



Board Report

File #: RES 22-013, **Version:** 2

Adopt a resolution authorizing:

The County Administrative Officer, or his designee, to execute a grant agreement with the Department of Cannabis Control through the Local Jurisdiction Assistance Grant Program to receive grant funding in the amount of \$1,737,035 to pass-through funds to qualified licensees to assist with transitioning from provisional to annual licensure, conduct environmental review to establish the Growing Equity Together and Retirement, Remediation, and Relocation Programs, conduct a programmatic-level environmental analysis related to outdoor cultivation within a portion of Supervisorial District 5, outsource planning and building permits to specialized consultants, and hire a consultant to manage this grant and assist with the implementation of the equity program.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution authorizing:

- 1) The County Administrative Officer, or his designee, to execute a grant agreement with the Department of Cannabis Control through the Local Jurisdiction Assistance Grant Program to receive grant funding in the amount of \$1,737,035 to pass-through funds to qualified licensees to assist with transitioning from provisional to annual licensure, conduct environmental review to establish the Growing Equity Together and Retirement, Remediation, and Relocation Programs, conduct a programmatic-level environmental analysis related to outdoor cultivation within a portion of Supervisorial District 5, outsource planning and building permits to specialized consultants, and hire a consultant to manage this grant and assist with the implementation of the equity program; and
- 2) Provide direction as appropriate.

SUMMARY/DISCUSSION:

The Cannabis Program (Program) informed the Board of Supervisors Cannabis Committee (Committee) and the Board of Supervisors (Board) of the Local Jurisdiction Assistance Grant Program (LJAG) opportunity on July 21, 2021 and October 12, 2021 respectively. Through the LJAG, the Department of Cannabis Control (DCC) intends to provide grant funding to local jurisdictions to assist local commercial cannabis operators with transitioning from provisional to annual state licensure. The Program submitted an LJAG application on November 10, 2021 and received notification on December 24, 2021 for an award amount of \$1,737,025 to be expended from January 1, 2022 through June 30, 2025.

The purpose of the grant funds is to assist Monterey County to:

- 1) Pass-through funds to qualified licensees to assist in their continued efforts to meet local jurisdiction requirements and become eligible for a state annual commercial cannabis license. Qualified licensees are those that are making continuous efforts to meet local jurisdiction requirements and to our legacy outdoor gardeners who, in the past, have not been able to make a land use application due to limitations of the local ordinance. The local ordinance has been amended and approved by the Board of Supervisors.

- 2) Conduct environmental review under the California Environmental Quality Act (CEQA), to support the establishment of two cannabis-related programs: Equity and Retirement, Remediation, and Relocation. These programs will require amendments to land use regulations, which are another intended funding usage.
- 3) Conduct a programmatic-level environmental analysis, pursuant to CEQA, related to outdoor cultivation within a portion of Supervisorial District 5 of Monterey County. The programmatic-level review would expedite the site-specific application process by streamlining project-level environmental reviews and timelines. While there are no current outdoor cultivators, recent ordinance amendments expanded eligibility for outdoor cultivation and a cohort is expected to apply in Winter 2021.
- 4) Outsource planning and building permits to third-party consultants who specialize in the review and processing of cannabis-related planning and building permit applications to expedite portions of the permit review.
- 5) Hire a consultant to manage this grant and continue efforts to implement the Cannabis Equity Program known as Growing Equity Together (GET). The County has made efforts to identify potential GET applicants, of which 8 are outdoor grow cultivators.

Below are key provisions of the grant agreement:

- Grant Term: Grant funds shall be expended between January 1, 2022 and June 30, 2025.
- Grant Scope/Description: The Grantee agrees to use the grant award in according with the submitted Budget.
- Grant Award Disbursement: The grant award will be issued in two disbursements upon execution of the agreement and presentation of a resolution passed by the governing body of the Grantee.
- Documentation and Reporting Requirements: The Grantee must be able to demonstrate to the satisfaction of the DCC that the grant award was expended for eligible uses in accordance with the Budget.

OTHER AGENCY INVOLVEMENT:

The report and Grant Agreement have been reviewed by the Office of the County Counsel.

FINANCING:

Monterey County's Cannabis Program is funded in County Administrative Office - Department 1050, Intergovernmental and Legislative Affairs Division - Unit 8533, Cannabis. Approval of this recommendation will not result in additional general fund contributions.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The local jurisdiction assistance grant will enhance the ability for the Cannabis Program to meet the Board of Supervisors expectations, the Cannabis Program Strategic Plan and Goals while supporting our Cannabis industry in sustaining legal and responsible operations.

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, x 5145

Attachments:

A: Local Jurisdiction Assistance Grant Agreement

B: Resolution to Execute Grant Agreement and Receive Funding