



# Mendocino County

## Legislation Text

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File #: 23-1040, Version: 1

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**To: General Government Standing Committee**

**From:** Cannabis Choose an item.

**Meeting Date:** October 30, 2023

**Department Contact:** Sara McBurney

**Phone:** 707-234-6680

**CEO Contact:** Steve Dunncliff

**Phone:** 707-463-4441

**Time Allocated:** 30 Minutes

**Agenda Title:**

Discussion and Possible Action Including Providing Recommendations to Staff Regarding Local Equity Program Eligibility Criteria  
(Sponsor: Cannabis)

**Recommended Action/Motion:**

Provide recommendations to staff and a possible recommendation of approval of the County of Mendocino Cannabis Department aligning their Equity Criteria with the Department of Cannabis Control (DCC), subject to approval from relevant partner agencies.

**Previous Board/Board Committee Actions:**

On October 13, 2020 the County of Mendocino Board of Supervisors approved the Local Equity Entrepreneur Program (LEEP) and authorized the Chief Executive Officer to execute the Grant Agreement, including the contract for Administrative Services.

On October 13, 2020, the Board adopted Resolution 20-134 which approved an updated Program Manual and provided the Chief Executive Officer or designee of Mendocino County to execute electronic signature on behalf of Mendocino County for the grant agreement with the Governor's Office of Business and Economic Development.

On July 20, 2021, the Board of Supervisors directed staff to amend the County of Mendocino Cannabis Equity Program, increasing the income threshold associated with the grant program's eligibility criteria to the "moderate income level", work with the contracted Grant Administrator to simplify the grant applications, and increase the amount of grant funding available through the direct grant program to \$50,000; and directs the Cannabis Program to report back in September.

On October 5, 2021 Board of Supervisors directed staff to amend the County of Mendocino Cannabis Equity Program including but not limited to 1) eliminating the income threshold associated with the grant program's eligibility criteria, 2) allowing direct grant funds to be dispersed in a single tranche, 3) expanding the direct grant criteria to reflect the criteria outlined in statute, 4) authorizing and directing the Cannabis Program Manager (Director) to execute grant agreements with eligible equity awardees on behalf of the County; directs staff to collect taxes due and prioritize grants to those who are up to date on tax filings and payments; and

directs staff give preference to current eligibility applicants and/or eligibility awardees because of the more stringent income requirements.

**Summary of Request/Referral:**

The State’s Cannabis Equity Grants Program for Local Jurisdictions aims to advance economic justice for populations and communities impacted by cannabis prohibition and the War on Drugs (WoD) by providing support to local jurisdictions as they promote equity in California and eliminate barriers to entering the newly regulated cannabis industry for equity program applicants and licensee. The County has submitted applications for LEEP funding in the four rounds which have opened so far; three of those applications were funded. With \$6 million awarded from the State and administered by the Governor’s Office of Business & Economic Development (GO-Biz) and \$100,000 in matching grant funds from the Board of Supervisors (BOS), the program offers applicants waivers of cannabis business expenses, direct grants funds for start-up and ongoing expenses and direct technical assistance based on individual needs and circumstances. To date, the Mendocino Cannabis Department (MCD) has administered approximately \$4 million in assistance through direct grant and waivers to eligible applicants prior to announcing a “pause” on processing of additional applications.

In a memo dated May 10, 2023, GO-Biz communicated that the County’s Equity Eligibility criterion related to applicants who “lived within a 5-mile radius of the location of raids conducted by the Campaign Against Marijuana Planting (CAMP) program” does not include enough supporting data and would not be allowed as written in future funding requests. MCD responded to this request in a review memo dated September 15, 2023. GO-Biz requested additional data to support this criterion on September 16, 2023, which includes a map of CAMP raids in jurisdiction, the dates of when the raids occurred, and the corresponding 5-mile radius. Additionally, GO-Biz has called out that the 5-mile criterion lacks a requirement for individuals to have lived within that geography at the time of the raids, nor sets a minimum amount of time to have lived within the geography.

With the State’s continued concerns regarding the 5 Mile Radius Criteria, staff believe there may be an opportunity to move past this issue by seeking to align Mendocino County’s Equity Criteria with the Department of Cannabis Control (DCC) equity criteria. If allowed by the State, it is believed that this approach would help streamline the county’s equity program and also give Mendocino County a better chance of being eligible for LEEP Round 5. It is requested that the General Government Committee provide a recommendation to staff to pursue utilization of equity criteria that is better aligned with DCC.

**Supplemental Information Available Online At:** N/A

**Fiscal Details:**

**source of funding:** N/A

**current f/y cost:** N/A

**annual recurring cost:** N/A

**budget clarification:** N/A

**budgeted in current f/y:** N/A

**if no, please describe:**

**revenue agreement:** N/A

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**CEO Liaison:** Executive Office

**CEO Review:** Yes

**CEO Comments:**

**FOR COB USE ONLY**

Executed By: Deputy Clerk

Final Status:Item Status

**Date:** Date Executed

**Executed Item Type:** item **Number:**