May 20, 2016

TO: Rob Wall, Interim Director

CC: Board of Supervisors
    CAO

FROM: Steven Santos, Development Assistance Manager
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SUBJECT: Managing Growth of Cannabis Services and Risk of Operational Collapse

These are unprecedented times.

Humboldt County achieved an amazing accomplishment. We met the state deadline and secured our right to local control. We were the first jurisdiction in California to adopt a Commercial Medical Marijuana Land Use Ordinance (CMMLUO) in response to the state Medical Marijuana Regulation and Safety legislation. The cannabis community has responded to these successes and is engaging us earnestly.

The challenge facing the county now is the massive volume of cannabis projects and service requests -- present and anticipated. Our employees have stepped up and shown true dedication to public service. They have worked while sick and foregone approved leave to accommodate the initial surge of customers.

Following this initial surge, it is vitally important that we establish realistic expectations regarding institutional capacity in order to effectively absorb and process cannabis projects. This strategy must be guided by data driven decisions. The Board of Supervisors and the Planning and Building Department need to work jointly to triage and manage this challenge.

Growth of Cannabis Services
In the 90 days since the CMMLUO has been in effect, the Planning and Building Department has responded to 447 customer cannabis hotline contacts, processed 470 registration forms, conducted over 110 application assistance meetings, and have begun processing 42 permit application submittals. That is more than double the number of application assistance meetings that were held for all projects in all of 2015 and almost a 100% increase in permit applications from this time last year. Since February, 792 hours have been spent providing general cannabis information to customers and an additional 825 hours have been spent on program implementation. All of this has been accomplished with no additional resources and no reduction in the expectation to maintain all preexisting operational responsibilities.
Risk of Operational Collapse
Because of this workload increase the foundation of our operational capacity is cracking and getting worse. We are heading toward catastrophe. What follows are examples that demonstrate we are on an unsustainable path:

- We are unable to provide customers a permit processing time estimate due to the volume of new projects. All projects are suffering from critical or indefinite delays.
- We are, at times, failing to meet state-mandated deadlines.
- Policy interpretations, procedures, and systems are either incomplete or in need of a refresh after being rushed into place to meet the initial February 26 program launch window.
- There are gaps in our data that the Board and other agencies rely on because there is not enough time to complete the file opening process before serving the next customer.
- Customers are expressing anger and frustration related to non-cannabis permit delays, as well as anger and frustration from incomplete cannabis procedures.
- Adoption of the General Plan has been delayed.

Most importantly, our employees, which are our most valuable resource, are being harmed. We risk losing trained and capable individuals as we bring new staff on board. At least two individuals are known to be seeking employment elsewhere and another three employees have exhibited health problems due to the untenable level of stress. Immediate action is needed.

90 Day Stand Down
In the military, units conduct temporary stand downs to address issues and ensure long-term operational readiness and effectiveness. A 90 day stand down should be implemented as soon as possible.

During the stand down, the department would focus on accomplishing the following goals:

- Scheduling completed cannabis permit applications for decision and approval.
- Survey agencies and consultants to generate an estimate of how many more projects are expected in the near term. Then analyze that data and develop a formula for sustainably absorbing and processing cannabis projects (e.g. maximum number of project a single planner can carry). Finally, determine what additional capacity expansion is needed and work with the Board and CAO to provide it.
- In consultation with the Board subcommittee, generate a basic strategic plan for cannabis services. This may include Board consideration of extending the application window beyond December 31, 2016 to minimize the workload spike that is expected with this looming deadline.
- Train the two new planners that start at the end of this month and accelerate the hiring and training of a third planner.
- Explore the potential of reinstituting a qualified consultant program.
- Implement, deploy, and refresh policies, procedures, and systems related to cannabis implementation.
- Attend to delayed non-cannabis projects.
The scope of the stand down includes:

- No new cannabis application assistance meetings scheduled during the stand down but pre-existing scheduled meetings will be honored.
- No new cannabis permit applications accepted during the stand down but pre-existing applications will be processed.
- Cannabis operation registration forms will be accepted in light of the August 23 deadline.
- General information will still be provided proportional to institutional capacity.
- Non-cannabis projects will still be accepted.

The intended spirit of this communication is that we collectively have a legal and professional obligation to ensure the health of our employees, the long-term effectiveness of our institution, and the satisfaction of our customers.