



Date: May 10, 2023

From: William Koch
Deputy Director, Community and Local Equity Grants Unit
California Governor's Office of Business and Economic Development
1325 J Street, 18th Floor
Sacramento, CA 95814

To: Steve Dunicliff
Deputy CEO
County of Mendocino
501 Low Gap Road
Ukiah, CA 95482

RE: Cannabis Equity Grants Program for Local Jurisdictions – Local Jurisdiction Program Criteria Review

Dear Mr. Dunicliff:

The Governor's Office of Business and Economic Development (GO-Biz) administers the Cannabis Equity Grants Program for Local Jurisdictions (CEG Program), which was created by the California Cannabis Equity Act (Stats. 2018, Ch. 794; Bus. & Prof. Code § 26240 et seq.). As an increasing number of local jurisdictions have created cannabis equity programs each year and seek funding through the CEG Program, GO-Biz has identified an increasing need to ensure local equity program criteria are aligned with the California Cannabis Equity Act and not overly inclusive. Beginning with CEG Program applications submitted in the fall of this year, 2023, GO-Biz will place additional emphasis on the screening of local equity program criteria.

The California Cannabis Equity Act includes the following summarized declarations and findings:

- Cannabis prohibition had a devastating impact on communities across California and the United States. **Persons convicted of a cannabis offense and their families suffer the long-term consequences of prohibition.** These individuals have a more difficult time entering the newly created adult-use cannabis industry due, in part, to a lack of access to capital, business space, technical support, and regulatory compliance assistance.
- **The collateral consequences associated with cannabis law violations,** coupled with generational poverty and a lack of access to resources, make it extraordinarily difficult for persons with convictions to enter the newly regulated industry.
- It is the intent of the Legislature in enacting this act to ensure persons **most harmed by cannabis criminalization and poverty** be offered assistance to enter the multibillion-dollar cannabis industry.

GO-Biz has conducted a review of Mendocino County's cannabis equity program and has identified the following eligibility criterion that appears to be overly inclusive/inconsistent with the California Cannabis Equity Act:

- The local equity applicant has lived within a 5-mile radius of the location of raids conducted by the Campaign Against Marijuana Planting (CAMP) program.

As indicated previously in this memo, beginning with CEG Program applications submitted in the fall of this year, GO-Biz will be placing additional emphasis and screening of local equity program criteria. Jurisdictions with cannabis equity program criteria deemed by GO-Biz as overly inclusive/inconsistent with the California Cannabis Equity Act may be ineligible for funding through the CEG Program or have contractual restrictions and limitations placed on how CEG Program funding provided by GO-Biz may be utilized.

If you would like technical assistance with respect to revising your jurisdiction's cannabis equity program criteria, please do not hesitate to contact your CEG Program Grant Supervisor Katie Raley, at Katie.Raley@business.ca.gov.

Respectfully,

William Koch

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