



GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT  
STATE OF CALIFORNIA • OFFICE OF GOVERNOR GAVIN NEWSOM

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# **CANNABIS EQUITY GRANTS PROGRAM FOR LOCAL JURISDICTIONS**

## **GRANT SOLICITATION**

**FISCAL YEAR 2021 - 2022**

**OCTOBER 2021**

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## **INTRODUCTION**

The Governor’s Office of Business and Economic Development (GO-Biz) serves as the State of California’s leader for job growth and economic development efforts. GO-Biz offers a range of services to business owners including: attraction, retention and expansion services, site selection, permit assistance, regulatory guidance, small business assistance, international trade development, assistance with state government, and much more.

## **BACKGROUND AND PROGRAM OVERVIEW**

On November 8, 2016, California voters approved Proposition 64, the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). In its statement of purpose and intent, AUMA calls for regulating cannabis in a way that “reduces barriers to entry into the legal, regulated market.”

Cannabis prohibition and criminalization had a devastating impact on populations and communities across California. Individuals convicted of a cannabis offense and their families suffer the long-term consequences of prohibition and criminalization. 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. During the era of cannabis prohibition in California, the burdens of arrest, convictions, and long-term collateral consequences arising from a conviction fell disproportionately on African American/Black and Latinx/Hispanic people, even though people of all races used and sold cannabis at nearly identical rates. The California Department of Justice data shows that from 2006 – 2015, inclusive, African American/Black Californians were two times more likely to be arrested for cannabis misdemeanors and five times more likely to be arrested for cannabis felonies than Caucasian/White Californians. During the same period, Latinx/Hispanic Californians were 35 percent more likely to be arrested for cannabis crimes than Caucasian/White Californians. The collateral consequences associated with cannabis law violations, coupled with generational poverty and lack of access to resources, make it extraordinarily difficult for persons with convictions to enter the newly regulated industry.<sup>1,2</sup>

GO-Biz administers the Cannabis Equity Grants Program for Local Jurisdictions to aid local equity program efforts to support equity applicants and equity licensees. Offering technical support, regulatory compliance assistance, and assistance with securing the capital necessary to begin a business will further the stated intent of the AUMA by reducing barriers to licensure and employment in the regulated industry. Offering these types of support will also aid the state in its goal of eliminating or reducing the illicit cannabis market by bringing more people into the legal marketplace.

## **PURPOSE**

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

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<sup>1</sup> Bureau of Criminal Statistics, California Department of Justice, “Crime in California 2010,” (2011).

<sup>2</sup> AB 97, Stats. 2019, Ch. 40.

on Drugs (WoD) by providing support to local jurisdictions as they promote equity and eliminate barriers to enter the newly regulated cannabis industry for equity program applicants and licensees. By issuing these 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 WoD.

The term “equity” recognizes that because different individuals or groups have different histories and circumstances, they have different needs and unequal starting points. Using an equity approach, individuals and groups receive different resources, opportunities, support, or treatment based on their specific needs. By providing what each individual or group needs, they can have equitable or fair outcomes. Therefore, cannabis equity programs should be distinct from other types of assistance programs by their focus and intentionality in understanding the specific systemic barriers and injustices different individuals or groups face when trying to access opportunity in the cannabis marketplace.

Local jurisdictions can help further the purpose and intent of the AUMA by fostering equitable access to licensure and business ownership in the regulated cannabis industry, ensuring that persons most harmed and economically disadvantaged by cannabis criminalization are offered assistance, and priority licensing when possible, to enter the multibillion-dollar cannabis industry as entrepreneurs.

**TIMELINE**

<b>Activity</b>	<b>Date</b>
Grant Solicitation Release	October 1, 2021
Application Due Date	December 13, 2021
Grant Evaluation and Award Announcement	December 14, 2021 – January 19, 2022
Grant Agreements Executed No Later Than	March 15, 2022
Grant Term	One year from the date funds are disbursed

**FUNDING**

For fiscal year 2021-2022, the Cannabis Equity Grants Program for Local Jurisdictions was allocated fifteen million dollars (\$15,000,000) from the Cannabis Tax Fund, and twenty million dollars (\$20,000,000) from the General Fund as a one-time allocation, for a total of thirty-five million dollars (\$35,000,000)<sup>3</sup>. There are two application types which are defined below. Applications for Funding Request Type 1 are subject to a maximum request of seventy-five thousand dollars (\$75,000) and the total amount available for this application type is two million dollars (\$2,000,000). In the event the total amount of funding requested in approved applications for Funding Request Type 1 exceeds the amount available for this application type,

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<sup>3</sup> The one-time allocation of twenty million dollars (\$20,000,000) is only available for Funding Request Type 2 applications and may only be used as specified. See Eligible Uses of Funding for complete details.

the grant amount allocated for each approved Funding Request Type 1 application shall be prorated.

Applications for Funding Request Type 2 are subject to a maximum request of seven million dollars (\$7,000,000) and will be allocated grant funds using a point-based scoring system and funding formula. The total amount available for Funding Request Type 2 applications will be the difference between the total amount of funding available for the fiscal year and the total amount approved for Funding Request Type 1 applications. If a Funding Request Type 2 applicant requests an amount less than it would be entitled to based on the point-based scoring system and funding formula, then the applicant will be awarded the lesser amount. Please refer to the Application Review and Scoring Criteria section of this document for a detailed description of the point-based scoring system and funding formula.

Note: Grant funds may only be used for eligible activities and the amount awarded may only be expended during the grant term. Expenses incurred prior to the execution of the grant agreement and/or prior to the beginning of the grant term are not eligible costs.

### **ELIGIBLE APPLICANTS**

Only eligible local jurisdictions may apply for grant funds. “Eligible local jurisdiction” means a local jurisdiction (a city, county, or city and county) that demonstrates an intent to develop a cannabis equity program or that has adopted or operates a cannabis equity program.

**Note:** Beginning fiscal year 2022-2023 (July 1, 2022 - June 30, 2023) local jurisdictions that have been previously awarded a Cannabis Equity Grant from GO-Biz are eligible to apply for a subsequent grant only if they have expended at least 50 percent of any grant funds awarded more than 12 months ago (calculated from the date the grant agreement was fully executed to the application due date), and at least 80 percent of any grant funds awarded more than 18 months ago (calculated from the date the grant agreement was fully executed to the application due date), as evidenced by expenditures reported in the most recent progress report submitted to GO-Biz by the application due date.

### **FUNDING CATEGORIES**

Eligible local jurisdictions may submit only one type of application:

- **Funding Request Type 1: Assistance for Cannabis Equity Assessment/Program Development**
  - Assistance for the creation of a cannabis equity assessment and/or assistance for the development of a local equity program.
- **Funding Request Type 2: Assistance for Cannabis Equity Program Applicants and Licensees**
  - Assistance for cannabis equity program applicants and licensees to gain entry to, and to successfully operate in, the state’s regulated cannabis marketplace. An eligible local jurisdiction may not apply for Funding Request Type 2 unless:

- The jurisdiction has already conducted a cannabis equity assessment by the application due date; and
- The jurisdiction has adopted or operates a local equity program by the application due date.

**ELIGIBLE USES OF FUNDING**

**Applicants for Funding Request Type 1:** Assistance for Cannabis Equity Assessment/Program Development may use funding solely for the purpose of conducting an equity assessment and/or developing a local equity program. Applications for Funding Request Type 1 may request up to seventy-five thousand dollars (\$75,000). Grant funds for Funding Request Type 1 are subject to the following requirements:

- An eligible local jurisdiction that receives a grant for Funding Request Type 1 may use no more than forty thousand dollars (\$40,000) to conduct its cannabis equity assessment.
- 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 requested to assist with the development of a local equity program may not include any costs associated with acquiring and/or improving land or buildings.
- An eligible local jurisdiction may receive Type 1 funding for the purpose of conducting a cannabis equity assessment only once and may receive Type 1 funding for the purpose of program development only once.

**Applicants for Funding Request Type 2:** Assistance for Cannabis Equity Program Applicants and Licensees may use funding to assist the jurisdiction’s equity applicants and equity licensees to gain entry to, and to successfully operate in, the state’s regulated cannabis marketplace. Applications for Funding Request Type 2 may request up to seven million dollars (\$7,000,000). Grant funds for Funding Request Type 2 that are sourced from the Cannabis Tax Fund may only be used as follows:

- To provide grants, no-interest loans, or low-interest loans to the jurisdiction’s local equity applicants and/or local equity licensees to assist with startup and ongoing costs.
- To provide or fund direct technical assistance to the jurisdiction’s local equity applicants and/or local equity licensees. No more than 10 percent of the grant award sourced from the Cannabis Tax Fund may be used for direct technical assistance. Any amount of grant funds for direct technical assistance that the jurisdiction will subcontract with

another entity or person to provide must be identified as a subcontracted cost in the GO-Biz Budget Spreadsheet.

- To assist in the administration of the jurisdiction’s local equity program. No more than 10 percent of the grant award sourced from the Cannabis Tax Fund may be used for administration, which includes the following:
  - Employing staff or hiring consultants to administer the jurisdiction’s local equity program, including administering loans and grants.
  - The jurisdiction’s costs associated with its efforts to provide sources of capital to its local equity applicants and local equity licensees.

Grant funds for Funding Request Type 2 that are sourced from the General Fund (one-time twenty million dollar (\$20,000,000) allocation) may only be used as follows:

- To provide grants, no-interest loans, or low-interest loans to the jurisdiction’s local equity applicants and/or local equity licensees to assist with startup and ongoing costs.
- To provide or fund direct technical assistance to the jurisdiction’s local equity applicants and/or local equity licensees. No more than 10 percent of the grant award sourced from the General Fund may be used for direct technical assistance. Any amount of grant funds for direct technical assistance that the jurisdiction will subcontract with another entity or person to provide must be identified as a subcontracted cost in the GO-Biz Budget Spreadsheet.

**Note:** Applicants for Funding Request Type 2 will complete the standard GO-Biz Budget Spreadsheet as part of their application. After funding determinations are made based on the point-based scoring system and funding formula, GO-Biz will inform applicants for Funding Request Type 2 of the amounts to be awarded from the Cannabis Tax Fund and General Fund allocations, and request an updated GO-Biz Budget Spreadsheet that reflects the above referenced requirements.

## **DEFINITIONS**

**“Direct Technical Assistance”** refers to support to help cannabis equity applicants and licensees acquire the knowledge and/or skills necessary in order to gain entry to, and to successfully operate in, the regulated cannabis marketplace. Direct technical assistance includes:

- One-on-one consulting and training, including direct interactions in group settings, to provide equity applicants and licensees the technical knowledge and expertise necessary to facilitate business ownership and employment in the cannabis industry.
- Small business support services, professional mentorship services, training and education regarding state cannabis licensing and regulatory requirements, manufacturing assistance, financial management, and business resilience such as emergency preparedness.

**“Eligible Local Jurisdiction”** means a local jurisdiction that demonstrates an intent to develop a local equity program or that has adopted or operates a local equity program.

**“Equity Assessment”** or **“Cannabis Equity Assessment”** means an assessment conducted by the local jurisdiction that was used to inform the creation or revision of its local equity program, and that assessment may include the following:

- Reference to local historical rates of arrests or convictions for cannabis law violations.
- Identification of the impacts that cannabis-related policies have had historically on communities and populations within that local jurisdiction.
- Other information that demonstrates how individuals and communities within the local jurisdiction have been disproportionately or negatively impacted by the WoD.

**“Expungement Services”** means any type of assistance offered by the jurisdiction which helps local equity applicants and local equity licensees to pursue eligible criminal and arrest record relief (whether seeking dismissal/expungement, record sealing, reduction or modification of a sentence, or other forms of criminal and arrest record relief for which the individual may be eligible). These services may be administered by departments within the jurisdiction other than the local equity program, itself, but must work in cooperation with the local equity program and expressly serve and prioritize equity applicants and licensees in order to be considered for any scoring/points related question.

**“Incubator”** or **“Cannabis Business Incubator”** refers to a program which offers support and resources to startups and new ventures in the cannabis marketplace. The goal of the incubator is to help equity applicants and/or licensees become independent and successful at the end of their incubation period. Incubators vary in their strategies, but commonly provide physical space, administrative support, capital, links to potential investors and funding sources, and access to training, expert advisors, coaching, mentorship, and networking.

**“Local Equity Applicant”** means an applicant who has submitted, or will submit, an application to a local jurisdiction to engage in commercial cannabis activity within the jurisdictional boundaries of that jurisdiction and who meets the requirements of that jurisdiction’s local equity program.

**“Local Equity Licensee”** means a person who has obtained a license from a local jurisdiction to engage in commercial cannabis activity within the jurisdictional boundaries of that jurisdiction and who meets the requirements of that jurisdiction’s local equity program.

**“Local Jurisdiction”** means a city, county, or city and county, within California.

**“Local Equity Program”** or **“Cannabis Equity Program”** means a program adopted or operated by a local jurisdiction that focuses on inclusion and support of individuals and communities in California’s cannabis industry who are linked to populations or neighborhoods that were negatively or disproportionately impacted by cannabis criminalization as evidenced by the local jurisdiction’s equity assessment. Local equity programs may include, but are not limited to, the following types of services:

1. Small business support services offering technical assistance or professional and mentorship services to those persons from economically disadvantaged communities

that experienced high rates of poverty and/or communities most harmed by cannabis prohibition, determined by historically high rates of arrests or convictions for cannabis law violations.

2. Tiered fees or fee waivers for cannabis-related permits and licenses.
3. Assistance in paying state regulatory and licensing fees.
4. Assistance securing business locations prior to or during the application process.
5. Assistance securing capital investments or direct access to capital.
6. Assistance with regulatory compliance.
7. Assistance in recruitment, training, and retention of a qualified and diverse workforce, including transitional workers.

**“Outcomes”** refers to the overall results or effects that are caused by the local jurisdiction’s cannabis equity program’s outputs, i.e., the level of ownership and employment among equity applicants in the regulated cannabis industry.

**“Outputs”** refers to the measurable actions or activities that are performed or funded by the local jurisdiction’s cannabis equity program. For example: number of grants or loans provided, direct technical assistance services delivered, number of program participants, or dollars spent.

**“State Commercial Cannabis License”** means a license issued pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act by the Department of Cannabis Control (or as applicable, the California Bureau of Cannabis Control, the California Department of Public Health, or the California Department of Food and Agriculture).

**“Transitional Worker”** means a person who, at the time of starting employment, resides in a Zip Code or census tract area with higher than average unemployment, crime, or child death rates, and faces at least one of the following barriers to employment: a) is homeless; b) is a custodial single parent; c) is receiving public assistance; d) lacks a GED or high school diploma; e) has a criminal record or other involvement with the criminal justice system; f) suffers from chronic unemployment; g) is emancipated from the foster care system; h) is a veteran; or i) is over 65 years of age and is financially compromised.

#### **APPLICATION SUBMISSION PROCESS**

Proposals must be submitted electronically using the GO-Biz online Cannabis Equity Grants portal which can be accessed via a link at [www.business.ca.gov/CEG](http://www.business.ca.gov/CEG). Users of the portal will first need to create an account.

All applications must be submitted by the deadline and the online application portal will automatically close once the application deadline has passed. There are no exceptions or extensions of this deadline. Any technology challenges or inability of an applicant to submit an application by the deadline for any reason shall not be grounds for an extension of the deadline. Applicants are encouraged to submit their application before the deadline in the event technical assistance is required. For help applying, please send an email to

[CEG@gobiz.ca.gov](mailto:CEG@gobiz.ca.gov) with the subject line: Cannabis Equity Grant Online Help or call (916) 322-2683.

## **REQUIRED/SUPPORTING DOCUMENTS**

All applicants must upload the following documents to their application:

- Government Agency Taxpayer ID form – download this form at [www.business.ca.gov/CEG](http://www.business.ca.gov/CEG).
- GO-Biz Budget Spreadsheet – download the budget template at [www.business.ca.gov/CEG](http://www.business.ca.gov/CEG).

Applicants for Funding Request Type 2: Assistance for Cannabis Equity Program Applicants and Licensees must upload the following additional documents to their application:

- A copy of the jurisdiction’s local equity ordinance, resolution, regulation, or code that establishes its local equity program.
- A copy of the jurisdiction’s cannabis equity assessment.
- Itemized list of the jurisdiction’s current annual investment in its local equity program.
- GO-Biz Licensing Detail Template – download this template at [www.business.ca.gov/CEG](http://www.business.ca.gov/CEG).

Optional documents for Funding Request Type 2 that can be uploaded with applications:

- A letter of support from a qualified Community-based Nonprofit Organization to provide additional substantiation to the applicant’s responses for the “Local Equity Program Regulatory Framework” questions 5, 6, 17, and 18. For such a letter to be considered, it must be uploaded to the online system by the application due date and the organization must:
  - Be established and/or focused on issues and concerns of economic justice and equity in the California cannabis marketplace.
  - Have been duly organized, in existence, and in good standing for at least six months prior to the date the Grant Solicitation was issued by GO-Biz.
  - Be registered with the California Secretary of State’s Office.
  - Be an organization exempt from taxation under provisions of both the Internal Revenue Code and the California Revenue and Taxation Code.

## **AWARD PROCESS**

Once applications have been reviewed and a funding determination has been made by GO-Biz, a grant agreement will be sent to the local jurisdiction, directed to the individual designated as the authorized signer by the applicant through GO-Biz’s electronic signature platform, which is currently DocuSign. All grant agreements must be signed by the local jurisdiction through this platform.

To receive grant funding, a resolution is required from the local jurisdiction's governing body authorizing the local jurisdiction to enter into the grant agreement with GO-Biz and designating by title the individual who is authorized to sign the agreement on behalf of the local jurisdiction. Once notified of selection, it is important that the local jurisdiction place a resolution request on the governing body's agenda immediately to avoid funding delays. A sample resolution is available at [www.business.ca.gov/CEG](http://www.business.ca.gov/CEG). The resolution must contain all of the components found in the sample resolution.

The applicant must submit the adopted resolution and sign the grant agreement through GO-Biz's electronic signature platform. GO-Biz will then distribute the funds which will be issued directly to the local jurisdiction in one disbursement. If a local jurisdiction selected for funding fails to provide the required resolution by the date indicated by GO-Biz or fails to electronically sign the grant agreement in the form and manner prescribed by GO-Biz before the deadline, GO-Biz in its sole discretion may determine that the applicant is no longer eligible for the grant funds.

GO-Biz's determination as to eligibility for grant funding, or the amount of grant funding awarded, is not subject to appeal. GO-Biz reserves the ability to modify applicant budgets if included costs are deemed ineligible. A local jurisdiction selected for funding will be required to be in compliance with the Drug-Free Workplace Certification and Nondiscrimination Compliance Statement as required by state law. All grant funds must be expended within one year of the date the funds are disbursed to the local jurisdiction. GO-Biz may require that any funds not expended within the one-year period be returned to GO-Biz.

## **APPLICATION REVIEW AND SCORING CRITERIA**

### **Application Review**

GO-Biz will utilize the following application review process:

1. Technical review – applications will be verified for eligibility and completeness, including any required documents uploaded to the application.
2. Disqualifications – GO-Biz may disqualify applicants or deny applications for the following reasons:
  - Incomplete applications
  - Ineligible applicant
  - Ineligible services
3. Application evaluation and scoring.

### **Scoring Criteria**

This section provides the application questions, scoring point scale, and defines the scoring criteria applicable to each Funding Request Type. It is highly recommended that the scoring criteria is referred to when completing the online application.

**Funding Request Type 1: Assistance for Cannabis Equity Assessment/Program Development**

Applicants requesting funds to conduct a cannabis equity assessment and/or assistance for the development of a local equity program must answer the following questions in the online application. Applicants will be evaluated and approved for funding based on providing acceptable responses to each question. Acceptable responses shall adequately address all components of each question.

<b>Assistance for Cannabis Equity Assessment/Program Development Application Questions<sup>4</sup></b>
1. Total Amount Requested (\$)
2. Executive Summary: Please describe your proposal in 3-5 sentences. (Max 1750 characters)
3. Describe the local jurisdiction’s interest in supporting equity in the cannabis industry by completing an equity assessment and/or developing a cannabis equity program. (Max 1750 characters)
4. Who will be responsible for conducting the cannabis equity assessment and/or developing the local equity program and please describe their experience performing similar studies, and/or program development? (Max 1750 characters)
5. How does the jurisdiction intend to use its cannabis equity assessment to inform the creation, revision, and/or development of its local equity program? (Max 1750 characters)
6. Please provide a timeline and specific activities for the completion of the cannabis equity assessment and/or local equity program development. (Max 1750 characters)
7. Describe your anticipated expenses (budget narrative) as listed in the budget spreadsheet. (Max 3500 characters)

(Continued on next page)

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<sup>4</sup> The online application includes one required technical question found in the Applicant Information section. This question must be completed but is for informational purposes only. Response will not impact applicant’s approval for funding.

- Does the jurisdiction have a culture or perspective on equity, including policies, programs, and/or practices that address social equity and justice? If yes, please describe.

## Funding Request Type 2: Assistance for Cannabis Equity Program Applicants and Licensees

Application Section	Points Possible		Total Points Available
	Criteria A	Criteria B	
Local Equity Assessment Information	15		
Local Equity Program Outputs and Outcomes	5		
Local Equity Program Regulatory Framework	81		
Local Equity Program Expected Outputs and Outcomes	5		
Local Jurisdiction Population Size		22	
Local Equity Program Components		53	
Financial Question		25	
	<b>106</b>	<b>100</b>	<b>206</b>

Applications for Funding Request Type 2: Assistance for Cannabis Equity Program Applicants and Licensees will be reviewed in the following two phases:

<b>Phase 1: Initial Review</b>	Criteria A responses will be scored, and applicants must achieve a score of at least 50 points in order to proceed to Phase 2. Applicants that do not achieve a score of at least 50 points for Criteria A responses will not be awarded grant funds.
<b>Phase 2: Funding Formula<sup>5</sup></b>	Criteria B responses will be scored, and the grant award amount will be based on the total amount available for this application type and the following formula: (Total Points for the Local Jurisdiction for both Criteria A & B) divided by (Total Points for all Local Jurisdictions for both Criteria A & B, excluding any applicants that did not achieve a score of at least 50 points for Criteria A).

Applicants for Funding Request Type 2: Assistance for Cannabis Equity Program must answer the following questions in the online application.

### Scoring Criteria A Questions (106 total points possible)

<b>Local Equity Assessment Information</b> <b>Scoring Criteria A (15 points possible)</b>
<p><b>1. Describe the communities and populations within the local jurisdiction that have been negatively or disproportionately impacted by cannabis criminalization.</b> (Max 1750 characters)</p> <ul style="list-style-type: none"> <li>(0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.</li> <li>(1-2 Points) Minimal/limited description of impacted communities and populations.</li> </ul>

<sup>5</sup> If an applicant requests an amount less than it would be entitled to based on the funding formula, then the applicant will be awarded the lesser amount.

- (3-4 Points) Adequate description of impacted communities and populations reflecting well-researched understanding of data on cannabis criminalization.
- (5 Points) Description of impacted communities and populations is clear and comprehensive. Reflects a thorough understanding of, and commitment to address, past harms and injustices resulting from cannabis criminalization. Includes demographic and geographic data by: Zip Codes, census tracts, precincts, or other categories relevant to identifying the impacted communities and populations within the jurisdiction.

**2. How did the local jurisdiction identify the impacted communities and populations (Source/Process)? (Max 1750 characters)**

- (0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.
- (1-2 Points) Minimal/limited description of research, process, and sources.
- (3-4 Points) Adequate description of research, process, and sources.
- (5 Points) Clear and comprehensive description of research, process, sources, etc. Includes critique identifying any limitations of research, process, data sources, need for further research, etc.

**3. Describe how the jurisdiction’s local equity program design and/or implementation serves the communities and populations identified in its equity assessment. (Max 1750 characters)**

- (0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.
- (1-2 Points) Minimal/limited description of how the jurisdiction’s local equity program design and/or implementation serves the communities and populations identified in its equity assessment.
- (3-4 Points) Adequate description of how the jurisdiction’s local equity program design and/or implementation serves the communities and populations identified in its equity assessment.
- (5 Points) Clear and comprehensive description of how the jurisdiction’s local equity program design and/or implementation are clearly aligned with findings of the local equity assessment and serves the communities and populations identified in its equity assessment.

***Local Equity Program Outputs and Outcomes***

***Scoring Criteria A (5 points possible)***

**4. Describe the outputs and outcomes of the jurisdiction’s local equity program elements to date. (Max 3500 characters)**

- (0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.

- (1-2 Points) Limited/minimal description of the outputs and outcomes and evaluation related to each local equity program element.
- (3-4 Points) Adequate description of the jurisdiction’s outputs and outcomes and evaluation related to each local equity program element. For example, the number of individuals who have participated in each local equity program element (i.e., individuals that have attended application workshops and received resources to successfully complete the cannabis business application and licensing process.)
- (5 Points) Clear and comprehensive description of the jurisdiction’s outputs and outcomes and evaluation related to each local equity program element. Includes actual data on program outputs and outcomes. Answer meets the 3-4 points criteria above, and acknowledges any significant examples of where program outputs and outcomes have fallen short and lessons learned. Describes the ways in which the local equity program ensures quality services and equity program participant satisfaction.

***Local Equity Program Regulatory Framework***

***Scoring Criteria A (81 points possible)***

**5. Explain how the jurisdiction’s local equity program and regulatory framework facilitate an equitable and economically just industry. (Max 3500 characters)**

- (0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.
- (1-4 Points) Minimal/limited explanation of how jurisdiction's local equity program and regulatory framework facilitate an equitable and economically just industry.
- (5-8 Points) Adequate explanation of how local equity program and regulatory framework facilitate an equitable and economically just industry in light of past harms and injustices resulting from cannabis prohibition/the War on Drugs.
- (9-10 Points) Clear and compelling explanation of how equity and economic justice inform the local equity program design, implementation, and evaluation. Local equity program and regulatory framework maximize access and success for local equity applicants and licensees. Applicants may submit a letter of support from a qualified Community-based Nonprofit Organization to provide additional substantiation of its response to this question - please see the “Required/Supporting Documents” section of this document for more information.

**6. Describe how the local jurisdiction has demonstrated a commitment or has taken steps to remove local barriers to entering the legal cannabis market for local equity applicants and local equity licensees. (Max 3500 characters)**

- (0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.
- (1-4 Points) Reflects minimal understanding of specific barriers faced by local equity applicants and licensees. Provides few or no clear examples of jurisdiction's commitment or steps taken to remove local barriers.

- (5-8 Points) Reflects an adequate understanding of local barriers for local equity applicants and licensees but identifies them generally and broadly. Provides examples of jurisdiction's commitment to remove local barriers.
- (9-10 Points) Demonstrates a clear and compelling understanding of specific local barriers faced by local equity applicants and licensees. Includes an analysis of the jurisdiction's progress toward identifying and removing barriers, including any relevant obstacles/challenges the jurisdiction experiences in its attempts to remove local barriers. Provides clear examples of steps taken to remove local barriers. Applicants may submit a letter of support from a qualified Community-based Nonprofit Organization to provide additional substantiation of its response to this question - please see the "Required/Supporting Documents" section of this document for more information.

**7. Describe the criteria used to determine who qualifies for participation in the jurisdiction's local equity program. (Max 3500 characters)**

- (0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.
- (1-4 Points) Minimal/limited explanation of the eligibility criteria, and/or includes eligibility criteria not sufficiently based on impacts from cannabis prohibition/the War on Drugs.
- (5-8 Points) Eligibility is adequately structured based on impacts from cannabis prohibition/the War on Drugs. However, some eligibility criteria may be too narrowly defined and fail to include and/or prioritize a majority of the individuals harmed by cannabis prohibition/the War on Drugs, or too broadly defined and fail to exclude a majority of the individuals not harmed by cannabis prohibition/the War on Drugs.
- (9-10 Points) Eligibility is adequately structured based on the jurisdiction's unique history and impacts from cannabis prohibition/the War on Drugs. Eligibility criteria effectively identify and include a majority of individuals who a) were negatively or disproportionately harmed by cannabis prohibition/the War on Drugs, and b) are in need of assistance to enter and succeed in the regulated cannabis marketplace (i.e., a defined low-income status or wealth limit). In addition, eligibility is not defined so broadly that it may include those who were not impacted by cannabis prohibition/the War on Drugs and are not in need of assistance. Eligibility criteria may include defined geographic areas or Zip Codes for individuals negatively or disproportionately harmed by cannabis prohibition/the War on Drugs, a defined low-income status, certain prior cannabis convictions, or other relevant eligibility factors.

**8. Describe how the jurisdiction promotes equity in the process of awarding licenses and resources to its local equity applicants. (Max 3500 characters)**

- (0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.
- (1 Point) Minimal/limited explanation of how the jurisdiction promotes equity in the license application eligibility, review, and award process.

- (2 Points) Adequate description of the process (lottery, non-competitive, competitive) and explanation on the rationale for this process as well as how the jurisdiction ensures equity in the license application eligibility, review, and award process.
- (3 Points) Clear and compelling explanation of how the jurisdiction ensures equity in the license application eligibility, review, and award process. Explains how licenses and resources are prioritized for equity applicants via a needs-based approach (for example prioritizing license awards based on the applicant's length of incarceration, income-level, household wealth, length of residency in impacted neighborhood, etc.)

**9. Describe the process and average timeframe for local equity program applicants to obtain a commercial cannabis license from the jurisdiction, including any differences between equity applicants and non-equity applicants. (Max 3500 characters)**

- (0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.
- (1-4 Points) Overall, the licensing process is complex and offers minimal support for equity applicants; the program offers limited to no fee waivers, low or zero interest business start-up loans, legal services or technical assistance. The response does not describe how the licensing process avoids delays and impediments to the applicants' ability to start their business.
- (5-8 Points) The licensing process offers adequate assistance such as document review or a help center that can aid equity applicants in obtaining all requirements necessary to complete the application. Equity applicants receive priority processing and may be tiered; the program offers fee waivers, low or zero interest business start-up loans; there is an adequate technical assistance component that offers general assistance and potentially legal services. The response describes an adequate process to avoid delays and impediments to the applicants' ability to start their business.
- (9-10 Points) The licensing process is expedited with assistance from trained cannabis consultants or local equity program staff, and offers free legal or technical services to review the application and ensure accuracy. Additionally, equity applicants receive priority processing over non-equity applicants. Applications may also be corrected without a loss of priority status or incurring a penalty. The program offers grants, fee waivers, and low or zero interest business start-up loans, along with cannabis industry specific and business ownership technical assistance. The response describes in a clear and compelling manner how the program and licensing process avoid delays and impediments to equity applicants' ability to start their business.

**10. Does the jurisdiction's local equity program provide expungement services for local equity applicants? If yes, please describe. (Max 1750 characters)**

- (0 Points) The local equity program offers no expungement-related services or assistance.
- (1 Point) The jurisdiction has adopted but not yet implemented these services, or the local equity program offers minimal/limited expungement services for applicants.
- (2 Points) The local equity program offers adequate expungement services for equity applicants.

- (3 Points) The local equity program provides automatic expungements of eligible cannabis offenses and provides additional expungement-related services to equity applicants.

**11. Does the jurisdiction’s local equity program provide preferential licensing for local equity applicants? If yes, please describe. (Max 1750 characters)**

- (0 Points) The local equity program does not provide preferential licensing. The program does not require proportional allocation or ratios of licenses for equity applicants compared to non-equity applicants. (The jurisdiction may or may not have limits or caps on licenses.)
- (1-4 Points) Preferential licensing is provided for some license types. If any license types are subject to a limit or cap, the jurisdiction does not meet at least a 1:1 ratio of equity to non-equity licenses for all license types that are subject to a limit or cap.
- (5-8 Points) The local equity program adequately ensures that equity applicants receive preferential application processing and are reserved a proportionate share of the local licenses. If any license types are subject to a limit or cap, the jurisdiction meets a 1:1 allocation of equity to non-equity licenses for all license types that are subject to a limit or cap.
- (9-10 Points) For all license types, including those that are not subject to a limit or cap, the local equity program ensures proportionate representation from equity applicants. If any license types are subject to a limit or cap, the jurisdiction meets a 2:1 allocation or more of equity to non-equity licenses for all license types that are subject to a limit or cap. After this initial number is reached, the local equity program monitors the market situation and continues to ensure proportionate representation of equity licenses.

**12. Does the jurisdiction’s local equity program have any shareholder or ownership requirements? If yes, please describe. (Max 1750 characters)**

- (0 Points) The program does not have any minimum shareholder or ownership requirements.
- (1 Point) There are minimal/limited requirements for shareholders or ownership interest. The local equity program requires minimal disclosure from shareholders and may not require disclosure of other ownership interests. There is no minimum amount of equity an equity applicant must own in their business or the amount is less than 20%.
- (2 Points) There are adequate requirements for shareholder or ownership interest. The equity applicant has a minimum amount of equity that cannot be reduced below 20% in their business. Applicants may be required to sign a document acknowledging their rights before receiving a license to allow applicants to make informed decisions about their equity and rights as an equity license holder.
- (3 Points) There are clear and compelling requirements for shareholder or ownership interests. Equity applicants are required to have a minimum amount of equity in their business that cannot be reduced below 51%. Applicants must sign a document acknowledging their rights before receiving a license to allow applicants to make informed decisions about their equity and rights as an equity license holder.

**13. Does the jurisdiction's local equity program provide business and/or financial education services? If yes, please describe. (Max 1750 characters)**

- (0 Points) The program does not provide business and/or financial education services.
- (1 Point) The jurisdiction has adopted but not yet implemented these services, or the program offers minimal educational services or offers limited services with no plan to improve services.
- (2 Points) There are adequate established services with the long-term goal of helping applicants establish successful business practices. Services may include basic financial literacy, compliance courses, and employee management. The program may work cooperatively with local businesses to provide community classes or seminars.
- (3 Points) The program clearly provides comprehensive educational services that teach applicants to successfully run a business, and actively engages other local businesses to support the local equity program. Services may include classes, written materials, and mentorships. Equity applicants may intern at other cannabis businesses to learn from experienced leaders how to effectively run their business in connection with services provided by the local equity program.

**14. Does the jurisdiction's local equity program include an incubator program? If yes, please describe. (Max 1750 characters)**

- (0 Points) The program does not include a cannabis business incubator program.
- (1 Point) The jurisdiction has adopted but not yet implemented these services, or there is a limited cannabis business incubator program or there are only occasional classes/meetings where equity licensees can go to learn more about how to run their businesses. The incubator does not include a component for matching licensees with businesses.
- (2 Points) The cannabis business incubator program adequately encourages businesses to work with equity licensees. The goal of the incubator is to help equity licensees become independent and successful at the end of their incubation period. There may be a simple vetting process for matching businesses and licensees for the incubator program. The local equity program may include businesses that provide free or greatly reduced rent or utilities for a minimum amount of specified years and mentorship in business skills.
- (3 Points) There is a structured and comprehensive cannabis business incubator program that consistently matches the most qualified businesses to equity licensees. The incubator program includes at least 4 of the 5 following requirements: (1) free or greatly reduced rent and utilities for a minimum number of years; (2) mentorship in business skills; (3) technical assistance; (4) a reporting system to monitor and ensure neither equity licensee nor business mistreat the other; and (5) a system that allows equity licensees and businesses to anonymously provide suggestions and complaints about the existing program.

**15. Does the jurisdiction have zoning regulations for commercial cannabis that are different for its local equity licensees? If yes, please describe. (Max 1750 characters)**

- (0 Points) Jurisdiction does not have zoning regulations for commercial cannabis that are different for its local equity licensees.

- (1 Point) Minimal differences in zoning regulations between non-equity licensees and equity licensees, thus limiting the local equity program’s functionality. There are no regulations or controls in place to protect equity licensees from rent increases based on their cannabis nature. The jurisdiction does not plan on expanding zoning permits for equity licensees.
- (2 Points) Adequate differences in zoning regulations between non-equity licensees and equity licensees. There are regulations or controls in place to protect equity licensees from rent increases based on their cannabis nature. The jurisdiction plans on expanding zoning permits for equity licensees.
- (3 Points) Clear and compelling differences in zoning regulations between non-equity licensees and equity licensees. There are regulations or controls in place to protect equity licensees from rent increases based on their cannabis nature. The jurisdiction has comprehensively expanded zoning permits for equity licensees.

**16. Does the jurisdiction have licensing caps or limitations for commercial cannabis that are different for its local equity licensees? If yes, please describe and include how the caps or limitations were determined.** (Max 1750 characters)

- (0 Points) Jurisdiction does not have licensing caps or limitations for commercial cannabis that are different for its equity licensees.
- (1 Point) Minimal differences in licensing caps or limitations for commercial cannabis between non-equity licensees and equity licensees, thus limiting local equity program’s functionality. The jurisdiction does not plan on modifying licensing caps or limitations for equity licensees. The local equity program’s licensing caps or limitations were determined without input from a Department of Race and Equity or similarly equity-focused entity.
- (2 Points) Adequate differences in licensing caps or limitations between non-equity licensees and equity licensees. The jurisdiction plans on expanding licensing caps or removing limitations for equity licensees. The local equity program’s licensing caps or limitations were determined based on input and recommendations from a Department of Race and Equity or similarly equity-focused entity.
- (3 Points) Clear and compelling differences in licensing caps or limitations between non-equity licensees and equity licensees. The jurisdiction has comprehensively expanded licensing caps or removed limitations for equity licensees. The local equity program’s licensing caps or limitations were determined by a Department of Race and Equity or similarly equity-focused entity.

**17. How does the jurisdiction ensure eligible communities and populations are made aware of the benefits offered by its local equity program?** (Max 1750 characters)

- (0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.
- (1-2 Points) Jurisdiction provides limited outreach and awareness-raising efforts. Minimal thought is given to which techniques, media channels, messages, and messengers are most appropriate/effective in reaching and informing the eligible population.

- (3-4 Points) Jurisdiction provides adequate outreach and awareness-raising efforts. Includes some community engagement techniques, media channels, messages, and messengers which effectively reach and inform the eligible population.
- (5 Points) Jurisdiction provides robust outreach and engagement efforts that cultivate trust and respect in partnership with the eligible population and communities. Communication techniques, media channels, messages, and messengers are carefully selected and/or tailored to effectively reach and inform the eligible population and communities. Workshops, trainings, and outreach activities occur/take place in the impacted neighborhoods (per equity assessment). Applicants may submit a letter of support from a qualified Community-based Nonprofit Organization to provide additional substantiation of its response to this question - please see the "Required/Supporting Documents" section of this document for more information.

**18. How does the jurisdiction collect and address feedback from communities and populations eligible for its local equity program? (Max 1750 characters)**

- (0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.
- (1-2 Points) The local equity program's process and responsiveness to challenges and complaints is limited/minimal.
- (3-4 Points) The local equity program has an adequate system to receive and address feedback.
- (5 Points) The local equity program provides a clear and comprehensive process to receive and address feedback. Applicants may submit a letter of support from a qualified Community-based Nonprofit Organization to provide additional substantiation of its response to this question - please see the "Required/Supporting Documents" section of this document for more information.

***Local Equity Program Expected Outputs and Outcomes***

***Scoring Criteria A (5 points possible)***

**19. If the requested funds are awarded, what are the expected outputs and outcomes of the jurisdiction's local equity program? (Max 3500 characters)**

- (0 Points) Answer does not minimally address the question; or Applicant did not provide an answer to the question.
- (1-2 Points) Limited and minimal description of expected outputs and outcomes and how the program will benefit, serve, and involve the eligible populations and communities.
- (3-4 Points) Adequately describes the expected outputs and outcomes and how the program will benefit, serve, and involve the eligible populations and communities.
- (5 Points) Clear and comprehensive description of the jurisdiction's expected outputs and outcomes and how the program will benefit, serve, and involve the eligible populations and communities.

## Scoring Criteria B Questions (100 total points possible)

### **Local Jurisdiction Population Size**

#### **Scoring Criteria B (22 points possible)**

**1. What was the local jurisdiction's population size as of January 1, 2021 as published on the Department of Finance's (DOF) [website](#)?**

- Local jurisdictions with less than 100,000 residents (4 points).
- Local jurisdictions with 100,000-399,999 residents (7 points).
- Local jurisdictions with 400,000-999,999 residents (11 points).
- Local jurisdictions with 1,000,000-1,999,999 residents (15 points).
- Local jurisdictions with 2,000,000-2,999,999 residents (18 Points).
- Local jurisdictions with 3 million or more residents (22 points).

### **Local Equity Program Components**

#### **Scoring Criteria B (53 points possible)**

**2. When was the jurisdiction's local equity program adopted?<sup>6</sup> (mm/dd/yyyy)**

- Fewer than 6 months in existence (0 points).
- 6 months to less than 1 year in existence (2 points).
- 1 to 2 years in existence (3 points).
- More than two years in existence (4 points).

**3. Which of the following program elements does the jurisdiction's local equity program include?** Check all that apply as of the application due date. (0.5 point each, 4 points max)

- Small business support services including technical assistance or professional and mentorship services.
- Tiered fees or fee waivers for cannabis-related permits and licenses.
- Assistance in paying state regulatory and licensing fees.
- Assistance securing business locations prior to or during the application process.
- Assistance securing capital investments or direct access to capital.
- Assistance with regulatory compliance.
- Assistance in recruitment, training, and retention of a qualified and diverse workforce, including transitional workers.
- Low-interest or no-interest loans or grants to local equity applicants or local equity licensees to assist with startup and ongoing costs.

**4. How many verified local equity applicants does the local jurisdiction currently have?**

(Note: Only include individuals that the jurisdiction has confirmed their eligibility for the local equity program **AND** that have submitted, or will submit, an application for a local license, permit, or other authorization by the local jurisdiction to engage in commercial cannabis activity. However, exclude any verified local equity applicants for license types that will not likely be obtainable in the next 12 months due to the jurisdiction's licensing cap.)

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<sup>6</sup> Determined by using the date the applicant jurisdiction's equity program was adopted, to the date indicated as the deadline to submit the grant application.

- 0 equity applicants (0 points).
- 1- 20 equity applicants (5 points).
- 21-100 equity applicants (10 points).
- 101-150 equity applicants (15 points).
- 151-200 equity applicants (20 points).
- 201-300 equity applicants (25 points).
- More than 300 equity applicants (30 points).

**5. How many verified local equity license holders does the local jurisdiction currently have?**

(Note: Only include individuals that the jurisdiction has confirmed their eligibility for the local equity program **AND** that have been issued a local license, permit, or other authorization by the local jurisdiction to engage in commercial cannabis activity.)

- 0 equity license holders (0 points).
- 1-4 equity license holders (2 points).
- 5-20 equity license holders (5 points).
- 21-40 equity license holders (7 points).
- 41-60 equity license holders (9 points).
- 61-80 equity license holders (11 points).
- 81-100 equity license holders (13 points).
- More than 100 equity license holders (15 points).

**Financial Question**

**Scoring Criteria B** (25 points possible)

**6. What is the jurisdiction’s current annual investment in its local equity program?** (Exclude any grant funds provided by the State of California, including the Bureau of Cannabis Control) (\$)

- No investment (0 points).
- Investment between \$1-\$249,999.99 (5 points).
- Investment between \$250,000-\$999,999.99 (10 points).
- Investment between \$1,000,000-\$1,499,999.99 (15 points).
- Investment between \$1,500,000-\$1,999,999.99 (20 points).
- Investment of \$2 million or greater (25 points).

**Technical Questions<sup>7</sup>** (not scored)

**1. Total Amount Requested** (\$)

**2. Executive Summary: Please describe the proposal in 3-5 sentences.** (Max 1750 characters)

<sup>7</sup> These questions must be completed but are for informational purposes only. Responses will not impact applicant’s score. The first five questions can be found in the Proposal section of the online application, and the last technical question can be found in the Applicant Information section.

<b>3. How many local equity applicants does the jurisdiction intend to serve with the requested funds?</b>
<b>4. How many local equity licensees does the jurisdiction intend to serve with the requested funds?</b>
<b>5. For each budget line item and activity identified in the budget spreadsheet, describe how the jurisdiction will use the requested funding to assist its local equity program's applicants and licensees. (Max 3500 characters)</b>
<b>6. Does the local jurisdiction have a culture or perspective on equity, including policies, programs, and/or practices that address social equity and justice? If yes, please describe. (Max 1750 characters)</b>

## **NOTICE TO APPLICANTS**

All materials submitted in response to a GO-Biz grant solicitation will become the property of GO-Biz and as such, are subject to the California Public Records Act (Government Code Section 6250 et seq.).

## **VERIFICATION OF APPLICANT INFORMATION**

By submitting an application, applicants authorize GO-Biz to verify any and all information submitted in the application. GO-Biz may request additional documentation to clarify or validate any information provided in the application and/or budget.

## **POST-AWARD REPORTING REQUIREMENTS**

An eligible local jurisdiction that receives a grant shall submit periodic progress reports to GO-Biz documenting expenditures and progress toward deliverables, and on or before January 1 of the year following receipt of the grant and annually thereafter for each year that grant funds are expended, submit an annual report to GO-Biz that includes all the following information:

1. How the local jurisdiction disbursed the funds.
2. How the local jurisdiction identified local equity applicants or local equity licensees, including how the local jurisdiction determines who qualifies as a local equity applicant or local equity licensee.
3. The number of local equity applicants and local equity licensees that were served by the grant funds.
4. Aggregate demographic data on equity applicants, equity licensees, and all other applicants and licensees in the jurisdiction, including, but not limited to, race, ethnicity, gender, sexual orientation, income level, education level, prior convictions, and veteran status. This information will be consolidated and reported without the individual's identifying information.
5. If the local jurisdiction requires equity applicants to become eligible through specific ownership percentages, a breakdown of equity applicants' and equity licensees' business ownership types and percentages of ownership.
6. At least one success story that describes an equity applicant and/or equity licensee that was assisted as a result of the funding provided by GO-Biz.
7. Any other information specified in the grant agreement.