



July 7, 2025

Lake County Board of Supervisors
255 North Forbes Street,
Lakeport, CA 95453

Re: Consideration of Summary of Cannabis Policy Recommendations and Request for Board Direction

Honorable Chair Crandell and Members of the Board of Supervisors,

As you may be aware, the licensed cannabis industry in Lake County and across California is navigating significant challenges. Nonetheless, our local industry has demonstrated that it is a primary economic driver, directly supporting hundreds of jobs and generating millions of dollars in tax revenue each year. Thanks to the continued support of this Board, cannabis tax revenue has increased by more than \$ 250,000 year over year, marking three consecutive years of steady and incremental growth, resulting in a \$3.4 million contribution last year alone.

The forthcoming land use ordinance update will have far reaching consequences, not only for the cannabis industry but for the broader local economy. As noted in the recently released *California Cannabis Market Outlook*, commissioned by the Department of Cannabis Control:

“Local taxes, fees, and restrictions increase costs for licensed businesses and can result in an effective local tax rate of more than 30 percent. Working to lower local restrictions, taxes, and fees for licensed cannabis businesses would support the licensed market. Local costs affect decisions on where to locate and how resilient businesses are to down years in the market. These barriers to entry create advantages for unlicensed businesses.”

Some of the proposals discussed during the June 12 Planning Commission meeting represent a fundamental shift away from the goals originally outlined by the Board when this ordinance review process began. These include the expansion of the Farmland Protection Zone and new setback requirements for homeschools, both of which would eliminate otherwise eligible properties and increase the cost of doing business in Lake County. These changes would discourage future investment, reduce employment opportunities, and erode the stability of the legal market.



We respectfully request that the Board reaffirm its original directive to streamline regulations, reduce barriers to entry, and eliminate redundant or unnecessary requirements. This is the path that will help attract and retain investment, support local jobs, and strengthen tax revenue for public services.

We would also like to clearly state our positions on the following:

- **Setbacks:** We support upholding the current setback standards. These have proven workable for both businesses and regulators.
- **Homeschools:** We strongly oppose the addition of homeschools to the list of uses requiring setbacks. There is no official registry or oversight mechanism for homeschools, making this standard nearly impossible to assess or enforce. It would place an undue burden on the Community Development Department and create opportunities for abuse by opponents of otherwise compliant projects.
- **Bond Requirement:** We do not support the proposed fifty-thousand-dollar bond requirement. These instruments have not yet been accessed in practice, and it remains unclear whether they are even available to the cannabis sector. As written, this provision would place unnecessary financial hardship on small and mid-size farmers without any demonstrated benefit to the County.

We also ask that all existing licensed projects be recognized as eligible non-conforming uses and remain eligible for renewal at the end of their ten-year permit term. Farmers have invested millions of dollars into Lake County's economy, infrastructure, and workforce. They should have the right to continue building on what has already proven to be a successful and lawful business model.

We urge the Board to ensure that the land use ordinance update remains focused on fairness, clarity, and economic sustainability. Additional restrictions will not lead to better outcomes. They will only erode the progress Lake County has made in establishing a safe, legal, and economically viable cannabis industry.

Sincerely,

Nara Dahlbacka

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President of the LCCA