



## **Lake County** **Cannabis Local Equity Program Manual** V1. 1/14/21

### **Section 1. Purpose**

As demonstrated by the Lake County Cannabis Equity Assessment (Adopted by the Lake County Board of Supervisors on 12/8/2020), rural counties with a multigenerational history of cannabis cultivation have been impacted significantly by poverty and the criminalization of cannabis. Targeted, data-driven, and well-funded equity programs can help communities and populations, typically small growers, into a legal and sustainable economic future.

The purpose of this manual is to describe the qualifications for, and services to be provided by, the Lake County Cannabis Local Equity Program (LEP). All services and factors listed in this manual are and continue to be at the discretion of Lake County.

### **Section 2. Program Eligibility**

<b>Section 2: Program Eligibility</b>	
<b>Eligibility Criteria</b>	
Those who meet one or more of the below eligibility criteria shall become eligible for consideration for funding and services provided therefrom:	
Conviction History	Any individual who has obtained or applied for a cannabis permit in Lake County, or who has worked in or currently works in the cannabis industry and was arrested and/or convicted of a non-violent cannabis-related offense or was subject to asset forfeiture arising from a cannabis-related event.
Low Income Status	Any individual and/or entity that has obtained or applied for a permit, and the permit is for a business located in an area in Lake County with a poverty rate higher than the State of California, or any individual who can demonstrate their income is below the median income in Lake County.
Disadvantaged Population	Any woman, person of color, or LGBTQ individual who has worked in, or currently works in the cannabis industry in Lake County.
Trauma History	Are a person who experienced sexual assault, exploitation, domestic violence, and/or human trafficking while participating in the cannabis industry.
Homeless Consideration	Any individual who became homeless or suffered a loss of housing as a result of cannabis enforcement.
Small Scale Eradication Experience	Any individual who has experienced eradication for less than 50 plants on their own property.



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Size of Operation	Any stakeholder that has “small scale” cultivation by Lake County’s standards based on analysis of current application data.
Ownership Consideration	Any stakeholder that owns at least 51% of a cannabis-related business.
Residency Consideration	Any stakeholder that has resided in Lake County for at least five years between 1971-2016.
Family Conviction	Any stakeholder that has a parent, sibling, or child who was arrested for or convicted of the sale, possession, use, manufacture or cultivation of cannabis (including as a juvenile).

In order to determine and categorize which equity applicants are most in need of support, a score will be determined for each equity applicant based upon the number of eligibility criteria the applicant meets. Each qualification will have an assigned value that will be determined by how direct the impact was. This score will impact prioritization of services for equity applicants. The goal of the applicant scoring system is to ensure that those most impacted by cannabis criminalization and poverty have access to local equity program funding.

Lake County will take into consideration the following applicant types when determining available services:

- Applicants that have already received their license
- Applicants that are facing barriers to entry in receiving their license
- Applicants that are not yet in the permitting process but are planning to start

### **Section 3. Program Access**

To ensure that applicants who are eligible for the Lake County Local Equity Program have adequate opportunity to benefit from the program, options to foster ongoing support may include:

<b>Section 3. Program Access</b>	
Prioritization	Consider a prioritized permit process for equity applicants.
Ratios	Lake County should aim for a 2:1 ratio or more of equity to non-equity licenses.
Provisional Approval	Consider allowing for provisional approval of permits to allow equity applicants to overcome financial barriers. Provisional approval may provide potential investors with more certainty and willingness to provide capital investments.



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Amnesty Program	Consider developing pathways such as an amnesty program to encourage existing nonconforming businesses (such as small operators who qualify as equity applicants) to transition to the legal market.
Early Activation	Consider prioritizing existing equity stakeholders that also qualify for the Local Equity Program for Early Activation.
Other	Other strategies up to the discretion of Lake County to incentivize.

Lake County will notify the community about the Local Equity Program through the following avenues:

- Information on Lake County's website
- News releases and other media outreach
- Social media campaigns
- Through community partners such as the Lake County Cannabis Alliance (LCA)

Lake County may determine other avenues to ensure that the community is aware of the Local Equity Program and is able to access information about applying for funds.

#### **Section 4. Services**

Services to be provided by the Lake County Cannabis Equity Program may include one or more of the services listed in the below tables. The availability and scope of services will depend on need and the availability of funds from grants or other sources. Lake County intends to provide a majority of services via direct funding assistance to equity applicants and licensees to assist them in entering and succeeding in the legal cannabis industry. Wherever possible, Lake County will align services with funding requirements and recommendations from the State of California.

To address and mitigate financial barriers of entering the legal market, the following services will be offered:

<b>Section 4. Services</b>	
<b>Financial</b>	
1.	Assistance with fees for application assistance meetings of up to four hours, with the Community Development Department.
2.	Assistance with application fees for a Commercial Cannabis Cultivation application for a period not to exceed three (3) years.
3.	Assistance with fees for trainings and certifications required by law.
4.	Loans or grants to incentivize businesses that mitigate adverse environmental effects of cannabis cultivation.
5.	Assistance with fees associated with participation in the Early Activation permitting process.



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The following services are anticipated to address and mitigate administrative or technical barriers of entry into the legal cannabis market:

<b>Section 4. Services</b>	
<b>Administrative/Technical</b>	
1.	Technical assistance for the formation of cannabis cooperative associations.
2.	Technical assistance to ensure public and private road access to cannabis operations.
3.	Provide training and/or technical assistance to assist those with past cannabis convictions to get their records expunged.
4.	Work with banking institutions and provide technical assistance to support equity applicants in accessing banking services.

The following services are included to help equity applicants with establishing trust and confidence with participating in the legal cannabis market:

<b>Section 4. Services</b>	
<b>Distrust of Government</b>	
1.	Conduct outreach and education efforts in areas that were focused on by law enforcement for cannabis eradication and cannabis arrests; encourage those individuals to apply for licenses and enter the legal industry.
2.	Create outreach materials that are clear, concise, and accessible to those with low literacy. Consider creating materials in multiple languages.

The last collection of services will be focused on assisting equity applicants with developing adequate business acumen for thriving in the legal cannabis market:

<b>Section 4. Services</b>	
<b>Business Acumen</b>	
1.	Employment skill training for equity participants employed or seeking employment in licensed cannabis operations.
2.	Training/support for business owners to understand workforce rules and regulations (view section below).

### **Section 5. Additional Services for Cannabis Businesses**

If it is determined that there is funding available and existing need from equity applicants and equity licensees, Lake County may explore the following additional services for



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inclusion in the Local Equity Program. Recommendations are divided into the following categories: Agriculture/Cultivation, Manufacturing/Production, and Retail.

<b>Section 5. Additional Services for Cannabis Businesses</b>	
<b>Agriculture/Cultivation</b>	
1.	Access to business planning, low-cost loans or investment sources that can assist smaller, often multi-generational family farmers with the costs of legalization, so that income can be spent on hiring, training, growing wages and benefits of a variety of jobs-from farm management to bookkeeping.
2.	Support for reasonable regulations and zoning that promote and incentivize employers to build good business and workforce development practices.
3.	Access to standard human resource methods: hiring and orientation, training in proper and regulated land use for farm and field workers, hiring and supervision processes, setting job benchmarks and performance standards, evaluating performance for promotion or wage scale increases.
4.	Access to business and HR tools: developing HR manuals and procedures, how to frame up a request for a consultant scope, interview and select the right consultant or consultant firm, how to manage a consultant scope.
5.	Developing, securing, and increasing farm management skills in agricultural, biology, and land management.
6.	Access to agricultural extension services to help with the science of plant biology from a medicinal and commercial standpoint, and help feed local graduates in biology and environmental sciences into the industry-much like the timber industry has done.

<b>Section 5. Additional Services for Cannabis Businesses</b>	
<b>Manufacturing/Production</b>	
1.	Access to business planning (business startup strategy: how to build and manage a detailed startup business plan that can scale up and include facilities, marketing, tax and regulation, payroll, human resources hiring and supervision, and teamwork).
2.	Access to incubation and manufacturing hubs that can hire, cross train and job share positions between small entrepreneurs. Incubation hubs will provide (1) mentorship in business skills; (2) technical assistance; (3) a reporting system to monitor and ensure neither equity licensee nor business mistreat the other; and (4) a system that allows equity licensees and businesses to anonymously provide suggestions and complaints about the existing program.



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<b>Section 5. Additional Services for Cannabis Businesses</b>	
<b>Retail</b>	
1.	Access to comprehensive business and marketing strategies that connect cannabis retail to tourism, related workforce development (hiring, training, presentation, customer service, job readiness, and supervisory skills).
2.	Access, training, or mentorship in general business supervisory, customer service, workplace norms, and software skills.
3.	Evaluate the specific need and content for a program that certifies front line positions (bud tending, security, track and trace, manufacturing, and packaging personnel).

Please note the services listed in this section are sourced from the June 2018 *Workforce Report: Humboldt County's New Cannabis Landscape* authored by Deborah Claesgens & Michael Kraft on behalf of the Humboldt County Workforce Development Board.

**Section 6. Program Administration**

Lake County intends to seek available funding from the State of California for the Local Equity Program as is outlined in Senate Bill 1294 (Bradford), referred to as the California Cannabis Equity Act. SB 1294 created a fund for local jurisdictions with cannabis equity programs to apply for funding to assist local equity applicants and local equity licensees gain entry to and successfully operate in the state's regulated cannabis marketplace.

If funding is received from the State, the Lake County Board of Supervisors will explore local funding that can supplement these efforts. The use of local funding for the Local Equity Program will remain at the discretion of the County.

<b>Section 6. Program Administration</b>	
1.	No more than ten percent (10%) of any funding from the California Governor's Office of Business and Economic Development (GO-Biz) Local Equity Program Grant Funds may be utilized for program administration.
2.	Principal administration and coordination of services shall be performed by the Lake County Administrative Office in coordination with the Community Development Department or other designated entity determined by the Board of Supervisors and/or the CAO's Office.
3.	The Lake County Administrative Office, in coordination with the Community Development Department or other designated entity determined by the Board of Supervisors and/or the CAO's Office, shall receive and process all applications to determine eligibility of equity program participants.
4.	The Lake County Administrative Office, in coordination with the Community Development Department or other designated entity determined by the Board of Supervisors and/or the CAO's Office, shall monitor and report on all program



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	services provided through the LEP, at least annually and more frequently as directed by the Board of Supervisors, state law, or regulation.
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## **Section 7. Provision of Services**

Staff in the Lake County Community Development Department serve as the liaison between equity applicants and equity licensees who receive grant funding and the selected agency that provides an eligible service.

<b>Section 7. Provision of Services</b>	
<b>Involved agencies may include, but are not limited to:</b>	
1.	Small business development organizations
2.	Community Development Department
3.	Department of Health & Human Services
4.	Workforce development agencies
5.	Banking and financial institution
6.	Commercial real estate brokerages and associations

## **8. Program Monitoring and Evaluation**

For the purposes of understanding the impacts of the adult-use cannabis industry, Lake County will seek to track data on general and equity applicants. The purpose of collecting data on an ongoing basis is to measure the success of the local equity program.

Completion of an annual demographic questionnaire will be voluntary and will be aligned with the demographic questionnaire developed by the State of California. Applicants and licensees will be encouraged to participate so that Lake County can assure that equity funding is being awarded to populations of highest need. Recommended metrics are as follows and conform to the county's discretion:

<b>Section 8. Program Monitoring and Evaluation: Recommended Metrics</b>	
Number of equity applicants to apply	<ol style="list-style-type: none"><li>1. Types of drug-related offenses</li><li>2. Income status</li><li>3. Race Ethnicity</li><li>4. Gender</li><li>5. Sexual Identity</li><li>6. Residency Status</li><li>7. Ownership Structure</li></ol>
Workforce characteristics	<ol style="list-style-type: none"><li>1. Total number of employees</li></ol>



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	<ol style="list-style-type: none"><li>2. Number of local employees</li><li>3. Employment status (full-time, part-time, etc.)</li></ol>
Equity program-specific data	<ol style="list-style-type: none"><li>1. Number of applicants eligible for equity program</li><li>2. Number and types of services provided to equity applicants</li><li>3. Number of equity program applicants to receive licenses.</li></ol>

Lake County will address feedback from communities and populations eligible for the Local Equity Program in the following ways:

- Written e-comment
- Opportunities to speak with the planning commission
- Via social media
- Other opportunities up to the discretion of Lake County (web page, community meetings, e.g.)