

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR ROGERS AND MEMBERS OF THE COUNCIL
FROM: AMY LYLE, SUPERVISING PLANNER (ADVANCE PLANNING)
PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT
SUBJECT: CANNABIS EQUITY GRANT ACCEPTANCE AND
AUTHORIZATION

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council, by resolution: 1) accept and authorize grant funds from the Cannabis Equity Grants Program awarded by the State of California, Governor's Office of Business and Economic Development, in the amount of \$75,000, to accomplish a cannabis equity assessment and develop a local cannabis equity program; 2) authorize the City Manager to execute a standard agreement and all related award documents and any amendments thereto; and 3) appropriate grant funds in the amount of \$75,000.

EXECUTIVE SUMMARY

The State of California administers the Cannabis Equity Grants Program for Local Jurisdictions to aid local equity program efforts to support equity cannabis applicants. The purpose of the Cannabis Equity Grants Program for Local Jurisdictions is to advance economic justice for populations and communities harmed by cannabis prohibition and the war on drugs by providing support to local jurisdictions as they promote equity and eliminate barriers to enter the newly regulated cannabis industry for equity program applicants.

In December 2021 the Planning and Economic Development Department submitted a grant application for consideration of "type 1" grant funding to support the creation of a cannabis equity assessment and development of a local equity program.

The City has recently been notified that that is has been awarded \$75,000 for Type 1 (for purposes of conducting a cannabis equity assessment) from the Governor's Office of Business and Economic Development (GO-Biz). To receive grant funding, GO-Biz requires formal authorization by Council for the City to enter into a grant agreement and to designate the individual who is authorized to sign the agreement on behalf of the City.

BACKGROUND

The purpose of the Cannabis Equity Grants Program for Local Jurisdictions is to advance economic justice for populations and communities harmed by previous cannabis prohibition and to provide support to local jurisdictions as they promote equity and mitigate barriers to enter the newly regulated cannabis industry. By issuing grants to local jurisdictions, GO-Biz aims to advance the well-being of populations and communities that have been negatively or disproportionately impacted by cannabis prohibition and the war on drugs.

The Cannabis Equity Grants Program is comprised of two funding types:

- Type 1: Assistance for cannabis equity assessment/program development
- Type 2: Assistance for cannabis equity program applicants and licensees

Staff submitted this grant application on behalf of the City in December 2021. Council Policy #000-62 requires Council authorization of grant funds over \$500,000. This grant is \$75,000 and although no Council action is required under this policy, GO-Biz does require a Council resolution.

The City received notice that it would be awarded \$75,000, the maximum amount permitted for Type 1 funding, for cannabis equity assessment/program development.

The requirements related to Type 1 funding include the following:

- No more than \$50,000 of the award may be used to conduct the cannabis equity assessment and/or to develop a local equity program
- Eligible costs related to conducting a cannabis equity assessment include staff time to conduct the analysis and compile the report, or contracting with a consultant to conduct necessary research, etc.
- Eligible costs related to program development include staff or consultant time, and other necessary and reasonable expenses to adopt a local equity program, and/or design and prepare to implement any new component(s) of an existing local equity program, which are not already operational.
- Funds may not be used to acquire and/or improve land or buildings

There is no local match requirement, and the grant funds must be expended within 12 months from the date funds have been disbursed. To receive grant funding, GO-Biz requires formal authorization for the City to enter into a grant agreement with GO-Biz and to designate the individual who is authorized to sign the agreement on behalf of the City. The attached Resolution authorizes the City Manager to sign on behalf of the City.

Staff has been in contact with the County of Sonoma on the development of their equity program and anticipates a partnership if the City moves forward with a Type 2 grant allowing for the activation of an equity cannabis program.

PRIOR CITY COUNCIL REVIEW

CANNABIS EQUITY GRANT ACCEPTANCE

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On January 25, 2022, the City was awarded one-time grant funds from the Department of Cannabis Control (DCC) Local Jurisdiction Assistance Grant Program (Local Assistance Grant) to aid provisional licensees in completing compliance requirements necessary to achieve annual licensure. The City has identified four areas of focus to assist local cannabis applicants in obtaining annual licenses, which results in the Department's request for a 3.5 year 1.0 FTE Limited Term Senior Planner. This planner position will also oversee the project management of the cannabis equity assessment.

FISCAL IMPACT

No impact to the General Fund is anticipated from these actions. This item accepts the grant and authorizes authority to execute the tasks needed to meet the grant requirements. An existing position will serve to manage the project and engage an outside consultant.

ENVIRONMENTAL IMPACT

This Council action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378. The limited-term positions being sought would allow the City to further the Council goals of equity and economic resiliency.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution – Accepting and Authorizing Cannabis Equity Grant Funding

CONTACT

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