



Board Report

File #: 21-834, **Version:** 1

- a. Receive a report outlining the proposed framework and next steps for the implementation and funding of a local equity program; and
- b. Adopt a resolution authorizing the Cannabis Program Manager to execute a grant agreement with the Governor's Office of Business and Economic Development to receive grant funding to assist local equity applicants and licensees through a local equity program for commercial cannabis activities; and
- c. Provide direction to staff as appropriate.

RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Receive a report outlining the proposed framework and next steps for the implementation and funding of a local equity program; and
- b. Adopt a resolution authorizing the Cannabis Program Manager to execute a grant agreement with the Governor's Office of Business and Economic Development to receive grant funding to assist local equity applicants and licensees through a local equity program for commercial cannabis activities; and
- c. Provide direction to staff as appropriate.

SUMMARY/DISCUSSION

In August 2021 the Cannabis Program ("Program") presented the findings of the equity assessment ("Assessment"), which was enabled through the Governor's Office of Business and Economic Development ("GO-Biz") Tier 1 grant award. Staff was directed to develop an equity program structure and applicant criteria and return to the Board of Supervisors ("BoS") to gain policy direction. Staff has not prepared a formal cost analysis of the costs to support implementation of the proposed framework. However, the Go-Biz Tier 2 grant funding is anticipated to sufficiently fund the current scope, or the scope will need to be refined.

Staff has researched and reviewed equity programs in the County/City of San Francisco, City of Oakland, and Counties of Humboldt and Mendocino. Staff has prepared qualifying criteria and benefits for qualified applicants within the Proposed Equity Program Framework (Attachment A) for consideration. Staff has also met with internal and external stakeholders, including the assigned grant analyst from GO-Biz, to identify next steps for the implementation of a local equity program and eligibility for Tier 2 grant funding. The application window for the Tier 2 GO-Biz opportunity is anticipated to open in mid-October and close in December, with awards announced in March 2022 and funding by April 2022.

Staff anticipates the following steps, depending on direction provided by the BoS:

- BoS review and provide policy direction for the proposed equity program framework.
- Adoption of resolution directing staff to develop and implement a local equity program and authorizing Cannabis Program Manager to execute grant agreement.
- Amendments to Chapter 7.90 to support the creation of an Administrative Manual to establish guidelines used to interpret the local equity program.
- Amendments to Monterey County Code Chapter 20/21.67 and 20/21.69 to codify the Retirement,

Remediation and Relocation (“RRR”) concept.

- Report back to the BoS on equity program process and next steps.

Staff would also like to review the concurrent grant opportunity offered by the Department of Cannabis Control (“DCC”) this fall. While approximately \$1.7m in grant funding under the Local Jurisdiction Assistance Grant Program (“DCC Grant”) has already been earmarked for Monterey County, resources funded by the DCC Grant will contribute to the implementation of a local equity program including an administrative staff position to oversee the equity component.

Staff acknowledges the importance of expediting the adoption of a local equity program to maximize both grant awards and deploy assistance to equity applicants to meet timelines regarding state provisional commercial cannabis licenses recently adopted in Assembly Bill 160 (“AB 160”). Pursuant to AB 160, the DCC is prohibited from issuing provisional licenses after June 30, 2022, however the DCC may issue provisional licenses to equity applicants through June 30, 2023. This expanded timeline will allow equity applicants to access equity program benefits while preparing to enter the licensed cannabis industry.

Staff is requesting policy direction from the BoS on the criteria and benefits of the proposed equity program. Staff recommends the initial qualifier outlined in Attachment A, which would align local equity program criteria with parameters for cultivation type and canopy limits pursuant to AB 160. Staff also recommends that in addition to the initial qualifier, three of following four criteria are met to ensure that equity program benefits are extended to individuals for which the program is intended to serve:

- Convicted of a non-violent, cannabis-related offense.
 - This is to help ensure that harms caused by the War on Drugs are addressed and reversed.
- An individual from any group with a protected status.
 - This is to help ensure diverse representation throughout the cannabis industry.
- Household income is below the California poverty level.
 - This is to help ensure that applicants are not utilizing funding that would better serve less privileged applicants.
- A primary resident of Monterey County for at least five years from 1971 - 2016.
 - This is to help ensure that applicants are invested in their local community and are not relocating to Monterey County to access equity program benefits.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel, the District Attorney’s Office, and Housing & Community Development were involved in the preparation of the report.

FINANCING:

Monterey County’s Cannabis Program is funded in County Administrative Office - Department 1050, Intergovernmental and Legislative Affairs Division - Unit 8533, Cannabis. The approval of this report and funding thereof depends on a Go-Biz Tier 2 grant application with an indeterminant award amount. At this time, it is uncertain if supplemental County funding will be needed for the implementation of the equity program as proposed.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Monterey County Cannabis Program addresses each of the Strategic Initiative Policy Areas that promote the growth of a responsible and legal Monterey County cannabis industry.

Mark a check to the related Board of Supervisors Strategic Initiatives

- X Economic Development
- X Administration
- X Health & Human Services
- X Infrastructure
- X Public Safety

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Approved by: Nicholas E. Chiulos, Assistant CAO

Attachments:

- A: Proposed Equity Program Framework
- B: Draft Resolution