

SANTA ROSA CANNABIS EQUITY ASSESSMENT

CITY COUNCIL
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PRESENTATION OVERVIEW

- Background & Purpose of Session
- Overview of Cannabis Equity Assessment
- Next Steps
- Timing
- Staff Recommendation

BACKGROUND

- California Cannabis Equity Act (AB 97 (Stats. 2019, Ch. 40))
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 - Agreement between Department of Cannabis Control (DCC) and Governor's Office of Business and Economic Development (Go-Biz)
 - Cannabis Equity Grants Program for Local Jurisdictions
- City of Santa Rosa awarded \$75,000 Grant (Type I)
 - Conduct cannabis equity assessment

PURPOSE OF SESSION

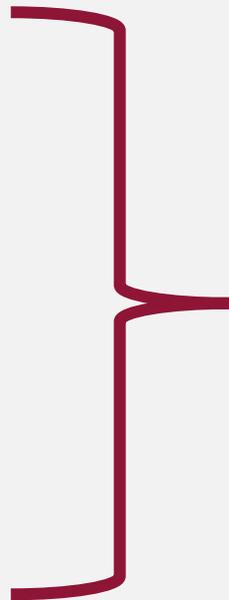
- Receive and accept the cannabis equity assessment
- Direct staff on next steps

DEVELOPING A LOCAL CANNABIS EQUITY PROGRAM

1. Outreach and Education
2. Cannabis Equity Assessment
3. Program Development
4. Program Implementation

OUTREACH AND EDUCATION

- Development of Equity Webpage
- Online Survey (May 2023)
- Community Meeting (June 2023)
- Stakeholder Interviews (Jul-Aug 2023)



Feedback incorporated
into Equity Assessment
and Program
Development

CANNABIS EQUITY ASSESSMENT

- Data-informed look at history and impact of cannabis enforcement and criminalization
 - Analysis of Police statistics, demographics, poverty, and educational attainment
- Identify barriers to entry
- Provide policy recommendations for program development:
 - Program Eligibility, Program Benefits/Services, Regulatory Changes

ANALYSIS PROCESS



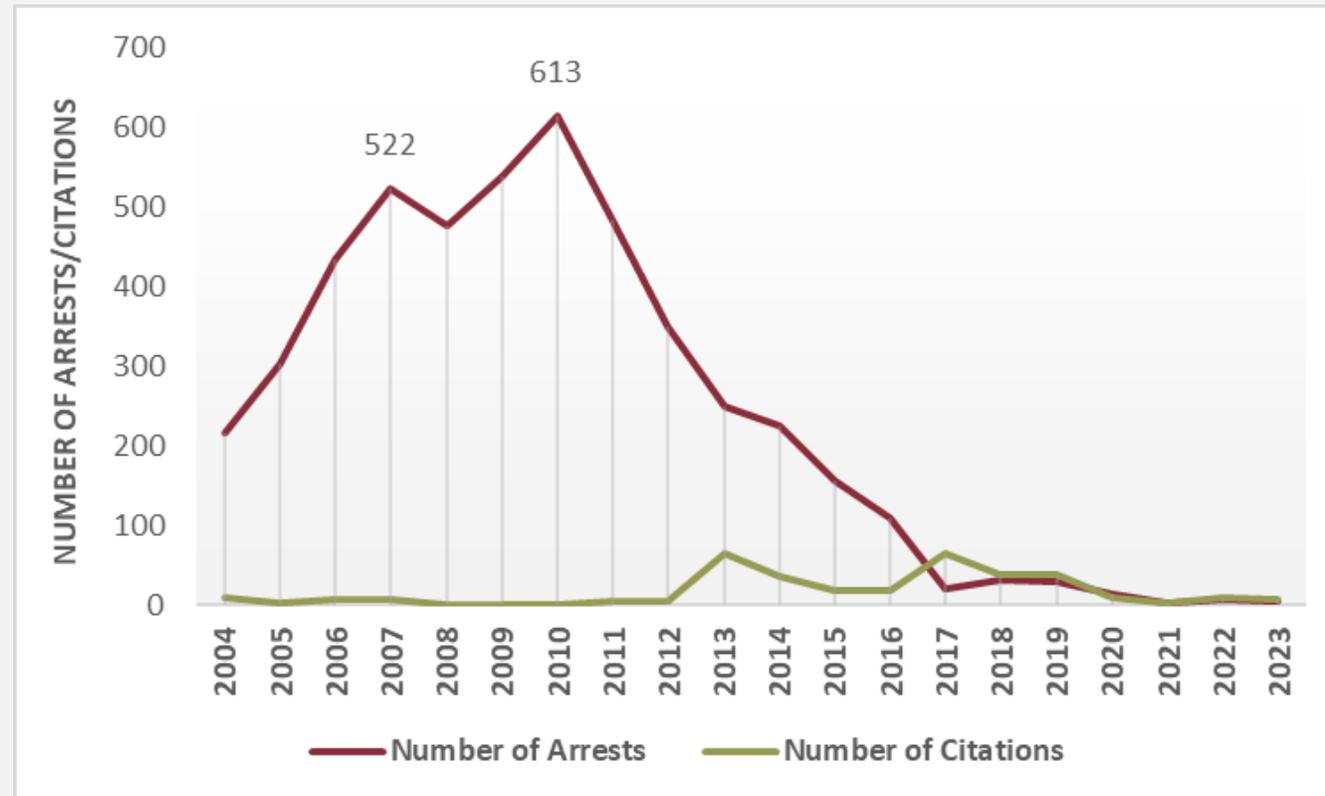
SANTA ROSA DEMOGRAPHICS

Race/Ethnicity	Population	Percent
White Alone	111,660	62.3%
Hispanic or Latino	60,914	34.0%
Other	34,294	19.1%
Two or More Races	15,972	8.9%
Asian Alone	10,653	5.9%
Black or African American Alone	3,610	2.0%
American Indian and Alaska Native Alone	2,223	1.2%
Native Hawaiian and Other Pacific Islander Alone	801	0.4%

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimate

CANNABIS-RELATED ARRESTS (2004-2023)

- 4,781 cannabis-related arrests from 2004-2023

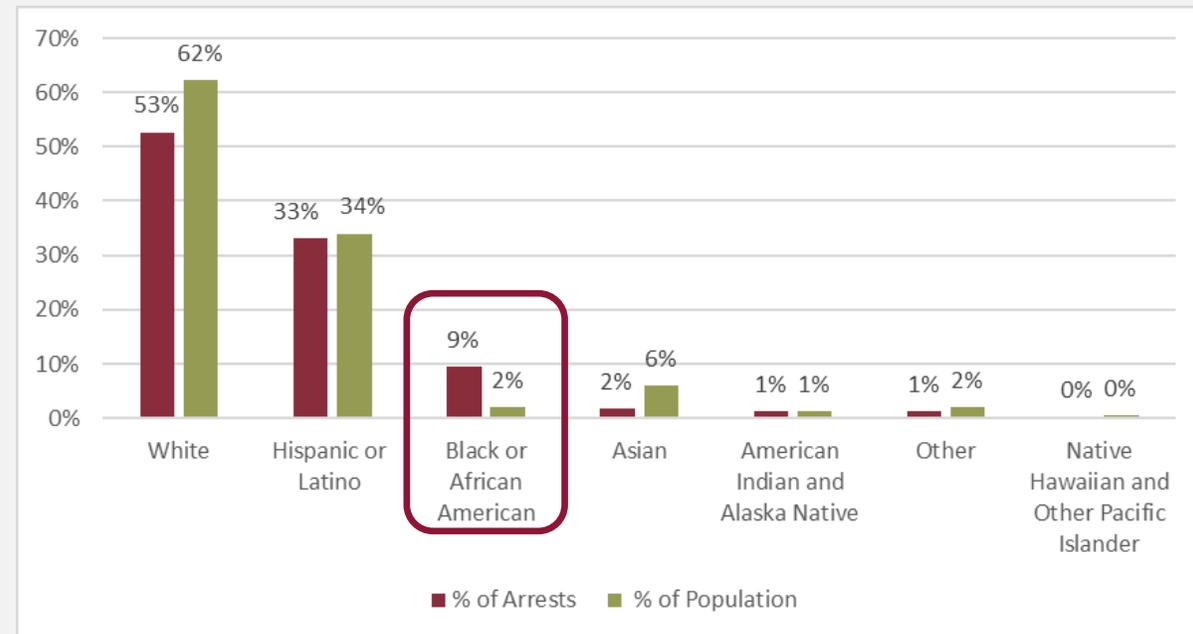


CANNABIS-RELATED ARRESTS BY RACE

Race/ Ethnicity	Arrests (2004-2023) ¹		Population (2021) ²	
	Total	Percent	Total	Percent
White	2,517	52.6%	111,660	62.3%
Hispanic or Latino	1580	33.0%	60,914	34.0%
Black or African American	450	9.4%	3,610	2.0%
Asian	85	1.8%	10,653	5.9%
American Indian and Alaska Native	58	1.2%	2,223	1.2%
Other	56	1.2%	3,610	2.0%
Native Hawaiian and Other Pacific Islander	11	0.2%	801	0.4%

¹ Source: Santa Rosa Police Department

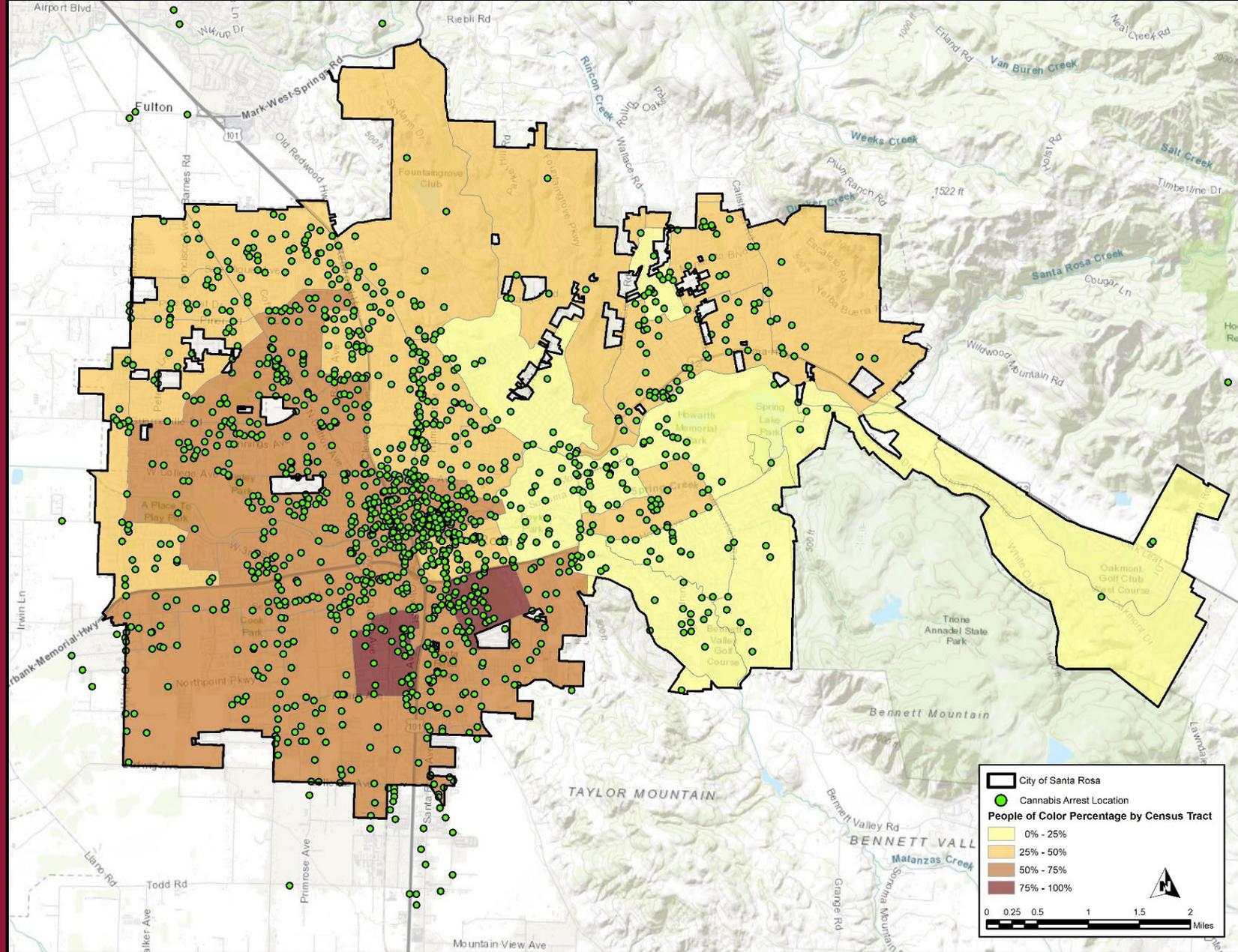
² Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates



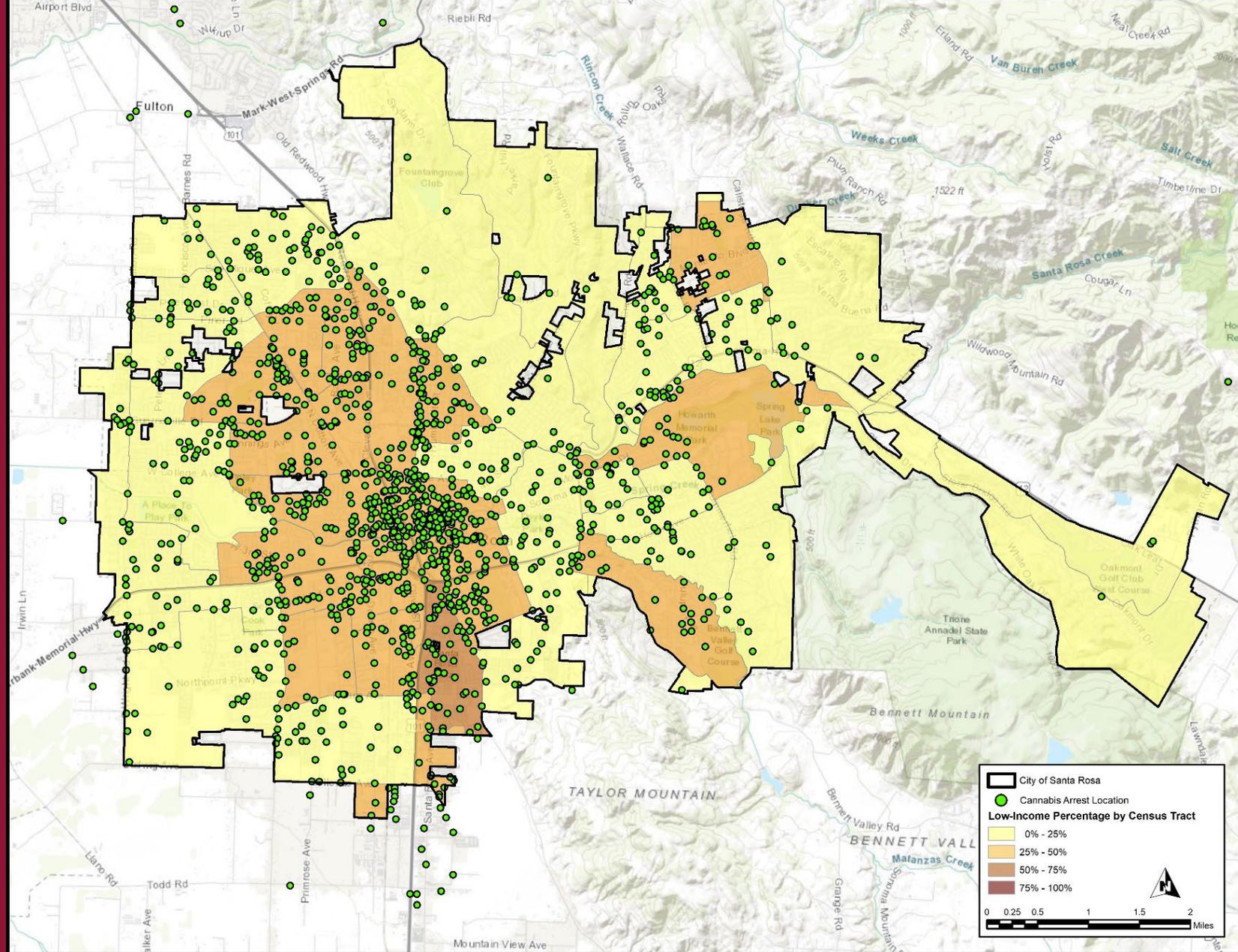
IDENTIFICATION OF DISPROPORTIONATELY AFFECTED COMMUNITIES

- Three Key Indicators:
 - People of Color Populations
 - Low-Income Populations
 - Educational Attainment Levels
- Geospatial analysis of arrests locations across the three indicators

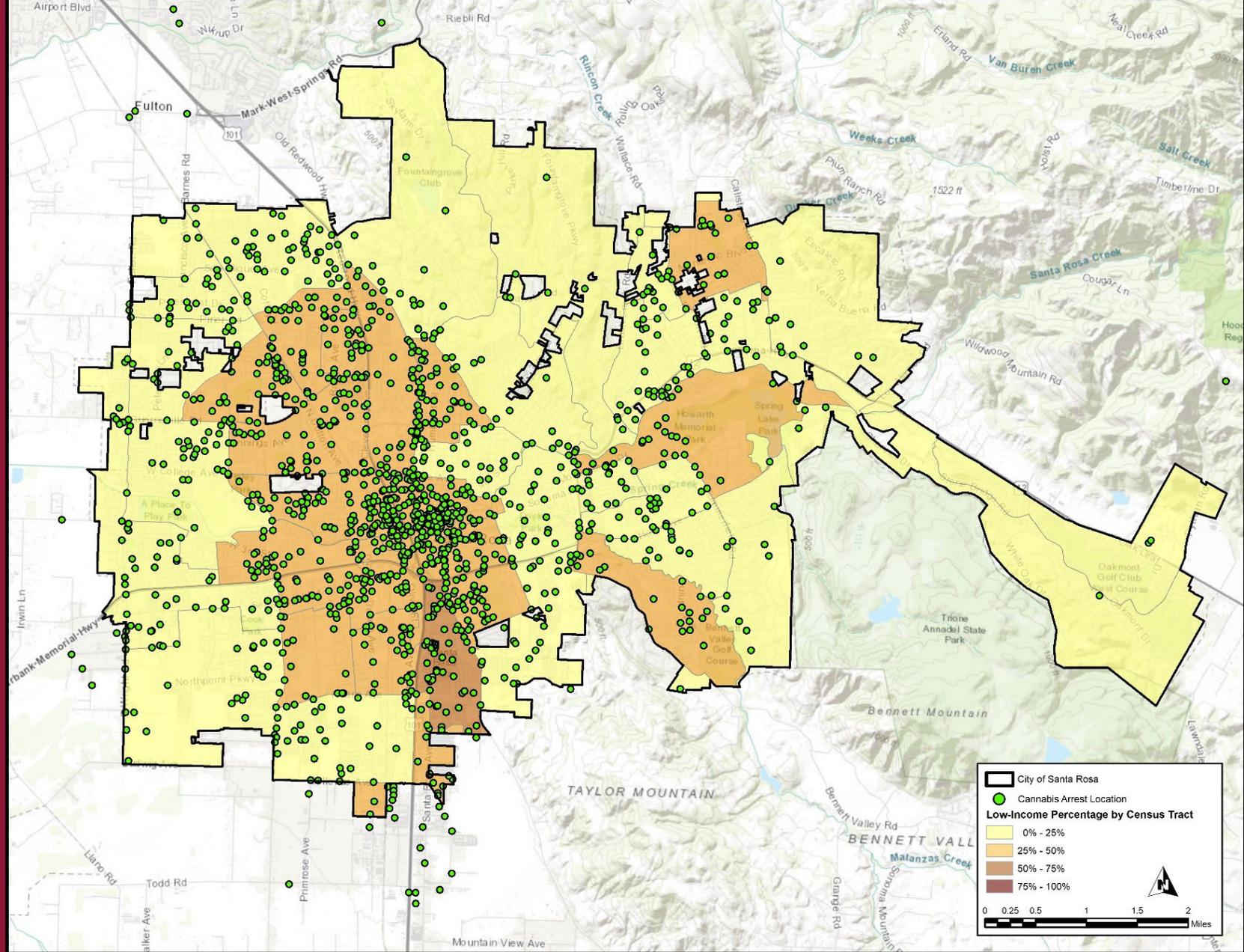
PEOPLE OF COLOR POPULATIONS



LOW-INCOME POPULATIONS



EDUCATIONAL ATTAINMENT



FINDINGS

Census Tract	Number of Arrests	Population	POP %	Percent of Arrests	% People of Color	% Low Income	% Not Completed High School
151404	45	2967	1%	1%	88%	30%	42%
153102	42	6109	3%	1%	86%	31%	35%
153104	93	3687	2%	2%	73%	49%	36%
152803	67	4787	2%	1%	72%	30%	35%
153103	28	4489	2%	1%	67%	36%	21%
153201	265	4115	2%	6%	67%	23%	22%
151405	21	7245	3%	0%	64%	39%	22%
153202	26	3414	2%	1%	64%	26%	30%
153302	38	5690	3%	1%	64%	25%	33%
153002	374	6921	3%	8%	63%	35%	30%
152903	136	4942	2%	3%	63%	31%	26%
153301	140	6290	3%	3%	59%	19%	16%
153003	148	5598	3%	3%	58%	31%	20%
151406	123	3142	2%	3%	55%	52%	26%
152000	689	2165	1%	14%	55%	37%	12%
153006	55	7978	4%	1%	54%	11%	23%
153001	100	6928	3%	2%	54%	28%	15%
151403	32	4827	2%	1%	52%	20%	11%
152100	297	3089	1%	6%	50%	31%	22%
152804	82	3217	2%	2%	49%	39%	18%
152904	254	5793	3%	5%	47%	11%	7%
153005	41	7153	3%	1%	46%	23%	7%
152502	208	4146	2%	4%	46%	26%	10%

Green	Minimal Impact
Yellow	Low Impact
Orange	Moderate Impact
Red	High Impact

CONCLUSIONS

- African American Individuals arrests nearly 5x higher than their proportion in population
- Census Tracts 153002 and 152000 highest percentage arrests
 - >55% People of color
 - >35% Low-income households

BARRIERS TO ENTRY

Financial:

- Access to capital or financing – start-up and operational
- Access to real estate
- High Fees & Taxes

Technical:

- General business ownership
- Lack of industry knowledge / legal and regulatory rules
- Difficult application and permitting processes
- Awareness of opportunities

Criminal:

- Existing Criminal records

Other:

- Distrust of government
- Caps on number of licenses
- Social stigma associated with Cannabis industry
- Zoning

POTENTIAL PROGRAM SERVICES/BENEFITS

Financial Assistance:

- Loans/Grants for Financing Capital
- Fee Deferral or Reduced Fees
- Training and Certification Fees

Administrative/ Technical Assistance:

- Application Assistance and Workshops
- Pro bono Legal Assistance

Business Acumen:

- General Business Development Training
- Cannabis Specific Business Development Training
- Cannabis Regulatory Compliance Training
- Workforce Development

Other:

- Expedited Application, Permitting, and Plan Check Review
- Additional Permits Reserved for Equity Applicants
- Public Outreach, Education, & Awareness Campaign Outreach
- Incubator / Shared Use Facilities / Apprenticeship Program
- Record Expungement Program

KEY ASSESSMENT FINDINGS AND RECOMMENDATIONS

- **Finding #1:** Equity program eligibility criteria should focus on the inclusion of populations and communities disproportionately impacted by cannabis enforcement.
- **Recommendation:** The City should consider the following criteria:
 - Cannabis conviction or arrest history
 - Low-income status
 - Residency
 - Equity Business Ownership %

KEY ASSESSMENT FINDINGS AND RECOMMENDATIONS

- **Finding #2:** The equity program application and permitting process should be structured to ensure equity applicant success and incentivize ongoing support.
- **Recommendation:** The City should consider the following criteria:
 - Priority Application and Permit Processing
 - Amnesty Program for non-permitted businesses

KEY ASSESSMENT FINDINGS AND RECOMMENDATIONS

- **Finding #3:** The City's equity program must develop and implement benefits/services for equity applicants that address and mitigate barriers to entry.
- **Recommendation:** Provide the following benefits:
 - Fee waivers
 - Grant Program
 - Technical Assistance Program

KEY ASSESSMENT FINDINGS AND RECOMMENDATIONS

- **Finding #4:** A criminal history can limit an individual's ability to gain employment, apply for government assistance, and/or obtain a loan.
- **Recommendation:** Develop Cannabis Expungement Program

KEY ASSESSMENT FINDINGS AND RECOMMENDATIONS

- **Finding #5:** Advance workforce development opportunities in the cannabis industry.
- **Recommendation:** Advancing workforce development by:
 - Require all cannabis businesses to provide equitable employment
 - Creation of a cannabis training program
 - Establish partnerships with existing curriculum developers to assist with entrepreneurship and workforce development

KEY ASSESSMENT FINDINGS AND RECOMMENDATIONS

- **Finding #6: Equity Program Funding.**
- **Recommendation:**
 - Apply for Go-biz Type 2 funding
 - Consider allocation a portion of Cannabis Tax revenue

KEY ASSESSMENT FINDINGS AND RECOMMENDATIONS

- **Finding #7: Conduct public outreach and education to increase awareness of the equity program and reduce social stigma.**
- **Recommendation:**
 - Host Community Meetings / Workshops
 - Media and Public Relations
 - Social media and Online Presence

NEXT STEPS

- Develop Cannabis Equity Program
- Adopt Cannabis Equity Program
- Program Implementation
- Apply for Grant Funding

ADOPTING A CANNABIS EQUITY PROGRAM

- Key Components:
 - Eligibility Criteria
 - Program Services
 - Program Administration

ELIGIBILITY CRITERIA

- Establishes who qualifies to participate in the City's Program
- Once qualified and admitted to the program
 - Participants will have access to all support services offered by the Program

CANNABIS EQUITY GRANT FUNDING (GO-BIZ)

- Annual Grant solicitation period opens in October
 - Submission deadline in mid-December
- Funding Request Type 2:
 - May request up to \$3 million to provide grants, loans, and technical assistance (1:1 matching funds required for grants > \$500k)
 - 10% of grant award may be used for technical assistance
 - 10% of grant award may be used for administration

TIMELINE

- Draft Cannabis Equity Program (Winter-Spring 2024)
- Council Adoption (Summer 2024)
- Release Phase I Application (Fall 2024)
- Apply for Grant Funding for FY 2024-25 (December 2024)

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council, by resolution, 1) Accept the City of Santa Rosa Cannabis Equity Assessment and 2) Direct staff to prepare a cannabis equity program.