

OVERVIEW OF THE CANNABIS EQUITY GRANT

Presented by Administration

TYPES OF FUNDING

- Type 1 Funding
 - Assistance for Cannabis Equity Assessment and Program Development
- Type 2 Funding
 - Assistance for Cannabis Equity Program Applicants and Licenses

YEARLY FUNDING SPENT VS RETURNED



REASON FOR THE UNSPENT FUNDS IN 2021-2022

- Applied for a larger amount with anticipation we would have more applicants and higher taxes.
- Resolution 2022-15
 - Extended suspension of the tax rate increase pursuant to CPI.
- Resolution 2022-45
 - Limits cultivation tax to the canopy area.
 - Additionally, a 50% reduction to cannabis taxes.
- Cultivators can contact CDD to change their canopy size.
- 2020-2021 funding was extended through April 30, 2023.

CURRENT 2022-2023 TYPE 2 FUNDING

- \$836,678.29 currently available
- We have until October 31, 2024, to spend the funds
- 2022-2023 grant follows current Lake County Cannabis Local Equity Program Manual

CANNABIS EQUITY GRANT USES

- Currently the funds are being used to pay for County Fees and Taxes which are paid out of pocket by cultivators.
- This includes:
 - Cannabis Cultivation Taxes on Canopy due to the Tax Collector.
 - Cannabis Cultivation Fees due to the Community Development Department.
- Fees and Taxes already paid prior to the Cannabis Equity Grant funding being awarded, are not eligible for refund.
 - If an applicant is eligible for the Cannabis Equity Grant, has applied and been awarded, they need to make sure the administration office receives a copy of their bill(s) payable to the County of Lake to request payment by the Cannabis Equity Grant.
 - Funds are not issued directly to the cultivators but are transferred to the payable County department.

THE FUTURE OF THE CANNABIS EQUITY GRANT

2023-2024 FORWARD

2023-2024 TYPE 2 FUNDING

- We did not qualify to apply for the 2023-2024 funding because we did not spend at least 50% of the grant funds over the past 12 months and 80% over the past 18 months.
- Due to Proposition 209, we would need to completely change our Local Equity Program Manual.
- Funding over \$500,000 would require a 1:1 county match

PROPOSITION 209

- Effective the 2023-2024 Grant Solicitation, Local Equity Programs may not include eligibility criteria that violate the Equal Protection Clauses of the U.S. and California Constitutions, and Article 1, Section 31 of the California Constitution (Prop. 209) such as **race, ethnicity, gender, sexual orientation, etc.**
- Local jurisdictions that include such eligibility criteria in their local equity programs will **NOT** be awarded grant funds.

EFFECTIVE THE 2023-2024 GRANT CYCLE THE ELIGIBILITY FOR CULTIVATORS HAS CHANGED TO THE FOLLOWING:

CANNABIS EQUITY GRANT

- At this time staff are not planning on continuing the Cannabis Equity Grant Program as it would require significant staff time to:
 - Rework the Local Equity Program,
 - Current beneficiaries would need to reapply to verify their qualifications
 - Our understanding from the State is we would no longer be able to use the grant to pay cannabis cultivation taxes and fees.
 - We were “grandfathered” in to allow for these types of County payments which may no longer be allowed.
- We do currently have funding through October 31, 2024.