



<b>STAFF REPORT</b>	
<b>SUBJECT:</b> Approve the Cannabis Equity Program and Authorize the City Manager to Implement the Program	<b>MEETING DATE:</b> Dec. 8, 2022
<b>SUBMITTED BY:</b> Alan D. Flora, City Manager	
<b>PURPOSE OF REPORT:</b> <input type="checkbox"/> Information only <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

**WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:**

The City Council is being asked to approve the Cannabis Equity Program Draft.

**BACKGROUND/DISCUSSION:**

In September 2020 the Clearlake Council approved by Resolution 2020-18 to allow HSU Sponsored Programs Foundation (HSU-SPF) on behalf of the California Center for Rural Policy to develop the Cannabis Equity Program. In December of 2021 the Council considered a draft but at time decided not to proceed with a Program at that time. The Cannabis Equity Program Draft has been completed and reviewed by city staff and stakeholders in the Cannabis Industry.

The City would receive funding to assist local applicants through the State as outlined in Senate Bill 1294, the California Cannabis Equity Act. This Act created a fund for local jurisdictions with cannabis equity programs to help local equity applicants and local equity licensees gain entry and successfully operate in the cannabis marketplace.

The Program was developed to help communities and populations adversely affected by poverty and the criminalization of cannabis have access to a legal and sustainable future in the cannabis industry. The eligibility criteria for the program include conviction history, family conviction history, low-income status, Clearlake residents, cannabis-related business ownership status, veteran status, size of the operation, and abatement experience. Eligible individuals would then benefit from specialized program access and services depending on their needs and availability of funds from grants or other sources.

**OPTIONS:**

1. Adopt Resolution 2022-74
2. Other direction

**FISCAL IMPACT:**

None Budgeted Item?  Yes  No

Budget Adjustment Needed?  Yes  No If yes, amount of appropriation increase: \$

Affected fund(s):  General Fund  Measure P Fund  Measure V Fund  Other:

Comments: A budget adjustment would be required if funding is allocated by the State.

**STRATEGIC PLAN IMPACT:**

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

Adopt Resolution 2022-74.

- Attachments:**
  1. Resolution No. 2022-74
  2. Cannabis Local Equity Program Manual

**RESOLUTION NO. 2022-74**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEARLAKE APPROVING THE CANNABIS EQUITY MANUAL AND ADOPTION OF THE EQUITY PROGRAM.**

**WHEREAS**, the members of the California Legislature have recognized the need for cannabis equity grant funding;

**WHEREAS**, funding has been provided to the Governor's Office of Business and Economic Development to provide grant funds to local governments pursuant to AB 97 (Stats. 2019, Ch. 40);

**WHEREAS**, there is a high barrier to entry into the legal cannabis industry in the State of California and local jurisdictions.

**WHEREAS**, there is a need to encourage entrepreneurship and equity in attaining cannabis licenses in the City of Clearlake; and

**WHEREAS**, past criminalization of cannabis has had an impact on City of Clearlake community and residents and there is a need for the creation of an equity program that provides assistance to qualifying local equity applicants; and

**WHEREAS**, an equity program in the City of Clearlake may provide an opportunity for applicants, residents and businesses to create a sustainable income contribute back to the community.

**WHEREAS**, the City of Clearlake was awarded grant funding from the Governor's Office of Business and Economic Development to create an Equity Assessment, and

**WHEREAS**, the California Cannabis Equity Act (SB 1294) was enacted to ensure that persons most harmed by cannabis criminalization and poverty be offered assistance to enter into the multibillion dollar cannabis industry; and

**WHEREAS**, the City of Clearlake desires to use grant funds from the Governor's Office of Business and Economic Development (GO-Biz) to assist local equity applicants and licensees through a new local equity program for commercial cannabis activities as described in the application for grant funds.

**NOW, THEREFORE BE IT RESOLVED** that the City Manager of the City of Clearlake is authorized to execute the Equity Program and move forward with the implementation of the program.

**IT IS AGREED**

I hereby certify that the foregoing is a true copy of the resolution adopted by the City of Clearlake City Council in a meeting thereof held on \_\_\_\_\_ by the following:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: \_\_\_\_\_

Melissa Swanson - City Clerk

Dirk Sooten - Mayor