

Monterey County Cannabis Program Equity Assessment



**Institute for Community Collaborative Studies
California State University - Monterey Bay**

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Monterey County Cannabis Program

Equity Assessment Report

July 2021

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Contents

Acknowledgements	4
Executive Summary/Report Highlights	5
1. Introduction	14
2. Equity Assessment Goals and Methodology	16
Secondary data Analysis	16
Literature review	16
Historical analysis of jail booking data	16
Primary Data Analysis	16
Key informants and stakeholder focus groups	16
Business survey	17
Community survey	17
3. Assessment Findings	17
Goal 1. Impact of Cannabis Criminalization in Monterey County 1995-2016	17
Historical analysis of jail bookings with cannabis-related charges before 2016	17
Analysis of bookings by race and location	19
Perceptions Regarding the Impact of Cannabis Criminalization on the Community:	22
Conclusions about the impact of cannabis criminalization in Monterey County	23
Limitations of the analyses	23
Goal 2. Barriers to Enter the Legal Cannabis Industry in Monterey County That Could Be Addressed by An Equity Program	24
Conclusions about identified barriers of entry to the legal cannabis industry in Monterey County	26
Goal 3. Possible Courses of Action for a Future Equity Program in Monterey County	27
Conclusions about stakeholder ideas regarding possible courses of actions for an equity program in Monterey County	29
4. Conclusions and Recommendations	29
RECOMMENDATIONS FOR ELIGIBILITY	30
I. Equity program eligibility for individuals in Monterey County:	30
II: Equity program eligibility for businesses in Monterey County:	33
PROGRAMMATIC RECOMMENDATIONS	35
III. Administrative assistance for equity applicants and/or equity businesses	35

IV: Financial assistance for eligible equity applicants and/or equity businesses.	36
V: Technical assistance for equity applicants and/or equity businesses	38
References	41
Appendix	46
A. Review of other equity programs in California	47
Eligibility Criteria for Equity Programs in Operation in California	49
Criminal History	50
Criminal History of Family Members	50
Location and Length of Residency	50
Low-Income Status	51
Housing Status:	51
Attendance of Local Schools:	51
Diversity, Employment, or Status as a Victim of Violence or Exploitation:	51
Ownership Requirements:	52
Location of Business:	52
Incubator Business:	52
Size of Business:	52
Use of Equity Program Grant Funds to Support Eligible Applicants	53
FINANCIAL ASSISTANCE	54
TECHNICAL ASSISTANCE	55
ADMINISTRATIVE ASSISTANCE	56
B. Jail Data Analysis Methodology	57
C. California Cannabis Policy Timeline	60
D. State of California Cannabis License Fees	61
E. County of Monterey Cannabis-Related Fees	64
F. Business Survey Questionnaire	65
G. Community Survey Questionnaire	76
End Notes	82

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We respectfully acknowledge that the study's activities took place on tribal lands and hope this report provides sufficient information for an inclusive equity program.

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Executive Summary

I. Introduction

Under contract with the Monterey County Cannabis Program and in collaboration with community stakeholders, CSUMB researchers conducted the County's cannabis equity assessment. This study included research into local historical rates of arrests for cannabis law violations and identification of the impacts cannabis-related policies have had historically on local communities, especially those who have been disproportionately or negatively impacted by the War on Drugs. Additionally, community input regarding experiences with barriers to enter the local cannabis market and possible courses of action for an equity program were collected through stakeholder meetings and two surveys. This report presents the assessment's goals and study methodology, the assessment findings, an analysis of how other jurisdictions in California have used equity funds and organized equity programs, and considerations to inform the creation of a future county-wide cannabis equity program.

Monterey County is the fourth largest agricultural county in California; with farming and associated businesses forming the largest industry sector, providing more than a third of employment opportunities and contributing \$4.4 billion in production value in 2019. As cannabis cultivation and possession has been decriminalized, reports on the value of this industry are emerging. In 2019, cannabis was the fifth largest crop in the County after leaf lettuce, strawberries, head lettuce and broccoli with an annual value of nearly \$450 million, generating an estimated \$16 million in local taxes in FY2019-20.

Cannabis cultivation and production has a long history in Monterey County, beginning over 50 years ago at the peak of the War on Drugs era of cannabis prohibition and criminalization (in the 1970s-1980s), when the burdens of arrest, convictions, and long-term collateral consequences had a devastating impact on populations across California and fell disproportionately on African American/Black and Latinx/Hispanic communities. The effects associated with cannabis law violations, such as generational poverty and lack of access to resources, make it very difficult for those impacted to participate in the newly regulated cannabis market.

California legalized the medical use of cannabis in 1996 (Prop 215: Compassionate Use Act) and adult recreational use in 2016 (Prop 64: Adult Use of Marijuana Act which provides local governments with the authority to regulate commercial cannabis and promote the regulation of cannabis in a way that "reduces barriers to entry into the legal, regulated market.") To implement Prop 64, the County extended medical cannabis regulatory authority to adult recreational use of cannabis, requiring all commercial cannabis properties and operations within the unincorporated areas to have an Administrative Permit, Commercial Cannabis Business Permit, and a Business License. In FY2021-2022, the County has about 4.8 million square feet registered for cultivation and nursery of cannabis; with about 67% approved for mixed light growth, 31% for nursery and 2% for indoor growth. Currently, 10 operators have manufacturing licenses, 44 have distribution licenses and 6 have retail licenses.

In an effort to assist local jurisdictions in advancing economic justice for communities most harmed by past cannabis criminalization and poverty, the Cannabis Equity Grants Program for Local Jurisdictions was established in FY2018-19, which funded the planning for and development of equity programs to support eligible applicants and licensees with entering the newly regulated cannabis market. Using an equity approach, individuals and groups receive different resources, opportunities, support, or treatment based on their specific needs, so they can have equitable or fair outcomes; for example, providing assistance for entrepreneurs or employees, representative of the state's population, to access high-quality, well-paying jobs in the cannabis industry.

As of July 2020, a total of \$40 million in grant funding had been distributed across 15 jurisdictions throughout the state. The funding was distributed in two phases: Type I funding was made available to jurisdictions in the beginning stages of equity program planning, to complete an equity assessment (such

as this study for Monterey County) or begin development of their equity program. Type II funding was made available to jurisdictions with an equity program in place, to begin operating their equity program and utilizing funds to assist equity applicants. Any jurisdiction wishing to apply for Type II funding must first complete the steps outlined under Type I funding, i.e., completing an equity assessment and developing a plan to implement an equity program. For Monterey County, completion and submission of this report to the State will allow the Monterey County Cannabis Program staff to apply for Type II funding to develop and implement an equity program.

II. Equity Assessment Goals and Methodology

The equity assessment is organized around the following three goals that respond to the grantor requirements and serve as a guide the County can utilize in the development of an equity program:

1. Quantify the impact of cannabis criminalization in Monterey County from 1995-2016, including laws regulating cannabis use, commercialization, and cultivation including identifying disproportionate impacts on different demographic groups.
2. Identify the barriers to enter the legal cannabis industry in Monterey County that could be addressed by an equity program.
3. Identify eligibility characteristics for potential applicants and programmatic supports that could be considered in the design of a future equity program.

To accomplish the proposed goals, the assessment was initiated with an **analysis of secondary data** that included a literature review focused on changes in laws and regulations regarding cannabis during the past 30 years at the national, state and local level, and reviewed proposals and evaluations of existing equity programs implemented in California after Prop 64 was approved in 2016. The secondary data analysis also involved an analysis of all Monterey County jail bookings with cannabis-related charges from 1995 to July 2020. The analysis focused on quantifying historical rates of arrests for cannabis law violations and identifying the impacts that cannabis-related policies had historically on communities and populations within Monterey County.

To complement the secondary data analysis the assessment collected **primary data** from groups currently involved in the cannabis industry and other community stakeholders. The information was collected through six focus group meetings with stakeholder groups and the distribution of two electronic surveys.

III. Assessment Findings

Impact of Cannabis Criminalization in Monterey County 1995-2016

The analysis of Monterey County's jail-bookings data revealed that, between January 1995 and December 2016, there were 9,385 arrests that involved 11,140 cannabis charges in the County. The majority (85%) of bookings involved only 1 cannabis-related charge, while 12% had 2 cannabis-related charges and 3% had more than 2 cannabis-related charges in a single booking.

An analysis of the distribution of cannabis charges over time revealed that arrests with cannabis-related charges peaked during the 2010-2012 period. While arrests with cannabis related charges dropped significantly after 2016 as a result of Prop 64, they were already on a declining trend.

The 9,385 jail bookings that contained a cannabis-related charge in Monterey County between 1995 and 2016 involved a total of 7,046 individuals. The analysis revealed that 79% experienced only 1 booking. For the majority of individuals (69%) the most severe cannabis-related charge was possession, while for 14% the most severe cannabis-related charge was possession with intent to sell, for 12% it was sale without a license and for 4% it was cultivation.

Comparisons between the proportion of jail bookings for each race/ethnicity group to the proportion of each group in the general population revealed that African American and Hispanic individuals had a larger share of arrests than White individuals or other racial groups of non-Hispanic origin when compared to their share of the County's population. The differences were more pronounced for Hispanic individuals during the 1995-2005 period (their share of arrests was 11 percentage points higher than their share of the population), and for African American individuals during the 2006-2016 period (their share of arrests was 7 percentage points higher than their share of the population). These differences were partly explained by African American and Hispanic individuals having a higher percentage of repeated arrests than other groups.

To explore the regional impacts of cannabis criminalization within the County, the arresting agency for each booking incident, identified in the jail dataset, was classified into six groups that reflect the main geographical areas of the County. The analysis revealed that the share of arrests in Salinas and the unincorporated areas of the county were slightly higher than the share of their population in the County.

Through interviews and surveys, the assessment found that past cannabis criminalization negatively affected the level of trust in government and law enforcement agencies among current cannabis business operators. This level of mistrust was identified as one of the most severe impacts of the War on Drugs for its effect on the current and future development of the cannabis industry in the County.

Finally, survey respondents as well as focus group participants agreed that individuals who experienced arrests and convictions for cannabis-related charges were severely impacted by the stigma and the loss of property, financial and employment opportunities resulting from a criminal record and/or interactions with the criminal justice system.

Barriers to Enter the Legal Cannabis Industry in Monterey County that Could be Addressed by an Equity Program.

The second goal of the assessment was to identify the barriers local entrepreneurs face when entering the legal cannabis industry in Monterey County. All participants of the stakeholder group meetings were asked to discuss their experience entering the County's legal cannabis market. Their responses were collected and used to develop questions for the business survey to document the level of agreement from respondents regarding identified barriers.

Several focus group participants expressed concerns about the continued cultivation and sales of illegal cannabis in Monterey County. They shared their perspective that the identified barriers of entry deter cannabis entrepreneurs from moving into the legal industry and largely contribute to the persistence of the illegal cannabis market.

Respondents to the business survey expressed that a combination of financial and regulatory requirements have increased costs so much that only the largest cannabis businesses can afford to start and maintain legal operations, while the many small heritage cannabis operations cannot get a foothold in the County's legal market.

Any future equity program will need to address the barriers of entry, including how the biggest barriers create insurmountable obstacles that might keep entrepreneurs from even accessing the benefits of an equity program. For example, loans or permit subsidies for outdoor growers would not be effective if the combination of zoning restrictions that are currently in place do not allow outdoor operations for the majority of interested participants. Similarly, technical assistance in navigating the permitting process will not be effective if equity participants cannot afford to pay for a property while waiting for a license.

While the data analysis uncovered many regulatory and financial barriers affecting the local industry, a technical analysis of key barriers, their specific impacts, and the potential unintended consequences of

proposed policy changes to address these barriers, is beyond the scope of this assessment. Addressing barriers of entry in a way that benefits possible participants of a future equity program will require a planning process that involves stakeholders, policy makers, and the Monterey County Cannabis Program in a technical discussion of the coherence, costs, and benefits of the County's current cannabis regulatory structure.

Identification of Eligibility Characteristics for Potential Applicants and Programmatic Supports that Could be Considered in the Design of a Future Equity Program.

Focus group participants and respondents to the business and community survey were asked to share their opinions regarding the characteristics of applicants that could be considered to determine beneficiaries and the possible courses of actions for an equity program in Monterey County.

Participants in the equity assessment shared that certain geographic areas and individuals that disproportionately experienced the impact of cannabis criminalization should take priority in an equity program. Many also expressed that individuals who participated in the industry before legalization, including those with cannabis-related convictions, should be given priority in an equity program. Finally, they expressed that small businesses, as well as those owned by low-income individuals and/or underserved populations, should be given priority over other types of cannabis-related businesses.

The types of actions that were suggested for an equity program by the survey respondents closely aligned with the barriers of entry to the legal cannabis market they identified. In general, respondents suggested that an equity program should help beneficiaries overcome county regulatory barriers, as well as provide financial assistance for the costs of permits and taxes. Other ideas for a future equity program included support for business development including assistance with navigating state and local requirements for commercial cannabis operators, securing business locations, financial planning and employee training.

Some of the ideas shared by participants of the equity assessment could be funded by an equity program grant. To date, several jurisdictions have already experimented with some of these ideas in their equity programs.

IV. Analysis of Other Equity Programs in California

As of July 2020, a total of ten jurisdictions in California had already established an equity program and received Type II funding, intended to "assist applicants and licensees to gain entry into, and to successfully operate in, the state's regulated cannabis marketplace."

Three types of assistance are available via Type II funding.

- A. Grants, no-interest or low-interest loans may comprise no less than 80% of funding available to equity applicants or equity licensees to assist with startup and ongoing costs including fee waivers for cannabis-related permits, licenses, inspections, or other regulatory fees; assistance to secure capital investments or direct access to capital; and/or assistance with equipment or capital investments required to achieve compliance.
- B. Technical assistance can support equity applicants in obtaining the necessary knowledge and skills to successfully operate in the regulated cannabis marketplace and may include professional and mentorship services, consulting services or training courses; this type of assistance is limited to no more than 10% of grant funding.
- C. Funding is also available to assist with administrative costs of the equity program, including employing staff or consultants, and is limited to a maximum of 10% of the total grant award.

Under the guidelines described above, the ten jurisdictions that received Type II funding developed equity programs which established specific requirements regarding eligibility for equity funds and detailed actions to support eligible beneficiaries. An analysis of these equity programs revealed common themes across jurisdictions, as well as unique characteristics tailored to local needs. These findings are summarized below.

Eligibility Criteria for Individual Applicants

A review of the eligibility criteria established by local jurisdictions for individual equity applicants included nine main categories. As equity funding aims to serve those most impacted by cannabis criminalization, the most common eligibility criteria observed was a history of cannabis-related charges or arrests, typically on the part of the applicant, but also for a family member. The location and length of residency in a local area was also listed as a criterion in most jurisdictions; some limited eligibility to neighborhoods that were targeted during cannabis criminalization, while others limited eligibility to those who resided in low-income neighborhoods, typically for a specified number of years. Other jurisdictions simply identified current or former residency as a criterion, in an effort to support local applicants and reduce competition from external sources. Similarly, two jurisdictions identified attendance at local schools for a specified number of years as a potential criterion in order to prioritize equity candidates with deep roots in the community. Low-income status was also observed almost uniformly across jurisdictions as an important criterion using current household income (>80% of the Area Median Income), former residency in a low-income household, or a net worth of <\$250,000 as qualifying characteristics. Other less common criteria included homelessness or housing insecurity, unemployment, experience as a victim of violence or exploitation, and diversity. Individuals who are able to qualify as “equity applicants” are eligible for benefits which vary by jurisdiction, such as waivers for permitting, licensing or other regulatory fees, priority application screening and approval, and access to capital, among others.

Eligibility Criteria for Business Applicants

In addition to individual applicants, business entities can also be eligible for equity program benefits in some jurisdictions upon meeting certain qualifications; similar to individual equity applicants, designation as an “equity business” can include benefits such as priority application screening and processing, as well as waivers for permitting, licensing and other regulatory fees, which increase the ability to successfully compete in the cannabis market.

A review of the eligibility criteria for business equity applicants included four categories: ownership requirements, incubator status, the location of the business and the size of the business. In an effort to help equity applicants maintain a majority stake in their cannabis business, jurisdictions commonly required that a minimum of 51% ownership must be maintained by equity applicants (those meeting local equity criteria for individuals). Businesses may also apply as equity licensees in some jurisdictions if they agreed to act as an “incubator” for equity applicants; this may involve sharing equipment, workspace or expertise, offering in-kind services or mentorship, or hiring a minimum percentage of equity applicants as employees. The location of the business could also qualify licensees for equity program benefits in some jurisdictions in an effort to incentivize economic development in certain areas (i.e. low-income neighborhoods). Lastly, some jurisdictions allow cannabis cultivation businesses with <10,000 sq. ft. to apply as equity licensees to help support small businesses.

Use of Equity Program Funds to Support Eligible Applicants

A review of existing equity programs among the ten jurisdictions that received Type II funding, showed that most jurisdictions provided financial, technical and administrative assistance to eligible applicants as summarized below.

The analysis revealed six common themes with regard to the financial assistance offered to equity applicants. The most common type of assistance was fee waivers to cover the cost of local and state

application, licensing, and regulatory fees, compliance and inspection fees, and cannabis testing laboratory fees. Funding was also available to support cost-sharing or expertise-sharing partnerships among cannabis businesses, allowing equity applicants to gain access to high-cost equipment, space, and expertise of more established businesses (incubators), who in turn received access to equity program benefits. Assistance with rent or lease payments on a property was common across jurisdictions, most of which require potential cannabis businesses to secure and make payments on a property while awaiting a permit. Other common types of financial support included assistance with capital improvements, especially those which were required to come into or maintain compliance, such as irrigation systems, power systems, and remediation of cannabis facilities, as well as assistance with purchasing equipment and other necessary items including security systems, fixtures and furniture.

Technical assistance available to equity applicants was organized into three categories. Most jurisdictions provided support for business consulting services including legal assistance and counseling, business plan development, business mentoring, and assistance securing capital, among many others. Educational workshops were available to guide applicants through the permitting process, and some jurisdictions provided funding for workforce development programs and training to support equity applicants seeking employment in the cannabis industry.

Funding for administrative assistance was mainly directed toward the expedition of application review and processing in order to reduce competition and give equity applicants a “head start” in the legal market; one jurisdiction also utilized funding to expedite application renewal.

V. Conclusions and Considerations

The purpose of the 2018 California Cannabis Equity Act and similar legislation across the U.S. is to address what is now perceived to be decades of injustice that occurred as a result of the War on Drugs and punitive measures that impacted not only individuals, but their families and entire communities. With the right regulations in place, states and their more localized jurisdictions have the capacity to address these harms and provide assistance with overcoming the barriers that resulted from cannabis criminalization. Upon reviewing the impacts of cannabis criminalization in Monterey County, it is recommended that the following eligibility and programmatic characteristics be considered in the design of a future equity program in the local area.

Eligibility Considerations for Individual Equity Applicants

History of Cannabis-Related Arrests and/or Convictions: A criminal record can affect an individual’s life trajectory, with severe negative impacts for people convicted of nonviolent drug offenses. In Monterey County, 98% of cannabis-related charges between 1995-2016 were for actions that are now legal under California law, and one of the most consistent findings across stakeholder discussions and survey responses was the importance of considering past arrests or charges related to cannabis as a criterion for equity program eligibility.

Residency, Community Investment and Length of Involvement: Imposing a residency requirement ensures that equity funding will serve candidates that are knowledgeable about and invested in the local community. Survey respondents agreed that an equity program should prioritize individuals and businesses with deep roots in the community.

Diversity: Research shows that racial bias has influenced arrest, conviction and incarceration rates for people of color in the U.S. during the War on Drugs; however, individuals benefitting from employment in the legal cannabis industry tend to be largely white and male. While this study’s surveys did not explicitly ask whether race, gender or LGBTQ status should be considered for equity program eligibility criteria (due to perceived constraints of Prop 209), participants consistently mentioned in their open-ended comments that these criteria should be considered.

Low-Income Status: A history of arrest or incarceration can have lifelong economic impacts on individuals as well as their families and communities, entrenching poverty and exacerbating the racial wealth gap. Five jurisdictions in California have sought to address these concerns by identifying low-income status as a qualifying equity program eligibility criterion. This assessment found that Monterey County survey respondents also deemed low-income status to be an important consideration for a future equity program.

Housing Status: One in four Americans has some type of criminal record, a factor which has led to the housing discrimination, homelessness, eviction, foreclosure or revocation of housing subsidy for many in the U.S., predominantly people of color. Several jurisdictions analyzed for this assessment identify current or former housing status as potential criteria for equity program eligibility; this could also be considered in Monterey County, where high housing costs and low inventory have likely made it even more difficult for those with a record to obtain housing.

Eligibility Considerations for Equity Business Applicants

Size of Business: The challenges faced by small cannabis businesses, including operating with limited capital and navigating regulatory complexities, were consistently mentioned as barriers to success. Targeting financial, technical and administrative assistance to small equity businesses could help to address some of these challenges.

Ownership Requirement: As some jurisdictions are now learning, regulations around financial assistance must be carefully crafted to minimize the potential for exploitation. In an effort to ensure that control of a business remains with those the equity program intended to serve, some jurisdictions require that equity applicants maintain a minimum 51% stake in order to be eligible for program benefits. If an ownership requirement is adopted, it may be helpful to learn from other jurisdictions about how best to structure policy in order to protect equity applicants from predatory practices.

Workforce Requirement: Some jurisdictions chose to focus eligibility criteria on who is hired by a business rather than who owns the business. In Sacramento, businesses may participate in the equity program if at least 30% of the workforce is comprised of equity applicants, while San Francisco requires a minimum of 50% of the business' workforce be comprised of equity applicants. This encourages local cannabis businesses of all sizes to hire equity applicants in return for equity program benefits such as expedited permitting or fee waivers.

Equity Incubator Requirement: Equity incubators are established cannabis businesses, or sometimes cannabis business consultants, who are charged with providing mentorship, resources and/or services to equity applicants in an effort to increase the applicants' cannabis business knowledge and skills so that they may develop the business acumen necessary to thrive in a competitive market. In return, equity incubators are able to gain access to equity program benefits in participating jurisdictions, such as fee waivers for or expedited processing of permits. While there can be significant benefits to these types of programs, policies must be meticulously crafted in order to avoid the potential for abuse. If an incubator requirement is adopted, the County could learn from other jurisdictions about how best to structure policy in order to protect equity applicants from predatory practices.

Geographic Location: For Monterey County stakeholders, the location of a cannabis equity business appears to be an important consideration for equity program eligibility. A majority (63%) of community members and 56% of industry-related participants surveyed stated that it was "extremely or very important" to consider the geographic location of a business when deciding who should be eligible for assistance under an equity program in Monterey County. Open-ended comments from the business survey mentioned that attention was needed to specific locations in the County including the Big Sur Coast and Santa Lucia mountains.

Programmatic Considerations

Considerations for Administrative Assistance

Expedited application review and processing: Survey participants identified “paying rent on a property while waiting for permits” as the most severe barrier they faced. Permit applicants often have to secure and pay rent or a mortgage on a property well in advance of being able to earn a profit, which results in a significant loss of income as the permitting process can take up to a year or more.

Address regulatory barriers as identified by stakeholders: The assessment shows that one of the most important ways to support cannabis business ownership and employment opportunities in Monterey County is to address regulatory barriers at the County level; concerns ranging from zoning and water regulations, authorization of light deprivation techniques, and criminal background requirements, among others, came up repeatedly in the survey comments and during discussions with stakeholder groups. Identifying and addressing the sources of these local regulatory barriers will require in-depth conversations with industry stakeholders, technical experts from various County departments and the District Attorney’s Office.

Considerations for Financial Assistance

Assistance with rent, lease or purchase of property: As mentioned above, equity applicants are at risk of significant financial loss as they continue to make monthly payments on a property while awaiting permit approval.

Assistance with upgrades or compliance-related property changes: Upgrades or compliance-related property changes can require a significant amount of capital; survey respondents identified this as a significant barrier to participation in the cannabis industry.

Assistance with costs related to state cannabis licenses and Monterey County permits: State licensing and local permitting costs can be a significant up-front investment as well as an ongoing cost for cannabis business owners, a barrier which is especially problematic for small businesses. Tiered fees or fee waivers for local permits were identified by respondents as very important in supporting cannabis business ownership and employment opportunities in the County.

Assistance with local taxes: While Monterey County has taken steps to reduce the tax burden on cannabis businesses in recent years, taxes are still a chief concern for those in the industry, who identified tiered or reduced fees or fee waivers for local taxes as “extremely or very important” in supporting cannabis business ownership and employment opportunities.

Partnerships and cost- and resource-sharing options: Community partnerships and cannabis incubator programs can provide important financial benefits to equity applicants; shared workspace or equipment can significantly reduce up-front and ongoing costs for equity applicants, while co-ops can allow small growers to borrow as a unit, and to share the costs of heavy equipment, leasing space, insurance, legal support, compliance counseling and inspections, and marketing costs.

Considerations for Technical Assistance

Business consultation partnerships and mentorships: These types of relationships can be extremely beneficial for those who are employed or hope to be employed at all levels of the cannabis industry including potential employees, aspiring managers and budding entrepreneurs. Technical assistance can include legal assistance, business plan development, guidance on obtaining capital, conducting a market assessment, or negotiating a lease, or learning fiscal management, among others.

Technical support from County staff: Assistance with County procedures, especially when navigating the application process, as well as compliance inspections and requirements, were identified as important considerations for a future equity program.

Employment training services: Workforce development and training can help to increase equity applicants' knowledge and skills in order to improve their chances of leading a successful career in the industry, whether as an entrepreneur, a mid-to-high level manager, or an entry-level employee.

Other Considerations

A strong equity program will require close collaboration between industry stakeholders, County officials, law enforcement and the District Attorney's Office. However, the long period of cannabis criminalization created strong feelings of distrust of government, police and the criminal justice system that persist to this day. To address this barrier, the County should consider engaging stakeholders in the planning process for an equity program. In addition, the County could also consider specific actions to actively encourage communities that were disproportionately affected by past cannabis criminalization to participate in the industry as part of the equity program.

While it is encouraging that so many states and jurisdictions are embedding equity into the legalization of cannabis in order to address harms that arose from past policies, it is important to remember that legalization is still in its infancy in California. Jurisdictions are in the process of developing policies that best serve the needs of their constituents, but there is a steep learning curve simply due to the novelty of this industry and the reality that "not one municipality has social equity completely figured out yet." For this reason, the County should continue to stay apprised of other jurisdictions' attempts to develop and operate social equity programs, and seek feedback from local communities moving forward.

I. Introduction

Monterey County is located on the central coast of California and home to about 434,000 residents. There are 12 incorporated cities within the County and a large unincorporated area. The biggest population center is Salinas City at 36% (150,000), with the next largest population group in the cities in the Peninsula region at 27% (or about 100,000), and 19% residing in cities in South County and 19% in the unincorporated area.ⁱ

Monterey County is the fourth largest agricultural county in California.ⁱⁱ Farming and associated businesses form the largest industry sector in the County, providing more than a third (34%) of employmentⁱⁱⁱ and contributing \$4.4 billion in production value in 2019.^{iv} While cultivation and seizure of cannabis herb and related products has been shown to occur in all countries globally, few governments estimate the extent of cannabis cultivation and production.^v However, as cannabis cultivation and possession has been decriminalized in California and other U.S. states, reports on the value of this industry are emerging. For example, according to the Monterey County Agriculture Commissioner, in a supplemental report, in addition to the top four traditional crops in 2019 (leaf lettuce, strawberries, head lettuce and broccoli), for the first time, an assessment of cannabis production was found to have an annual value of nearly \$450 million; the fifth largest crop in the county, generating an estimated \$16 million in local taxes in FY2019-20.

Cannabis cultivation and production has a long history in Monterey County, beginning over 50 years ago at the peak of the War on Drugs era of cannabis prohibition and criminalization (in the 1970s-1980s), when the burdens of arrest, convictions, and long-term collateral consequences¹ had a devastating impact on populations across California and fell disproportionately on African American/Black and Latinx/Hispanic communities, even though people of all races used and sold cannabis at comparable rates. (ACLU, 2013) The effects associated with cannabis law violations, generational poverty and lack of access to resources, make it very difficult for those impacted to participate in the newly regulated cannabis market.^{vi vii}

More recently, Monterey County joined other jurisdictions in allowing limited cannabis use and cultivation after California became the first state to legalize the use of medical cannabis on November 5, 1996, through Proposition 215 (Compassionate Use Act). Twenty years later, on November 8, 2016, California voters approved Proposition 64, the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA) which provides local governments with the authority to regulate commercial cannabis and promotes the regulation of cannabis in a way that “reduces barriers to entry into the legal, regulated market.”^{viii} To implement Prop 64, Monterey County adopted numerous ordinances through 2017-2019 that extended the County’s medical cannabis regulatory authority to adult recreational use of cannabis. The Monterey County Code requires all commercial cannabis properties and operations within the unincorporated areas to have an Administrative Permit, Commercial Cannabis Business Permit, and a Business License.^{ix} The County has about 4.8 million square feet registered for cultivation and nursery of cannabis for fiscal year 2021-2022. About 67% of that area is approved for mixed light growth, 31% for nursery and 2% for indoor growth. Currently, 10 operators have manufacturing licenses, 44 have distribution licenses and 6 have retail licenses.^x

¹ [Collateral consequences](#) are legal and regulatory restrictions that limit or prohibit people convicted of crimes from accessing employment, business and occupational licensing, housing, voting, education, and other rights, benefits, and opportunities.

In an effort to address the effects of the War on Drugs, the California Cannabis Equity Act, amended by AB 97 (year?), authorized the California Bureau of Cannabis Control (BCC) to develop an interagency agreement with GO-Biz for fiscal year 2019-2021 to administer the Cannabis Equity Grants Program for Local Jurisdictions. This program assists local jurisdictions as they establish and begin operating equity programs to support equity applicants and licensees. The purpose of the Cannabis Equity Grants Program is to advance economic justice for communities impacted by cannabis prohibition and the War on Drugs by providing support to local jurisdictions as they promote equity in California and eliminate barriers to enter the newly regulated cannabis market. Using an equity approach,² individuals and groups receive different resources, opportunities, support, or treatment based on their specific needs, so they can have equitable or fair outcomes.^{xi}

Local jurisdictions can help further the purpose and intent of the AUMA by fostering equitable access to licensure and employment in the regulated cannabis industry, ensuring that persons most harmed by cannabis criminalization and poverty are offered assistance to enter the multibillion-dollar cannabis industry as entrepreneurs or as employees with high-quality, well-paying jobs, ensuring the cannabis industry is representative of the state's population.^{xiii} As of July 2020, a total of \$40 million in grant funding had been distributed across 15 jurisdictions throughout the state. The funding was distributed in two phases: Type I funding was made available to jurisdictions in the beginning stages of equity program planning, to complete an equity assessment or begin development of their equity program. Type II funding was made available to jurisdictions with an equity program in place, to begin operating their equity program and utilizing funds to assist equity applicants. Any jurisdiction wishing to apply for Type II funding must first complete the steps outlined under Type I funding, i.e., completing an equity assessment and developing a plan to implement an equity program.

Monterey County's Equity Assessment

Under contract with Monterey County and collaborating with community stakeholders, CSUMB researchers carried out the County's cannabis equity assessment. This work was funded by a Type I equity assessment grant. The results of this assessment will be used to inform the creation of a future county-wide cannabis equity program. This study included research into local historical rates of arrests for cannabis law violations, the identification of the impacts cannabis-related policies have had historically on local communities and populations within the County, and other information that demonstrates how individuals and communities have been disproportionately or negatively impacted by the War on Drugs. In addition, this study included community input regarding experiences with barriers to enter the local cannabis market and possible courses of action for an equity program collected through stakeholder meetings and two surveys.

The report is organized as follows, section II describes the assessment's goals and the methodology, section III presents the assessment results, and section IV provides conclusions and recommendations for the county's equity program. Additionally, an analysis of how other jurisdictions in California have used equity funds and organized equity programs can be found in Appendix A.

² *Equity* is the fair treatment, access, opportunity, and advancement for all people, while at the same time striving to identify and eliminate barriers that have prevented the full participation of some groups.

II. Equity Assessment Goals and Methodology

The equity assessment is organized around the following three goals that respond to the grantor requirements and serve as a guide the County can utilize in the development of an equity program:

1. Quantify the impact of cannabis criminalization in Monterey County from 1995-2016, including laws regulating cannabis use, commercialization, and cultivation including identifying disproportionate impacts on different demographic groups.
2. Identify the barriers to enter the legal cannabis industry in Monterey County that could be addressed by an equity program.
3. Identify eligibility characteristics for potential applicants and programmatic supports that could be considered in the design of a future equity program.

To accomplish the proposed goals, the assessment collected primary and secondary data from the following sources:

Secondary Data Analysis

The secondary data analysis included a literature review and a historical analysis of jail bookings that involved cannabis related charges in Monterey County.

Literature Review

The assessment included a literature review focused on changes in laws and regulations regarding cannabis during in the past 30 years at the national, state and local level, and reviewed proposals and evaluations of existing equity programs implemented in California after Prop 64 was approved in 2016. Please see the Reference section for a list of sources.

Historical Analysis of Jail Booking Data

The assessment analyzed a dataset of all Monterey County jail bookings (that only included cannabis-related charges) from 1995 to July 2020. The data set was provided by the Monterey County Sheriff's Office. The analysis focused on quantifying historical rates of arrests for cannabis law violations and identifying the impacts that cannabis-related policies had historically on communities and populations within Monterey County (see Appendix B for a detailed description of the dataset and the methods used to analyze the data). Representatives from the County Sheriff's Office and the District Attorney's Office provided contextual and historical information regarding the application of cannabis-related laws as well as limitations of the data.

Primary Data Analysis

To complement the secondary data analysis, the assessment collected information from groups currently involved in the cannabis industry and other community stakeholders through focus group meetings and distribution of electronic surveys.

Key Informants and Stakeholder Focus Groups

Meetings were conducted with the purpose of collecting information on the impacts of cannabis regulations on current cannabis business operators and the community in general, before and after legalization of recreational use in 2016. Table 1 provides a list of the groups that participated and the meeting dates.

Table 1. Informational meetings with stakeholder groups

Stakeholder group	Meeting date
Indoor Operators Key Informant interview	July 28, 2020
Indoor Operator Stakeholder group	October 27, 2020
Outdoor Industry Stakeholder group	November 3, 2020
Legal Counsel/Strategic Industry Leadership Focus Group	November 10, 2020
Public Health (MCHD) Group	December 18, 2020
Community at large group	February 10, 2021

The conversations included the impact of cannabis criminalization in Monterey County before legalization, as well as barriers of entry into the cannabis industry after legalization in 2016. The information collected in the focus groups was utilized to construct two questionnaires; the primary survey was emailed to individuals currently holding or interested in holding cannabis business licenses in Monterey County and a second survey was posted on the MCCP website for members of the general public.

Business Survey

To capture the unique perspective on the barriers businesses face, a survey was created that asked respondents about the type of license they hold or are applying for; characteristics of their operation, their experience with the barriers to entry into the local cannabis market; their opinions about the impacts of past cannabis criminalization in the county; their opinions on the types of actions that could be implemented as part of a future equity program; and the characteristics that should be considered in determining the beneficiaries of an equity program (see Appendix F).

The business survey was distributed electronically to 322 email addresses of individuals who expressed an interest in acquiring a cannabis business license with Monterey County since 2017. The survey link was sent on March 1, 2021 with weekly reminders sent to participants until the survey link was closed on April 1, 2021. During this time a total of 230 email recipients opened the survey link and 62 completed the questionnaire.

Community Survey

Similar to the business survey, the community survey provided the general public, with an interest in a future equity program, with the opportunity to share their opinions about the impact of past cannabis criminalization in the County and the characteristics that should be considered to determine the beneficiaries of an equity program, but not about perceived barriers of entry into the local cannabis business (Appendix G).

The community survey link was posted on the Monterey County Cannabis Program website from March 1, 2021 until April 1, 2021, during which time, a total of 141 individuals opened the community survey link and 41 completed the survey questionnaire.

III. Assessment Findings

Goal 1. Quantify the Impact of Cannabis Criminalization in Monterey County 1995-2016

Historical analysis of jail bookings with cannabis-related charges before 2016

Our analysis of jail-bookings data revealed that there were 9,385 arrests that involved 11,140 cannabis charges in Monterey County between January 1995 and December 2016. Table 2

presents the distribution of cannabis related charges observed during the study period. The shaded region denotes charges that changed significantly as a result of cannabis de-criminalization measures approved as part of Prop 64.

Table 2. Distribution of cannabis-related charges in Monterey County jail bookings 1995-2016

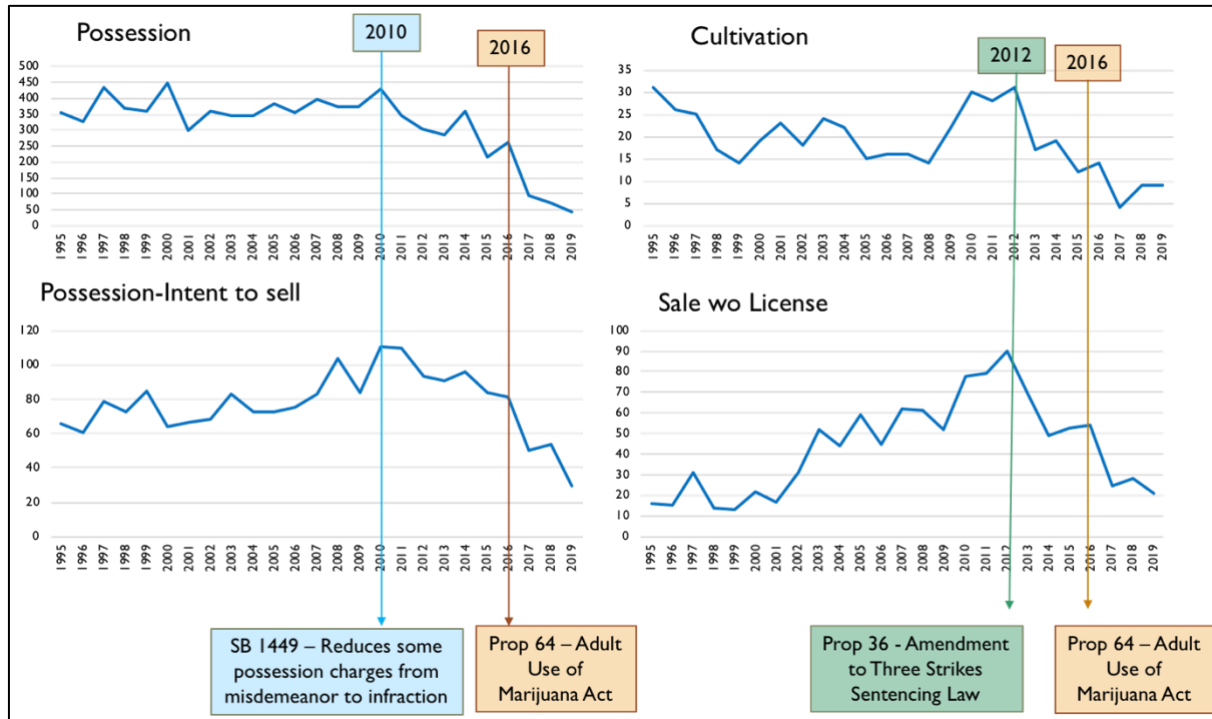
Charge type	Charge codes	n	%
Possession	11357 (A/B/C/D/E)	7,738	69.46
Possession-Intent to Sell	11359 (A/B/C)	1,804	16.19
Sale wo License	11360 (A/B/C)	1,006	9.03
Cultivation	11358 (A/B/C/D)	453	4.07
DUI	23220; 23221 (A/B)	84	0.75
Sell to minor	11361 (A/B)	54	0.48
Use in public	11362	1	0.01
Total		11,140	100

Most individuals charged with a cannabis-related offense only had one charge per booking. Our analysis of arrests revealed that the majority (85%) of these bookings involved only 1 cannabis-related charge, while 12% had 2 cannabis-related charges and 3% had more than 2 cannabis-related charges in a single booking.

An analysis of the distribution of cannabis charges over time revealed that arrests with cannabis-related charges peaked during the 2010-2012 period and then dropped in 2016 as a result of de-criminalization legislation that preceded Prop 64. Figure 1 shows that the number of charges for possession and possession with intent to sell declined after 2010, presumably because many possession charges dropped in severity as a result of California SB 1449.^{xiii} Similarly, cultivation and sale without a license charges declined after 2012. Some researchers attribute this decline to changes in policing resulting from the passage of California’s Proposition 36.³ The decline in arrests with these charges dropped further with Prop 64. As Figure 1 shows, possession charges dropped from 428 in 2010 to less than 44 by 2019. Collectively the charges presented in Figure 1 show a decrease of 84% from 2010 to 2019.

³ Three Strikes Law. Repeat Felony Offenders. Penalties. Initiative Statute. Voter Information Guide for 2012, General Election

Figure 1. Distribution of Selected Cannabis related charges in Monterey County 1995-2019



Analysis of bookings by race and location

The 9,385 jail bookings that contained a cannabis-related charge in Monterey County between 1995 and 2016 involved a total of 7,046 individuals. Our analysis revealed that 79% experienced only 1 booking, while 15% experienced 2 bookings and 6% experienced 3 or more bookings that involved a cannabis-related charge. Table 3 shows that for the majority of individuals (69%) who were arrested at least once during the 1995-2016 period, their most severe cannabis-related charge was possession, while for 14% the most severe cannabis-related charge was possession with intent to sell, for 12% it was sale without a license and for 4% it was cultivation.

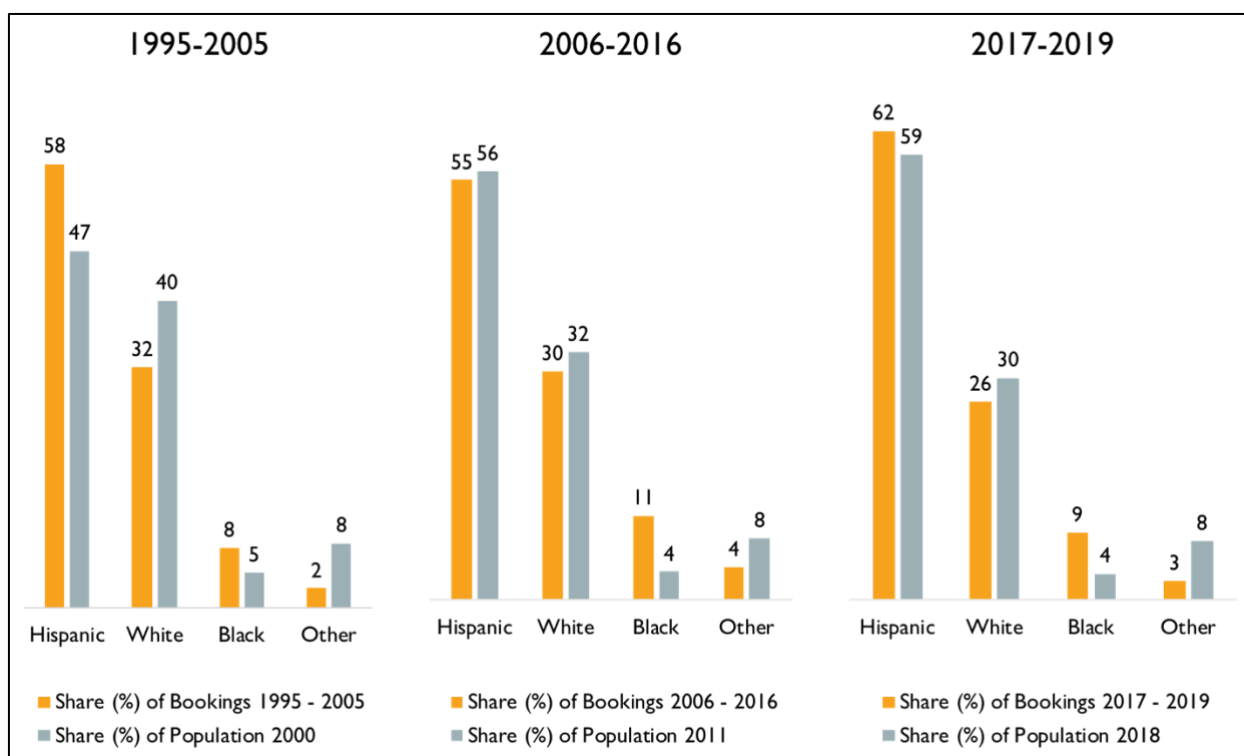
Table 3. Distribution of charges by individuals (1995-2016)

Charge Description*	Total Individuals	%	Cumulative %
Possession	4,850	68.8	68.8
Possession-Intent to Sell	987	14.0	82.8
Sale wo License	841	11.9	94.8
Cultivation	252	3.6	98.4
DUI	69	1.0	99.3
Sell to minor	47	0.7	100.0
Total	7,046	100	

*For individuals with multiple charges or bookings the most severe charge is counted (see Appendix B for the methodology used to determine severity).

The Monterey County jail collects self-reported information on individual’s race/ethnicity at the time of a booking. In order to assess disproportionality of arrests by race and ethnicity, we compared the proportion of jail bookings in each race/ethnicity group to the proportion of that group in the general population. To account for the significant demographic shifts Monterey County experienced during the 1995-2019 period, we completed these comparisons for three time periods: 1995-2005, 2006-2016, and 2017-2019. All jail bookings during each of these periods was counted and compared by race/ethnicity to the share of the population totals for each group in the reference years: 2000, 2011 and 2018 (for detailed methodology see Appendix B). For example, Figure 2 shows that in the first period (1995-2005), 58% of individuals who were booked at least once identified themselves as Hispanic, 32% as non-Hispanic White, 8% as Black/African American, and 2% as other race.

Figure 2. Share of bookings with cannabis-related charges by race/ethnicity



During the 1995-2005 period, the share of jail bookings for Hispanic and African American individuals exceeded their share of the total county population by 11 and 3 percentage points, respectively. During the 2006-2016 period the share of jail bookings for African Americans exceeded their share in the total population by 7 percentage points. Finally, after decriminalization (2017-2019), even though the number of jail bookings decreased substantially compared to the 1995-2016 period, the share of jail bookings for Hispanic and African American individuals exceeded their share of the total population by 3 and 5 percentage points, respectively.

A comparison of the number of bookings by race/ethnicity revealed some differences in the number of repeated arrests across groups. As Table 4 presents, while about 60% of individuals who identified as “White non-Hispanic” or “Other” only had 1 arrest between 1995 and 2016,

53% of African Americans and 57% of Hispanic Americans only had 1 arrest during the same period. Further, while 26% of African Americans had 3 or more arrests, fewer than 20% of individuals from all other groups had 3 arrests or more during the same period.

Table 4. Number of bookings per individual by race/ethnicity (1995-2016)

Number of bookings per individual	Hispanic %	Black %	White %	Other %	ALL %
1	56.9	52.6	60.1	61.4	59.0
2	21.9	21.0	20.9	21.5	22.0
3 or more	17.0	26.4	19.1	17.1	18.9
Number of individuals in each group	5,538	880	2,880	316	9,384

To explore the regional impacts of cannabis criminalization within the County, the arresting agency for each booking incident, identified in the jail dataset, was classified into six groups that reflect the main geographical areas of the County. As Table 5 presents, during 1995-2016, 19% of all bookings were made by police departments in the Peninsula region, 37% were made by the Salinas Police Department, 9% were made by police departments in South County, 23% were made by the Sheriff, and about 6 % by the California Highway Patrol or other county-wide agencies (e.g. Probation, Parole, etc.). The distribution of bookings by charge shows that some charges were more common for some arresting agencies than others. For example, 41% of all bookings that had cultivation as the most severe cannabis-related charge were made by the Sheriff and 42% of the bookings where possession was the most severe cannabis-related charge were made by the Salinas Police Department. For reference, U.S. Census estimates indicate that the cities in the Peninsula region accounted for 27% of the county population, Salinas accounted for 36% of the county population, cities in South County accounted for 19% of the county population, and the unincorporated areas accounted for 19% of the population.⁴

Table 5. Jail bookings by arresting agency and charge (1995-2016)

Region	Sell to minor %	Sell without license %	Possession w/ intent to sell %	Cultivation %	Possession %	DUI %	All charges %	Regional Population %
Peninsula PDs*	35.2	22.8	21.6	11.7	18.4	2.5	19.0	27
Salinas PD	16.7	20.1	30.3	24.8	41.9	32.9	37.3	36
South County PDs**	14.8	9.0	10.8	11.7	8.1	13.9	8.8	19
Sheriff	24.1	27.3	27.2	41.4	21.4	27.8	23.5	19
CHP	5.6	12.4	1.9	3.3	5.7	22.8	5.9	***
Other (county-wide)	3.7	8.5	8.3	7.2	4.6	0	5.5	
Number of jail bookings	54	971	1,272	307	6,701	79	9,384	100

Notes:

† For bookings with multiple charges, the most severe charge is counted (see Appendix B for methodology)

* Includes Monterey, Marina, Seaside, CSUMB, Carmel, Pacific Grove, Del Rey Oaks, Sand City, and Presidio police departments.

** Includes Soledad, Gonzales, Greenfield and King City police departments.

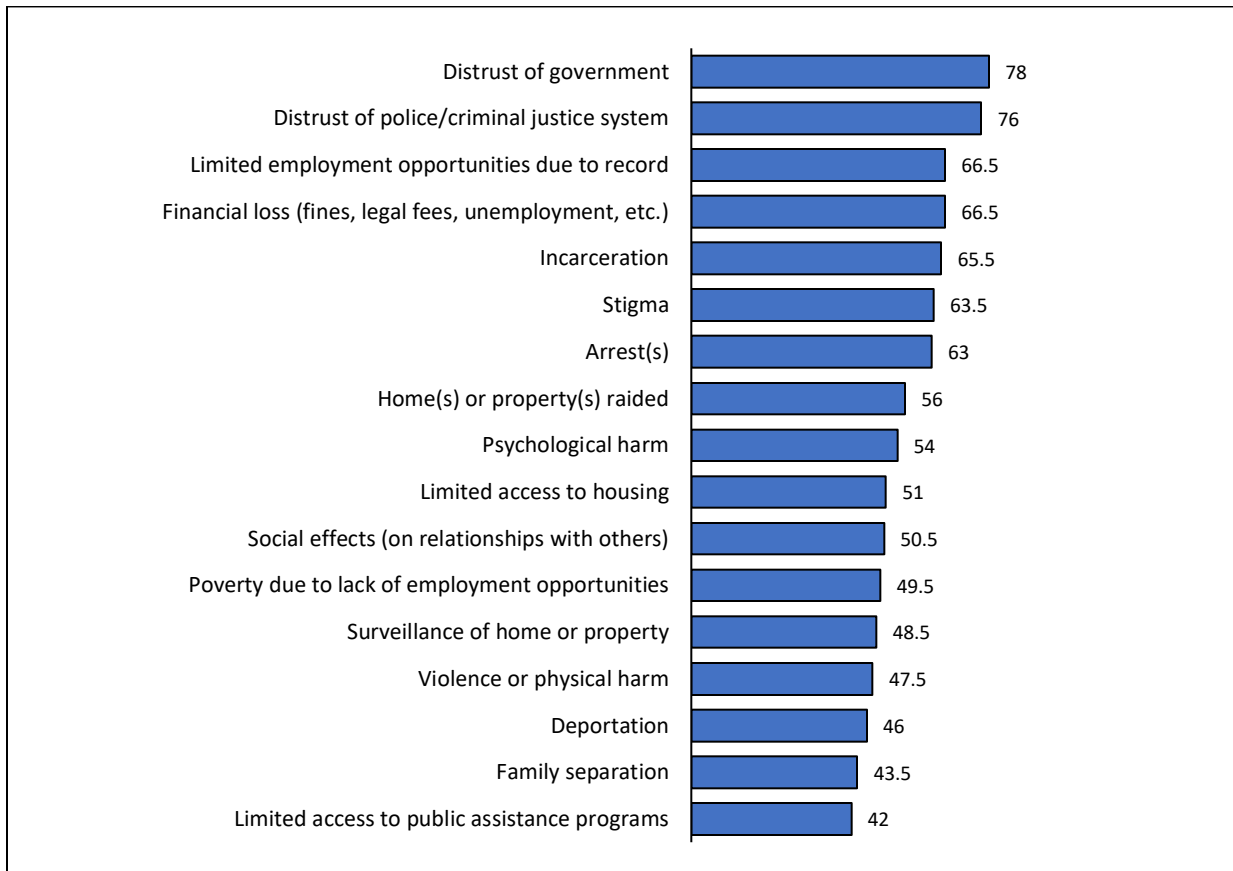
*** Unincorporated

⁴ Based on US Census Bureau 2019 ACS 5-year estimates.

Perceptions Regarding the Impact of Cannabis Criminalization on the Community:

To gain a deeper understanding of the impacts of past cannabis-related arrests, the business and community surveys asked respondents about their perceptions of the impacts of cannabis criminalization laws in the County. Figure 3 presents a list of impacts that were rated as “severe” or “very severe” by business and community survey respondents combined.

Figure 3. Impacts of Cannabis Criminalization on Monterey County
(Percent of respondents rating each of the following impacts as “severe” or “very severe” n=78)



This analysis revealed that more than 75% of respondents think cannabis criminalization had a “severe or very severe” impact on the respondent’s distrust in government and the criminal justice system. Further, about 67% of respondents think that cannabis criminalization had a severe or very severe impact on employment opportunities and financial losses of those with cannabis-related charges. A smaller majority (between 50% and 66%) of respondents indicated that cannabis criminalization had a severe or very severe impact on incarceration, stigma, arrests, property raids, psychological harm, limited access to housing, and social relationships with others. While other impacts identified by less than 50% of respondents included poverty due to lack of employment opportunities, violence/physical harm, deportation, family separation and limited access to public assistance programs due to past cannabis-related criminal records.

Conclusions about the impact of cannabis criminalization in Monterey County

Through interviews and surveys, our assessment found that past cannabis criminalization severely affected trust levels in government and law enforcement agencies among current cannabis business operators. This level of mistrust was identified as one of the most severe impacts of the War on Drugs for its effect on the current and future development of the cannabis industry in the County. Further, survey respondents as well as focus group participants agreed that individuals who experienced arrests and convictions for cannabis-related charges were severely impacted by the stigma and the loss of property, financial and employment opportunities resulting from criminal records. Box 1 provides direct quotes from the surveys, illustrating some specific examples of these impacts.

Our analysis of jail data revealed that about 99% of the cannabis-related charges present in bookings between 1995 and 2016 significantly changed in severity and enforcement after Prop 64 passed in 2016.

Of the 7,050 individuals who experienced at least 1 arrest for a cannabis-related charge; individuals who identified as either Hispanic or African American experienced a disproportionate rate of arrests (relative to their share of the population) between 1995 and 2005, but only African American individuals continued to experience a disproportionate share of arrests between 2006 and 2016.

Our regional analysis suggests that while all arresting agencies had at least 1 booking for a cannabis-related charge, the regions that experienced a disproportionate share of arrests (relative to the population in 2018) were the unincorporated areas of the County and, to a lesser extent, the City of Salinas.

Limitations of the analyses

Even though the analysis of jail-bookings data shed light on the historical trends of arrests that involved cannabis-related charges, there are limitations related to the data. First, the County jail database system that tracks bookings has changed over time, with improvements in the quality of the data from recent years compared with data collected more than 10 years ago. Issues with the collection of personal identification information may have resulted in overcounting of unique individuals, as the same person may have provided different identifying information (i.e., used different names) during different jail booking instances. This would have

BOX 1. Survey respondent comments regarding the impact of past cannabis criminalization.

“We had our home in Big Sur raided in the 1980’s, and then were tormented by helicopters for the next 20 years even though we were no longer cultivating.””

“Stigma carries a great deal of weight. The distrust of govt results in avoidance of participation in social safety net.””

“My family, my immediate family, friends and neighbors and community have been prosecuted, lives destroyed, privacy and rights decimated, our property and our money taken. We want an apology and an end to the drug war.””

not affected the analyses of charges or bookings because bookings were identified by a unique number. Second, we did not receive data on non-cannabis related charges that may have been part of a jail booking, thus we were unable to provide additional information on the context of the arrests. Third, it is important to note that charges in arrests, for many reasons, do not always result in convictions. The charges we observed were part of the bookings presented by the arresting officers and do not include any analysis of resulting convictions or even prosecution by the District Attorney's Office.

Goal 2. Identify the barriers to enter the legal cannabis industry in Monterey County that could be addressed by an equity program.

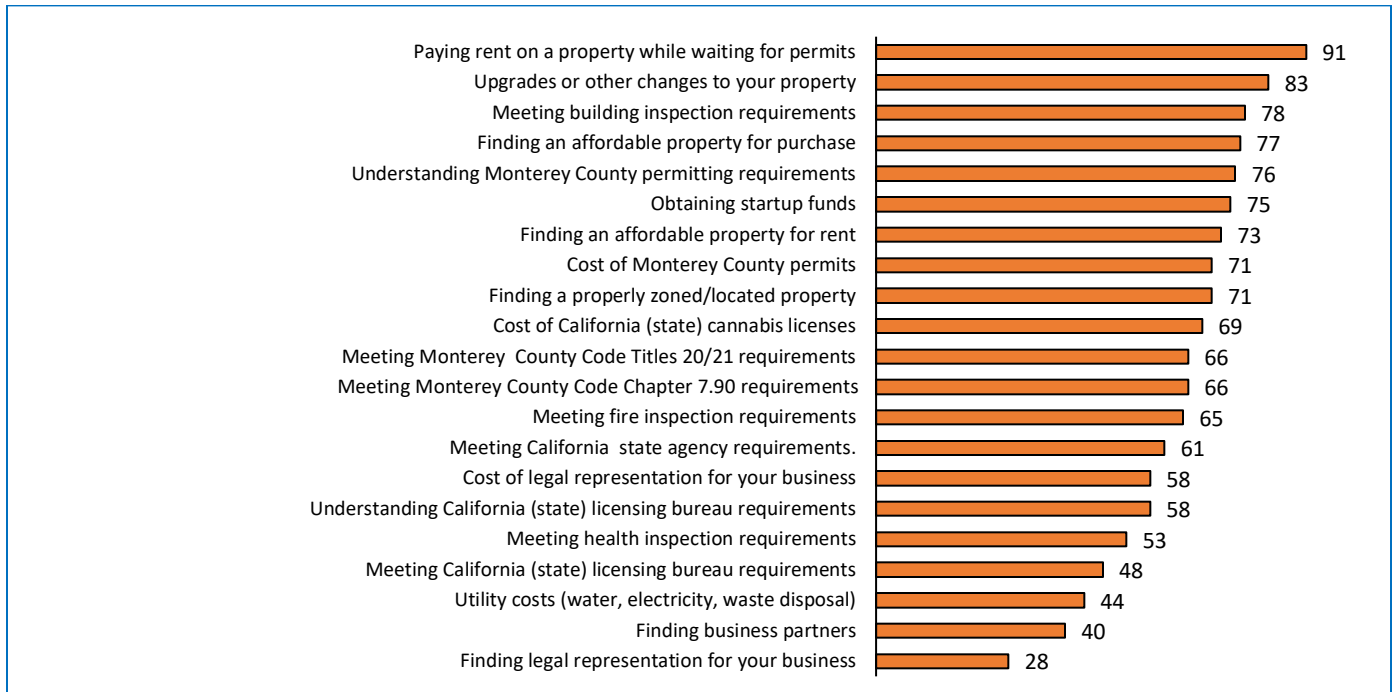
The second goal of the assessment was to identify the barriers local entrepreneurs face when entering the legal cannabis industry in Monterey County. All participants of the stakeholder group meetings were asked to discuss their experience entering the County's legal cannabis market. Their responses were collected and used to develop questions for the business survey to document the level of agreement from respondents regarding identified barriers.

Figure 4 presents a list of the barriers identified in the stakeholder group meetings with the percentage of business survey respondents who "agreed" or "strongly agreed" that each of the categories represented a barrier to enter the cannabis industry.

The most significant barriers identified by respondents are related to the costs associated with renting, purchasing, or making changes to a property that meet County permitting requirements. More than 75% of respondents agree or strongly agree that obtaining start-up funds to pay for licenses and the costs of securing a property and adapting it to meet required regulations before they can obtain an operation permit represents a barrier of entry into the business. Further, 60% - 75% of respondents agreed or strongly agreed that understanding and meeting the permitting requirements at the state and county levels represent barriers of entry.

It is important to note that while most respondents identified "regulations" as a main barrier, businesses of different sizes and license types identified different specific regulations as the main barriers. Indoor growers, for example, repeatedly mentioned building regulations/inspections as an important barrier, while outdoor growers were more focused on the combination of zoning, setback, and water use regulations that impede use of their properties for cannabis cultivation.

Figure 4. Barriers to enter the legal cannabis industry in MC
Percent of respondents agreeing or strongly agreeing that the following represent a barrier (n=39)



Conclusions about identified barriers of entry to the legal cannabis industry in Monterey County

Several focus group participants expressed concerns about the continued cultivation and sales of illegal cannabis in Monterey County. They shared their perspective that the identified barriers of entry deter cannabis entrepreneurs from moving into the legal industry and largely contribute to the persistence of the illegal cannabis market. In addition, respondents to the business survey expressed that a combination of financial and regulatory requirements have increased costs so much that only the largest cannabis businesses can afford to start and maintain legal operations, while the many small heritage cannabis operations cannot get a foothold in the County’s legal market. Box 2 provides direct quotes from the surveys illustrating some specific examples of the unique challenges for smaller “heritage” farmers.

Any future equity program will need to address the barriers of entry, including how the biggest barriers create insurmountable obstacles that might keep entrepreneurs from even accessing the benefits of an equity program. For example, loans or permit subsidies for outdoor growers would not be effective if the combination of zoning restrictions that are currently in place do not allow outdoor operations to take place for the majority of interested participants. Similarly, technical assistance in navigating the permitting process will not be effective if equity participants cannot afford to pay for a property while waiting for a license.

While our data analysis uncovered many regulatory and financial barriers affecting the local industry, a technical analysis of key barriers, their specific impacts, and the potential unintended consequences of proposed policy changes to address these barriers, is beyond the scope of this assessment. Addressing barriers of entry in a way that benefits possible participants of a future equity program will require a planning process that involves stakeholders, policy makers, and the Monterey County Cannabis Program in a technical discussion of the coherence, costs, and benefits of the County’s current cannabis regulatory structure.

BOX 2. Survey respondent comments regarding barriers to enter the legal cannabis industry

“Meeting the requirements of 11 agencies is extremely strenuous on a small rural farmer. The rules and regulations for a multi-million-dollar greenhouse in Salinas that produces thousands of pounds a year are the same barriers to entry for a family wanting to produce a dozen plants/ 12 pounds a year.”

“Staying in compliance with Monterey County has been very challenging. Especially with the building dept. It seems to be very easy to be OUT of compliance, but very hard to be IN compliance. Getting information from the building dept and HCD on what to do to stay in compliance has been next to impossible. Only recently (last 3 months) has it gotten better. Anybody starting a cannabis business here, black, white, brown, etc. will have a very hard time.”

“The county made previously legal gardens illegal and then made previously illegal gardens legal with no consideration for legacy farmers. I might have to move to a county that values their legacy grower.”

Goal 3. Identify eligibility characteristics for potential applicants and programmatic supports that could be considered in the design of a future equity program.

Focus group participants shared their opinions regarding the types of characteristics of applicants that could be considered to determine beneficiaries for a local equity program. Business and community survey respondents were asked to rate a number of these identified characteristics by level of importance. Box 3 provides direct quotes from the surveys illustrating some specific examples of potential applicant characteristics that could be considered in the design of an equity program.

Figure 5 shows the percentage of respondents who rated each of the characteristics as important or very important to choose beneficiaries. Respondents expressed that it is important or very important (63%) for an equity program to prioritize neighborhoods that were disproportionately impacted by past criminalization. In addition, the geographic location of a cannabis business and individuals who have a history of arrest or conviction for a cannabis-related offense are important or very important considerations for 59.4% and 59.1% of respondents, respectively. Further, about 55% of respondents consider it extremely important or very important for an equity program to benefit individuals who have been involved in the local cannabis industry before legalization. Other applicant characteristics that are considered important or very important to consider in an equity program include applicants’ low-income status (54%), size of the business operation (47%) (with small businesses given priority over large ones), and participants’ Veteran status (42%).

BOX 3. Survey respondent comments regarding applicant characteristics that should be considered in an equity program

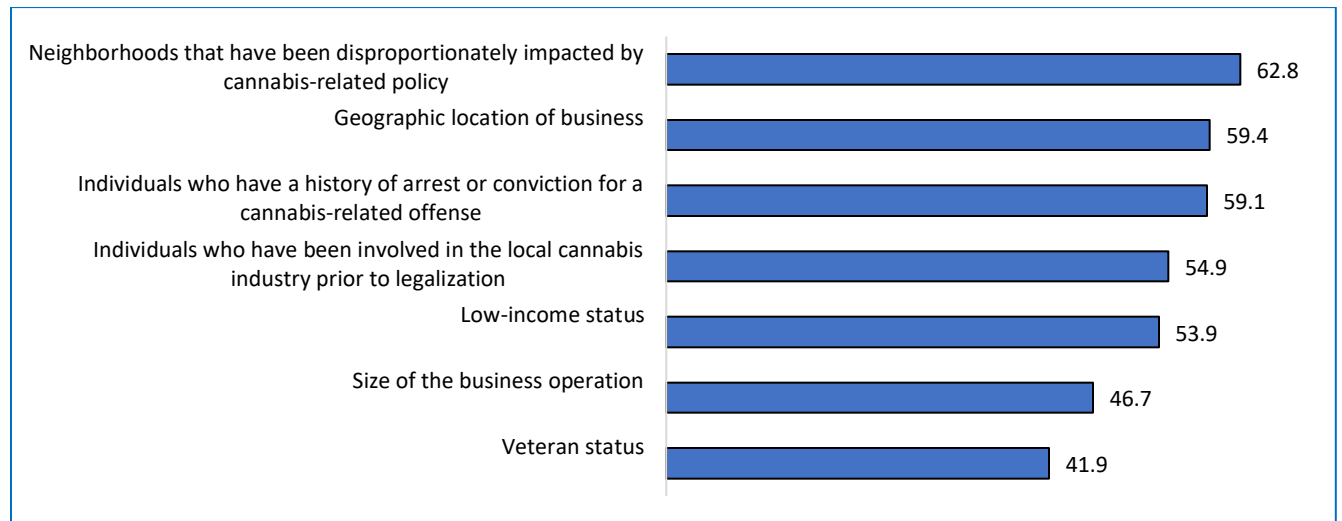
“Keep it small, keep it local.”

“I think that access should be equitable. I think that people who have prior convictions or worked in the industry before it was legal, probably have better knowledge of cannabis. My source is legal now but was not legal when I first started using it for cancer.”

“Prioritize folks who have been punished for previous cannabis related offenses. Do not prioritize the companies that are making massive profits in the industry right now”.

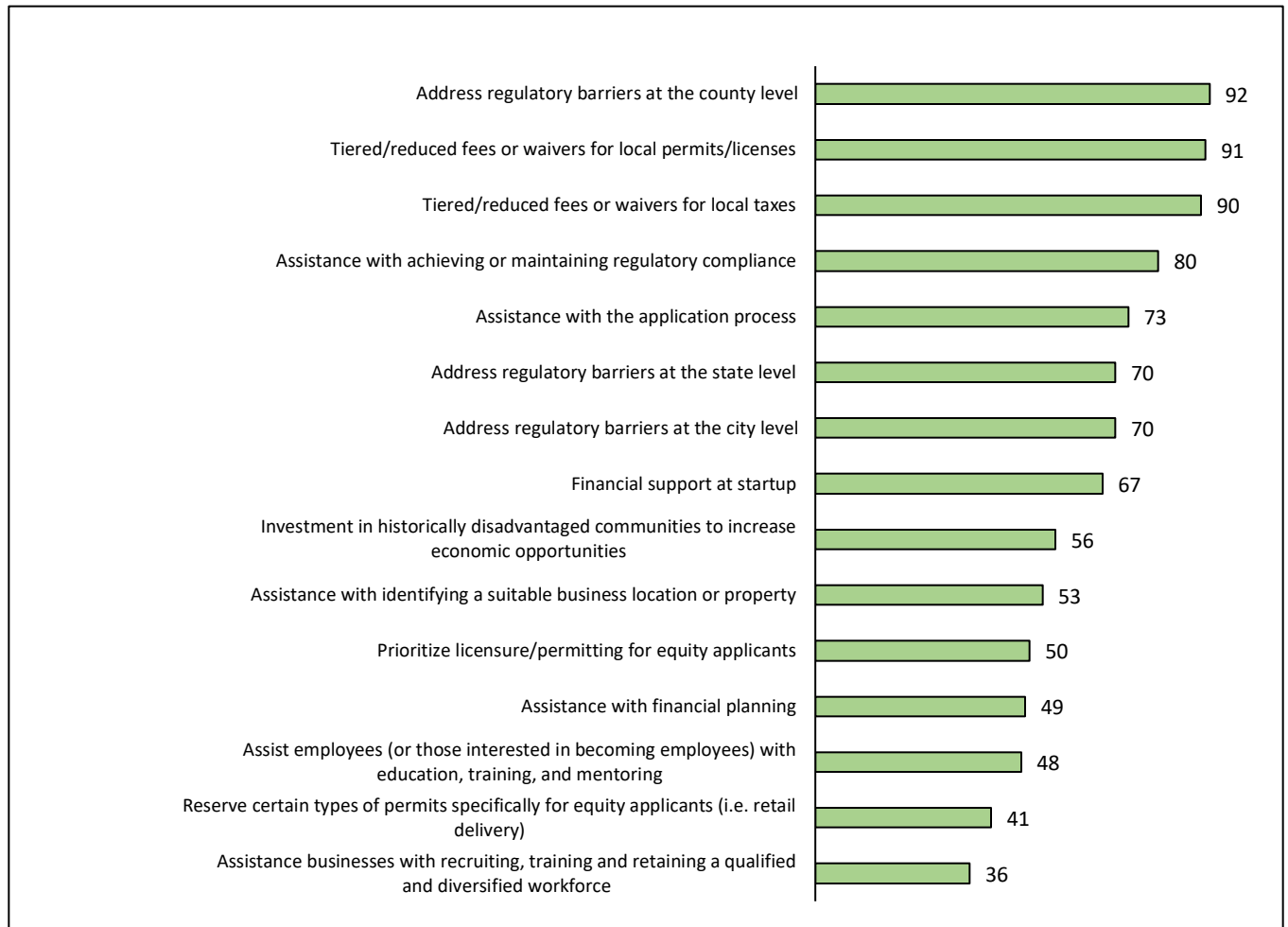
“Support small growers with local ties.”

Figure 5. Applicant characteristics that could be considered in an equity program
 Percentage of respondents rating the characteristic as “important” or “very important” (n=80)



Respondents to the business survey were also asked to share their opinions on how a future equity program could help beneficiaries enter the cannabis business in Monterey County. The percentage of respondents rating each of the options as “extremely important” or “very important” are presented in figure 6. A vast majority (90%) of business survey respondents expressed that an equity program should address regulatory barriers at the County level and offer its beneficiaries a tiered cost structure or reduced rates for local permits and taxes. In addition, respondents believe it is extremely or very important for an equity program to provide assistance with the application process (73%) and attaining and maintaining (80%) regulatory compliance. Other ideas included assistance with navigating state and city level regulations (70%), assistance with business development including securing locations (53%), financial planning (49%) and employee development (36%).

Figure 6. Actions that could be considered in an equity program – Percentage of respondents rating the options as “extremely important” or “very important” (n=40)



Conclusions about stakeholder ideas regarding possible courses of actions for an equity program in Monterey County

Participants in the equity assessment shared that geographic areas and individuals that disproportionately experienced the impact of cannabis criminalization should take priority in an equity program. Many also expressed that individuals who participated in the industry before legalization including those with cannabis-related convictions should be given priority in an equity program. Finally, they expressed that small businesses and businesses owned by low-income individuals and/or veterans should be given priority over other types of cannabis-related businesses.

The types of actions for an equity program that were suggested by the survey respondents closely aligned with the barriers of entry to the legal cannabis market they identified. In general, respondents suggested that an equity program should help beneficiaries overcome county regulatory barriers, as well as provide financial assistance for the costs of permits and taxes. Other ideas for a future equity program included support for business development including assistance with navigating state and local requirements for commercial cannabis operators, securing business locations, financial planning and employee training. Box 4 provides direct quotes from the surveys illustrating some specific examples of potential actions that could be considered in an equity program.

Some of these ideas could be funded by an equity program grant. To date, several jurisdictions have already experimented with some of these ideas in their equity programs. Appendix A provides a review of how other jurisdictions have implemented these ideas in their equity programs and section IV derives suggested options based on our analysis and the experiences of other jurisdictions

BOX 4. Survey respondent comments regarding actions that could be considered in an equity program

“Let people get established for a few years. Tiered tax increases over a multi-year timeline for growers.”

“Low interest lending to qualified individuals would be great.”

“Open the county up for all instead of keeping barriers up in certain zones.”

“Waivers/ reduced taxes and fees would lift a huge barrier.”

IV. Conclusions and Recommendations

The purpose of the 2018 California Cannabis Equity Act and similar legislation occurring throughout the country is to address what is now perceived to be decades of injustice that occurred as a result of the War on Drugs and resulting punitive measures that impacted not only individuals, but their families and entire communities as well. In surveying cannabis industry participants and community members in Monterey County, respondents listed the most severe impacts as distrust of government; distrust of police and the criminal justice system; stigma; financial loss; limited employment opportunities due to criminal record; raids on homes or property, and incarceration. As a result of these impacts, the concept of “equity” has been prioritized as various states ponder how to move forward with regulating the newly legalized and highly lucrative cannabis market. With the right regulations in place, states and their more localized jurisdictions have the capacity to vastly improve the lives of those who were harmed by cannabis criminalization. Equity, as opposed to equality, means offering supports and assistance relative to someone’s needs rather than responding to every person in the same way^{xiv}. The equity programs that have been and continue to be developed, aim to address the injustices

experienced by individuals most severely impacted by cannabis criminalization, and “to rehabilitate and empower the victims of the drug war and the communities (both demographic and geographic) from which they hail”^{xv}.

The following section identifies considerations and options for the future development of an equity program in Monterey County. These recommendations are based on the findings of the equity assessment and a review of other jurisdictions’ experiences in implementing their own equity programs.

Recommendations for Eligibility

1. Factors to consider when determining equity program eligibility for individual equity applicants in Monterey County:
 - a. History of Cannabis-Related Arrests and/or Convictions
 - b. Residency, Community Investment and Length of Involvement
 - c. Diversity
 - d. Low-Income Status
 - e. Housing Status

a. History of Cannabis-Related Arrests and/or Convictions

One of the most consistent findings across stakeholder discussions, and the business, and community surveys was the importance of considering past criminal records related to cannabis as a criterion for inclusion in an equity program. Further, our analysis of jail bookings suggests that about 7,000 individuals experienced jail bookings that involved cannabis-related charges during the 1995-2016 period. The vast majority of the charges (98%) were for actions that are now legal under California law.

A criminal record can affect an individual’s life trajectory, and in some cases the trajectory of their family as well. Access to higher education, employment opportunities, and public benefits such as food stamps and housing can (or at one time could) be denied or limited as a result of a criminal record ^{xvi}. In fact, a 2017 report by the U.S. Accountability Office “identified nearly 650 collateral impacts for people convicted of nonviolent drug offenses” ^{xvii}. When these limitations are imposed on parents, guardians and heads-of-household as a result of arrests and convictions, and in some cases, incarceration, there can be long-lasting and harmful impacts on the family as well. Children of incarcerated parents experience emotional trauma in addition to economic, social and mental hardship that can have lifelong consequences; for example, research shows that parental imprisonment increased the likelihood of children living in poverty in adulthood ^{xviii}.

There are several ways in which past criminal history can be incorporated as an eligibility criterion. Our analysis of other jurisdiction’s programs revealed that all of them identified a history of cannabis-related arrests and/or convictions as a criterion for their equity program. In addition, five jurisdictions identified cannabis-related arrests on the part of immediate family, such as parents, guardians, siblings or children, as qualifiers for equity program eligibility. Some jurisdictions instituted limitations based on the date of the crime, while others allowed only those with qualifying non-violent arrests or convictions to participate.

b. Residency, Community Investment and Length of Involvement in the Local Cannabis Industry

Our assessment revealed that 71% of respondents to the business survey identified previous involvement in the cannabis industry prior to legalization as “extremely or very important” to consider as an eligibility criterion for an equity program. Additionally, 73% of community members surveyed stated that it was “extremely or very important” to consider neighborhoods that were disproportionately impacted by cannabis-related policy when determining eligibility. Finally, respondents to both the surveys and the stakeholder conversations agreed that an equity program should prioritize individuals and businesses with deep roots in the community.

There are several benefits to imposing residency requirements for equity applicants. First, the State of California does not require cannabis business license applicants to be residents ^{xix}, meaning that out-of-state businesses are able to enter local cannabis marketplaces to compete with local residents. Imposing a residency requirement allows “locals,” current and former residents, to benefit first, reducing competition from non-residents and also ensuring that equity funding will be distributed to individuals or businesses that are knowledgeable about and invested in the local community. Residency requirements can apply to equity entrepreneurs, equity business owners, or perhaps equity applicants aiming to secure employment in the local industry.

There are many ways in which the program can prioritize individuals and businesses with local ties to the community. A number of jurisdictions specified past attendance at local schools as a way to prove deep roots in the community. Six jurisdictions included simple residency in a city, priority neighborhood or a priority area within a city as an eligibility criterion. Oakland identified specific police “beats”, and Sacramento identified specific Census tracts where communities were known to have been targeted for drug enforcement. Residency in low-income neighborhoods over a specified period of time also qualified individuals for eligibility in Sacramento, San Francisco and San Jose.

c. Diversity

Research shows that racial bias has influenced arrest, conviction and incarceration rates for people of color in the United States since the declaration of the War on Drugs in 1971. Throughout the country, African Americans are 3.73 times more likely to be arrested for marijuana possession ^{xx}. In Monterey County during the 2006-2016 period, the share of arrests for African Americans exceeded their share of the population by nearly a 3:1 ratio. While the share of bookings for the Hispanic population improved over time, during the 1995-2005 period, this group comprised 47% of the County population, but made up 58% of all cannabis-related arrests. Meanwhile, the share of bookings for non-Hispanic White individuals was less than their share of the population for the entire period of study, 1995-2019. Additionally, a 2017 national survey from Marijuana Business Daily found that 81% of cannabis business owners and founders were white; only 5.7% of owners were Hispanic, 4.3% were Black, and 2.4% were Asian ^{xxi}.

While it would seem sensible to aim equity program benefits toward those who were, historically, more likely to be arrested, policies such as Proposition 209, which prohibit the state from “discriminat(ing) against, or grant(ing) preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting”, had previously made it unclear whether this would be possible ^{xxii}. Despite concerns over this policy, one eligibility criterion outlined by the County of Humboldt Cannabis Local Equity Program Manual states that “Any woman, person of color, or

LGBTQ individual who has worked in or currently works in the cannabis industry in Humboldt County”, is able to gain access to equity program benefits^{xxiii}. According to the Humboldt County Economic Development Director, following extensive discussions with County Counsel and the State, the program was able to move forward with listing race, gender and LGBTQ status as one of the potential qualifying criteria for the County Equity Program^{xxiv}. Our assessment shows that participants of the stakeholder meetings and surveys consider diversity as an important eligibility factor for the County to consider⁵.

d. Low-Income Status

When addressing the question of who should be eligible for equity program benefits in Monterey County, 60% of community members and 48% of cannabis industry respondents surveyed identified low-income status as “extremely or very important”.

A history of arrest or incarceration can have lifelong impacts on income, reducing annual earnings by 52% when compared to those without a criminal record. Approximately 7.7 million people in the U.S. have been imprisoned at some point in their lives, and studies show nearly half of all prisoners were unemployed within their first year of release due to a combination of stigma, skill limitations, and barriers with regard to the types of work these individuals can accept^{xxv}. This lost economic opportunity affects not only the individual but also their families^{xxvi}, entrenching poverty and exacerbating the racial wealth gap^{xxvii}.

In an effort to address this wealth gap and lift individuals out of poverty, low-income status was listed as a qualifying equity program eligibility criterion across five jurisdictions in California. Each of these jurisdictions used Area Median Income (AMI) as a guide, stating that individuals whose income was 80% or less of AMI could qualify as an equity applicant; San Francisco limited eligibility to those who lived in a low-income household within the past year, while others simply required previous residence in a low-income household. Three jurisdictions focused on residence in low-income neighborhoods rather than household income. For example, San Francisco and San Jose allowed individuals who had resided a minimum of four years in a low-income neighborhood to apply for equity program benefits. Additionally, Coachella and Long Beach limited applicants to a net worth of \$250,000.

e. Housing Status

One in four Americans has some kind of criminal record, including arrests that never led to convictions, as well as a range of actual convictions. Up until 2016, the Fair Housing Act outlined specific anti-discrimination rules; however, people with criminal records were not a protected class, meaning that landlords could legally refuse housing to applicants based on their record^{xxviii}. This was true for both private landlords and public housing entities, which could deny housing as well as evict tenants for any criminal activity that occurred on the premises, even if it was committed by another household member or a guest^{xxix}. The Dept. of Housing and Urban Development has since updated guidance for evaluating tenants, citing the impacts of prior rules on people of color, especially; African-Americans who are six times more likely to be

⁵ While our surveys did not explicitly ask whether race, gender or LGBTQ status should be considered for equity program eligibility criteria (due to perceived constraints of Prop 209), participants consistently mentioned in their open-ended comments that these criteria should be considered.

incarcerated than non-Hispanic Whites and Hispanic-Americans who are three times more likely, meaning that accessing housing has historically been especially difficult for people of color^{xxx}.

For this reason, several jurisdictions have included housing status as a criterion for equity program eligibility. Humboldt County focuses their efforts on those who experienced homelessness, or a loss of housing, due to cannabis enforcement specifically, while San Francisco provides a more general definition, allowing anyone who has experienced eviction, foreclosure or revocation of housing subsidy since 1995 as potentially eligible.

2. Factors to consider when determining equity program eligibility for business applicants in Monterey County:

- a. Size of Business
- b. Ownership Requirement
- c. Workforce Requirement
- d. Equity Incubator Requirement
- e. Geographic Location

a. Size of Business

Among those industry-related individuals surveyed as part of the assessment, 53% stated that it was “extremely or very important” to consider the size of the business when determining eligibility for an equity program. Several respondents mentioned the importance of supporting small, local growers, and support for small outdoor cannabis farms which was also highlighted by participants in the focus group meetings. There are many ways in which this criterion can be implemented. For example, Humboldt County identifies the size of the business as a limiting factor for equity program eligibility; identifying only those with less than 10,000 square feet of cultivation area as eligible.

Limiting equity program access to only small growers could also address concerns of licensing abuse by some large-scale growers. Prop 64 was designed to allow small growers to get a “head start” in the industry and limited access to large-scale cultivation until 2023. Policy loopholes, however, have in some cases led to a practice called “license stacking”, in which large businesses obtain many small-grow licenses and bundle them into one “mega-business”. This allows large companies to access the benefits of economies of scale, decreasing the ability of small growers to compete, and also nullifies the “head start” that small growers were intended to receive. Local policy should be carefully crafted to address these types of potential abuses if possible.

b. Ownership Requirement

Unfortunately, some jurisdictions have already become aware of bad actors seeking to exploit equity applicants for personal gain. Anecdotes of predatory investors offering financing at exorbitant costs or propping up equity applicants in an effort to gain access to equity program benefits are common in the literature^{xxxii}. In an effort to protect equity business owners from exploitation, five jurisdictions have limited equity program eligibility to those businesses in which equity applicants maintain a minimum of a 51% stake in the business. The City of Los Angeles allows equity business owners to hold only a 33% stake, if other eligibility criteria are met. Additionally, the County of Santa Cruz identified more broad criteria, stating that in order to qualify as an equity business, owners must be able to demonstrate that they, their employee, or

their customers have been negatively and disproportionately affected by cannabis criminalization.

If an ownership requirement is adopted, the County could learn from other jurisdictions about how best to structure policy in order to protect equity applicants from predatory practices. The City of Los Angeles, for example, recently amended their equity program in an effort to address these concerns ^{xxxii}.

c. Workforce Requirement

Some jurisdictions chose to focus eligibility criteria on who is hired by a business rather than who owns the business. In Sacramento, businesses may participate in the equity program if at least 30% of the workforce is comprised of equity applicants, while San Francisco requires a minimum of 50% of the business' workforce be comprised of equity applicants.

d. Equity Incubator Requirement

Equity incubator programs have been gaining traction in recent years in an effort to provide various types of support to equity applicants and entrepreneurs. Equity incubators are established cannabis businesses, or sometimes cannabis business consultants, who are charged with providing mentorship, resources and/or services to equity applicants in an effort to increase the applicants' cannabis business knowledge and skills so that they may develop the business acumen necessary to thrive in a competitive market. In return, equity incubators are able to gain access to equity program benefits in participating jurisdictions, such as fee waivers for permits or expedited processing for cannabis-related municipal services. In some cases, consultants require a share of the equity applicants' business once it is in operation ^{xxxiii}.

Four out of ten jurisdictions specified that acting as an equity business incubator, providing resources such as workspace, mentorship, or sharing equity in the business (through sale, donation or transfer) would qualify the incubator for access to equity program benefits.

A review of the literature identified that while there can be significant benefits to these types of programs, policies must be meticulously crafted in order to avoid the potential for abuse. In San Francisco, one equity applicant who was paired with an incubator has been able to keep his business afloat through this type of partnership; where he was offered support with business development and workspace, and assistance negotiating leases on two other spaces, including six months of free rent as he awaited permits. In Oakland, another incubator partnership was less positive; the incubator business was able to access equity benefits, including expedited permitting from the City, without ever following through on providing promised incubator space to the equity applicant ^{xxxiv}.

e. Geographic Location

For Monterey County stakeholders, the location of a cannabis equity business appears to be an important consideration for equity program eligibility. A majority (63%) of community members and 56% of industry-related participants surveyed stated that it was "extremely or very important" to consider the geographic location of a business when deciding who should be eligible for assistance under an equity program in Monterey County. Open-ended comments from the business survey mentioned that attention was needed to specific locations in the County including the Big Sur Coast and Santa Lucia mountains.

Across the state, several jurisdictions imposed eligibility limitations based on the location of the business. For example, Humboldt County requires any business applying for equity funds to be located in an area with a poverty rate of more than 17%.

A. Programmatic Recommendations

1. Types of Administrative Assistance⁶ To Consider for Equity Applicants and/or Equity Businesses:

- a. Expedited application review and processing
- b. Address regulatory barriers as identified by stakeholders

a. Expedited Application Review and Processing

In surveying the Monterey County business community, our findings showed that a significant majority (91%) of participants “strongly agree” or “agree” that “paying rent on a property while waiting for permits” was the most severe barrier they faced. Through a literature review of challenges faced by equity programs in other jurisdictions, it has become clear that this is an issue across the state. In jurisdictions such as San Francisco, understaffing initially led to a growing waitlist for equity applicants attempting to enter the cannabis industry^{xxxv}. Under normal circumstances, estimates show that the application process can take more than a year^{xxxvi}. Because most jurisdictions require applicants to secure a property for their business prior to receiving their permit, candidates must begin leasing or paying rent or a mortgage on a property for months or longer while they wait to receive a permit; at the same time, they are unable to make a profit as they are lacking the proper permits to operate. In cities like San Francisco and Los Angeles, where property values are some of the highest in the country, candidates are potentially losing a significant amount of money each month while awaiting a permit. In an effort to mitigate this potential economic burden, Monterey County could consider a process for providing equity applicants with priority status, expediting the review and approval of equity applications.

b. Address Key Regulatory Barriers for types of businesses prioritized by the equity program

The assessment shows that a significant majority (92%) of business survey respondents stated that one of the most important ways to support cannabis business ownership and employment opportunities in Monterey County is to address regulatory barriers at the County level. It is important that the County considers the barriers of entry for types of businesses prioritized by an equity program as it designs supports for these businesses. Many barriers ranging from zoning and water regulations, authorization of light deprivation techniques, and criminal background requirements, among others, came up repeatedly in the survey comments and during discussions with stakeholder groups. Identifying and addressing the sources of these local regulatory barriers will require in-depth conversations with industry stakeholders, technical experts from various County departments and the District Attorney’s Office. It is imperative that the County engages in this technical review process because the success of an equity program may largely rest on it.

⁶ Note: Type II equity grants allow for 10% of all funds to be spent on administrative assistance. For specific details, see page Appendix A.

2. Types of Financial Assistance⁷ To Consider for Eligible Equity Applicants and/or Equity Businesses.

- a. Assistance with rent, lease or purchase of property
- b. Assistance with upgrades or compliance-related property changes
- c. Assistance with costs related to state cannabis licenses and Monterey County permits
- d. Assistance with local taxes
- e. Partnerships and cost- and resource-sharing options

a. Assistance with Rent, Lease or Purchase of Property

As mentioned above, equity applicants are at risk of significant financial loss as they continue to make monthly payments on a property while awaiting permit approval. Of the cannabis industry participants surveyed, 67% said that financial support at startup would be “extremely important” or “important” for Monterey County equity applicants. Among other jurisdictions that have received equity funding, five planned to utilize grant funds in order to assist with rent or lease payments on a property.

b. Assistance with Upgrades or Compliance-Related Property Changes

Upgrades or compliance-related property changes can require a significant amount of capital, which 83% of business survey respondents identified as a significant barrier to participation in the cannabis industry. Across the state, five jurisdictions allocated or planned to allocate grant funding to assist equity applicants with capital improvements. For example, Santa Cruz County reimburses and Humboldt County provides direct assistance with building costs associated with compliance. Humboldt also prioritizes capital improvements that address environmental concerns; funding is offered to equity applicants to assist with meeting irrigation requirements, installing power systems, especially in remote areas, and with remediation or relocation of cannabis facilities.

c. Assistance with Costs Related to State Cannabis Licenses and Monterey County Permits

State licensing and permitting costs can be a significant up-front investment as well as an ongoing cost for cannabis business owners. According to the National Cannabis Industry Association (2021), licensing costs can run upwards of \$5,000 per year and vary by license type and by state. Estimates in California range from \$4,820 per year for a small outdoor cultivation license to \$11,800 per year for a mixed-light license, and some growers argue that these costs are insurmountable for many, especially small businesses^{xxxvii}. In Monterey County, 71% of business survey respondents either strongly agreed or agreed that the cost of permits was a barrier to participating in the cannabis industry. Conversely, 91% identified tiered or reduced fees, or fee waivers for local permits as “extremely or very important” in supporting cannabis business ownership and employment opportunities in the County.

Support for fee waivers, tiered costs, and/or deferrals was unanimous across the ten California jurisdictions with approved equity programs. All jurisdictions were utilizing or planned to utilize grant funds to address some aspect of the various fees associated with establishing, maintaining

⁷ Type II equity grants allow for 80% of all funds to be spent on financial assistance (for specific details, see Appendix A)

and/or growing/expanding a business.⁸ The types of fees addressed in this category include local and state application, licensing, and regulatory fees, regulatory compliance and inspection fees, and cannabis testing laboratory fees. While it was difficult to ascertain limitations or guidance on the amount that each jurisdiction would waive for an equity applicant, the City of Long Beach estimated that \$25,000 in general funds would be used for fee waivers, and some jurisdictions, such as the Cities of Oakland and Palm Springs, opted to waive permitting fees entirely, including the “background investigation fee, odor control fee, and planning, building and safety, fire and police inspection and submittal fees”^{xxxviii}. Other jurisdictions chose, instead, to reduce or defer fees.

d. Assistance with Local Taxes

Monterey County took steps to address cannabis-tax-related concerns in 2018, when taxes were reduced significantly; the rate per square foot for greenhouse cultivators decreased from \$15 to \$5, and for indoor cultivators the rate was set at \$8 per square foot^{xxxix}. While this decrease helped to support struggling businesses, and allowed them to stay competitive with unlicensed market prices, taxes are still a chief concern for those in the industry. Among business survey respondents, 90% identified tiered or reduced fees, or waivers, for local taxes as “extremely or very important” in supporting cannabis business ownership and employment opportunities. Support for similar tax-related eligibility criteria across jurisdictions was nearly non-existent, except for the City of Long Beach which was the only jurisdiction whose equity guidelines addressed tax-related concerns, allowing equity applicants to pay the first year’s taxes in monthly installments rather than up front and in a lump sum.

e. Partnerships and Cost- And Resource-Sharing Options

Community partnerships and cannabis incubator programs can provide important financial benefits to equity applicants. In Los Angeles and Sacramento, equity programs aim to support applicants through an incubator program in which businesses can access program benefits in exchange for sharing their entire workspace for a certain percentage of time, or providing a percentage of workspace to equity applicants. These types of arrangements eliminate or reduce many of the upfront investments that would otherwise be required of equity applicants, including lease or mortgage payments and the cost of equipment.

One innovative approach by the City of Oakland, used equity funds to sponsor the Equity Works Incubator Program which oversees the “Oakland Cannabis Kitchen,” a shared, rentable space for those interested in manufacturing cannabis products including edibles, beverages and tinctures. The program also provides mentorship as well as workshops and training to help entrepreneurs enter the industry^{xl}. While different from an incubator program, the County of Humboldt also supports cost and resource sharing amongst equity applicants, with funding available to assist with the development and support of cannabis cooperative associations.

Co-ops or “associations” are another cost and resource sharing option. These partnerships allow small growers (10,000 sq. ft. of canopy or less) to collaborate in order to borrow as one unit or entity, and to share the costs of heavy equipment, leasing space, insurance, legal support, compliance counseling and inspections, and marketing costs. Additionally, partnering with other

⁸ For more detailed information about the jurisdictions offering fee waivers within their equity program see Appendix A; for details on the cost of licenses and permits that may be considered by the equity program, please see Appendix E.

small growers can create a more stable product supply, increasing the likelihood of securing long-term contracts with retailers. Co-ops are limited to a maximum of four acres (or 174,240 sq. ft.), but these arrangements, in which small growers partner and govern themselves, have the capacity to improve long-term financial stability and assist small growers with entering a market that might otherwise be inaccessible ^{xli}.

These types of approaches are not new to Monterey County. For example, one local non-profit Agriculture and Land-Based Training Association (ALBA), could be considered as a potential model for an incubator program in the cannabis industry. This model enables individuals to develop and apply skills in a real-world environment without significant barriers to entry. Farmers pay a subsidized rate for the ground they lease, network with local distributors and farmers market managers, and keep all sale proceeds from the products they cultivate. ⁹(Add endnote/website for more info)

3. Types of Technical Assistance¹⁰ to Consider for Equity Applicants and/or Equity Businesses:

- a. Business consultation partnerships and mentorships
- b. Technical support from County staff
- c. Employment training services

a. Business Consultation Partnerships and Mentorships

Seven jurisdictions planned to or have utilized grant funds to assist with expenses relating to business consulting services. For example, the City of Coachella provides a thoroughly detailed outline of business services that will be offered under their equity program including but not limited to: “*Business plan development, business mentoring, assistance securing capital, business needs assessment, loan readiness assessment, market assessment, data and research strategies and support, assistance with establishing a legal entity, assistance with criminal records expungement, lease negotiation assistance, small business legal considerations, mentoring, fiscal management, marketing/social media, technical training, employee training, and regulatory compliance*” ^{xlii}.

Funding for legal assistance, advice and counseling was available to equity applicants in four other jurisdictions as well. For example, San Francisco’s equity program pairs equity applicants with legal service providers who offer pro bono legal assistance with a range of services relating to “licensing and permitting, banking, ownership, compliance audits, zoning and taxation” ^{xliii}.

b. Technical Support from County Staff:

Assistance with County procedures, especially when navigating the application process, as well as compliance inspections and requirements, was identified as important considerations for a future equity program. As stated in the previous section, 80% of industry respondents asserted that assistance with achieving or maintaining regulatory compliance was “extremely or very important” in any effort to support cannabis business owners and employment opportunities in Monterey County. Additionally, 73% of business survey respondents stated that assistance with

⁹ For more information on the ALBA model, see <https://www.albafarmers.org/>

¹⁰ Type II equity grants allow for 10% of all funds to be spent in technical consulting (for specific details, see Appendix A)

the application process would be “extremely or very important” in supporting businesses and employment opportunities.

Five jurisdictions have already identified application assistance as an important component of their adopted equity programs. For example, the City of Palm Springs opted to utilize grant funding for educational workshops to assist equity applicants with the complications of completing and processing permit applications within the jurisdiction.

c. Employment Training Services:

Workforce development and training can help to increase equity applicants’ knowledge and skills in order to improve their chances of leading a successful career in the industry, whether as an entrepreneur, a mid-to-high level manager, or an entry-level employee. Nearly half (48%) of the business survey respondents identified education, training and mentoring of employees, or potential employees, as “extremely or very important”. While some open-ended survey comments, as well as participants in stakeholder meetings, highly encouraged this type of support, other commenters mentioned that this kind of assistance might not be as beneficial to small family farms who are not in need of additional workers.

Across California, three jurisdictions, including Humboldt, Oakland and San Jose, allocated funding for workforce development programs and employment skills training. In San Jose, equity funding is set aside for the coordination and implementation of cannabis industry job fairs to connect equity applicants with available positions; employment workshops are also offered to help support equity applicants in their job search within the cannabis industry.

Outside California, Massachusetts’ Cannabis Control Commission offers two “tracks” for those hoping to secure employment in the cannabis industry. The “Core Track” is designed to assist employees move into managerial and executive-level positions through hands-on training and educational courses, which include content about the industry in addition to employment coaching such as resume and interview preparation. The “Re-Entry/Entry Track” provides support to those seeking to enter the cannabis workforce following incarceration, or who have little-to-no prior industry experience; with courses in this track providing education about retail, cultivation, testing and product manufacturing, as well as resume-building and interviewing skills^{xliv}.

Other Considerations

A strong equity program will require close collaboration between industry stakeholders, County officials, law enforcement and the District Attorney’s Office. However, the long period of cannabis criminalization created strong feelings of distrust of government, police and the criminal justice system that persist to this day in our community. About 88% of business survey respondents and 68% of respondents to the community survey identified “distrust” of government and law enforcement as the most severe effects of the War on Drugs. To address this barrier, the County should consider engaging stakeholders in the planning process for an equity program. In addition, the County could also consider specific actions to actively encourage communities that were disproportionately affected by past cannabis criminalization to participate in the industry as part of the equity program.

While it is encouraging that so many states and jurisdictions are embedding equity into the legalization of cannabis in order to address harms that arose from past policies, it is important to

remember that legalization is still in its infancy in California. Jurisdictions are in the process of developing policies that best serve the needs of their constituents, but there is a steep learning curve simply due to the novelty of this industry and the reality that “not one municipality has social equity completely figured out yet”^{xlv}. For this reason, the County should continue to stay apprised of other jurisdictions’ attempts to develop and operate social equity programs, and seek feedback from local communities moving forward.

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Appendix

Appendix A: Review of Other Equity Programs

Appendix B: Jail Data Analysis Methodology

Appendix C: California Cannabis Policy Timeline: 1990-2020

Appendix D: State of California Cannabis License Fees

Appendix E: County of Monterey Cannabis Permit Fees

Appendix F: Business Survey Questionnaire

Appendix G: Community Survey Questionnaire

Appendix A: Review of other Equity Programs in California

Pursuant to the California Cannabis Equity Act of 2018, funding was allocated to the Bureau of Cannabis Control (BCC) to support the development and operation of equity programs throughout the state. As of July 2020, the BCC, in collaboration with the Governor’s Office of Business and Economic Development (GO-Biz) had distributed \$65 million in grant funding for jurisdictions to: 1) begin planning for an equity program; or 2) begin operating an equity program in an effort to support local equity applicants. The funding was distributed in two rounds.

In October 2019, the BCC awarded \$10 million which was distributed among 10 jurisdictions presented in Table 1:

Table 1. Jurisdictions Awarded Equity Funds in October 2019.

Jurisdiction	Amount Awarded	Equity Program Adopted?	Adoption Date
City of Coachella	\$500,000	Y	March 2019
County of Humboldt	\$1,338,683	Y	March 2019
City of Long Beach	\$913,991	Y	July 2018
City of Los Angeles	\$1,834,156	Y	December 2017
City of Oakland	\$1,657,201	Y	March 2017
City of Palm Springs	\$100,000	Y	March 2019
City of Sacramento	\$1,197,119	Y	August 2018
City and County of San Francisco	\$1,338,683	Y	December 2017
City of San Jose	\$560,082	Y	March 2019
County of Santa Cruz	\$560,082	Y	March 2019

Additionally, in April 2020, another \$30 million in grant funding was awarded (including \$15 million from the BCC and \$15 million from GO-Biz). Nine jurisdictions received Type I funding and seven jurisdictions received Type II funding (Table 2).

Table 2. Equity Grants Awarded in April 2020.

Jurisdiction	\$	Type of funding
City of Clearlake	\$98,890	I
City of Coachella	\$93,783	I
County of Lake	\$150,000	I
County of Monterey	\$150,000	I
County of Nevada	\$150,000	I
City of Palm Springs	\$149,397	I
City of San Jose	\$149,300	I
City of Santa Cruz	\$147,666	I
City of Stockton	\$60,000	I
County of Humboldt	\$2,459,581	II
City of Los Angeles	\$6,042,014	II
City of Long Beach	\$2,700,000	II
County of Mendocino	\$2,245,704	II
City of Oakland	\$6,576,705	II
City of Sacramento	\$3,831,955	II
City and County of San Francisco	\$4,995,000	II

In March 2021, another \$15 million in grant funding was awarded. Eight jurisdictions received Type I funding and ten jurisdictions received Type II funding (Table 3).

Table 3. Equity Grants Awarded in March 2021.

Jurisdiction	\$	Type of funding
County of San Diego	\$75,000	I
County of Sonoma	\$75,000	I
County of Trinity	\$75,000	I
City of Escondido	\$75,000	I
City of Isleton	\$22,000	I
City of Modesto	\$75,000	I
City of Richmond	\$75,000	I
City of San Diego	\$75,000	I
City of Oakland	\$2,434,713	II
City and County of San Francisco	\$2,055,841	II
City of Los Angeles	\$2,030,997	II
City of Sacramento	\$1,813,612	II
City of Long Beach	\$1,267,044	II
City of Fresno	\$1,204,934	II
County of Humboldt	\$1,055,870	II
County of Lake	\$888,173	II
City of Palm Springs	\$869,540	II
County of Mendocino	\$832,274	II

As described in the introductory section, the purpose of and requirements for each type of funding differed significantly. Type I funding is provided in order to assist with either carrying out an equity assessment (which is the first step a jurisdiction must conduct in order to receive other types of funding) and/or developing an equity program. As outlined by the Bureau of Cannabis Control (BCC), equity assessments should include the following:

- An analysis of historical rates of arrests or convictions for cannabis law violations;
- An overview of the impacts of cannabis criminalization on local communities and populations; and
- Other information to help illuminate the ways that local populations have been disproportionately harmed or impacted by the War on Drugs.

Only upon completion of an equity assessment, AND after developing a local equity program, may jurisdictions apply for Type II funding that directly supports equity applicants. The purpose of Type II funding is to “assist applicants and licensees to gain entry into, and to successfully operate in, the state’s regulated cannabis marketplace” ^{xlvi}.

The types of assistance allowed within an equity program are as follows:

- **Grants, no-interest or low-interest loans** to equity applicants or equity licensees to assist with startup and ongoing costs.
 - This could include tiered fees or fee waivers for cannabis-related permits and licenses; financial assistance to pay for state regulatory and licensing fees; financial assistance to secure capital investments or direct access to capital; assistance with coming into regulatory compliance (i.e. required upgrades or changes to property, equipment, etc.);

- **Funding for or direct provision of technical assistance** to equity applicants or equity licensees, limited to no more than 10% of the total grant award.
 - The purpose of direct technical assistance is to help cannabis equity applicants and licensees to acquire the necessary knowledge and/or skills to gain entry into and successfully operate in the regulated cannabis marketplace. Assistance could include one-on-one consulting and training, professional and mentorship services, training courses, etc.
- **Funding to assist with administrative costs of the equity program**, including employing staff or consultants, limited to a maximum of 10% of the total grant award.

Under the guidelines described above, the ten jurisdictions that received Type II funding developed equity programs that established specific requirements regarding eligibility for equity funds and detailed actions to support eligible beneficiaries. The next sections describe the eligibility criteria used by these programs and how they are using funds from their equity grants.

Eligibility Criteria for Equity Programs in Operation in California

Each equity program must establish eligibility criteria for beneficiaries. Table 3 describes how each jurisdiction has used a combination of applicant and business characteristics to determine eligibility criteria. Not every jurisdiction, however, applied the same rules for each eligibility criteria. A detailed description on the manner in which jurisdictions applied the criteria outlined in Table 3 is presented below.

Table 3. Eligibility Criteria for Individuals (In addition to 21+ years of age and lawfully able to work in U.S.)

Criteria →	Criminal History	Criminal History of Family Members	Location and Length of Residency	Low-Income Status	Housing Status	Attendance of Local Schools	Diversity	Victim of Violence or Exploitation	Unemployment
City of Coachella	X	X	X	X					
County of Humboldt	X				X		X	X	
City of Long Beach	X		X	X					X
City of Los Angeles	X		X	X					
City of Oakland	X		X						
City of Palm Springs	X	X	X	X					
City of Sacramento	X	X	X	X					
City and County of San Francisco	X	X	X	X	X	X			
City of San Jose	X	X	X	X		X			
County of Santa Cruz *									

Note: the county of Santa Cruz had not established eligibility criteria based on participant characteristics

Criminal History:

As presented in Table 3, nine out of ten jurisdictions included criminal history as a criterion for equity applicants. However, there were wide variations in the acceptable date range within which the crime must have occurred. The cities of Coachella, Palm Springs and Sacramento limited eligibility to those whose crimes occurred between 1980-2011; the City and County of San Francisco limited crimes to those occurring between 1971-2016; Oakland limited eligibility to crimes occurring after Nov. 5, 1996; Long Beach stipulated that the crime must have occurred prior to Nov. 8, 2016; and the County of Humboldt, City of Los Angeles and City of San Jose did not outline date range limitations.

There was also considerable variation on the types of qualifying arrests. All jurisdictions that listed criminal history as a criterion also stated that the crime must have been cannabis-related. The City of Long Beach stipulated that the crime must have been something that could be prosecuted as a misdemeanor or citation under current law. Three jurisdictions specifically outlined that only qualifying crimes would allow for eligibility, including non-violent cannabis-related crimes, specifically those allowed under state cannabis licensure law.

Criminal History of Family Members

Five out of ten jurisdictions identified criminal history of family members as a potential criterion for eligibility. Jurisdictions limited eligibility to cannabis-related crimes involving immediate family such as parents, guardians, children or siblings. Some jurisdictions (Coachella, Palm Springs, and Sacramento) added date ranges of 1980-2011, while the City and County of San Francisco limited eligibility to crimes occurring between 1971-2016. San Jose did not include date range limitations. The City of San Jose outlined that cannabis-related crimes which were disqualifying for state licensure would be disqualifying in the jurisdiction as well.

Location and Length of Residency

Six out of ten jurisdictions identified location and length of residency as a potential criterion for eligibility. However, location was used differently across these jurisdictions. Some used areas targeted during cannabis criminalization identified in their equity assessments as eligibility criteria. The City of Oakland limited eligibility to those residing within certain police department “beats” for 10 of the last 20 years, while the City of Sacramento limited eligibility to residence in targeted zip codes for five consecutive years between 1980-2011. Other jurisdictions used low-income neighborhoods as part of their criteria. Three jurisdictions (City of Sacramento, City and County of San Francisco and City of San Jose) identified low-income neighborhoods as a priority for eligibility. San Francisco and San Jose both limited eligibility to those who spent at least four years residing in low-income neighborhoods, and the City of Long Beach required three years of residency in a low-income neighborhood; San Francisco targeted neighborhoods where >17% of households were at or below the federal poverty level, while San Jose and Long Beach targeted those where >51% of the population had an income of less than 80% of the Area Median Income. Finally, some jurisdictions required current or past residency in the jurisdiction. The cities of Coachella and Palm Springs required current or former residency as an eligibility criterion but did not include geographical, income or other limitations.

Low-Income Status:

Seven out of ten jurisdictions identified household income as a potential criterion for eligibility. Five jurisdictions stated that a household income at or below 80% of the Area Median Income

(AMI) was a potential criterion for their program. San Francisco outlined that the applicant must have had a qualifying AMI in the year previous to their application. Other jurisdictions stated that applicants simply must currently or have previously resided in a low-income household. The cities of Coachella and Long Beach, on the other hand, limited applicants to those whose net worth was less than \$250,000.

Housing Status:

Two out of ten jurisdictions mention housing status as a potential criterion for eligibility. The County of Humboldt identified those who have become homeless or suffered a loss of housing as a result of cannabis enforcement as having priority. The City and County of San Francisco, on the other hand, identified those who have experienced housing insecurity evidenced by eviction, foreclosure, or revocation of housing subsidy since 1995 as potentially eligible.

Attendance of Local Schools:

In an effort to prioritize applicants with deep roots in the community, two out of ten jurisdictions identified attendance at local schools as a potential criterion for eligibility. The City and County of San Francisco, for example, listed attendance of a local school district for a minimum of five years, while the City of San Jose listed attendance at a local public school for a minimum of four years, as potential criteria. The City of San Jose also outlined that the public school attended must also be in a Census tract where >51% of current residents have a household income of less than 80% of the AMI.

Diversity, Employment, or Status as a Victim of Violence or Exploitation:

Only one of ten jurisdictions listed diversity, employment status, or status as a victim of violence or exploitation as potential criterion for eligibility. The County of Humboldt sought to prioritize persons of color as well as those identifying as LGBTQ+, and who are currently working in the cannabis industry, as having priority. The County of Humboldt also prioritized those who have experienced sexual assault, exploitation, domestic violence, or human trafficking while participating in the cannabis industry. Finally, the City of Long Beach sought to prioritize those who are currently receiving unemployment benefits.

In addition to applicant characteristics, some jurisdictions chose to also offer eligibility to business entities as part of their equity program. The main eligibility criteria for businesses are summarized in Table 4 and described below.

Table 4. Eligibility Criteria for Businesses

Criteria	Ownership Requirements	Location of Business	Incubator Business	Size of Business
City of Coachella	X	X	X	
County of Humboldt		X		X
City of Long Beach	X			
City of Los Angeles	X		X	
City of Oakland			X	
City of Palm Springs				
City of Sacramento	X		X	
City and County of San Francisco			X	
City of San Jose	X			
County of Santa Cruz	X			

Ownership Requirements

Six out of ten jurisdictions specified certain characteristics of ownership that were required in order to be eligible for equity funding. Five jurisdictions stipulated that any business for which equity funding is sought must maintain a minimum of 51% ownership by equity applicants (those meeting the jurisdiction's equity criteria for individuals). The City of Los Angeles will also allow equity business owners to hold only a 33% stake, if other eligibility criteria are met. The County of Santa Cruz identified more broad criteria, stating that in order to qualify as an equity business, owners must be able to demonstrate that they, their employee, or their customers have been negatively and disproportionately affected by cannabis criminalization. Additionally, Santa Cruz also specified that equity business applicants must outline steps that the business will take to address negative impacts of cannabis criminalization in the community, including the support of local compassionate care programs.

Location of Business

Two out of ten jurisdictions identified that business location was a necessary component of eligibility. The City of Coachella simply defines that any business applying for equity funds must reside within city limits. The County of Humboldt requires any business applying for equity funds to be located in an area with a poverty rate of more than 17%.

Incubator Business

Five out of ten jurisdictions specified that acting as an incubator business was a potential criterion for eligibility. The ways in which business could qualify for equity funds by helping other cannabis business included:

Cannabis Incubator

The City of Coachella outlines that businesses may be eligible for funding if they participate in the equity program as a Cannabis Incubator or Cannabis Social Enterprise, where equity applicants must hold a minimum of 51% ownership in the business.

Provision of Property or Workspace

Both the City of Los Angeles and the City of Sacramento identified that businesses could potentially qualify for equity funding if they donated their full workspace for a certain percentage of operating hours, or provided a percentage of their workspace for use by equity applicants at all times.

Technical Support

The City of Los Angeles requires qualifying equity businesses to provide business, licensing or compliance support to equity applicants. The City and County of San Francisco requires incubator businesses to submit an "incubator plan", outlining in detail the types of in-kind services, and/or mentorship, that will be offered to equity applicants, such as accounting, financial support, human resources support, assistance with regulatory compliance, marketing, and transitional planning once the agreement concludes.

Workforce Requirement

Businesses in the City of Sacramento may participate in the equity program if at least 30% of the workforce is comprised of equity applicants, while the City and County of San Francisco requires a minimum of 50% of the business' workforce be comprised of equity applicants.

Contractor Requirements

In addition to the criteria mentioned above, the City of Sacramento also offers eligibility in cases where the incubator business contracts no less than 51% of its cannabis products, services, and ancillary business support with eligible equity licensees.

Equity Share

An incubator in the City of Sacramento may qualify for equity funding if no less than 33% of ownership is sold, given or transferred to qualifying equity applicants or licensees.

Size of Business: Finally, one jurisdiction identified the size of the business as an important consideration for equity applicants. The County of Humboldt identified small-scale cultivation of cannabis (less than 10,000 square feet) as a qualifying equity criterion.

Use of Equity Program Grant Funds to Support Eligible Applicants

Table 5 identifies the ways in which each of the ten jurisdictions that received Type II funding are using, or planning to use, available equity program funds. In cases where jurisdictions have already begun dispersing grant funds through their cannabis equity program, the name of the jurisdiction is highlighted below with a hyperlink to the equity program website, where more information is available. If the jurisdiction has not yet begun dispersing grant funds, their plans, as outlined in the BCC Report to the Legislature on Local Jurisdiction Equity Grant Funding, are summarized below.

Table 5. Supports Provided by Equity Programs

	Financial						Technical			Adminis- trative
	Waived, Tiered or Deferred Fees	Shared Costs/ Partner- ships	Rent or Lease of Property	Waived or Deferred Taxes	Capital Improvements	Acquisition of Equipment	Business Consulting Services	Application Assistance Workshops	Employment Training Services	Priority Application Review and Processing
City of Coachella	X	X	X		X	X	X			
County of Humboldt	X	X			X		X	X	X	
City of Long Beach	X		X	X			X			X
City of Los Angeles	X	X					X	X		X
City of Oakland	X	X	X		X	X	X	X	X	X
City of Palm Springs	X							X		X
City of Sacramento	X	X	X		X	X	X			
City and County of San Francisco	X	X	X							X
City of San Jose	X						X	X	X	
County of Santa Cruz	X				X	X				

FINANCIAL ASSISTANCE

Equity grants specify that at least 80% of type II funding must be utilized to provide grants or low interest loans that support the development of equity applicants' operations. Jurisdictions have used these funds in different ways as outlined below:

Waived, Tiered or Deferred Fees

All jurisdictions were utilizing or planned to utilize grant funds to address some aspect of the various fees associated with establishing, maintaining and/or growing/expanding a business. The types of fees addressed in this category include local and state application, licensing, and regulatory fees, regulatory compliance and inspection fees and cannabis testing laboratory fees. Some jurisdictions opted to waive certain fees entirely; for example, the City of Palm Springs, among others, waives all local permitting fees for equity applicants including the "background investigation fee, odor control fee, and planning, building and safety, fire and police inspection and submittal fees" (Dept. of Special Program Compliance, 2021). Other jurisdictions chose to reduce or defer fees.

Shared Costs

Six jurisdictions identified that grant funding would be provided for cost-sharing or expertise-sharing partnerships among cannabis businesses. Through these partnerships, equity applicants are able to gain access to the high-cost equipment, space, and expertise of more established businesses, and the incubators receive a portion of equity grant funding for their service. In the City and County of San Francisco, an equity incubator registry has been created, with businesses readily available and waiting to partner with interested equity applicants; in order to qualify as an incubator, a minimum of 50% of the business' employees must also qualify as equity applicants. In an effort to reduce barriers of entry to equity applicants and small cannabis businesses, the City of Oakland used equity funds to sponsor the Equity Works Incubator Program which oversees the "Oakland Cannabis Kitchen", a shared, rentable space for those interested in manufacturing cannabis products including edibles, beverages and tinctures; the program also provides mentorship as well as workshops and training to help entrepreneurs enter the industry. While different from an incubator program, the County of Humboldt also supports cost- and resource-sharing amongst equity applicants, with funding available to assist with the development and support of cannabis cooperative associations.

Rent or Lease of Property

Most jurisdictions, including Monterey County, require potential cannabis businesses to secure a property, whether by rent or lease or by purchase, prior to applying for a permit. Among those jurisdictions who have received equity funding, five planned to utilize grant funds in order to assist with rent or lease payments on a property. The City and County of San Francisco, for example, prioritized the allocation of grant funding to assist equity applicants and licensees with securing leased properties.

Waived or Deferred Taxes

The City of Long Beach identified tax deferral as a potential use of equity grant funds, allowing equity businesses to pay their first year's taxes on a monthly basis rather than requiring the payment in full at startup.

Capital Improvements

Five jurisdictions allocated or planned to allocate grant funding to assist equity applicants with capital improvements. The County of Santa Cruz, for example, provides reimbursements on building costs associated with compliance. The County of Humboldt prioritizes capital improvements that address environmental concerns in addition to supporting businesses as they work toward meeting compliance requirements; funding is offered to equity applicants to assist with meeting irrigation requirements, the installation of power systems, especially in remote areas, and with remediation or relocation of cannabis facilities.

Acquisition of Non-Capital Improvements

Four jurisdictions set aside funding for other purchases, such as equipment, required for a business to operate. The cities of Long Beach, Sacramento and Coachella all provide grant funding for the purchase of necessary equipment. Long Beach and Coachella also offer grant funding for fixtures, and Coachella will also provide financial support for the purchase of furniture. Sacramento highlighted security upgrades as another necessary grant-funded expense.

TECHNICAL ASSISTANCE

Type 2 equity grants allow for 10% of funds to be spent on technical assistance and consulting. There were three main ways jurisdictions have used their funds in this area of business development:

Business Consulting Services

Seven jurisdictions planned to or have utilized grant funds to assist with expenses relating to or provided business consulting services. The City of Coachella provides a thoroughly detailed outline of business services that will be offered under their equity program, including but “not limited to: business plan development, business mentoring, assistance securing capital, business needs assessment, loan readiness assessment, market assessment, data and research strategies and support, assistance with establishing a legal entity, assistance with criminal records expungement, lease negotiation assistance, small business legal considerations, mentoring, fiscal management, marketing/social media, technical training, employee training, and regulatory compliance”. Funding for legal assistance, advice and counseling was available to equity applicants in four other jurisdictions as well.

Application Assistance Workshops

Five jurisdictions, such as the City of Palm Springs, opted to provide funding for educational workshops to assist equity applicants with the complications of completing and processing permit applications within the jurisdiction.

Employment Training Services

Three jurisdictions, including Humboldt, Oakland and San Jose, allocated funding toward workforce development programs and employment skill training. In San Jose, equity funding is set aside for the coordination and implementation of cannabis industry job fairs to connect equity applicants with available positions; employment workshops are also offered to help support equity applicants in their job search within the cannabis industry.

ADMINISTRATIVE ASSISTANCE

Five jurisdictions chose to provide equity applicants with priority application review and/or expedited processing, allowing equity applicants to get their businesses operating ahead of non-equity businesses, and thus reducing initial competition. The City of Los Angeles also expedites application renewal for equity applicants to ensure that they can continue operating in the legal market over time. According to Type II funding requirements, a maximum of 10% of funds can be spent in equity program personnel.

Appendix B: Jail Data Analysis Methodology

Original dataset description and cleaning:

The original dataset was organized by charges where each observation row represented a charge within a booking incident. The original dataset contained 27,551 rows corresponding to a charge in a booking from a specific arrest type. We cleaned the dataset for analysis using the following steps:

1. We deleted a total of 1,422 observations that were duplicates (in all variables).
2. We deleted a total of 9,073 observations that corresponded “warrant arrests” to avoid duplication of charges on the same individuals and arrest for crimes committed outside of the county under the advise of the Monterey County Sheriff’s Office.
3. We deleted 413 observations that represented a duplicate of a charge with the distinction of only a letter. We kept the charge with the highest severity (see below)
4. We deleted 4,952 observations that included “open container” charges as they may have corresponded to alcohol-related incidents and not cannabis.

The final working dataset contained 11,677 observations.

Analysis of charges:

Between 1995 and June 2nd 2020 there were 11,677 unique cannabis-related charges corresponding to 9,813 unique booking incidents entered in the system.

Analysis of Bookings and Classification by “Severity of charges”:

For our analysis of bookings, we organized the dataset by booking incident. Each booking incident was identified by the variable booking number generated by the Monterey County Sheriff’s Office at the time a jail booking is entered in the system. About 85% of the bookings (8,312) contained only one cannabis related charge and 15% of them contained more than 1 cannabis related charge. For our analysis of booking that contained more than 1 charge we kept the charge with the highest severity using the following methodology:

- In cases of bookings with multiple charges we kept the charge with the highest severity of charge type: (Felony>Misdemeanor>Infraction).
- In cases for which the booking had more than one charge with the same severity of charge type, we kept the one with the highest recommended jail sentence in the following order: "Sell to minor" > "Sale wo License" > "Possession-Intent to Sell" > "Cultivation" > "Possession" > "Use in public".

Analysis of individuals:

A number of individuals were arrested multiple times with cannabis related charges during the 1995-June 2020 period. For this reason, we needed to identify which booking corresponded to which individuals in order to avoid double counting. The dataset included individual’s date of birth, last name, first name and middle initial among the variables. Unfortunately for some individuals with multiple arrests, the last name, first name and middle initial was not entered equally or consistently in each booking incident. Thus, to identify unique individuals we followed a 3-step process.

1. The first step was to identify bookings for individuals with the same last name, first name initial, and date of birth. Using this method, we identified 7,499 unique individuals.
2. Upon inspection of the data obtained in step 1 we discovered that some individuals with the same date of birth and similar last names were identified as different individuals for minor typos in the last name in separate bookings (fictitious example: GONZALE~~S~~ vs GONZALE~~Z~~). Thus, the second step was to identify individuals with the same date of birth and similar first letter of the last name and first letter of their first name. This step identified individuals that had similar initials and dates of birth, but differed in their last names. A manual inspection to identify typos vs different last names for individuals with similar dates of birth revealed that 105 of them were misclassified as unique individuals in step 1 and changed.
3. The last step looked at individuals with the same last name and date of birth using the unique individuals identified in step 2. This step revealed that 28 individuals with similar last names and dates of birth were counted as unique individuals because their first name initial differed. While there is a possibility of them actually being unique individuals (i.e. twins or actual strangers that share a dob and last name), chances are that these were the result of name entry errors such as switching first and middle names (fictitious example: “ANAYA, JESSIE .” vs “ANAYA, FREDDY J.”). To err on the conservative side, we coded them as the same individual.

Following the methodology described above, the final data set contained 7,394 unique individuals that experienced 9,813 bookings with 11,677 charges between 1995 and June 2nd 2020.

When looking at bookings before cannabis de-criminalization we found 7,046 unique individuals that experienced 9,385 bookings with 11,140 charges

Methodology for Race and Ethnicity concentration:

To determine if different ethnic/race groups were disproportionately represented in arrests with cannabis related charges we constructed concentration quotients for each ethnic/racial group represented in the dataset for 3 different time periods contained in the dataset. The methodology used is described below:

1. Race and ethnicity information was collected from the US census office at the county level for the years 2000, 2011, and 2018. These years were chosen because they represented midpoints in three different time periods: 1995-2005; 2006-2016; 2017-2019. Four different race/ethnicity groups were used for the analysis: Hispanic, White, Black/African American, and other. The population for the respective years and ethnic racial groups are presented in table M1:

Table M1: Population by race and ethnicity (Monterey County, 2000, 2011, 2018)

	2000		2011		2018	
	#	%	#	%	#	%
Total population	401,762	100	421,898	100	435,594	100
Hispanic	187,969	46.8	236,500	56.1	257,572	59.1
White alone - non-Hispanic	162,045	40.3	136,509	32.4	128,610	29.5
Black or African American alone or in combination with other races	17,895	4.5	15,037	3.6	15,458	3.5
Other non-Hispanic	33,853	8.4	33,852	8.0	33,954	7.8

2. The distribution of bookings by race and ethnicity was obtained from the data on cannabis related arrests for the 1995-2005; 2006-2016; and 2017-2019 periods. These are presented in table M2:

Table M2: jail bookings with cannabis related charges by race and ethnicity and time period

Race/Ethnicity	1995 - 2005		2006-2016		2017-2019	
	#	%	#	%	#	%
Total	4,654	100	4,730	100	392	100
Hispanic	2,710	58.2	2,598	54.9	244	62.2
White	1,467	31.5	1,413	29.9	103	26.3
Black	362	7.8	518	11.0	35	8.9
Other	115	2.5	201	4.2	10	2.6

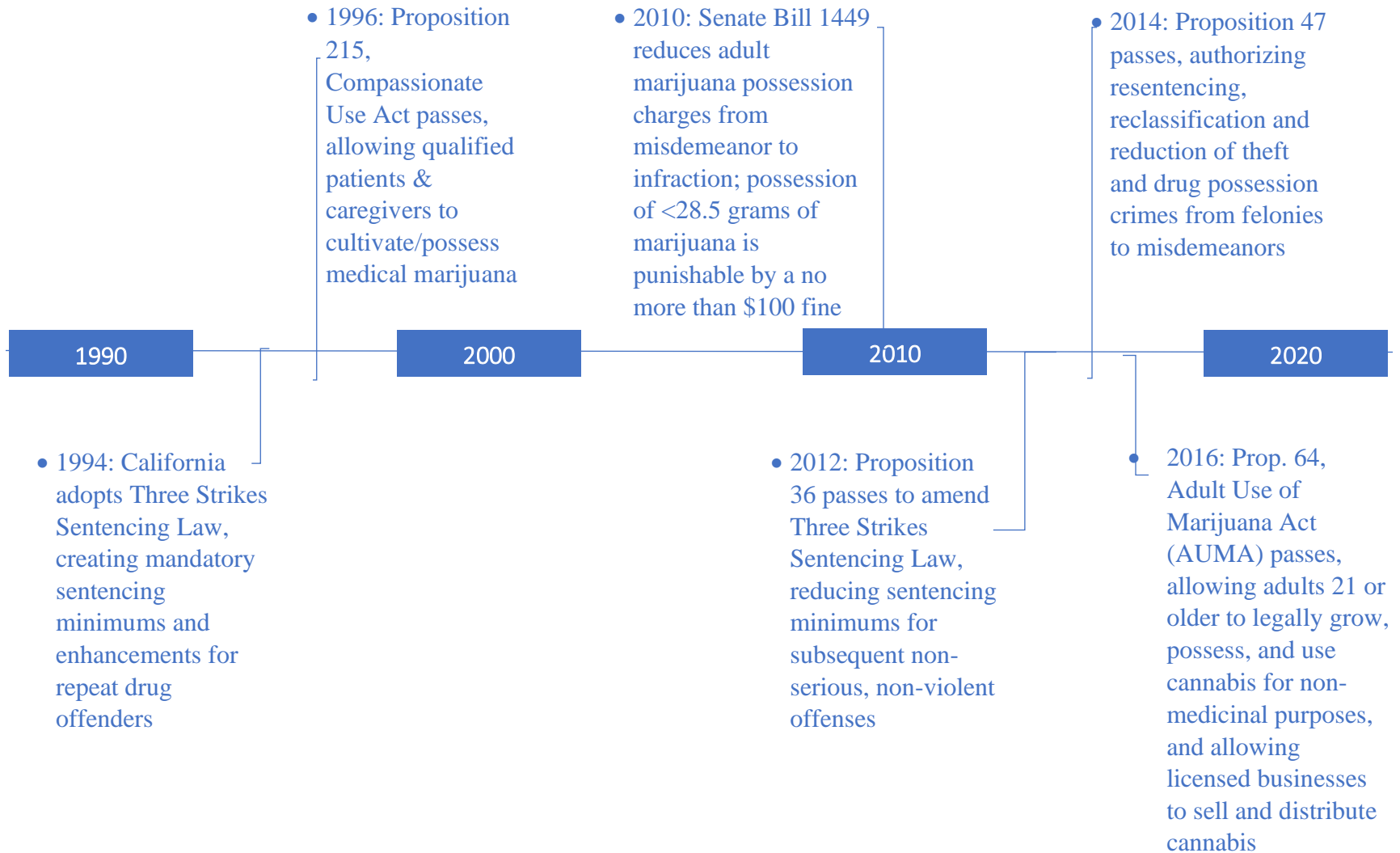
Population data sources:

Census of 2000: US Census Bureau 2000, Table DP-1. Profile of General Demographic Characteristics: 2000

Population estimates 2011: US Census Bureau 2011, Table DP-5. ACS Demographic and Housing Estimates, American Community Survey, 1-year estimates 2011 Monterey County: <https://data.census.gov/cedsci/table?q=dp01&text=dp05&g=0500000US06053&tid=ACSDP1Y2011.DP05>

Population estimates 2018: US Census Bureau 2018, Table DP-5. ACS Demographic and Housing Estimates, American Community Survey, 1-year estimates 2011 Monterey County: <https://data.census.gov/cedsci/table?q=dp01&text=dp05&g=0500000US06053&tid=ACSDP1Y2018.DP05>

Appendix C: California Cannabis Policy Timeline: 1990-2020



Appendix D: State of California Cannabis License Fees

CalCannabis Division of California Department of Food and Agriculture

License Type	Application Fee	Licensing Fee	Total Annual Fees
Specialty Cottage Outdoor	\$135	\$1,205	\$1,340
Specialty Cottage Indoor	\$205	\$1,830	\$2,035
Specialty Cottage Mixed-Light Tier 1	\$340	\$3,035	\$3,375
Specialty Cottage Mixed-Light Tier 2	\$580	\$5,200	\$5,780
Specialty Outdoor	\$270	\$2,410	\$2,680
Specialty Indoor	\$2,170	\$19,540	\$21,710
Specialty Mixed-Light Tier 1	\$655	\$5,900	\$6,555
Specialty Mixed-Light Tier 2	\$1,125	\$10,120	\$11,245
Small Outdoor	\$535	\$4,820	\$5,355
Small Indoor	\$3,935	\$35,410	\$39,345

Bureau of Cannabis Control

Applicants must pay the following application fees, in addition to a licensing fee based off of gross revenues.

License Type	Fee Per Application
All Annual Licenses	\$1,000
Cannabis Event Organizer License	\$1,000
Temporary Cannabis Event License	\$1,000
Physical Modification of Premises	\$500

License Type	Gross Revenue (\$ Max. Per License)	Fee Per License
Testing Laboratory Type 8	Less than or equal to \$160,000	\$3,000
	More than \$160,000 and less or equal to \$320,000	\$6,000
	More than \$320,000 and less or equal to \$480,000	\$8,000
	More than \$480,000 and less or equal to \$800,000	\$13,000
	More than \$800,000 and less or equal to \$1.2 million	\$20,000
	More than \$1.2 million and less or equal to \$2.0 million	\$32,000
	More than \$2.0 million and less or equal to \$2.8 million	\$48,000
	More than \$2.8 million and less or equal to \$4.4 million	\$72,000
	More than \$4.4 million	\$112,000

Monterey County Cannabis Program: Cannabis Equity Assessment Report (July 2021)

Distributor Type 11 Type 13 (unless only engaging in transport only self-distribution)	Less than or equal to \$1.0 million	\$1,500
	More than \$1.0 million and less or equal to \$2.5 million	\$6,000
	More than \$2.5 million and less or equal to \$5.0 million	\$11,250
	More than \$5.0 million and less or equal to \$10.0 million	\$22,500
	More than \$10.0 million and less or equal to \$20.0 million	\$45,000
	More than \$20.0 million and less or equal to \$30.0 million	\$75,000
	More than \$30.0 million and less or equal to \$50.0 million	\$120,000
	More than \$50.0 million and less or equal to \$70.0 million	\$180,000
	More than \$70.0 million	\$240,000
Distributor Transport Only Self-Distribution Type 13	Less than or equal to \$1,000	\$200
	Less than or equal to \$1,000	\$500
	More than \$3,000	\$1,000
Retailer Type 9 Type 10	Less than or equal to \$500,000	\$2,500
	More than \$500,000 and less or equal to \$750,000	\$5,500
	More than \$750,000 and less or equal to \$1.0 million	\$7,500
	More than \$1.0 million and less or equal to \$1.5 million	\$11,000
	More than \$1.5 million and less or equal to \$2.0 million	\$14,500
	More than \$2.0 million and less or equal to \$3.0 million	\$22,500
	More than \$3.0 million and less or equal to \$4.0 million	\$30,500
	More than \$4.0 million and less or equal to \$5.0 million	\$38,500
	More than \$5.0 million and less or equal to \$6.0 million	\$46,500
	More than \$6.0 million and less or equal to \$7.5 million	\$57,000
	More than \$7.5 million	\$96,000
Microbusiness Type 12	Less than or equal to \$1.0 million	\$5,000
	More than \$1.0 and less or equal to \$2.0 million	\$12,000
	More than \$2.0 and less or equal to \$3.00 million	\$20,000
	More than \$3.0 and less or equal to \$4.0 million	\$32,000
	More than \$4.0 and less or equal to \$6.0 million	\$45,000
	More than \$6.0 and less or equal to \$7.0 million	\$60,000
	More than \$7.0 and less or equal to \$10.0 million	\$80,000
	More than \$10.0 and less or equal to \$20.0 million	\$100,000
	More than \$20.0 and less or equal to \$30.0 million	\$120,000
More than \$30.0 and less or equal to \$40.0 million	\$140,000	
More than \$40.0 and less or equal to \$50.0 million	\$160,000	

Monterey County Cannabis Program: Cannabis Equity Assessment Report (July 2021)

	More than \$50.0 and less or equal to \$60.0 million	\$180,000
	More than \$60.0 and less than or equal to \$80.0 million	\$220,000
	More than \$80 million	\$300,000

Annual License Fee Schedule for Cannabis Event Organizers

License Type	Fee Per Application
0-5 events annually	\$3,000
6-10 events annually	\$5,000
11-20 events annually	\$9,000
Greater than 20 events annually	\$20,000

Manufactured Cannabis Safety Branch of the California Department of Public Health

License Type	Application Fee
Type 7	\$1,000
Type 6	\$1,000
Type N	\$1,000
Type P	\$1,000
Type S	\$500

Tier	Gross Annual Revenue (\$ Max. Per License)	Fee Per License
Tier I	Up to \$100,000	\$2,000
Tier II	\$100,001 to \$500,000	\$7,500
Tier III	\$500,001 to \$1,500,000	\$15,000
Tier IV	\$1,500,001 to \$3,000,000	\$25,000
Tier V	\$3,000,001 to \$5,000,000	\$35,000
Tier VI	\$5,000,001 to \$10,000,000	\$50,000
Tier VII	Over \$10,000,000	\$75,000

Appendix E: County of Monterey Cannabis-Related Fees

Below is a table outlining various County costs that may be applicable to commercial cannabis operators. Costs marked with an asterisk (*) indicate required local authorizations.

Permit/License Type	Department	Cost	Unit
Administrative Permit or Coastal Administrative Permit*	HCD	\$6,000	Each
Construction Permit(s)	HCD	Variable	Each
Inspection Fees	HCD	Variable	Each
Plan Check	HCD	Variable	Each
County conducted CEQA study	HCD	\$12,248	Each
Cannabis Business Permit (Initial)*	Various	\$4,910	Each
Cannabis Business Permit (Renewal)*	Various	\$2,455	Each
Cannabis Business Permit/Registration Form Modification	CAO	\$1,070	Each
Research Fee	CAO	\$74	Hour
Business License Application*	TTC	\$230	Each
Business License Annual Renewal*	TTC	\$91	Each
Expired License Annual Renewal*	TTC	\$343	Each
Duplicate or Replacement Business License	TTC	\$34	Each

Appendix F: Monterey County Comprehensive Cannabis Business Equity Survey

Welcome to the Monterey County Comprehensive Cannabis Business Equity Survey.

The purpose of this study is to learn about the experiences of those involved in the cannabis industry, to identify concerns about and challenges to participation in the industry, and to gather ideas about how a potential future equity program could best support Monterey County cannabis businesses. This survey is intended for Monterey County residents who are 21+ years old and who are currently involved in the cannabis industry or interested in becoming involved in the cannabis industry in the future.

Your responses to this survey are anonymous and confidential; the results will only be presented in summary form without any identifying information. At the conclusion of the study, the final report will be available to the public through the Monterey County Cannabis Program and Institute for Community Collaborative Studies (ICCS) websites. Your participation is voluntary. By clicking "OK" at the bottom of this page, you are consenting to participate in this study.

The survey contains 12 questions and should take about 15 minutes to complete. Please only complete this survey once. Use the PREV and NEXT buttons at the bottom of each page to move through the survey. If you need to stop and come back to the survey, you can answer some questions, exit the survey, and return to complete the survey at a later time. Once you have completed your responses, click DONE at the end of the survey. Once you click DONE, you will not be able to re-enter the survey.

This study is being conducted by researchers at CSUMB's Institute for Community Collaborative Studies (ICCS). If you have any questions or need assistance, please contact the Project Coordinator, Jessica Liette @ jeliette@csumb.edu.

Please respond by Thursday, April 1, 2021.

This Cannabis Equity Assessment is funded by the California Office of Business and Economic Development, the results of which are required for application to the state for future equity funding opportunities. Please visit [these links](#) for more information about the [state's cannabis program](#) and [this assessment](#).

* 1. In which county do you reside?

Monterey County

Other county

* 2. Are you 21 years or over?

Less than 21 years old

21 years or over

* 3. Are you currently involved or interested in working in the cannabis industry in Monterey County?

Yes

No

Monterey County Comprehensive Cannabis Business Equity Survey

1. Please indicate your current role in the cannabis industry. (Please check all that apply.)

- Cannabis business owner
- Employed cannabis professional
- Medical professional
- Legal counsel
- Compliance advisor
- Investor
- Government employee
- Cannabis industry job-seeker
- Other (please specify)

2. Please select all the commercial cannabis activities for which you have received a license, have a pending license application, or intend to apply for a license in the future. (Please check all that apply).

	Currently hold a license	License application pending	Interested in future application
Cultivation - Indoor using exclusively artificial lighting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cultivation - Mixed-light using a combination of natural and supplemental artificial lighting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cultivation - Outdoor using exclusively natural lighting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cultivation - Solely as a nursery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Manufacturer - For manufacturing sites that produce cannabis products using volatile or nonvolatile solvents.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Testing - Testing of cannabis products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Retail (Storefront) - An establishment where cannabis or cannabis products are offered for retail sale	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Retail (Delivery only/non-storefront) - Direct to consumer sales and delivery of cannabis or cannabis products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Distribution - Distribution of cannabis products to a retail dispensary.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transporter - Transports cannabis products between (non-retail) licensees, i.e., cultivators, manufacturers and distributors.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments:

3. Is your business involved with medicinal cannabis or recreational cannabis?

- Medicinal
- Recreational
- Both medicinal and recreational
- Don't know
- Decline to state

4. About how many employees worked at your business last week (including full-time, part-time and seasonal workers)? (Note, if self-employed, enter "1". If not currently operating a business, enter "0".)

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Don't Know
Finding an affordable property for purchase	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Finding an affordable property for rent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paying rent on a property while waiting for permits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Upgrades or other changes to your property	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of California (state) cannabis licenses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Understanding California (state) licensing bureau requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meeting California (state) licensing bureau requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meeting California state agency requirements (Dept. of Fish and Wildlife, California State Water Resources Control Board, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of Monterey County permits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Understanding Monterey County permitting requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meeting Monterey County Code Chapter 7.90 requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meeting Monterey County Code Titles 20/21 requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meeting health inspection requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meeting building inspection requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meeting fire inspection requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Finding legal representation for your business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of legal representation for your business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Utility costs (water, electricity, waste disposal)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of equipment required for your business (lighting, extraction machines, farm equipment, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of Monterey County cannabis taxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Background check requirements for owners	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Background check requirements for employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Finding well-qualified employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Distrust of government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments: Please elaborate on any of the responses above and/or any other significant barriers to entry into the legal cannabis market not mentioned above.

9. Please tell us how important you think the following types of assistance could be in supporting cannabis business ownership and employment opportunities in Monterey County, especially for those who have been disproportionately targeted by law enforcement for cultivating, possessing, consuming, or selling cannabis.

	Extremely Important	Very Important	Somewhat Important	Not Very Important	Not At All Important	Don't Know
Financial support at startup	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assistance with financial planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assistance with identifying a suitable business location or property	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assistance with the application process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tiered/reduced fees or waivers for local permits or licenses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tiered/reduced fees or waivers for local taxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assistance with achieving or maintaining regulatory compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Address regulatory barriers at the city level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Address regulatory barriers at the county level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Address regulatory barriers at the state level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assistance businesses with recruiting, training and retaining a qualified and diversified workforce	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assist employees (or those interested in becoming employees) with education, training, and mentoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prioritize licensure/permitting for equity applicants	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reserve certain types of permits specifically for equity applicants (i.e. retail delivery)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment in historically disadvantaged communities to increase economic opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments: Please elaborate on any of the above responses and/or discuss any ideas or suggestions not listed above.

10. Cannabis Equity Programs aim to improve opportunities for populations and communities that have been historically impacted by cannabis criminalization. How important are each of the following characteristics when deciding who should be eligible for assistance under an Equity Program in Monterey County?

	Extremely Important	Very Important	Somewhat Important	Not Very Important	Not At All Important	Not Sure
Low-income status	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Veteran status	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Individuals who have a history of arrest or conviction for a cannabis-related offense	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Individuals who have been involved in the local cannabis industry prior to legalization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Neighborhoods that have been disproportionately impacted by cannabis-related policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Geographic location of business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Size of the business operation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments: Please elaborate on the responses above and/or discuss any other eligibility criteria that should be considered for an Equity Program in Monterey County.

11. One goal of the Equity Assessment is to identify the impacts that cannabis-related policies have historically had on communities within Monterey County. The following are some of the ways that people have been impacted by the war on drugs. Please tell us how severe you think these impacts have been on communities in Monterey County.

	Very Severe	Severe	Somewhat Severe	Not Very Severe	Not At All Severe	Don't Know
Surveillance of home or property	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Home(s) or property(s) raided	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Arrest(s)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Incarceration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Deportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Family separation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Limited employment opportunities due to criminal record	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Limited access to public assistance programs (i.e. CalWorks, CalFresh, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Limited access to housing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poverty due to lack of employment opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial loss (fines, legal fees, lack of access to good-paying jobs, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Distrust of government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Distrust of police/criminal justice system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Violence or physical harm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Psychological harm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social effects (on relationships with others)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stigma	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments: Please elaborate on anything you would like us to know about your experience with the war on drugs, whether firsthand, via family or friends, or more general impacts on your community.

12. Please provide us with any additional information you believe is important for this study. Thank you!

Thank you for participating in our survey. Your feedback is important!

If you are interested in reviewing the resources used for this survey, please [click this link for a list a References.](#)

Appendix G: Monterey County General Community Cannabis Equity Survey

Welcome to the Monterey County General Community Cannabis Equity Survey.

This study is being conducted by the Institute for Community Collaborative Studies (ICCS) at California State University, Monterey Bay, in partnership with the Monterey County Cannabis Program (MCCP). The purpose of this survey is to gain insights into the ways that cannabis policies have historically impacted our community, and to gather ideas about how a potential future cannabis equity program could best support Monterey County residents.

This survey is intended for Monterey County residents who are 21+ years old. Your responses to this survey are anonymous and confidential; the results will only be presented in summary form without any identifying information. At the conclusion of the study, the final report will be available to the public through the Monterey County Cannabis Program and ICCS websites. Your participation is voluntary. By clicking "OK" at the bottom of this page, you are consenting to participate in this study.

The survey contains five questions and should take about 10 minutes to complete. Please only complete this survey once.

- Use the PREV and NEXT buttons at the bottom of each page to move through the survey.
- Once you have completed your responses, click DONE at the end of the survey. Please note that you will not be able to re-enter the survey.

To ensure the widest participation, please forward this link to others who may be interested in participating in this survey.

If you have any questions or need assistance completing this survey, please contact the Project Coordinator, Jessica Liette @ jeliette@csumb.edu.

Please respond by Thursday, April 1, 2021.

This Cannabis Equity Assessment is funded by the California Office of Business and Economic Development, the results of which are required for application to the state for future equity funding opportunities. For more information about the state's cannabis program, please visit <https://business.ca.gov/cannabis-equity-grants-program-for-local-jurisdictions/>

* 1. In which county do you reside?

- Monterey County
- Other county

* 2. Are you 21 years or over?

Less than 21 years old

21 years or over

* 3. Are you currently involved or interested in working in the cannabis industry in Monterey County?

Yes

No

Monterey County General Community Cannabis Equity Survey

1. Please tell us a little bit about yourself. (Please check all that apply.) I am a:

- Medical professional
- Government employee
- Legal professional
- Labor advocate
- Financial professional
- Private citizen
- Other (please specify)

2. Please describe your interest in the cannabis industry in Monterey County.

	Very Severe	Severe	Somewhat Severe	Not Very Severe	Not At All Severe	Don't Know
Deportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Family separation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Limited employment opportunities due to criminal record	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Limited access to public assistance programs (i.e. CalWorks, CalFresh, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Limited access to housing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poverty due to lack of employment opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial loss (fines, legal fees, lack of access to good-paying jobs, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Distrust of government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Distrust of police/criminal justice system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Violence or physical harm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Psychological harm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social effects (on relationships with others)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stigma	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments: Please elaborate on anything you would like us to know about your experience with the war on drugs, whether firsthand, via family or friends, or more general impacts on your community.

5. Please provide us with any additional information you believe is important for this study. Thank you!

Thank you for participating in our survey. Your feedback is important!

If you are interested in reviewing the resources used for this survey, [please click this link to see a References list.](#)

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