2010, median home values in Sonoma County were 14% higher than the California median (\$65,900 difference). Median home values for Sonoma County started to decline shortly after 2010, until 2013, eventually surpassing the median value of 2010 in 2018. Available data ends in 2019, with Sonoma County's median home value 16% higher than it was in 2010.

⁴⁶ U.S Department of Finance (2021). *Table 2: E-5 City/County Population and Housing Estimates, 1/1/2021*. Retrieved from <https://www.dof.ca.gov/forecasting/demographics/estimates/>, accessed August 11, 2021.

⁴⁷ U.S Department of Finance (2021). *Table 2: E-5 City/County Population and Housing Estimates, 1/1/2021*. Retrieved from <https://www.dof.ca.gov/forecasting/demographics/estimates/>, accessed August 11, 2021.

⁴⁸ <https://datausa.io/profile/geo/california>



The U.S. Department of Housing and Urban Development holds that housing problems related to a jurisdiction refer to the extremity of rates of overcrowding and overpayment. Overcrowding is a problem commonly associated with low housing inventory and high housing costs. It is defined as more than one person living in the same room, with severe cases of overcrowding involving more than two people living in the same room. In 2019, 2.1% of owner-occupied housing units were defined as overcrowded and approximately 0.1% of housing units under this category were severely overcrowded⁴⁹. Rates of overcrowding are higher for renter occupied housing. Approximately 10% of rental occupied housing units in Sonoma County are overcrowded, while 0.6% of those are severely overcrowded.

Keeping monthly housing costs equal to or less than 30% of gross monthly income is a rule commonly known as the 30% rule. This rule is designated by the U.S. Department of Housing and Urban Development and is used by many to determine whether housing is affordable or not. Approximately 50% (52.4%) of all renters in Sonoma County spend more than 30% of their gross income for housing⁵⁰. The average monthly rent in Sonoma County during 2021 is \$1,710. During 2019, 41.3% of all households in Sonoma County spent 30% or more of their gross

⁴⁹ U.S. Census Bureau (2019). American Community Survey 5-Year Estimates. *Tenure by occupants per room, Sonoma County*. Retrieved from <https://data.census.gov/cedsci/table?q=&t=Occupants%20Per%20Room&g=0500000US06097&tid=ACSDT5Y2019.B25014>, accessed September 8th, 2021.

⁵⁰ Harder+Company Community Research (2016). Sonoma County Community Health Needs Assessment. Retrieved from http://www.sonomacf.org/wp-content/uploads/2016/10/Sonoma_CHNA_FINAL_Report.pdf, accessed August 10, 2021.

income on housing costs⁵¹. It is unknown if this percentage of households in Sonoma County is struggling financially, however the statistic highlights a significant need for affordable housing in the County. Lastly, during 2021, 65% of extremely low-income households have been paying more than 50% of their income on housing costs. For context, only 2% of moderate-income households spend that much on housing costs⁵². A good portion of Sonoma County residents are overpaying for housing; some are even severely overpaying for housing.

One of the most common indicators of generational wealth in the United States is owning real estate, as it is a common way people inherit and pass on wealth. In Sonoma's context, there is significant disproportionality for BIPOC communities in rates of homeownership. White populations, not identifying as Latinx, occupy roughly 82 percent of the total owner-occupied housing units in the County⁵³. Latinx residents occupy roughly 11 percent of these owner-occupied housing units, with roughly seven percent occupied by other races. Disproportionate housing rates serve to highlight the challenges that many BIPOC communities face in regard to access to capital and generational wealth.

5.4 Youth Cannabis Use in Sonoma County

A higher proportion of youth in Sonoma County have used cannabis at least once compared to the state average⁵⁴. Approximately 6% (5.5%) of seventh grade students from Sonoma County have used cannabis compared to 4.2%, the California average for seventh grade students. The difference between the aforementioned rates (1.3%) might appear small, however exponential trends in the same direction can be seen for both ninth (4.1% difference) and eleventh grade students (12.9% difference) as all three grade levels in Sonoma County have higher proportions of their student body that have used cannabis at least once.

School districts in Sonoma County also have a higher ratio of students who have used cannabis multiple times during their lifetime and may regularly use cannabis. Rates of cannabis use for

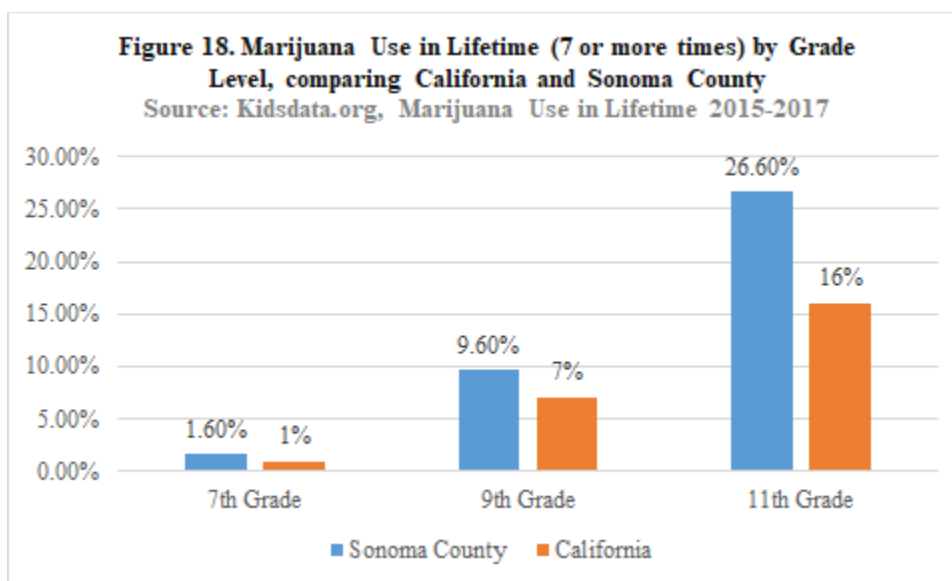
⁵¹ Opportunity Nation (2019). *Opportunity Index, Sonoma County*. Retrieved from <https://opportunityindex.org/detail/06097>, accessed August 10, 2021.

⁵² California Housing Partnership (2021). *Sonoma County 2021 Affordable Housing Needs Report*. Retrieved from https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2021/05/Sonoma_Housing_Report.pdf, accessed August 11, 2021.

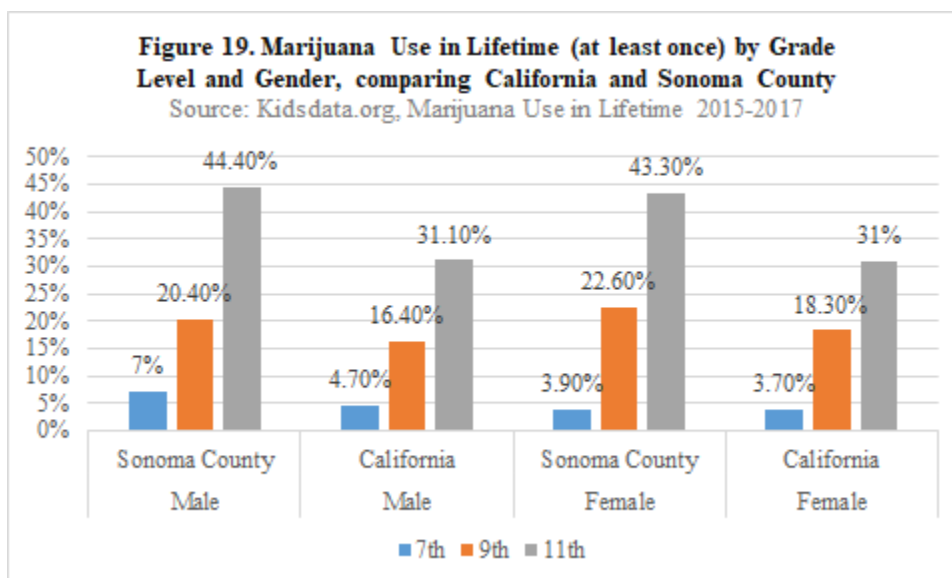
⁵³ U.S. Census Bureau (2019) ACS 5-Year Estimates Subject Tables. *Demographic Characteristics for Occupied Housing Units*. Retrieved from <https://data.census.gov/cedsci/table?q=&t=Housing&g=0500000US06097&tid=ACSST5Y2019.S2502>, accessed October 6, 2021.

⁵⁴ Kidsdata.org (2017). *Marijuana Use in Lifetime, by Grade Level*. Retrieved from <https://www.kidsdata.org/topic/608/marijuana-lifetime-grade/table#fmt=826&loc=2,338&tf=122&ch=69,305,306,431,748,616,617,618,1004,1005&sortColumnId=0&sortType=asc>, accessed August 13, 2021.

students from grades seventh, ninth, and eleventh show that there is a higher fraction of students in Sonoma that are exposed to cannabis than that of the state (see Figure 18).



State level data for seventh, ninth, and eleventh grade students show small differences regarding rates of cannabis use between male and female adolescents. Similar trends are seen for Sonoma County's youth as well, with the largest difference between the sexes for cannabis use during seventh grade. An interesting highlight of the data shows that rates of female adolescent cannabis use surpass that of male adolescent cannabis use for ninth graders in both Sonoma and California (see Figure 19).



5.5 Educational Attainment in Sonoma County

According to Sonoma County's *2016 Community Health Needs Assessment*⁵⁵, educational attainment is strongly correlated with health. Individuals with low levels of education experience worse health outcomes and more stress when compared to their educated counterparts. Sonoma County sits just above the state average when it comes to rates of educational attainment⁵⁶. Currently, 88.8% of individuals in Sonoma County over the age of 25 have a high school diploma, a small percentage over California's rate of 83.3%. A similar trend is apparent when comparing Sonoma County's rate (35.5%) to the state rate (33.9%) of individuals over the age of 25 who have their bachelor's degree or higher. Sonoma County's rate of residents with a graduate or professional degree (13.3%) is higher by a thin margin than the state average (12.8%).

However substantial a picture these rates paint, racial disparities exist in Sonoma County's context of educational attainment. Larger proportions of individuals who identify as American Indian/Alaskan Native, Black, Hispanic/Latino, or Native Hawaiian/Pacific Islander have less than a high school diploma when compared to White residents. English language learners are also a priority population, as their pass-fail rates on the California High School Exit Exams in English Language Arts and Mathematics are significantly lower than those for all tenth graders.

Section 6. Overview of Sonoma County's Cannabis License Process & Applicants

Licensing data was provided by Sonoma County through the permitting software, Accela⁵⁷. As of August 2021, the Sonoma County Permit and Resource Department (PRMD) has issued and/or approved (with condition compliance) 58 Cannabis Use Permits (UPC). Data indicates that there are still 60 use permit applications in the pipeline for processing.

The Sonoma County Department of Agriculture / Weights and Measures has issued 222 Agricultural Cannabis Permits (APC) from 2017 to 2021, specifically for cultivation purposes. Eighty-six applications for Agricultural Cannabis Permits are currently under review.

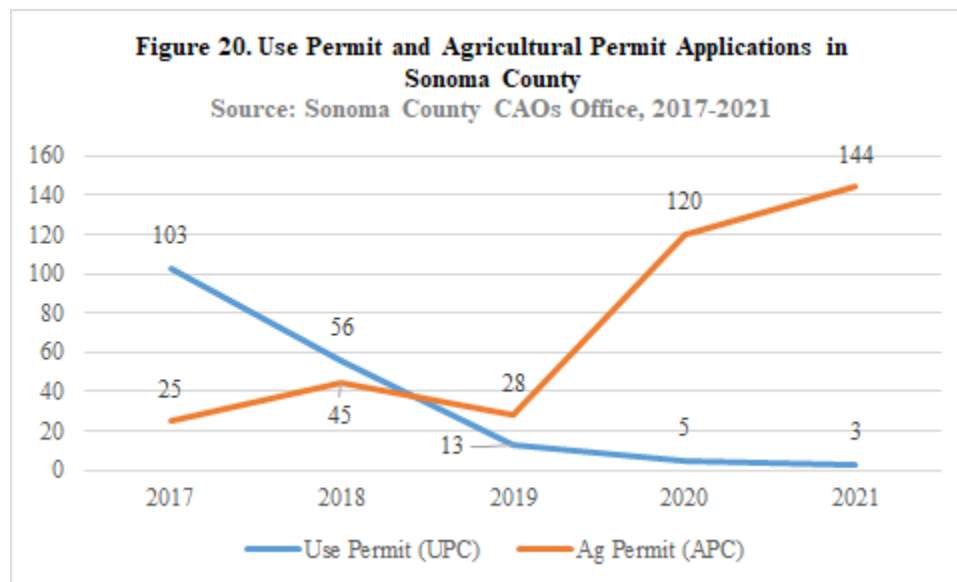
Figure 20 below shows the total number of use and agricultural permit applications since Sonoma County started accepting them in 2017. There were significantly more use permit applications that needed to be processed at the beginning of Sonoma's adult-use licensing

⁵⁵ Harder+Company Community Research (2016). Sonoma County Community Health Needs Assessment. Retrieved from http://www.sonomacf.org/wp-content/uploads/2016/10/Sonoma_CHNA_FINAL_Report.pdf, accessed August 10, 2021.

⁵⁶ U.S. Census Bureau (2019). American Community Survey. *Educational Attainment, Sonoma County*. Retrieved from <https://data.census.gov/cedsci/table?q=&t=Educational%20Attainment&g=0500000US06097&tid=ACST5Y2019.S1501>, accessed August 10, 2021.

⁵⁷ Data provided by Sonoma County. accessed September 14, 2021.

process than agricultural permits. However, after 2018, rates were swapped with agricultural cannabis permit applications outnumbering use permit applications by a large margin. This stark interaction in the data can be attributed to the Conditional Use Permitting (CUP) process that all use permit applicants abide by. The arduous CUP process coupled with PRMD’s prioritization of crisis response in light of recent fires has shifted the landscape with agricultural cannabis permits being preferred for their quick turnaround and cheaper cost. That is not to say that cultivation in Sonoma County with an agricultural cannabis permit is cheap as having the real estate to do so is a large financial barrier to entry.



Proposition 64 provided local governments the option and ability to regulate, control, permit, license, and tax activities surrounding the use, cultivation, and sale of marijuana. According to an article titled *Getting Worse, Not Better: Illegal Pot Market Booming in California Despite Legalization* by Thomas Fuller in the New York Times⁵⁸, “California gives cities wide latitude to regulate cannabis, resulting in a confusing patchwork of regulation.”

Many jurisdictions in California continue to update and amend local policy related to the regulation and taxation of cannabis. Sonoma County’s commercial cannabis permitting process is split between the Permit and Resource Management Department (PRMD) and the Department of Agriculture / Weights and Measures. PRMD Sonoma issues zoning permits (indoor & mixed light) and Minor/Conditional Use Permits, and monitors compliance with operating standards and use permit conditions. The Department of Agriculture issues land use zoning permits for outdoor cultivation up to 10,000 sq. ft. and conducts inspections for cultivation sites and

⁵⁸ Fuller, Thomas (2019). The New York Times. “*Getting Worse, Not Better*”: *Illegal Pot Market Booming in California Despite Legalization*. Retrieved from <https://www.nytimes.com/2019/04/27/us/marijuana-california-legalization.html>, accessed August 13, 2021.

nurseries. Currently, Sonoma County is accepting applications to obtain a permit for cultivation, dispensaries, distribution & transportation, manufacturing, nurseries, and testing labs. A detailed description of the ordinances and measures specific to Sonoma County is included in this report.

Code Enforcement Temporary Penalty Relief Program

Following the series of ordinances adopted in December of 2016 that established a local program to permit and regulate commercial medical cannabis, Sonoma County's Board adopted a Penalty Relief Program (PRP) in May of 2017 to operationalize the transition provision adopted in the land use ordinance. In light of the estimated thousands of cannabis operators in the County, the Board determined it necessary to incentivize compliance by allowing operators to continue to operate without being subject to land use fines. One caveat of the program was that all operators were not allowed to increase their cultivation beyond what would be allowed with their permit type. The program distinguished three classifications of operators in the County: (1) existing operators on permit eligible properties prior to January 1, 2016, (2) current operators on permit eligible properties after January 1, 2016 and prior to July 5, 2017, (3) existing operators on non-permit eligible properties prior to January 1, 2016. Data received from Sonoma County indicated that 37 PRP applications were from existing operators, 32 PRP applications from current operators, and 10 PRP applications with no date of operation.

Qualifying for the PRP required existing and current operators on permit-eligible properties to finish and submit an application by the deadline of August 31, 2017. As an incentive for operators that operated prior to January 1, 2016, on permit eligible properties, they were only required to submit an initial application by the August 31, 2017 deadline and were granted until January 1, 2018 to have their application completed.

On September 12, 2017, after input from operators, the Cannabis Ad Hoc Committee recommended eliminating the operator classifications, which would create a single deadline and uniform applications for all operators. The Penalty Relief Program was extended for operators prior to July 5, 2017, on permit eligible properties to June 1, 2018. Currently, there are still 43 applications in process in the PRP, with 17 of them in approved condition compliance. Twenty-five (25) use permits have been approved from the process and 24 applications have been disqualified.

Sonoma County Cannabis Business Tax and General Fund Breakdown

Proposition 64, passed in 2016, legalized recreational cannabis as well as allowed state and local governments to collect taxes via cannabis businesses. The intention of the state revenue was for it to be reinvested in the communities impacted through programs related to youth, substance abuse prevention and treatment, environmental restoration, and other public health initiatives. A

2020 report published by Youth Forward⁵⁹ outlines how local jurisdictions have failed to invest this capital in that manner, instead investing a majority of it towards police departments across the state. This is a significant issue as law enforcement-centered approaches to addressing cannabis have disproportionately impacted Black and Brown communities as well as impacted children through incarceration of family and limiting access to services.

Cannabis tax revenue is often collected and put into a jurisdiction's general fund, which is used for general services. However, a large portion of this general fund gets spent on funding law enforcement. Sonoma County's cannabis business tax was enacted solely for general governmental purposes; however, Sonoma County does not fall in the category of California jurisdictions, which allocate their cannabis tax revenue to their general fund. Cannabis business tax revenue finances services provided by the County Administrator's Office, County Counsel, Department of Health Services, Department of Agriculture/ Weights & Measures, Auditor-Controller-Treasurer-Tax Collector, and Permit Sonoma. Categories of uses include:

- Staffing costs associated with cannabis permitting
- Tax collection
- Administration
- Legal counsel
- Enforcement
- Program costs such as ordinance updates

Section 7. Barriers to Entry

The section that follows outlines the barriers to entry that residents of Sonoma County face when seeking to transition into the legal cannabis sector. Sonoma County residents face financial, banking, administrative/technical, and business acumen barriers.

Financial

All new businesses face financial requirements to enter a new market. For individuals adversely affected by historical criminalization of cannabis and/or poverty, financial barriers can be difficult to overcome. The application fees, fees for professional studies of environmental, water supply, road engineering issues, and the cost of compliance with mitigation measures are significant barriers for smaller-scale operations and/or socio-economically disadvantaged populations.

⁵⁹ Youth Forward (2020). *A Windfall for Law Enforcement or an Opportunity for Healing Communities*. Retrieved from https://2mjt5a2emh374130j5vkxw9g-wpengine.netdna-ssl.com/wp-content/uploads/2020/06/YouthForward_GIRFTS-CannabisTaxReport2020_REV060820.pdf, accessed September 2, 2021.

Banking

According to an article by Josh Adams for New Frontier Data⁶⁰, “Since cannabis remains federally prohibited, access to dependable and consistent banking services is limited, resulting in cannabis businesses being cash-intensive.” The American Bar Association⁶¹ adds that “this state of legal limbo greatly increases the risks to which these businesses are exposed in that they must deal with vast amounts of cash, thereby increasing the risk of robbery and making it difficult to render payment to others.”

Administrative/Technical

Applications require an understanding of and compliance with complex requirements from multiple local and state agencies. In regard to cannabis permits, there are considerable administrative/technical barriers to entry. These are time-consuming, resource-intensive, and require significant technical knowledge and/or skill.

Business Acumen

The skills needed for participation in a highly regulated marketplace, including business planning, human resources management, accounting and inventory controls can be significant barriers to entering a new market. Business education will be particularly important in the County of Sonoma because high rates of historical and current poverty indicate that equity applicants will likely need and will benefit from education, training and skill-building on how to successfully enter and thrive in the legal cannabis market. Well-resourced and highly educated applicants will have significant advantages to succeed in the emerging legal industry and a level playing field is necessary to ensure that those impacted by criminalization and poverty have both the resources and expertise to compete with more resourced and highly educated applicants.

Section 8. Cannabis Equity Program Recommendations

8.1 Review of Other Jurisdictions Effort to Promote Equity in Cannabis Implementation

Other jurisdictions in communities and states with a legal cannabis industry have developed and/or implemented programs to improve equity. Sonoma County has worked with the Rural County Representatives of California (RCRC) and CSAC to understand the impact of legalizing cannabis on rural counties in California. Sonoma County has also worked collaboratively with other rural counties to navigate the transition to legal cannabis and advocate for local control on cannabis regulation and taxation.

⁶⁰ Adams, Josh (2020). New Frontier Data. *Catching Cannabis Coming and Going: How Law Enforcement Profits from Illicit and Legalized Marijuana Businesses Alike*. Retrieved from <https://newfrontierdata.com/cannabis-insights/catching-cannabis-coming-and-going-how-law-enforcement-profits-from-illicit-and-legalized-marijuana-businesses-alike/>, accessed February 18, 2021.

⁶¹ Black & Galeazzi (2020). American Bar Association. *Cannabis Banking: Proceed with Caution*. Retrieved from <https://businesslawtoday.org/2020/02/cannabis-banking-proceed-caution/>, accessed February 18, 2021.

8.2 Recommendations

Recommendation #1: Prioritize review and completion of PRP applications by seeking grant assistance from the State.

The County can consider using state tier 2 equity program funds to reimburse permitting fees *up to* \$70,000 (depending on available funding and qualified stakeholders) for PRP stakeholders that meet equity criteria, have been operating in good faith, and do not have any open or unresolved code enforcement issues. They have been “stuck in the process” for almost five years after joining a process, during which their financial situations have deteriorated. Reimbursement of permitting fees could provide some financial relief to make up for it and/or assist applicants in completing needed studies.

Recommendation #2: Establish equity program eligibility factors focused on specific targeted populations. Eligibility criteria is informed by equity assessment data, inclusive of recommendations found in the June 26, 2019 Cannabis Advisory Group (CAG) Report⁶², wherever possible.

The County of Sonoma may consider including the following eligibility criteria, and may use a minimum threshold combination such as “applicant must meet 3 of 8 criteria” to be deemed eligible:

- Conviction history associated with nonviolent cannabis-related or other nonviolent drug offenses in Sonoma County.
- Individuals with an immediate family member with conviction history associated with cannabis-related or other drug offenses in Sonoma County.
- Individuals who resided in Sonoma County for at least 10 consecutive years between 2011 and 2021.
- Enrollment of a family member in Sonoma County School Districts for at least 5 years.
- Previous cultivators who were in compliance with Proposition 215 and SB 420.
- United States Military Veteran.
- Earned less than 80% of the median income of Sonoma County, as established by the year prior to application, where the income is verified based on an Internal Services Revenue income tax return.

⁶² The June 26, 2019 Sonoma County Cannabis Advisory Group (CAG) Report can be found on Sonoma County’s website below: <https://sonomacounty.ca.gov/Cannabis-Advisory-Group/Cannabis-Advisory-Group-Meeting-June-26-2019/>

Recommendation #3: Ensure that applicants meeting equity program eligibility criteria have adequate opportunity to take advantage of the program.

- Consider a prioritized permit process for equity applicants.
- Consider reducing fees for equity applicants.
- Consider providing incentives for equity applicants who also cultivate agricultural crops.
- Consider providing incentives for equity applicants who participate in recognized sustainable certification programs.
- Consider not taxing products that are donated to Compassionate Access Programs.
- Consider tax reductions for small businesses with lower revenue.
- Ratios: Consider mandating a requisite number/percentage of equity applicants during permitting. Consider opening an equity-only window for applicants seeking an event license, which has the lowest capital barriers to entry for any California Cannabis License.
- Consider an incubation program for equity applicants by partnering with bigger cannabis businesses in Sonoma and/or Santa Rosa Junior College.
- Consider facilitating co-operative or co-location arrangements given the scarcity of compliant real estate in the County.

Recommendation #4: Consider creating more flexibility in zoning and parcel size rules to accommodate two major and often reinforcing barriers: neighborhood compatibility issues and costs of real estate.

The County may consider removing the 10-acre minimum parcel size in allowed zones with advanced odor mitigation measures and increased setbacks from neighboring homes. The County may want to consider opening up the ordinance to allow for Rural Residential (RR) and Agricultural Residential (AR) parcels that do not create unacceptable neighborhood compatibility problems.⁶³ The Sonoma County Board of Supervisors have agreed to review these changes as part of the upcoming Environmental Impact Report on which future permitting changes will be based.

Recommendation #5: Track data on general and equity applicants on an ongoing basis to measure the success of the equity program. Consider tracking data on general and equity applicants on an ongoing basis to measure the success of the equity program.

Recommended Metrics:

- Number of equity applicants to apply

⁶³ Finding adapted from the 2019 CAG Recommendations. The June 26, 2019 Sonoma County Cannabis Advisory Group (CAG) Report can be found on Sonoma County's website below: <https://sonomacounty.ca.gov/Cannabis-Advisory-Group/Cannabis-Advisory-Group-Meeting-June-26-2019/>

- Types of drug-related offenses
- Income status
- Race
- Ethnicity
- Gender
- Sexual Identity
- Residency Status
- Ownership Structure
- Workforce characteristics
 - Total number of employees
 - Number of local employees
 - Employment status (full-time, part-time, etc.)
 - Employee socio-economic profiles
- Equity program-specific data
 - Number of applicants eligible for equity program
 - Number and types of services provided to equity applicants
 - Number of equity program applicants to receive licenses

Recommendation #6: Create specific services/programs for equity applicants that address/mitigate barriers to entering the legal cannabis market. The below table presents recommendations for the county to consider for the future once the equity program is developed and implemented. The recommendations are based on what services and programs other jurisdictions are including in their equity programs.

Table 3. Recommendations on services focused on specific barriers to entry into the legal market

Barrier	Recommendation
Financial	1. Deferral of or assistance with payment of application fees for zoning and use permits 2. Loans or grants for businesses to implement mitigation measures to address adverse environmental effects
Administrative/Technical	1. Technical assistance for formation of cannabis cooperative associations 2. Provide training and/or technical assistance to assist those with past cannabis convictions to get their records expunged
Business Acumen	1. Employment skill training for equity participants employed or seeking employment in licensed cannabis operations 2. Training/support for business owners to understand workforce rules and regulations. 3. Incubation programs which offer support and resources to startups and new ventures in the cannabis marketplace. The goal of the incubator is to help equity applicants and/or licensees become independent and successful at the end of their incubation period. Incubators vary in services provided. Service examples include providing physical space, administrative support, capital, links to potential investors and funding sources, and access to training, expert advisors, coaching, mentorship, and networking.
Outreach and Education to Understand Government Regulations & Rules	1. Conduct outreach and education efforts for residents in low-income housing to encourage those individuals to apply for permits and enter the legal industry 2. Create outreach materials that are clear, concise, and accessible to those with low literacy. Consider creating materials in multiple languages.

Recommendation #7: Invest cannabis tax revenue to augment education, training, and support for County staff working on cannabis permitting. County staff should be able to handle the expertly crafted applications from well-capitalized applicants and be able to offer technical assistance and support for less-resourced applicants who are struggling to navigate a complex and expensive permitting process.

Recommendation #8: Designate local cannabis tax revenue to community reinvestment programming. A portion of County cannabis taxes can be identified annually to supplement

equity funding received from the State of California and present a more competitive funding request.

Some potential focus areas include:

1. Local cannabis equity program
2. School-based youth alcohol and drug prevention efforts
3. Non-profit and/or citizen-led organizations whose work focuses on health and well-being of residents
 - a. Organizations working to address abuse, assault, and trafficking within the cannabis industry
 - b. Restorative justice programs for youth and/or adults
 - c. Neighborhood improvement associations
4. Infrastructure projects that will improve the quality of life for residents in Sonoma County

Recommendation #9: Update the Sonoma County Equity Assessment the year after implementation and every three years afterwards to:

- 1) Monitor and share progress of the Equity Program,
- 2) Monitor and share trends in the emerging legal cannabis industry,
- 3) Identify areas for course correction and/or unexpected consequences, and
- 4) Demonstrate an ongoing commitment to data-informed decision making and strategic planning to ensure the County of Sonoma's strong transition to a legal cannabis industry.

Appendix A. Historical Impacts

The following appendix contains a synthesis of primary data collected from Sonoma County stakeholder interviews. Relevant content within this appendix has been anonymized if stakeholders did not consent to be identified.

Case Study: “Ariela Osanloo”’s Story

Ariela Osanloo’s story presents a case study where most of the County’s challenges constructing an equitable cannabis landscape converge with clarity. She is a Latinx small-scale cultivator and single mother of two children with a doctorate in Chinese herbal medicine. She was raised in the San Fernando Valley of Los Angeles, where her siblings were involved in gang culture.

“Cannabis saved me,” she said, as she gravitated towards a subculture that featured artists and intellectuals rather than gang violence.

In 2002, she moved to Santa Cruz County at the age of 18 to start her study of Chinese herbal medicine and met a cultivator with whom she had a child. At the age of 21, in 2005, she and her partner were visited at the home where they cultivated cannabis by the Sheriff of Watsonville, a population center for many of Santa Cruz’ Latinx agricultural labor force. Feeling anxious about the situation, they moved to Sonoma County where they had friends who were cultivating cannabis in a less stressful enforcement situation. At 26, she separated from her partner and struck out on her own as a small-scale medical cannabis cultivator, working with patients while finishing her doctorate of Acupuncture and Chinese Medicine, manufacturing medical cannabis products for patients seeking traditional herbal medicine rather than recreational adult use.

She had a pioneering role educating health practitioners on medical cannabis as one of very few medical professionals with that knowledge. She saw patients as part of her herbal medicine clinic located in Sebastopol. Sonoma State University Professor Emeritus and journalist Jonah Raskin wrote a profile of her as a “curandera” (traditional healer) for the North Bay *Bohemian*. In 2016, when the County’s new ordinance excluded Rural Residential (RR) and Residential Agriculture (RA) properties from the permitting process, she had to move from her RA property where she lived and made medicine to find an eligible parcel for cultivation at a property where she could not also live, increasing her financial obligations substantially.

Osanloo sought and found a small agricultural-zoned property in Sonoma’s South County in 2017, where she reported being significantly overcharged for a lease with an option to buy once it was revealed that she wanted to seek a cannabis cultivation permit. She applied “the moment they opened up the permitting process” and received her permit in 2018. Six months later, she received a call from the Department of Agriculture that her new neighbors were having a meeting that she characterized as “against my project.” In 2018, she received the second

cultivation permit in the County. At that point, she said, her neighbors “watched her every day, looking for reasons to report her for noncompliance for every little thing.”

Her neighbors included a homeowners group that became a powerful voice in the County against nearby cannabis cultivation regardless of business size. In 2018, according to Osanloo, they played a vocal role in a new County ordinance that changed the minimum parcel size for cannabis permits from five to 10 acres. Facing displacement, she was assured that there would be a pipeline provision before the changes took effect, which moved her into a Conditional Use Permit process as a “grandfathered” property. “Now neighbors could appeal,” she said, and every time they do, she is billed more administrative hours by the County.

Although ordinance volatility and neighbors have made her path financially and existentially exhausting, Osanloo also noted challenges participating in trade associations that could address difficulties faced by small farmers. The Sonoma County Growers Alliance (SCGA, which formed in the lead up-to the Medical Marijuana Regulation and Safety Act in 2016), represented a range of medical cannabis stakeholders in Sonoma County. It played a significant role shaping the early ordinance that launched the County on its volatile path. Its funding during that time came from the County’s more commercial actors who have faced less difficulty transitioning to legal cannabis. One of those companies, she said, bought up zoning-eligible properties throughout the county, contributing to the real estate problem squeezing small cultivators in the County. They employ a former Agricultural Commissioner as a consultant, which helps with the permit application process because of his valuable and expensive expertise with County processes. After the 2018 ordinance, she helped found the Hessel Grange, where the majority of our small cultivator interviewees and most of the PRP operators have found a home.

“2021 is the fourth year [in the provisional process], she said, “and the neighbors still call.” Across the street from her farm, several hundred acres of vineyards have gone in, which she says have faced no challenges from the neighbors. Osanloo is one of very few owner-operated cannabis cultivation farms left in Sonoma County.

She said she has been dealing with sexism and racism, receiving letters that include racial slurs about the Latinx workers who help out with her cultivation of hibiscus and other herbs associated with her herbal medicine practice. She does not live at her farm, as she did before the permitting process started, adding to the expense of her displacement. She lives in Roseland now, “where the Latino population is segregated. It feels like home, Los Angeles.” Meanwhile, she says, cannabis license owners in Sonoma County are predominantly white and feature entrepreneurs that used to rely on Latinx labor for cultivation. This is a problem across the State’s cultivation counties, she said. “We built the industry and get zero credit for it, working in the fields, and hardly ever own a business ... it’s rare we get an opportunity to try our hand at being bosses.”

Osanloo's case touches on many of the reasons why Sonoma County could benefit from a program that mitigates impacts of cannabis criminalization and the war on drugs: ordinance volatility, racial stigma, sexism, systematic bias that favors the well-capitalized entities, and a history of socioeconomic and cultural displacement. All of this takes place against a County cannabis program that, by most accounts, structurally disadvantages small cannabis businesses. On this, industry advocates and neighborhood representatives at the last meeting of the County's Cannabis Advisory Group (CAG) agreed: "The current permitting system in Sonoma County is drawing large corporations to participate instead of small existing cannabis farmers" (CAG meeting notes from June 26, 2019.)

Currently, that landscape of disadvantaged small businesses is mostly made up of small-scale cultivators like Osanloo. However, the plight of these small cultivation businesses, which are, as Ariela notes, mostly but not exclusively white- and male-owned, is directly connected to the prospects for developing a local cannabis industry that is more inclusive of Sonoma's communities of color. As Sonoma County Director of the Office of Equity Alegría De La Cruz remarked in our interview,

[W]iping out small farmers is [related to the fact] that capital isn't accessible to communities of color because of [lack of] access to capital through generational wealth. Small-scale businesses can be where you create entry points for communities of color to enter a market, especially a newer one.

Sonoma County's BIPOC communities, which have been disproportionately impacted directly by cannabis criminalization and the War on Drugs, would benefit directly from an equity program that addresses the systemic inequity of the County's program that structurally disadvantages the small cultivators struggling to transition to a regulated landscape. Sonoma County can benefit from an equity program that can address the sliver of impacted legacy cultivation communities that remain and lay the foundation for a program that opens up opportunities for diversifying ownership in its licensed landscape. We now turn to the historical context of how cannabis criminalization impacted Sonoma communities leading up to the turn of the century.

Sonoma County cannabis criminalization in "Marijuanaland" 1970s-early 1996

In 2011, Sonoma State University Professor Emeritus Jonah Raskin published *Marijuanaland: Dispatches from an American War*. The book centered on key people and places inhabiting an increasingly commercial, publicly legible medical cannabis landscape in the jurisdictions from whence it emerged. His home county of Sonoma is treated in historical context and includes a chapter about its contemporary landscape to itself. Raskin's book sketches a contiguous territory of markets and County-specific enclaves still inhabited by many of the outlaws and activists that paved the way for its emergence. Our interview with Raskin, in addition to the book and his articles for the North Bay *Bohemian*, provided a nuanced foundation about Sonoma's cannabis history from a Sonoma-based, nationally significant, person of letters, journalist, and political

activist. Additional insight was provided by a longtime resident, small-scale cultivator and former schoolteacher; and information from CAMP reports.

Raskin is the son of a former bootlegger and civil rights attorney who moved to Sonoma County in the 1970s and became a cannabis cultivator. He got to know his father's circle of cultivators and dealers at that time while he was on the run as an academic-turned-radical political-activist member of the Weather Underground. He became a freelance journalist and moved to Sonoma County in 1976, where he briefly cultivated cannabis himself before being hired as a lecturer in English at Sonoma State University in 1981. His academic career blossomed and he served more than 20 years as Chair of the Communications Department.

During the 1980s, Raskin “watched it all ‘go down,’ as the participants were wont to say ... I observed the war against marijuana as it unfolded, watched it from the point of view of the growers, the dealers and the smokers, and not as a disinterested party” (15). Raskin was a consumer and, briefly, a cultivator, but his community in Sonoma emerged from his father's cultivation-and-dealing circle, from diverse ethnic and socioeconomic backgrounds.

The individuals in the marijuana tribe that gathered around my father came from a cross section of the culture, and they struck me as emblematic figures ... They all lived through the 1960s as adults or teenagers; they all smoked pot and saw with their own eyes, and in the fabric of their own lives, that smoking marijuana did not lead, as the anti-pot crusaders claimed, to madness, murder, and mayhem. They were peaceful folk (10-11).

Raskin also recalled that those first growers he met “did not make huge amounts of money. No one became rich ... they were happy with what they made” (12). The idyllic picture he paints of Sonoma's early cultivation communities changed as enforcement came down hard in the 1980s, driving up wholesale prices and opening the door to commercially-motivated actors. A culture of secrecy grew along with the profit potential and widening sphere of cannabis market participation, as a way of managing risk of exposure to enforcement.

By the 1990s, marijuana reached critical mass in California ... Chances were, if you smoked marijuana, whether you were in New York, Michigan or Georgia, the weed was grown on the West Coast -- indoors or outdoors, by lowly foot soldiers for the Mexican cartels, by aging hippies, or by their sons and daughters (sometimes known as “hipnecks” when their parents married rednecks (15).

Archived CAMP reports corroborate Raskin's account, as did many observations offered by our interviewees. Sonoma was one of fourteen counties identified as a “major marijuana producing county” in the first report issued by CAMP in 1983. The 1984 report listed 7,373 plants eradicated in Sonoma County, fifth in the state behind Humboldt, Butte, Mendocino, and Tuolumne Counties (see Appendix E of the Report). Between 1984-1995, Sonoma ranked 7th in the State for cannabis plants eradicated by CAMP, but disappeared from the top 10 between

2004-2009 (Corva 2014: 8), when medical cannabis markets became increasingly commercialized and regulated. One case from Sonoma County in 1995 bore special mention in the 1995 CAMP report: the arrest of a Sebastopol anesthesiologist from a large hospital as well as his wife, who were growing 176 plants at their residence.

This case supports Raskin's recollection in *Marijuanaland* of how Sonoma County's cannabis cultivation grew to encompass people from diverse socioeconomic backgrounds and ethnic groups.

In Sonoma, marijuana was more discreet than Humboldt and Mendocino ... Much of it was grown indoors, and while Mexicans and rednecks grew it, a large number of Sonoma growers were middle- and even upper-middle-class. They were also hippies, aging boomers, New Age spiritualists for whom weed was a sacrament, and local boys from well-heeled families with land and the smarts it took to grow right under the eyes of the law (113).

One of our interviewees was a Santa Rosa City teacher from 1992-2006. She was living on a rented one acre property not far outside the City when she experienced a 1988 CAMP raid involving "seventeen men with long guns" to eradicate the four plants she was growing in small pots on her deck. She recalled that around that time, CAMP raids in Sonoma tended to focus on larger cultivation sites with environmental degradation, except in cases of neighbor complaints. These tended to happen in suburban areas.

The CAMP bust was a joint [County of] Sonoma, Sebastopol, and Rohnert Park task force. I was in the county, and they were all cities. That indicates the only people concerned about this were suburban, complaint driven, and therefore noticeable to neighbors.

In 1998, a legal permanent resident from Mexico was arrested in Sonoma County for cultivating four plants, which she says she soaked in rubbing alcohol as a tincture for her arthritis⁶⁴. She was sentenced to four months of house arrest, three years of probation and a fine. That arrest record almost got her deported in 2016, when, returning from vacation in Mexico, she was "detained at the Oakland airport and questioned for several hours by immigration officials." We will return to her story and how it illustrates special impacts to Sonoma Latinx community members later in the assessment.

Other residents of Mexican descent in Sonoma County found work in cannabis a helpful supplement to their livelihoods. Raskin interviewed then 60 year-old "Señor Osso," a Sebastopol resident, in 2010. He started out in construction, after which

⁶⁴ Gonzales, Richard. 2016 (April 9). "Immigrant Felons and Deportation: One Grandmother's Case." National Public Radio. Electronic document accessed September 10, 2021. Url: <https://www.npr.org/2016/04/09/473503408/immigrant-felons-and-deportation-one-grandmothers-case-for-pardon>

he drifted into gardening and then yard work and from there into the marijuana industry. He built greenhouses, converted funky garages into indoor grow operations, did electrical work and then plumbing, and installed every kind of gizmo for hydroponic cultivation. At harvest in the fall, he became a trimmer; in the spring, he sprouted seeds; in the winter, he made hashish. All year-round, he was a jack-of-all-trades in the marijuana industry. (Raskin 2011: 121-122).

Impacts of medical cannabis commercialization: early 2000s-2013

Medical cannabis activists in the early days of Sonoma's Prop 215 era included the Sonoma Alliance for Medical Marijuana (SAMM), led by Mary Pat Beck. Beck lived in Cazadero, a small city in west Sonoma County where Mary Jane Rathbun, aka "Brownie Mary" was arrested for making cannabis infused edibles in 1992. At the time, she was a 70-year-old volunteer at San Francisco General Hospital, where she distributed brownies to HIV/AIDS patients⁶⁵.

In May 2001, law enforcement in Sonoma County that had been working with the Sonoma Alliance for Medical Marijuana (SAMM) adopted guidelines that allowed patients with physician approval to grow up to 100 square feet of canopy, up to 99 plants, and possess up to three pounds per year. According to the 2001 *Press Democrat* article that covered the guidelines, this was "substantially more" than elsewhere in California⁶⁶. The article led by describing one of the patients grateful for the guidelines, "a mother and Christian missionary in Santa Rosa." Sonoma County was a leading jurisdiction for early noncommercial medical cannabis policies, and the face of change presented by the *Press Democrat* was presented as an unexpected demographic. This early feature of Sonoma cannabis reform signaled that the normalization of cannabis was underway in California.

Interviewees consistently characterized Sonoma's more modern cultivation landscape as discreet, both in terms of indoor production and outdoor cultivation. Non-urban legacy and small-scale medical operators in the County seem to have operated as Raskin described, very under the radar. According to all of our interviewees that claimed some knowledge, most of them operated either indoors in cities or outdoors and indoors on small- to medium-sized parcels located in remote Rural Residential (RR) or Agricultural and Residential (AR) zones, keeping it secret from their neighbors. The 2001 *Press Democrat* article covering the new medical cannabis guidelines quoted a Sheriff's observation that "most of the marijuana grown in Sonoma County is not medicine but is illegal and grown for profit, often on forested property owned by people or agencies that don't even know it's there." Over the next five years, as dispensaries opened up,

⁶⁵ Goldberg, Stephanie. 1993. "Not-so-secret ingredient." *The Chicago Tribune*. Electronic document accessed September 15, 2021. Url: <https://www.chicagotribune.com/news/ct-xpm-1993-05-25-9305250146-story.html>

⁶⁶ Smith, Chris. 2001. "Pot Guidelines Soothe Fears Medical Marijuana Users Grateful to Sonoma County for Spelling out Rules." *The Press Democrat*. Electronic document accessed September 15, 2021. Url: <https://www.pressdemocrat.com/article/news/pot-guidelines-soothe-fearsmedical-marijuana-users-grateful-to-sonoma-count/>

County residents would become increasingly familiar with where cannabis was and, initially in cities, increasingly accommodating of its presence.

Raskin's interviewees for his Sonoma chapter in *Marijuanaland* highlighted, over and over, how the normalization of cannabis in the County's landscape wove through every socioeconomic group and demographic, from Latinx workers to capitalist entrepreneurs to police and politicians, old and young. Sebastopol served as a case study for these developments in Sonoma County, which elected Craig Litwin, a "top signature gatherer⁶⁷" for Proposition 215 to the City Council in 2002. Litwin who is now a cannabis consultant, was elected Mayor of Sebastopol in 2007, where he presided over the creation of the City's first dispensary ordinance.

One of our interviewees, Sonoma County cannabis business attorney Omar Figueroa, was a criminal defense lawyer when Raskin interviewed him in 2010, and not much had changed in the City of Sebastopol:

Sebastopol has a lot of indoor cultivation ... It attracts a different kind of grower than the kids from Kansas who go to Mendocino hoping to strike it rich ... the citizens of Sebastopol are very private about their cultivation and use of marijuana and some are even old; I have two 70-year old clients who both have Phds (130).

The fact that an elderly couple with advanced professional degrees were in trouble for cultivating more cannabis than allowed by ordinance clashed slightly, in 2010, with Raskin's interview with Sebastopol Chief of Police. Jeff Weaver, a Sonoma native, played down the intensity of cannabis criminalization in the City. According to Raskin, "when pot was stolen in town, growers called the police and Weaver helped them -- provided they weren't stealing electricity from Pacific Gas & Electric or engaged in something equally "criminal and dangerous" as [Weaver] put it (129). Keller McDonald, Sebastopol Superintendent of Schools and former high school principal in Willits, Mendocino County, told Raskin that "it's less noticeable here, and there are fewer break-ins and ripoffs" (120).

In 2007, a future mayor of Sebastopol, Robert Jacob, opened one of its first dispensaries called "Peace in Medicine." Jacob, whose father was from Mexico, attended Santa Rosa Junior College in the late 1990s and became involved in the Bay Area medical cannabis scene as a young, HIV-positive gay man. Jacob was interviewed by Raskin in 2010, and shared with Raskin that in 2004 he

had friends ... who were growing marijuana, stealing power from PG&E, and who didn't want anyone to come over to their place or to know what they were doing ... Something about that way of life -- the hiding, shame and secrecy -- didn't feel good to me (133).

⁶⁷ Text is from Litwin's biographical description on the web page for his cannabis consulting firm, the "421 Group," for which he currently works. Electronic document accessed September 10, 2021. Url: <https://421.group/team>

Jacob called the Sebastopol Police Department, who told him that the Sonoma County guidelines allowed 30 plants in a 100-square-foot area and, if he was going to cultivate, to “let us know.” Jacob’s medical cannabis garden paved the way for Peace in Medicine and a network of vertically integrated, highly professional medical cannabis businesses that included a San Francisco dispensary, SPARC, in 2012, the year he was elected to city council. While CEO of SPARC SF, the parent company that absorbed his dispensary, became one of the biggest license holders in Sonoma County a few years later. Jacob’s story, which has elements common to other equity considerations in California -- an HIV-positive medical cannabis stakeholder and Latinx entrepreneur -- also illustrates how cannabis came out of the closet through highly commercial business interests embedded in local, urban power structures.

Sonoma County’s growing medical cannabis dispensary landscape included owners that openly chafed against the State’s requirement that they operate as nonprofits. Raskin interviewed one of the owners of Sonoma Patient Group, Dave McCullick, who told him

This is America, man, and we should be able to make a profit ... And don’t let anyone fool you: Dispensaries are a business. They’re not charitable institutions. Some dispensaries are making a ton of money”(116).

Raskin’s interview with McCullick noted his transparency about the commercial nature of his medical cannabis business in part to highlight the public acceptability of for-profit dispensaries in Sonoma County around 2010. Businesses like McCullick’s normalized the increasingly commercial nature of medical cannabis as a variation of American capitalist entrepreneurship, a theme Raskin developed in passages about the City of Sebastopol in Sonoma County.

As the medical cannabis landscape in Sonoma County commercialized, it also grew more visible in the landscape. Carol Vellutini, a Sierra Club member who found a guerilla garden on her 250-acre property, formed a vigilante group and eradicated it herself, before, as Raskin explained in *Marijuanaland*, expanding her operations as far away as Mendocino County. Raskin elaborated on this impact particular to Sonoma, the actions of landowning citizen vigilantes “who went into the hills with guns to find illegal gardens, rip them up, and confront guerilla growers” (114). Vellutini “rounded up friends and supporters, enlisted amiable Mexicans, gave them guns and marched them into the hills.” She “seemed driven at least in part by personal motives as much by her supposed care for the environment. When I talked to her, she said that she ‘didn’t like the smell of marijuana.’” A local newspaper, the *Press Democrat*, published a story⁶⁸ on her with an image of “one of the Mexicans in Vellutini’s posse to pose with a gun alongside a marijuana plant.”

⁶⁸ Johnson, Julie. 2010 (August 9). “Sonoma County residents root out pot gardens.” *The Press Democrat*. Electronic document accessed September 10, 2021. Url: <https://www.pressdemocrat.com/article/news/sonoma-county-residents-root-out-pot-gardens/>

The visibility of cannabis cultivation was not restricted to rural areas. A massive joint task force was mobilized against in 2012 on 33 houses with open backyard cultivation in Roseland, a largely Latinx neighborhood then in the unincorporated County, just south and west of downtown Santa Rosa. In our interview, Lt. Jason Lucas described the neighborhood as “low income housing, predominantly Hispanic, a little pocket between Rohnert and Santa Rosa.” Omar Figueroa described the operation to us as a “militarized police occupation, armored personnel, helicopters and the Feds.” The *Press Democrat*⁶⁹ said that “about 150 law enforcement personnel in protective gear” included personnel from the FBI, the DEA, the DHS, CHP, Santa Rosa police and Sonoma County Sheriff’s deputies. The article reported that 1150 plants were eradicated and 96 pounds were seized, along with a half pound of cocaine, five grams of methamphetamine, and six firearms, and \$20,000 in cash. “Literally every backyard in that neighborhood, except for a half dozen, all had grows in them,” Lt. Dennis O’Leary was quoted as saying.

Cannabis was “out of the closet” in Sonoma County, but only in a predominantly poor, Latinx neighborhood was there a focused eradication effort. Those 96 pounds of cannabis work out to less than three pounds per house, less than the amount Robert Jacob was told by the police in 2004 he could possess without fear of arrest. The \$20,000 in cash works out to a little over \$600 per household. In any case, the return on this expensive enforcement action amounted to small potatoes and severely impacted almost every family in a low-income neighborhood.

Immigrant Latinx residents of Sonoma County, both documented and undocumented, have been exposed to extra risks for being in the wrong place at the wrong time. We spoke with an immigration lawyer who represented a woman in 2016 who was arrested while returning from vacation to visit relatives in Mexico. She had pleaded guilty in 1998 to a charge for cultivating four plants in her Sonoma County home. The conviction qualified as an aggravated felony under Federal immigration law passed in 1996. The lawyer emphasized over and over again the need to educate Sonoma’s noncitizen residents about their risks of exposure to Federal immigration law for having connection to even legal cannabis work or being in possession of legal cannabis in California. “We have tens of thousands of citizens walking around with old convictions and because of changes to law and immigration policy, they certainly aren’t aware of that fact until they flag themselves with ICE in a particular way. I’ve seen long time green card residents who got a job as a janitor in a dispensary, then picking up a criminal charge because of an infraction. That can be considered a federal aggravated felony.” Grisel Ruiz, a lawyer for Sonoma County’s Immigration Legal Resource Center, has had family members that were caught up in the system and deported. Her cousin, “back in 2012-2013,” was a Legal Permanent Resident who was arrested for “several simple possessions.” He was transferred to ICE from the local Sheriff’s

⁶⁹ Callahan, Mary. 2012 (September 27). “Authorities: 1150 marijuana plants, weapons, cash seized in Santa Rosa raid.” *The Press Democrat*. Electronic document accessed September 10, 2021. Url: <https://www.pressdemocrat.com/article/news/authorities-1150-marijuana-plants-weapons-cash-seized-in-santa-rosa-raid/>

Office and deported to Mexico, where he has been for close to a decade. Ruiz' cousin "couldn't even hug my aunt and uncle goodbye," she said.

Sonoma County also has experienced a uniquely documented impact of cannabis criminalization and the war on drugs, law enforcement corruption.⁷⁰ Two Rohnert Park police officers were indicted in March of 2021 over the extortion of cash and marijuana from highway 101 drivers. Body camera footage from 2016 and 2017 showed both officers seizing cash and marijuana from drivers, but never reporting it to the department. The earliest record of the extortion was in 2016, where financial records showed a trail of nearly \$450,000 in cash that the police officers never reported. The extortion came to light in 2018, when one highway driver complained about badgeless officers, claiming to be with the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives, confiscating three pounds of cannabis without any documentation or citation. This complaint led many others to come out and claim similar cases of being targeted. Federal prosecutors claim that one of the officers in question falsified police documents to cover up the activities. The situation seemed to have accelerated between 2009, when the journalist first began covering local medical cannabis issues, and 2012.

Sonoma and the indirect impacts of cannabis criminalization: 2014-present

The Sonoma County Grower's Alliance was founded in 2014 when stakeholders first heard about movement in the California legislature to regulate the State's medical cannabis markets. Stakeholders included women who had experience working in the cannabis industry, some who had experienced impacts of cannabis criminalization. One early participant had been cultivating medical cannabis since 2003, as a 22 year-old single mother with two young children in Nevada County, where she had been working for an organic permaculture farm. She received an offer to work on a local food farm that also had a cannabis garden and, applying principles she learned from the permaculture farm, she helped double the food farm's cannabis yield. The next year, she moved to Mendocino County to work on a property where she "developed raw land by hand, implementing sustainability methods." She took the earnings from that season and invested in property (with a farm partner).

"I raised my children through 215 cannabis," she said. "It was my only means of survival, enduring an environment of "heavy raids and the threat of fires." She participated in Mendocino's short-lived effort to regulate cultivation through the Sheriff's Department, the 9.31 program that was shut down by the Federal government two years after Sheriff Tom Allman got it off the ground. After the 9.31 program was shut down in 2012, one of those opportunities opened up in Sonoma County, where it was "harder to cultivate, more [population] density and conservative."

⁷⁰ Johnson, Julie. 2021 (March 12). "Former Rohnert Park Police Officers Charged with Extortion in drug and cash seizures from motorists." The *Press Democrat*. Electronic document accessed September 14, 2021. Url: <https://www.pressdemocrat.com/article/news/former-rohnert-park-police-officers-charged-with-extortion-and-tax-fraud/>

To manage risk, she cultivated indoors on a Rural Residential property and brought her experience with sustainability methods (then quite rare for indoor cultivation) with her. She turned that innovation into a consulting gig with a fertigation company, which allowed her to travel to newly legal states such as Washington, Oregon and Colorado and consult for bigger companies, where she saw small-scale cultivators systematically disadvantaged in the new legal landscapes that are carved out as limited exceptions to ongoing Federal Prohibition. This is most clear in the State's decision to classify cannabis as an agricultural product, rather than an agricultural commodity. Agricultural products are governed by much stricter and costly compliance requirements than agricultural commodities, producing a structural disadvantage for small cultivators.

Her experiences inspired her to participate in a trade association in her home county of Sonoma with “ten of the most influential” organizations and stakeholders there. This included the Sonoma chapter of Americans For Safe Access, the national medical cannabis advocacy group whose local chapter was funded significantly by local medical cannabis businesses such as Peace in Medicine dispensary, which had become one of the entities comprising SPARC. It also included CannaCraft, another “big” Sonoma cannabis business that has been more successful in the County's current legal landscape. This interviewee pointed out that being a “big” cannabis business did not necessarily mean a lack of community orientation.

CannaCraft has been incredibly community oriented ... out of the big 20, or in 2016 the big 5 [cannabis companies in the state], they have always been interested in giving back. Big contributor to SCGA, [which would not have been possible] had it not been for the generosity of CannaCraft and NorCal Cannabis, not just attending meetings but showing up.

CannaCraft, like Peace in Medicine, is a bigger business and, like Peace in Medicine, an informal equity success story. Its founder, Dennis Hunter, was busted for large scale cultivation in the late 1990s in Humboldt County and spent six and half years in federal prison. He came back in 2012 as a garden supplier in Santa Rosa, and then CBD extraction pioneer at the same property. Hunter now serves on the Board of the Last Prisoner Project, a Federal 501(c)(3) nonprofit working on reforming cannabis criminal laws and getting people convicted of cannabis crimes out of prison.

Although significantly funded by contributions from Sonoma's commercial medical cannabis actors, SCGA membership was filled out significantly by about 30 smaller Proposition 215-compliant medical cannabis cultivators, most of which like our interviewee operated out of exurban and remote Rural Residential and Agricultural Residential properties. Between 2014 and 2016, SCGA worked with County regulators and educators like Tony Linegar, the Agricultural

Commissioner whose previous post was Mendocino County's Agricultural Commissioner; Santa Rosa Junior College Agriculture Professor George Sellu, who later started the state's first hemp cultivation and research program in 2019; and Sonoma State Economic Professor Rob Eyler.

Sonoma County formed an Economic Task Force, through the Economic Development Board, that produced a report on the benefits, challenges and opportunities for regulated cannabis in Sonoma County. "It fell flat," one interviewee said. At the same time, they acknowledged, the group was rushing to keep pace with the legislative work leading up to MMRSA, the state medical regulation framework that they could not know would be immediately impacted by the passage of Proposition 64 as a 2016 voter initiative, effectively rebooting the state regulatory process. They wanted Sonoma's medical cannabis operators to transition to a regulated system as soon as one became available from the State.

One of our interviewees outlined the three priorities that SCGA started with, based on their foundational mission to "protect what's here." The organization set out to protect small farmers, ensure environmental protection, and shape sensible policy in Sonoma County. Our interviewee pointed out that SCGA did succeed in establishing best environmental practices in the legal industry, however none of the recommendations made by SCGA were incorporated into the 2016 ordinance. "The process is broken," they said, given the high cost of compliant cultivation property and a complicated permitting process that by its nature rewards applications prepared by expensive consultants with unique expertise to navigate the process. Becoming regulated is an expensive, time-consuming, difficult process and stakeholders who can afford real estate and expert consulting are at a significant advantage.

They identified multiple vectors of pushback during that time that ultimately doomed SCGA's mission. Neighborhood groups, they said, contributed to the social pressure but their environmental protection-oriented recommendations spooked the County's wine industry. "They were afraid of overregulation-bleed," they said, given the prospect of lawsuits from outdoor cultivators whose product might fail pesticide testing due to drift from neighboring viticulture's perfectly legal pesticide application processes. Another source of opposition came from County conservative residents that mobilized stigma against cannabis rooted in 40 years of prohibition. Some, but not all, of those residents are against cannabis in principle. Many have environmental concerns as well as close proximity to large cultivation sites. Opposition to cannabis cultivation in the County, according to our interviewees, comes from both good faith efforts to deal with neighborhood compatibility issues and perhaps other motivations. Either way, small cannabis cultivators bear the most impact from well-organized opposition at County, District, and neighborhood levels.

Sonoma's 2016 ordinance outlined a complicated combination of land use regulations about how much cannabis could be cultivated on what parcel size, and established the "Penalty Relief

Program” (PRP) for “legacy cultivators,” defined by the County as any Proposition 215-compliant cultivator operating before 2017, the year that cultivators could begin applying for a permit. As a result, the PRP program served not just long-time Sonoma cultivators but businesses that could get up and running between the announcement of the program and its start date, a fact that did not sit well with neighborhood associations. Still, according to one of our interviewees, “a vast majority of [PRP operators] are truly pre-existing. We did an audit during the start of the program, I believe that there were only 10 operators on the PRP list that were not truly pre-existing.”

The biggest impact, though, was the 2017 ban on cultivation permits for RR and RA-zoned properties regardless of size and setback, which was an extinction event for SCGA’s small cultivator membership. And given that its larger members were able to secure expensive compliant property that could be permitted ministerially by the Department of Agriculture, those businesses “separated out.” The County turned to the complicated task of harmonizing its ordinance with the new State rules that had to be developed for Prop 64.

In 2018, industry advocates were incorporated as stakeholders, along with neighborhood groups, into the County’s Cannabis Advisory Group (CAG). “We got almost nothing done,” one stakeholder said. “It was NIMBYs vs cannabis. We managed to write clear and concise recommendations” that the County has struggled to address. They did find that “about half the NIMBYs” focused on issues and solutions rather than “shaming the cannabis stakeholders.” Industry advocates found common ground with neighborhood stakeholders seeking to protect the environment and restrict the expansion of large cultivation sites. As a result, “we had a bit of a win” when cultivation permits on compliant parcels were restricted to 10% of the total compliant parcel acreage. The final recommendations of the CAG were released on June 26, 2019, and we will return to some of those recommendations later in this assessment.

For many of our interviewees, the PRP cultivation applicants are still where most of the “small business” equity stakeholders in Sonoma County would be found, with some exceptions like Ariela Osanloo, who would have started in the PRP program if she had not been zoned out as an RR parcel. Since the minimum parcel size changed to 10 acres, however, she has been kicked into a Conditional Use Permit process like the approximately 30 PRP applicants remaining in the program. CUP holders must respond to administrative actions initiated through complaints by private citizens, costing them money and time. They also cannot change anything from their initial site plans and operating canopy, meaning they cannot scale up or diversify operations while they are in the permitting process, severely limiting their ability to produce revenue to pay for the cost of permitting as long as it drags out.

One of our interviewees, “Cathy Maple,” is on the SCGA Policy Committee. “People have been sitting in the conditional use process for four years,” she said. “PRMD has been dysfunctional

since 1987, everything takes forever. They've been contracting the planning out a lot because they don't have dedicated planners for cannabis in Sonoma County. We have a dysfunctional ordinance in place that nobody can get through. There was a guy who had an existing [agricultural] nursery for 50 years, but hasn't had a plant in that nursery for 4 years [since he started the permitting process]." She acknowledged the stress on PRMD bandwidth from annual major county fires since 2017: "They have a fire, and they pull people off cannabis and into housing." Maple also outlined the significance of ordinance volatility, saying that it "changed three times. The first ordinance was at the end of 2016. The Planning Commission recommended 3 acres minimum in all zoning and rural classifications. The Board of Supervisors upped it to 5, then they removed AR and RR. In 2018, they upped the minimum parcel size to 10. Thousands of small farmers lost their livelihoods as a direct result of these short sighted decisions."

Maple also cited the impact of neighborhood organizing at the County level, which prevented the Board from making changes in 2021 to streamline the permitting process by revising the ordinance again. The ordinance sought to shift some conditional use permitting into a modified Ministerial process, but was not adopted when the Board was presented with a range of potential legal issues by the Bay Area law firm hired by neighborhood groups.

The majority of small-scale legacy cannabis cultivators that remain are affiliated with the Hessel Grange now but many are still members of SCGA. Cathy Maple and Cannabis consultant "Carlos Chavez," a member of Hessel Grange, played a significant role in connecting us with potential equity cultivators to hear their stories. Chavez is also, along with Maple, involved with Origins Council, a California trade association formed to advocate for state legacy cultivators and provide passionate advocacy for equity issues.

Chavez was "born in Mexico and raised in Mendocino County. I worked on a lot of cannabis farms. I cultivated, allegedly, for more than 20 years ... Many people didn't join the legal space because of oppressive enforcement and ongoing criminal treatment. I moved to Sonoma County to broaden my horizon [beyond cannabis], because I saw the adult use market as a corporate takeover and became distraught and disillusioned." He worked in construction for a while then, due to his expertise and knowledge of cannabis markets, "got an opportunity to work for a distro company, in a managerial sales role. It caused him to become passionate about having the adult use market continue and grow along a compassionate path." He and Maple became involved in a coalition working group that formed, called the Sonoma County Cannabis Coalition with all the other organizations coming in; it felt like shark-infested waters in California. The farmers lacked the acumen and civic understanding to be involved in policy. As [Mendocino cultivator] Casey O'Neil said, it's a crash course in civics that we didn't know we needed." The Hessel Grange was formed to protect the interests of small farmers and meet "where we need to support a push" with the Sonoma County Cannabis Coalition. We all attempt to coalesce, even with larger business organizations like CBASC (whose primary members are SPARC and CannaCraft) to

see the greater good in our county. “They represent the bigger businesses in Sonoma County, they are focused on expansion. We are small growers, yet we still attempt to find common ground and common good.”

Chavez said that the Hessel members include most of the approximately 40 PRP applicants that remain from the 200 that came forward to transition in 2016, and that those 200 were a tiny fraction of the six to eight thousand small-scale cultivators that the County estimated were in Sonoma County in 2016. “It’s been badly screwed up, the neighborhood groups are now realizing that they don’t want big grows, yet they already pushed out the small farmers, that’s the farmer component of social equity.”

Chavez emphasized the unique urban/rural mix of Sonoma County’s equity landscape. Sonoma County is “Similar to Mendo, Trinity, and the Emerald Triangle when it comes to cannabis producing regions ... However, we also have the urban dynamic that is significant, we have the biggest city centers of all those jurisdictions and marginalized demographics within Latino and Black communities in Sonoma County.” The Hessel Grange represents

those legacy farming communities but [we] have also been attempting to create discussions with different social equity groups: The Sonoma County Black Alliance, an increasing Latino support system, The Hook Dispensary owned by Eddy Alvarez has become significant in Sonoma County in regard to equal rights and cannabis. We have an interesting and hard-hitting social equity dynamic that paints an important picture. We want to make sure that not any one of us is to rush in and take the reins on the social equity needs. It’s not just Black and Brown communities, not just farmers and legacy cultivator communities, it gives us the potential of figuring out what social equity means within cannabis as a whole.

With regard to County communities of color, Chavez spoke from his own perspective in mobilizing experience and expertise in different parts of the supply chain beyond cultivation to find a place in the legal cannabis industry.

The supply chain operators are the first people that the County should be looking to incentivize pathways when it comes to pathways into the legal market. Lack of inclusion and difficulty around permitting, lack of professionalism/training and understanding the supply chain, are significant components that are lacking. Entry into the industry for urban and rural communities should be a paramount focus. They have been targeted for possession, homes have been raided, and much, much worse.

One interviewee is another Hessel Grange member, a third generation farmer from Atlanta, Georgia, who moved to Chico [County] in 2015 to start a 215 garden. In 2009, Butte County raided the collective garden he was involved in and his partner went to jail. He moved to Sonoma

and started a garden in Healdsburg on an RR-zoned property. He jumped at the opportunity to become licensed in 2016 and was the eighteenth person to sign up for the PRP program. In 2017, he said, he started to get the feeling “it wasn’t going anywhere anytime soon,” due to “tons of studies and planning [documents]” for which he hired a consultant that “milked us dry.” He experienced inspections that treated him “like a criminal.”

He and his fellow small cultivators at the Hessel Grange met “at SCGA, mingling with the [newer stakeholders] along with people from the County that had always been there.” Ariela Osanloo arranged a dinner for the PRP people who didn’t feel like they could work with the bigger stakeholders and started plans to join up with the Grange. “It’s the only thing that has kept the [remaining] legacy people together,” he said. He applied for a permit with two friends to cultivate indoor cannabis in Santa Rosa as an exit strategy, a decision that has so far paid off. The Santa Rosa permitting process “was a dream. Straightforward, quick, to the point.” He gave up on the Healdsburg property in 2019. In the leadup to COVID, after the CAG recommendations were released to no avail, most of his friends left. “All my friends, peers and associates left, back to the black market or another county.”

Another interviewee started cultivating cannabis in 2003, in McKinleyville, California when she met her husband while attending Humboldt State University. In 2005, they moved to Solano County and then three years after that, Sonoma County. She is a member of the Hessel Grange and one of the PRP applicants whose property was zoned out in 2016. She struggled to find an affordable property and landed a compliant parcel that had been used for livestock grazing, and a vineyard: “blank land with no infrastructure besides an ag barn and no house,” meaning that her family also struggled to afford a second place to live. They grew there until October 2020, when the Glass Fire “burned my place down.” While she was unable to grow last season, she continues to send mortgage payments on the property while she works out whether she wants to continue to try to rebuild.

Over the last four years, she has struggled with unexpected fees and studies necessary to move out of the provisional process; and complaints from a major neighbor group organizer that introduced new challenges to getting her permit.

This interviewee found working with a county consultant hired by the understaffed County to deal with cannabis applicants, a difficult and extractive process. “[Consultant] asked for a grading plan,” she said, but when she checked with an “internal” planner [to the County], she was told she didn’t need grading plans. She highlighted that while the process has been difficult for her as a college-educated person, many of her fellow Grange members found it especially challenging. “It’s hard to keep up for people who can’t read public documents. Farmers aren’t all educated or able to understand these convoluted documents. We can’t all be experts in environmental issues.” The [consultant’s] subcontractors were only part of the problem, she said.

“They keep adding more stuff to our permits, archaeological studies and traffic studies.” Even farmers from RR and AR parcels who found compliant Agriculture-zoned properties governed by a ministerial process found themselves affected by a 2018 redefinition of bike paths as public parks, thus subject to a new, 1000-foot setback from cultivation activities. There have been several changes to the rules.

Other issues with the County included code enforcement “riding along” with permitting inspections, creating trust issues with farmers. Although Code Enforcement violations are generally complaint-driven, “Code enforcement would often accompany permit-related inspectors and “run around and write people up for things.” She said that Sonoma originally thought we had five to eight thousand growers. “Only 200 were able to transition,” she said. “Now hardly any of them have permits. It’s been four years, my permit was only supposed to cost \$15,000. I paid much more than that and still owe the county \$30,000 and I cannot grow there.” She has been trying to help other farmers in similar situations.

“Priti Smith” and “Paul Brown” began cultivating cannabis together about 20 years ago, when they were asked by a friend who thought their “green thumbs” could help with his small garden. Over the years, they applied their expertise with organic and sustainable farming methods to cannabis and now make all the inputs necessary for their small canopy on the farm, as “no till” regenerative agriculture. Their decision to apply for two 2,500 square foot cottage licenses has caused them to be shunned by the local community that decided against it, and have dealt with being stuck with the 625 square feet of outdoor canopy they started with as PRP applicants by “scaling inward” to become more efficient. The County “took too long, wasting people’s time in the ‘Sonoma Triangle’ where your Use Permit goes to disappear.” New requirements from the State Board of Forestry related to upgrading roads on commercial properties⁷¹ for fire safety pose additional costs for their small family business. They have spent about \$250,000 on many different parts of the permit process, including infrastructure upgrades on their property. In 2018, they said, their application has been completed for processing, but “the new planner has done nothing.” Meanwhile, they continue to work less than a quarter of the 2,500 square feet of canopy their cottage license would otherwise allow, and are feeling market pressure to expand. The wholesale price of cannabis has collapsed in the last four years, because “corporations blew in,” and they are uncertain as to the business viability of the cottage license itself. “I don’t even know why I’m still here,” said Smith. “They threw us under the bus after they coaxed us out [with the 2016 PRP program]. It’s like dealing with the mafia.”

Another interviewee is a PRP applicant who started cultivating in the County since 2006 and paying normal business taxes on medical cannabis cultivation under Prop 215 since 2010. His gardens were located on AR parcels, all of which he discontinued to buy a property zoned for

⁷¹ All California cannabis license parcels except those that grow hemp are commercial for State purposes, since cannabis is defined as an agricultural product rather than an agricultural commodity, for purposes of stricter control.

Agriculture in 2016. When he applied for a permit in 2017, “the neighbors lost it, they all have vineyards. I had to fight to prove that I had the right to grow there.” He said that his neighbors thought he was “ruining them because of the odor and stigma, it’s wine country and it’s hard to convince some of these older folks that it’s also cannabis country.”

The 2019 Kincaid Fire destroyed all of the infrastructure on the property, “nine buildings, six good buildings to process and cultivate in.” His parcel, under 10 acres, had been grandfathered into a CUP process and the fire “slowed it down, all the materials were put in before the fire. Then they made me do it again ... I think I have the record for being the longest [in the PRP pipeline] at four and a half years.” This interviewee has experienced long delays communicating with his planners. “I think we are low priority, they blame it on the professionals being too busy ... Everything has been turned in, twice. There has to be a reason why they aren’t calling me back.” “I admit that due to financial hardship I have not been able to pay my permit dues in full. They’re way too high and not affordable to a small farmer. I am on a payment plan. I was hoping I’d be able to pay them by now but the price of cannabis has crashed this year to an all time low. Times are very hard for the small sun farmer. I expect it to get worse by the end of the year. I can’t see many local cannabis farmers surviving this cannabis crash.” He suggested that stigma against cannabis cultivators, as opposed to “corporate cannabis” types, has played a role in the priority to which PRP applicants have been processed. “They have been told that we are controversial, it freaked people out, they put us on the backburner. Corporate cannabis might be safer to them. Due to the price of cannabis dropping to an all time low, our farm is not being planted for the third crop of the year. We usually grow three crops outside in our hoop houses. This year I elected to only grow two so we can try to avoid selling product after the price is dropping even further at the end of the year. I anticipate it will go up again next April, but until then things are going to get tough.”

The interviewee’s experiences with the county consultant, was also frustrating and, he suspected, connected to his problems with his neighbors. The neighbors, he said, reacted to news of his effort to get permitted by reviving a Homeowners Association that had been chartered in the 1980s by residents of the area that had been part of a commune from the previous decade.

An interviewee, who is a member of the Hessel Grange, grew up in a military family and is a former Marine. After their service, “somebody got me high, and it opened my eyes.” Some of his friends were located in western Sonoma County, so he decided to move. He became an owner-operated cultivator and distributor to dispensaries in the Bay Area, specializing in CBD medical flowers produced through regenerative agricultural practices and related medicinal cannabis products that he extracted using olive oil. “When [Proposition] 64 came around,” he said, he couldn’t find a distribution company for his low-THC medicinal products, since the adult use market is focused on high THC ones. “We’ve been zoned out of two farms, we can’t cultivate now,” he said. “We haven’t taken paychecks for ourselves in four years.” He has secured a

distribution license, which provides services he could not find for his own cultivation when he had it, to small-scale farmers that use sustainable farming methods and produce medicinal-grade products. When he was in the cultivation permitting process, he said, he experienced difficulty with high turnover in the Planning Department. “Advisors from the County, the farmer ends up paying the hourly rate of the consultant to do their job, they get transferred when they do learn. Then the farmer gets a new consultant. Many farmers go bankrupt just paying for consultants.”

Another interviewee from SCGA served on the County’s Cannabis Advisory Group, which considered the prospect of a Local Equity Program for the County and worked with neighborhood groups to make recommendations for it in 2019. In our interview, she noted that the County’s political climate towards legalization in 2016 was “progressive in the beginning” and did not anticipate how difficult the permitting process would be, especially for legacy cultivators that were encouraged to apply early. At the beginning, she said, prospective applicants were told the process would take six to twelve months and cost about \$15,000 in permitting fees. She noted that County stakeholders opted not to do comprehensive CEQA review, something that a County Supervisor cautioned at the time could cause problems later. The County, as she notes, opted to continue to do whatever changes they could without triggering CEQA issues and having to do the full EIR, rejecting the industry’s push for it in 2018. The push to open up cannabis permitting quickly in the County led to many of the problems that have slowed permitting down, including, but not limited to, policy volatility and the rapid rise of effective, organized neighborhood group opposition.

Although she was also zoned out of cultivating on the RR parcel she had been cultivating on, she and her husband partnered with another couple and purchased a 15-acre Agricultural property that has been going through the conditional use process that opened up for applicants in 2017. The fees and permitting-related costs of doing that, exclusive of the property’s price, have surpassed half a million dollars. She was “lucky” as she put it to find a business partner to help finance the process, but the exorbitant cost of getting her 10,000 sq. ft. cannabis cultivation business off the ground clearly illustrates financial and cultural challenges in Sonoma County for legacy cultivators who were forced to abandon the 2017 PRP process in favor of the ministerial process that opened for 10 acre-minimum on DA, LIA and LEA zoned parcels. “In the beginning,” she said, “the neighbors were caught off guard” and developed quickly into vocal opposition, “really organized and wealthy.” The arbitrary 2018 10 acre-minimum change was their first success, and they “keep getting more powerful and organized.” Their latest success prevented Sonoma County from adopting Chapter 38 earlier this year, in 2021, which sought to provide additional ministerial pathways to obtaining a local permit governed by the County Department of Agriculture, where neighbors would have had less power to disrupt the permitting process by appealing to State CEQA provisions.

The Board of Supervisors voted to reject Chapter 38 on the advice of County Counsel, which had reviewed the extensive findings made by a high-powered Bay Area law firm hired by neighbor groups for that purpose. Those findings outlined a case for litigating Chapter 38 that County Counsel found compelling enough to advise against moving it forward.

In the final subsection, we turn from reporting input from mostly private stakeholders in the County to consider input from public sector stakeholders. These stakeholders highlight structural challenges to permitting and sub-cultural differences across Sonoma County that make “one-size-fits-all” policies and rules potentially challenging for existing and potential equity stakeholders.

Structural impacts from County perspectives

Our interviews with County stakeholders, including County Supervisors, did not contradict the substance conveyed by small-scale legacy cultivation stakeholders, and most were sympathetic to their dire situations. We review their input as it illustrates how much of the difficulties faced by potential equity stakeholders are structural impacts of transitioning a criminalized market into a legal one. Since it is both rural and urban, home to legacy small business operators and commercial bigger business operators, as well as a significant ethnic minority population that has been disproportionately impacted by enforcement, Sonoma County is home to just about every systemic problem that comes with the State’s effort to create a regulated cannabis industry.

Perhaps the foundational structural problem with the State’s transition to legal cannabis is the “local control” feature that created enormous additional regulatory work for local jurisdictions without providing additional resources to process permits. The regulatory workload is primarily related to the Conditional Use Permitting (CUP) process that PRP stakeholders have had to go through. CUP runs through the County’s Permit and Resource Management Department (PRMD), which handles planning and building permits in the county. Cannabis cultivation has put a tremendous stress on PRMD’s bandwidth, which they have tried to deal with by outsourcing planning staff from the private sector. The CUP process also requires public hearings and allows for input from neighbors, which slows down the process and makes it more expensive not only for applicants but for County Staff. In parts of Sonoma that are new to cannabis cultivation, neighborhood groups are especially active. Finally, PRMD has also had its bandwidth occupied by issues relating to massive fires in the County over the last few years, prioritizing crisis response over permitting new businesses.

McCall Miller has worked with the cannabis program since before its inception and has been serving as the program ombudsperson since October 2020. “Most applicants I have dealt with are white people with the money to afford \$15,000-\$75,000 in permitting fees,” she said. The CUP applicants who do not fall in this category and entered the pre-2018 window are struggling, she acknowledged. “We still have 31 applications in process, have approved 25 and withdrawn 24”

out of the approximately 100 that started in the program. Many of the CUP applicants that have been approved, she said, are part of bigger vertically integrated businesses operating in the County. The ones that remain, including but not limited to PRP applicants, sometimes owe tens of thousands of dollars, have lost crops and buildings in fires, and are on payment plans. “[County] staff and neighbors [want to be] done with PRPs,” she said, and offered that the County can better help these applicants by processing their applications faster. “The environmental analysis [relevant to State CEQA requirements] is what takes time.”

Sonoma County’s struggle to process provisional license applications is something it has in common with other California jurisdictions that have struggled to use existing resources to process provisional licenses (estimated to be about 80% of the regulated market supply chain). The State of California has recognized this structural problem and recently created a program to deal with it. On October 1, 2021, the Department of Cannabis Control announced a \$100 million Local Jurisdiction Assistance Grant Program to assist 17 jurisdictions, including Sonoma County, in their efforts to process outstanding provisional licenses. The money is intended to be used towards supporting local governments in processing substantial workloads associated with transitioning a significant number of businesses into the regulated market, creating a more streamlined local licensing process and facilitating the completion of California Environmental Quality Act (CEQA) requirements.⁷²

Additional consideration in awarding available grant funds was given to jurisdictions that have received Equity Grant money from the State. This fund, and Sonoma’s inclusion into it, is evidence that Sonoma’s local permitting program struggles are not solely the result of a suboptimal policy implementation but rather a feature of the State’s difficulty implementing Proposition 64 through local control. The County needs more resources to effectively implement local control. Local permitting departments were tasked by the State to staff an expensive and difficult permitting process to create a market for a product that had never been regulated before and which was still subject to political contestation at the local level, without being provided the funds to do so. Sonoma’s particular variations on these difficulties are distinct, but stem from a structural problem created by State-level legalization via local implementation.

At the County level, local control is also difficult to achieve, especially in larger jurisdictions with heterogeneous populations divided into Districts and incorporated urban areas with distinct cultural, economic, and political dynamics. Our conversations with Board Supervisors focused on intra-Sonoma distinctions by District, and how these differences create structural impacts to poorly capitalized small businesses. In Sonoma County, the 2016 decision to exclude RR and AR parcels regardless of size from permit eligibility created dynamics of internal displacement for legacy cultivators from communities that may have previously tolerated their medical cannabis cultivation. The scramble to find eligible properties separated people from their homes and sent

⁷²<https://cannabis.ca.gov/2021/10/01/departments-of-cannabis-control-announces-100-million-local-jurisdiction-assistance-grant-program/>.

them into places where cannabis cultivation was ripe for political contestation. We present feedback from Supervisors below.

One Supervisor indicated that “more and more people are resistant to cultivation, worried about potential illegal activity ... they want cultivation to be in industrial areas.” They noted that neighborhood organizations opposing cannabis also have concerns about the “impact of the overconcentration of wineries,” relating concerns about cannabis with concerns about growth in rural areas. Neighbor group opposition to cannabis cultivation in Sonoma emerges from both recent arrivals and longtime residents concerned about gentrification and change in neighborhood character, they said. Many recent retirees “coming from an urban area, people moving here 5 to 10 years ago ... are not happy about cultivating cannabis on rural parcels close to them.” Neighbor groups are mobilizing real concerns about environmental issues such as fire safety and drought against cannabis cultivation, but, they said, fire safety is a valid issue beyond cannabis cultivation in their District and cannabis cultivators often use less water than vineyards and rural residential use. “The fire safe argument is being used to defeat proposals for cultivation ... Rural Residential water users can consume more water than cannabis (depending on the size of the homes, landscaping, and areas of cultivation), but they are using the drought to argue against cultivation.” The Supervisor also noted that concerns about violent crime and home invasion related to illegal cultivation seem to be used as arguments against permitted cultivation, but permitted cultivation is not significantly correlated with violent crime. They were concerned about what systemic barriers evident for small cannabis cultivators meant for future efforts to help “lower incomes and ethnicities to have a stake in the industry.” Finally, they indicated “The County is at a crossroads, trying to find the balance to move forward with permitted cultivation in appropriate locations and protection for neighborhoods including increased setbacks, preventing overconcentration and considering exclusion zones for certain areas.”

Another Supervisor identified the main challenge to transitioning County legacy cultivators happened when RR parcels were zoned out. They estimated that prior to that, about 80% of County cultivation took place in small RR properties that were not so expensive, “one to one-and-a-half acre lots.” “Moving [cannabis cultivation] into industrial, commercial and agricultural” parcels “inherently” meant that it would be more expensive to purchase and become compliant. “It meant a dramatic increase in cost,” they said. They also expressed reservations about the future economic viability of cannabis-only agriculture, pointing towards crop diversification as a hedge for smaller cultivators.

The Supervisor pointed out that Sonoma cannabis cultivation applicants that were frustrated with the slow pace of the application process may not understand that their problems have to do with the nature of Conditional Use permitting in general rather than cannabis in particular. “We didn’t realize that CUP conditions projects to death ... Rich developers can’t even get through it. [There are] so many applications for things all over the place,” and opposition to development

projects are a feature, not a bug, in Sonoma's permitting landscape. The Chapter 38 ordinance was an effort to deal with that by creating an expanded ministerial permit process. This was "an equity effort" to make it easier on new applicants to enter cultivation. Neighborhood groups killed Chapter 38, they said, because they saw well-funded applicants gaming the existing ordinance and thought that this would accelerate the process. They pointed out that south Sonoma County featured relatively "cheap, readily available land closer to the Bay Area," and the prospect of more cultivation catalyzed somewhat of a "culture war" in conservative and wealthier parts of the County.

Appendix B. The CAG Report and Equity-Related Recommendations from June 2019

The County's Cannabis Advisory Group (CAG) included cannabis industry stakeholders and input from neighborhood group stakeholders that met between 2017 and 2019. On June 26, 2019, recommendations from three sub-groups were presented: Economic Vitality, Neighborhood Compatibility, and State Alignment.

These discussions and recommendations represent substantive work and dialogue between stakeholder groups in the County that have often been at odds: neighborhood groups and cannabis industry stakeholders that are explicitly concerned to represent smaller businesses (albeit usually cultivation-specific). They bear directly on equity considerations for the County. Recommendations from each sub-group were presented, with what they agreed upon identified in the narrative.

Given the political difficulties experienced in the County, "points of agreement" with the Economic Vitality sub-group identified by the Neighborhood Compatibility sub-group represent the elements of equity assessment based on dialogue and could form a solid basis for recommendations for the County's equity program. Therefore, we lead with those, before highlighting the points made by Economic Vitality and State Alignment, which should also be considered by the County but with awareness that they may be more sensitive, politically.

Neighborhood Compatibility sub-group

In the CAG document (page 11 of 24), the Neighborhood Compatibility sub-group identifies seven points of agreement with the Economic Vitality sub-group, which will be discussed next:

- The current permitting system in Sonoma County is drawing large corporations to participate instead of small existing cannabis farmers
- Cannabis activities should have minimal to no neighborhood impact
- It would be ideal if there was a procedure to mitigate neighbor concerns prior to CUP hearing; waiting until the CUP hearing is expensive and time consuming
- Safety of the neighbors, and permitted farmers is a priority for public interest
- The minimum of 10 acres makes it expensive for a [sic] previous cannabis farmers to relocate to comply to [sic] zoning requirements
- Smell can be subjective, and can impact individuals differently
- Concern about timeline for EIR (Environmental Impact Report]. The County is now embarking on a programmatic EIR and the estimate is that ordinance adoption will not occur until 2024.

After stating these points of agreement, the Neighborhood Compatibility sub-group offered several potential solutions to the identified issues, some of which, like driveway easement access, are very specific examples of broader issues. We highlight a few of these below but

encourage the County to consider all of the proposed solutions as examples of a broader shift towards allowing compatibility issues worked out on case-specific bases rather than County-wide rules.

The sub-group suggested that Residential Easements be disallowed, with three exemptions: continuation allowed for existing pipeline applicants; temporary access with applicable permit while work is being done; and exemption in the case of signed agreements with neighbors, renewed at the time of permit renewals. Regarding neighbor concerns about high water use, potential solutions included required water storage and real time monitoring of water use. The sub-group recommended that the minimum 10-acre parcel size be removed in allowed zones with advanced odor mitigation issues, guided by scientifically derived odor threshold limits. The subgroup also recommended making formal mediation available between individuals applying for a permit and neighbors early in the application process, rather than relying on CUP public notice and input schedules that respond to conflicts after they may arise.

The Neighborhood Compatibility sub-group also supported the establishment of a County Equity Program for residents that have been impacted by “the *War on Drugs* [italics in original] that may not have had the same opportunities because of the financial burdens placed on a family such as arrest or incarceration” (15 of 24). They proposed five qualifiers, from which any three could be used to identify stakeholders:

- Previous arrest, raid, or charge of cannabis in Sonoma County
- Parent or legal guardian arrested for drug charges
- 10 years residency in Sonoma County
- 5 years attendance in a Sonoma County School District (an Individual, their Parent, or their child)
- Previous cultivators who were in compliance with Prop 215 & SB420 (Documentation required, i.e.: Seller’s permit, Collective Agreements, Tax payments, etc.)

The Neighborhood Compatibility sub-group points out that two additional qualifiers identified by the Economic Vitality sub-group are omitted from their recommendations: income and veterans.

These qualifiers are not inconsistent with other qualifiers in existing Local Equity Programs elsewhere in the state, although there are some variations. The “previous arrest” qualifier, for instance, may be specified as an arrest for a nonviolent charge, for instance. The residency requirement of 10 years is on the long side for equity qualifications -- five years is more common. And “parent or legal guardian arrested for drug charges” appears in other programs as “immediate family member.” But these qualifiers, on the whole, indicate that neighborhood stakeholders in Sonoma County are open to an equity program that would provide assistance to

struggling permit-seekers and open the door for new permit seekers who meet equity criteria that are broadly in line with other jurisdictions.

Our recommendations in this document are more comprehensive, in order to allow the County to reflect on this assessment broadly, not just the neighborhood concerns, and consider options that may not have come up for discussion or might be feasible politically with further consideration. We want to highlight the Neighborhood sub-group's feedback as a starting point because it is clear that while such residents often feel impacted by the expansion of permitted cannabis activities near them, such stakeholders may also at the same recognize that especially long-term residents have been impacted by cannabis criminalization and the war on drugs and may be in favor of assisting those residents.

The Economic Vitality sub-group

The Economic Vitality sub-group addresses three overarching goals for the County identified by the CAG: "Streamline the Application Process," "Increase Tax and Permit Revenue," and "Find solutions for small companies to afford to participate" (5 of 24). All of these are relevant to the potential success or challenges that would come with a Sonoma County Local Equity Program, although only the last one -- "find solutions for small companies to afford to participate" -- would have direct and almost exclusive implications for both legacy small cultivators and potential equity stakeholders of all license types going forward.

Lists of recommendations to address each of the three goals follow in the document. Not all of them directly pertain to equity considerations, but most of them do and all should be reviewed by the County in considering the design of its Local Equity program. We draw special attention to the following recommendations:

- Showcase successful local operations to dispel concerns and encourage leading by example
- Ensure equitable opportunities exist for all operators throughout commercial cannabis supply chain
- Remove barriers to and incentivize smaller-scale and specialty cultivation
- Utilize local data on permitted operations to direct future efforts
- Support and encourage cannabis events and tourism
- Develop standard criteria/expectations for application processing and supporting materials required
- Provide more information on process, submittals, costs and timeline at the front-end of the application process
- Provide sufficient staffing for timely permit processing
- Encourage proactive neighborhood engagement prior to application submittal

- Ensure the presence of adequately qualified staff member(s) for review/analysis of technical studies required by applicants
- Develop minimum/maximum thresholds for impacts and mitigations
- Process and review cannabis permits w/same criteria and level of scrutiny as comparable non-cannabis permits

The Economic Vitality sub-group also presented recommendations from the April 24 2019 CAG meeting that pertain to this assessment:

- Tax breaks for small businesses
- Agricultural incentives for cannabis farmers who cultivate other crops

The Economic Vitality sub-group also presented recommendations from the 2016 Economic Impact Report, which focused on converting unregulated businesses. The window for that is largely closed, but the recommendation that the County “Provide entrepreneurship training and support for business conversions” remains highly relevant.

Finally, the Economic Vitality sub-group presented additional discussions related to “Small Business Development and Growth” and “Community Investment Grants, State funding for Equity Implementation.” Of particular note, they ask for

- Tax reductions for small businesses and tax payment plans
- Agricultural diversity incentives for cannabis farmers who cultivate other crops
- Implementing an Equity Program, to reduce permit fees, or creating loan opportunities could help lower the barriers of entry for qualified applicants

The Economic Vitality sub-group also offered a recommendation for equity qualification, suggesting that 3 of the 7 items should qualify stakeholders for participation in an equity program:

1. Previous arrest, raid, or charge of cannabis in Sonoma County
2. Parent or legal guardian arrested for drug charges
3. 10 years residency in Sonoma County
4. Applicant, their parent, or their child attended 5 years at a school located in a Sonoma County School District
5. Previous cultivators who were in compliance with Prop 215 & SB 420
6. Earned less than 80% of the median income of Sonoma County the year prior to application
7. United States Military Veteran

State Alignment sub-group

Additionally, the sub-group on State Alignment addressed areas of concerns about the local ordinance and examined ways in which the County could look to align its local ordinance with state regulations to help small businesses succeed (18-24 of 24).

The first discussion point addresses the 10-acre minimum cap for growing no more than one acre on eligible parcels, noting that it “has eliminated smaller operators from engaging in the legal market as the cost of acquiring that amount of land to grow such a small amount of cannabis has left local operators without the means to continue their business” and “favors large commercial operators that can afford the excessive amount of overhead.” The subgroup recommended that the County eliminate the 1-acre cultivation cap and the 10-acre parcel minimum. We note that elimination of the one-acre cultivation cap throughout the county may be highly sensitive and invite more conflict with neighbors, but that elimination of the 10-acre parcel minimum invites the possibility of introducing variance based on compromise into the process. The second two discussion points expand on this theme.

The second discussion point also addresses the 10-acre minimum but as it relates to neighborhood compatibility issues. The sub-group notes that the requirement was “enacted in an attempt to maintain separation between cannabis cultivation and closely spaced neighbors” and that “with soaring real estate prices, farmers cannot sustainably compete with other business owners vying for industrial warehouse space by growing indoors.” The discussion point addresses both neighborhood compatibility concerns and environmental impacts to suggest two solutions. The first asks the County to re-open RR and AR parcels “to be eligible for permitting with a canopy cap in those locations that do not create unacceptable neighborhood compatibility problems. This solution would shift the County’s zoning approach from general standard to one that considers locations on a case-by-case basis, essentially allowing more variance based on specific cases into the permitting process. This discussion point also introduces a novel suggestion for addressing the County’s tight real estate conditions, asking the County to “work with Agriculture and Open Space Districts to allocate open space land for cultivation leases (outdoor only) on land that has been preserved agricultural lands.”

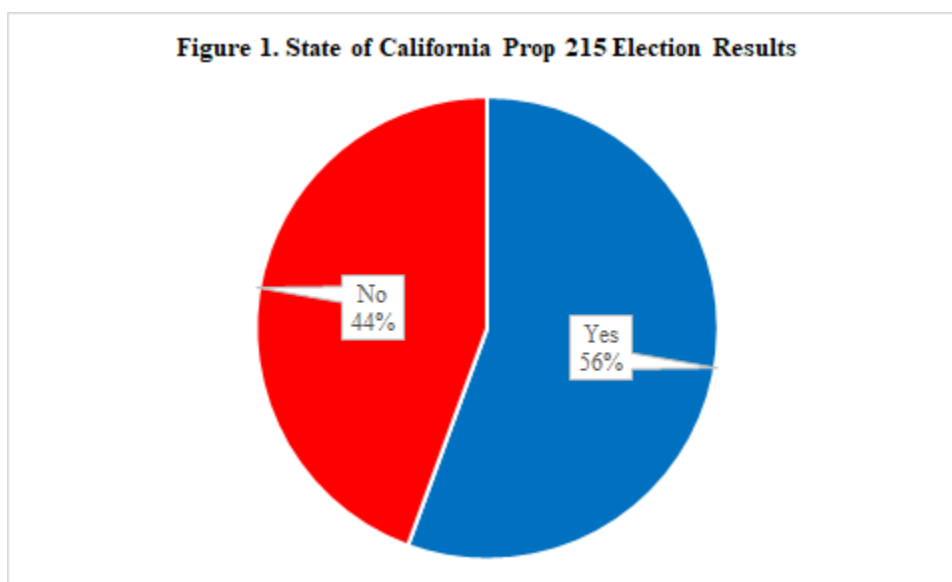
The third discussion point reiterates the exclusion of AR and RR parcels to “mitigate impacts of cultivation on closely spaced neighborhoods.” The solution offered once again points towards opening space for compromise: “If alternate neighborhood compatibility measures can be enacted that are acceptable to both cultivators and neighbors, then cultivation on appropriately sized and located RR and AR parcels should be considered.” This solution is fairly open-ended, but fits the general theme of recommendations that the County seek ways to mediate neighborhood compatibility concerns by allowing more variance in the process.

The document that we review in this section of this assessment is important because it showcases that private County stakeholders have put considerable thought and effort into policy recommendations that are relevant to (a) an assessment of communities impacted by cannabis criminalization and the war on drugs in Sonoma County, with a particular emphasis on long term residents with financial challenges and (b) criteria for determining eligibility for a Local Equity Program. We would be deeply remiss not to take those into consideration in this assessment and incorporate them into a range of recommendations for consideration by the County, found at the end of the equity assessment.

Appendix C. Cannabis Policy Reforms in Sonoma County

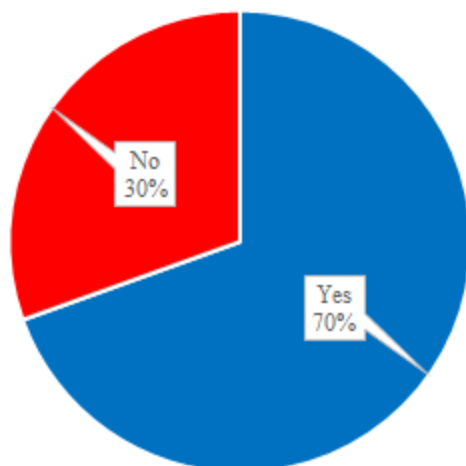
In 1996, California passed Proposition 215, the Compassionate Care Act. The Compassionate Care Act created an affirmative defense for patients and qualified caregivers to cultivate and possess cannabis for personal use. No state regulatory structure was put in place. California voters continued to push for policies to decriminalize drug use, as evidenced by the voter-approved Substance Abuse and Crime Prevention Action in 2000, which allowed the state to offer eligible offenders convicted of drug use and/or possession treatment instead of jail time. California was the first state in the United States to legalize cannabis for medical use.

A higher proportion of Sonoma County residents voted to pass Proposition 215 than that of the state. See Figures 1 & 2 below for Sonoma County's Proposition 215 election results compared with the election results for California as a whole⁷³.



⁷³ California Secretary of State (1996). General Election, November 5 1996. *Statewide Summary by County*. Retrieved from <https://elections.cdn.sos.ca.gov/sov/1996-general/ssov/measures-statewide.pdf>, accessed August 3, 2021.

Figure 2. Sonoma County Prop 215 Election Results



In 2016, California established a legal framework to regulate and monitor cannabis dispensaries after the passage of the Medical Marijuana Regulation and Safety Act (MMRSA), later renamed the Medical Cannabis Regulation and Safety Act (MCRSA).

On November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act (AUMA). Proposition 64 legalized the distribution, sale, and possession of cannabis. Proposition 64 decriminalized the possession, use, cultivation and sale of adult-use cannabis. It also provided for the expungement of low-level drug offenses and training for cannabis careers, grants and loans. It passed with 57% of the vote statewide and 59% in Sonoma County. MRCSA and AUMA were integrated as MAUCRSA (Medicinal and Adult-Use Cannabis Regulation and Safety Act) in 2018.

A slightly higher proportion of Sonoma County residents voted to pass Proposition 64 than that of the state. See Figures 3 & 4 for Sonoma County's Proposition 64 election results compared with the election results of California as a whole

Figure 3. State of California Prop 64 Election Results

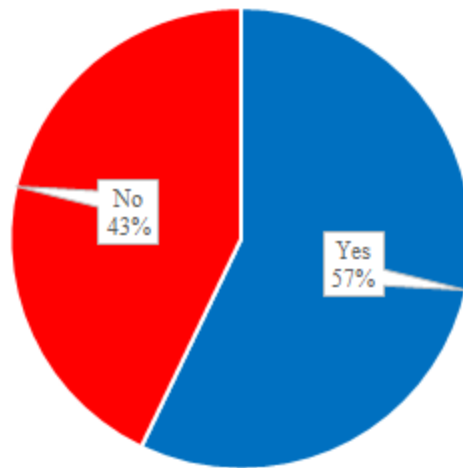
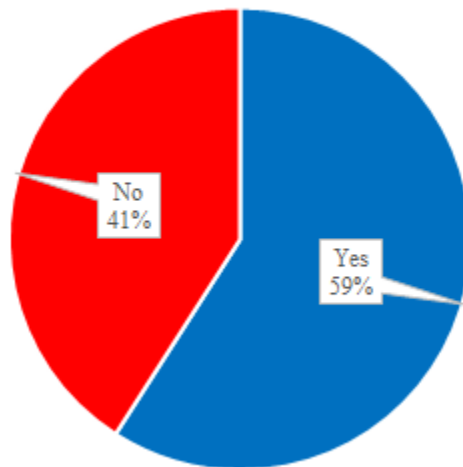


Figure 4. Sonoma County Prop 64 Election Results



Sonoma County started accepting cannabis use permit applications on July 5th, 2017 through both the Permit and Resource Management Department as well as Sonoma's Department of Agriculture / Weights and Measures.

Sonoma County Cannabis-Related Ordinances

Title: Ordinance 5567

Date: May 17, 2005

Summary: Established an urgency ordinance adopting and imposing a temporary moratorium on the establishment of new medical marijuana dispensaries.

Title: Ordinance 5583

Date: June 21, 2005

Summary: An urgency ordinance extending the temporary moratorium on the establishment of new medical marijuana dispensaries.

Title: Ordinance 5665

Date: May 5, 2006

Summary: An urgency ordinance extending the temporary moratorium on the establishment of new medical marijuana dispensaries.

Title: Ordinance 5715

Date: March 20, 2007

Summary: Established use permit requirements and standards for medical cannabis dispensaries in unincorporated Sonoma County. Medical cannabis dispensaries were split between Level 1 dispensaries, having a facility less than 1,000 sq. ft. and 300 patients, and Level 2 dispensaries, having a facility greater than 1,000 sq. ft. and 300 patients. Only Level 1 medical cannabis dispensaries are permitted within Neighborhood Commercial Districts (C1); while both Levels 1 and 2 are permitted within Retail Business and Service Districts (C2), and Limited Commercial Districts (LC). For C2 and LC districts, Level 2 medical dispensaries are only permitted within designated Urban Service Areas. Medical cannabis dispensaries are not to be permitted within 100 feet of a residential zoning district; not within 500 feet of any smoke shop; not within 1,000 feet of any other medical dispensary; and within 1,000 feet of any public school, park, or an establishment that caters to or provides services primarily to persons under (18) years of age.

Title: Ordinance 5967

Date: February 7, 2012

Summary: Zoning code amendment that limited the total number of medical cannabis dispensaries in Sonoma County to nine.

Title: Ordinance 6187

Date: December 13, 2016

Summary: An ordinance of the Board of Supervisors of the County of Sonoma, State of California, requiring a health permit for medical cannabis dispensaries and edible cannabis product manufacturing sites.

Title: Ordinance 6188, Cannabis Tax Ordinance

Date: December 13, 2016

Summary: An ordinance of the Board of Supervisors of the County of Sonoma, State of California, imposing a cannabis business tax on commercial cannabis businesses. Any persons engaged in commercial cannabis cultivation in the unincorporated area of the County shall pay

an annual commercial cannabis business tax either: (1) at a rate of up to \$10.00 per square foot of outdoor cultivation area, \$38.00 per square foot of indoor cultivation area, and \$22.00 per square foot of mixed-light cultivation area, or (2) at a rate of up to ten percent of gross receipts per fiscal year. The business tax owed per square footage rates are as follows:

Outdoor Cottage: \$0.50
Outdoor Specialty: \$1.40
Outdoor Small: \$2.10
Outdoor Medium: \$3.50
Indoor Cottage: \$1.88
Indoor Specialty: \$7.50
Indoor Small: \$11.25
Indoor Medium: \$18.75
Mixed Light Cottage: \$1.08
Mixed Light Specialty: \$4.32
Mixed Light Small: \$6.48
Mixed Light Medium: \$10.80

Any persons engaged in a commercial cannabis business, including but not limited to as a distributor, distribution facility, testing laboratory, transporter, manufacturer, nursery, dispensary, or engaging in delivery of cannabis in the unincorporated area of the County shall pay an annual commercial cannabis business tax rate of up to ten percent of gross receipts. The Board of Supervisors may, in its discretion, at any time by ordinance, implement a lower tax rate or establish differing tax rates for any categories of commercial cannabis businesses, not to exceed the maximum tax rate. Ordinance 6188 imposed a tax on manufacturing operators at a rate of 5% of gross receipts.

Title: Ordinance 6189, Medical Cannabis Land Use Ordinance

Date: December 20, 2016

Summary: Ordinance establishing a comprehensive local cannabis program and to permit and regulate the complete supply chain of medical uses. Any commercial cannabis activity was banned on parcels designated Rural Residential (RR) or Residential Agriculture (RA). The following zoning districts are permitted for Commercial Medical Cannabis Uses: Land Intensive Agriculture District (LIA), Land Extensive Agriculture District (LEA), Diverse Agriculture (DA), Rural and Resource Development District (RRD), Industrial Park (MP), Limited Urban Industrial (M1), Heavy Industrial (M2), and Limited Rural Industrial (M3). Agricultural and Resource Zones (LIA, LEA, DA, and RRD) allow commercial medical nurseries, outdoor and indoor cultivation, and mixed light cultivation with the correct use permit. Industrial Zones (MP, M1, M2, and M3) allow commercial medical nurseries, indoor and mixed light cultivation, and testing laboratories with the correct use permit. Cottage cultivation has a minimum parcel size of

2 acres. Small outdoor and mixed light cultivation has a minimum parcel size of 5 acres for cultivation between 5,001 and 10,000 sq. ft. Medium outdoor and mixed light are set with a minimum parcel size of 10 acres for cultivation past 10,000 sq. ft.

Title: Resolution 17-0233

Date: May 23, 2017

Summary: Establishment of the Temporary Code Enforcement Penalty Relief Program for Land Use Permits for Cannabis Operations (Penalty Relief Program). This program created requirements that, if satisfied, would allow certain cannabis businesses to continue to operate without being subject to land use fines while they complete work that is necessary to either become permitted or cease operations. See **Section 6** for an in depth description of the program.

Title: Ordinance 6203

Date: June 13, 2017

Summary: An ordinance of the Board of Supervisors of the County of Sonoma, State of California, amending Chapter 35 of the Sonoma County Code and adopting cannabis business tax rates and regulations. Cannabis business taxes were amended as follows:

Outdoor Cottage: \$1.00
Outdoor Specialty: \$1.50
Outdoor Small: \$2.00
Outdoor Medium: \$2.00
Indoor Cottage: \$3.75
Indoor Specialty: \$7.50
Indoor Small: \$11.25
Indoor Medium: \$11.25
Mixed Light Cottage: \$2.25
Mixed Light Specialty: \$4.50
Mixed Light Small: \$6.50
Mixed Light Medium: \$6.50

Cannabis business taxes for non-cultivation activities were amended as follows: manufacturing is to be taxed at three (3) percent of gross receipts, while dispensaries are to be taxed at two (2) percent of gross receipts. Ordinance 6203 also establishes that taxes for outdoor cultivation in the first quarter of each fiscal year shall be zero; regardless, submission of a tax statement shall be required for each quarter.

Title: Ordinance 6240

Date: August 28, 2018

Summary: An amendment to Sonoma County’s Health Ordinance, incorporating health permit requirements for cannabis dispensaries and edible cannabis product manufacturing premises for compliance with the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

Title: Ordinance 6245, Adult Use Cannabis Land Use Ordinance

Date: October 16, 2018

Summary: The minimum parcel size for all commercial cannabis operations in agricultural and resource zones, which pertain to cultivation activities, in the county was changed to 10 acres. This amendment is significant as all cultivators in the county, from cottage to small outdoor, were required to find larger parcels to operate on. Because of this, existing applications were pipelined and additional flexibility was added for use permit applicants including adult use, extension of permit terms from one to five years, reductions of park setbacks, and addition of a propagation area.

Title: Resolution 18-0009

Date: December 11, 2018

Summary: A resolution interpreting the term “public parks” in the Cannabis Land Use Ordinance to include all existing Federal Recreation Areas, State Parks, Regional Parks, Community Parks, Neighborhood Parks, and Class 1 Bikeways as designated in the Sonoma County General Plan 2020. This required that outdoor and mixed light cultivation operations be setback 1,000 feet from any of these parks.

Title: Ordinance 6322

Date: August 18, 2020

Summary: An ordinance updating the County Code as it relates to administrative abatement, civil penalties, and civil abatement actions, to establish new penalties for unpermitted grading and unpermitted cannabis activities for more effective enforcement, to require environmental remediation in the event of violations that cause environmental damage or degradation, and to align the violation correction period with state law. For any commercial cannabis violations, the responsible party must pay 1 of the following: (1) for any cultivation exceeding permits, no more than \$20 per sq. ft. for the first violation, no more than \$30 per sq. ft. for the second violation, and no more than \$50 per sq. ft. each additional violation after. (2) for each violation of a standard of the county code or permit, no more than \$1,000 per day for the first violation, \$5,000 dollars per day for the next, and \$10,000 per day for each additional violation. (3) for each unpermitted cannabis use, no more than \$10,000 per day for the first violation, \$25,000 for the second, and \$50,000 per additional violation. A permit multiplier can be attributed up to 10 times the amount of the standard fee.