

# Cannabis Social Equity Assessment for the City of Coachella

Clarissa Iliff  
Jessica Neuwirth  
Sam Hampsher  
Lowry Heussler

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### City of Coachella

Mayor Steven Hernandez

Mayor Pro Tem Josie Gonzalez

Council Member Megan Beaman Jacinto

Council Member Denise Delgado

Council Member Neftali Galarza

Gabriel Martin, City Manager

Jacob Alvarez, Assistant to the City Manager

Nathan Statham, Finance Director

Jocelyn Kane, Cannabis Liaison

Celina Jimenez, Grants Manager

Gabriel Perez, Assistant Community Development Director

Luis Lopez, Development Services Director

### Stakeholders

The 1<sup>st</sup> Cohort of Cannabis Social Equity Program Grant Recipients

Lieutenant Andres Martinez, Riverside County Sheriff's Department

Christopher Martinez, CannaBiz Consulting Group

Joe Wallace, Coachella Valley Economic Partnership

Coachella Valley Cannabis Alliance Network

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## Introduction

Legalization of adult-use cannabis in California has brought about numerous benefits. Business opportunities are generally abundant, although capital requirements and a cumbersome regulatory environment limit opportunity, particularly for people of color and disadvantaged minorities. Inadequate infrastructure, unequal access to banking, and exclusionary policies toward those with prior drug-related felonies further limit the ability of individuals to enter the growing cannabis market in California. While arrest rates related to cannabis have decreased, racial disparities still exist, and in some areas, are growing. As a result of these historic disparities, the State of California, and many of its counties and cities have recognized the importance of providing for a high-quality social equity program to aid individuals who have faced these disparities in becoming involved in the cannabis market.

The City of Coachella first approved adult-use cannabis business operations in 2019. Shortly thereafter, the city launched its Cannabis Social Equity Program (CSEP) to “assist individuals who have been negatively impacted by the disproportionate enforcement of cannabis-related crimes by providing them assistance and opportunity to participate in the cannabis industry.” The program is also meant to revitalize neighborhoods with new business development through the reinvestment of funds. To date, successful applicants to the CSEP are in varying stages of the process to launch their cannabis business.

The purpose of this study is to analyze available data related to disparities in the cannabis industry and provide recommendations regarding policy options that could (A) foster equitable access to participation in the industry, including promotion of ownership and stable employment opportunities in the industry, (B) invest City tax revenues in economic infrastructure for communities that have historically been disenfranchised, (C) mitigate the adverse effects of drug enforcement policies that have disproportionately impacted those communities, and (D) prioritize individuals who have been previously arrested or convicted for cannabis-related offenses. Through our analysis, we have identified multiple barriers to entry and have provided corresponding recommendations meant to augment the City’s Cannabis Social Equity Program and the outcomes of those individuals that participate in it.

## Cannabis Social Equity Analysis

The following section examines the change in cannabis policy at the federal, state, and local level over time. We then describe the arrest rates for drug-related offenses in Coachella. Using census data, we identify low-income areas in the City of Coachella and then overlay historic cannabis arrests with the identified low-income areas. Finally, we identify the areas of the city that contain both a high number of low-income households and cannabis-related arrests. Also included in this section is a discussion of the two community engagement events that took place and the findings derived from those events.

### United States Cannabis Policy

Cannabis policy in this country has been more closely aligned with politics than medicine from the beginning. Cannabis was not mentioned in the first federal prohibition on recreational drug use; the Opium Exclusion Act (1909), which prohibited non-medical use of opium and its derivatives. Before then, opium and cocaine had been traded and used in the United States with few restrictions.

Five years later, the Harrison Narcotics Act (1914) tightened restrictions on medical use of opiates and cocaine, leading to the imprisonment of doctors who prescribed these drugs to habitual users. Ultimately, the arrest of physicians and closure of state and city clinics prescribing cocaine and opiates drove the creation of an illicit drug market. At the same time, the U.S. was moving into Prohibition (1920 – 1933) and it was during this period that cannabis use gained popularity, perhaps due to decreasing availability of alcohol, cocaine, and opiates.

At the tail end of the prohibition era, federal enforcement of the alcohol ban moved into the Department of Justice, while narcotics went to the newly established (1930) Federal Bureau of Narcotics (FBN). The first commissioner of the FBN was Henry Anslinger, who remained in that position through the Kennedy administration. Anslinger is generally understood to have originated the hyperbolic anti-drug propaganda that was so inconsistent with reality that an entire generation of American youth developed an amused disdain for public health efforts regarding recreational drug use. Anslinger relentlessly campaigned for legislation that would criminalize cannabis production and use, using racism so overt as to shock the conscience.<sup>1</sup>

Budget considerations in the FBN during the 1930s limited the number of employed narcotics agents, relegating the agency's role to public information campaigns rather than actual enforcement efforts. Issuing warnings regarding the dangers of cannabis and narcotics became a common tactic of the FBN. In 1932, Congress adopted the Uniform State Narcotics Act, which mandated States to adopt Federal narcotics laws and promoted collaboration between the Federal government and States around narcotics control. Efforts to curb drug use, particularly cannabis, continued. In testimony before Congress, Anslinger

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<sup>1</sup> David E. Newton (2017). *Marijuana: A Reference Handbook, 2nd Edition (Contemporary World Issues) 2nd Edition*. ABC-CLIO. p. 183. [ISBN 978-1440850516](https://doi.org/10.1080/10804029.2017.1348501).

claimed to know that cannabis use brought about insanity and criminal violence, despite sharp dissent from the AMA. Ultimately, Congress passed the Marihuana Tax Act of 1937, making it illegal to sell cannabis without an expensive tax stamp. The law effectively banned cannabis. Shortly thereafter, states began criminalizing possession of cannabis.

In 1951, Congress passed the Boggs Act, which established mandatory prison sentences for named drug offenses. Three years later, President Eisenhower appointed an interdepartmental committee representing the Departments of State, Treasury, Defense, Justice, and Health, Education & Welfare to survey the extent of narcotic addiction and review local, state, and national narcotics programs. In 1956, the Narcotic Control Act increased penalties for drug offenses and established the death penalty as punishment for selling heroin to youth. In the same year, a report from the Interdepartmental Committee on Narcotics indicated that cannabis use was particularly harmful to youth and to American communities generally, without much scientific evaluation of these claims.

Cannabis became a lightning rod during the 1960s, when its use by the surging counterculture movement, produced evidence that contradicted claims linking it to crime and mental illness. President Kennedy's 1963 Advisory Committee on Narcotic and Drug Abuse found that "drugs were not grouped together legally based on the risk of addiction or level of health effects," but the Johnson administration took no action on the committee's findings.

Battle lines between liberal and conservative views on cannabis were firmly drawn when Nixon came to power. In an address to Congress in 1969, Nixon declared cannabis a national threat, and soon implemented Operation Intercept, which effectively shut down the border crossings between Mexico and the United States to stop the flow of cannabis into the country. At the same time, the Supreme Court voided the Marihuana Tax Act, leaving a vacuum at the federal level regarding cannabis policy. Against a rising tide of opposition, the Controlled Substances Act of 1970 replaced all federal drug laws with the current schedule of controlled substances, placing cannabis in in Schedule 1,<sup>2</sup> which virtually eliminated the ability of scientists to conduct cannabis research.

Nixon's war on drugs is now understood to have been a way to target anti-war activists and African Americans.<sup>3</sup> Nixon's final act in his war on drugs was to lend his support to the Reorganization Plan 2 of 1973, establishing the Drug Enforcement Agency under the auspices of the Department of Justice. President Ford continued the tough rhetoric from the previous administration, though he was a stronger proponent of treatment and prevention efforts.

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<sup>2</sup> Reserved for drugs with no currently accepted medical use and a high potential for abuse.

<sup>3</sup> "The Nixon campaign in 1968, and the Nixon White House after that, had two enemies: the antiwar left and black people. You understand what I'm saying? We knew we couldn't make it illegal to be either against the war or blacks, but by getting the public to associate the hippies with marijuana and blacks with heroin, and then criminalizing both heavily, we could disrupt those communities. We could arrest their leaders, raid their homes, break up their meetings, and vilify them night after night on the evening news. Did we know we were lying about the drugs? Of course we did."

Carter's Drug Abuse Message to the Congress in 1977 indicated his interest in research efforts and expanding federal funding for treatment and prevention programs. Unfortunately, Carter's visions never came to fruition. His stance on cannabis policy was much softer than his predecessors, though political will was not in his favor. As a result, most of the policies put forward under Nixon's war on drugs remained in place. Internationally, Carter supported cannabis eradication programs in Mexico.

President Reagan picked up where Nixon left, creating the Drug Abuse Policy Office by executive action. New federal laws increased the criminal punishments for drug-related offenses.<sup>4</sup> One such law, the Anti-Drug Abuse Act of 1988, increased funding for education and other drug-related programs, though limited evidence exists suggesting this funding had any success in reducing cannabis or drug use among youth. Regan, who famously insisted that government should stay out of people's lives, ushered in the era of workplace drug testing. Upon the election of President H.W. Bush, the Office of the National Drug Control Policy replaced the Drug Abuse Policy Office.<sup>5</sup>

The Clinton administration continued to enhance criminal sanctions related to drug use and distribution. The most notable legislation to this end was the Violent Crime Control and Law Enforcement Act of 1994, which introduced the "three strikes" provision and increased funding for prisons and local law enforcement. Arrests for cannabis possession and distribution increased drastically in the 90s, though favorable public opinion regarding cannabis also surged during this time. During this time, several states legalized cannabis for medical use, pitting federal enforcement priorities against states' rights.

Although President George W. Bush campaigned on a slate supporting states' rights, particularly in the area of cannabis policy, his policies as implemented more closely aligned with Nixon, Reagan, and H.W. Bush. During his term, medical cannabis dispensaries, including those authorized under state laws, were frequently raided by federal law enforcement. This practice quickly changed under the Obama administration though, when Attorney General Holder issued a memo to the United States Attorneys, indicating an end to raids on cannabis distributors whose actions were "in clear and unambiguous compliance with existing state laws providing for the medical use of marijuana." Holder, however, opposed adult-use cannabis, and voiced his opposition to the California ballot initiative in 2010 that would have legalized adult-use cannabis. In 2013, following cannabis legalization in Colorado and Washington, US Attorney General Cole issued a memorandum (known as the Cole Memo) further deprioritizing the use of federal law enforcement resources to enforce cannabis prohibition. Since then, cannabis has been legalized for adult-use in 17 states and the District of Columbia.

Today, polls indicate some two-thirds of adults favor legalizing cannabis for medical and adult-use.<sup>6</sup> Federal action is hard to predict. The Biden administration has signaled its

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<sup>4</sup> Comprehensive Crime Control Act of 1984, Anti-Drug Abuse Act of 1986, Anti-Drug Abuse Act of 1988.

<sup>5</sup> The Director of this office is informally known as the "Drug Czar."

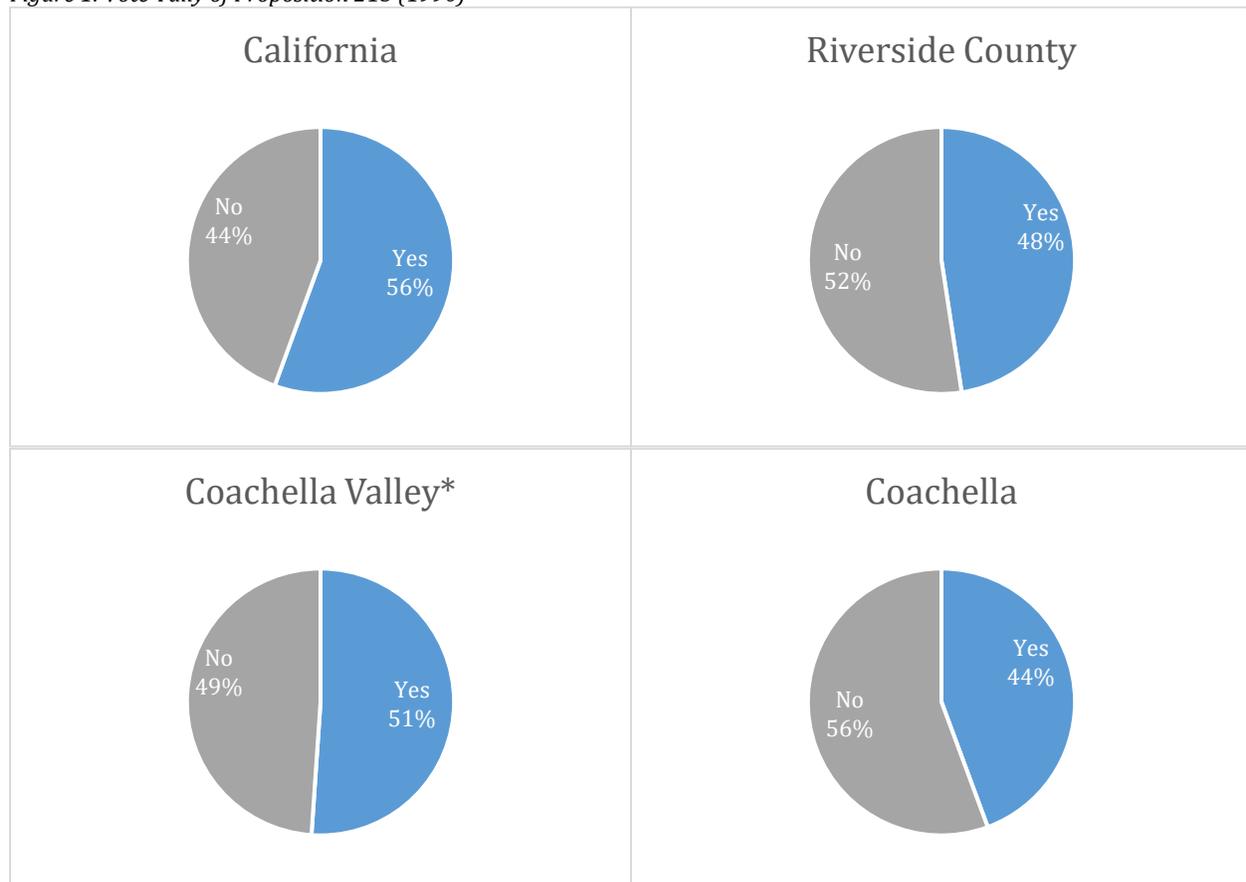
<sup>6</sup> <https://www.pewresearch.org/fact-tank/2021/04/16/americans-overwhelmingly-say-marijuana-should-be-legal-for-recreational-or-medical-use/>

willingness to decriminalize cannabis use, though it has not committed to full-scale legalization of cannabis or a de-scheduling of the substance.

### California Cannabis Policy

California has been an early mover in cannabis legislation, first criminalized the drug in 1913, by amending the Poison and Pharmacy Act of 1907, to include it in the list of prohibited drugs, and then legalizing it for medical use by referendum in 1996. Notably, while statewide the Proposition passed by a large margin, voters in Riverside County and the City of Coachella predominantly voted against it. Valley-wide, the proposition passed by a narrow margin.

Figure 1: Vote Tally of Proposition 215 (1996)<sup>7</sup>



Proposition 215 did not provide a regulatory structure for the medical cannabis market causing many cities and counties to struggle with regulating an expanding market. To remedy this, the legislature passed Senate Bill 420 in 2003, creating an identification card program for qualified patients. This program was not without its faults though. The requirements to become a qualified patient to use medical cannabis were lax, allowing for

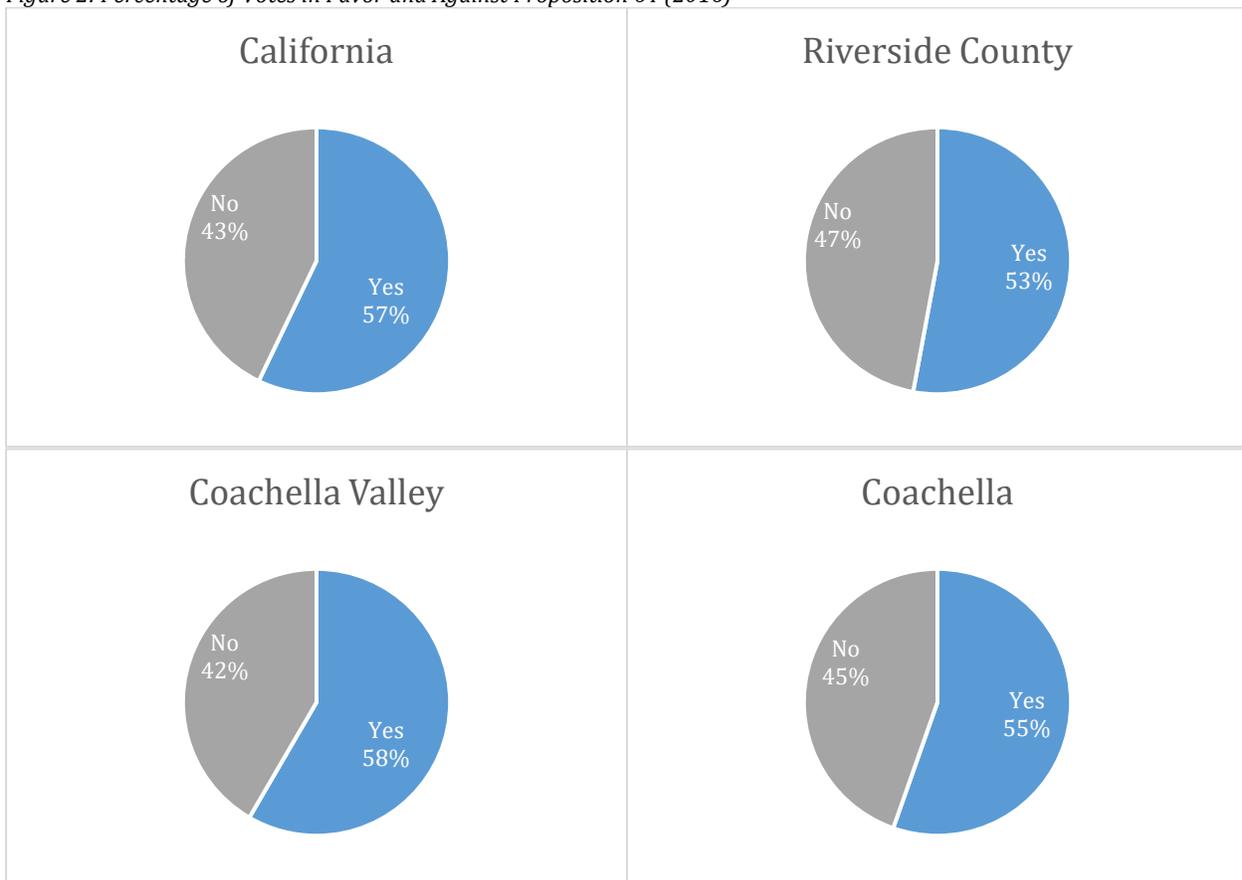
<sup>7</sup> The Coachella Valley comprises Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage

just about anyone to receive a qualified patient designation. As a result, access to cannabis increased.

California’s efforts to regulate cannabis use and perhaps decrease the severity of punishments associated with drug use and possession progressed in fits and starts. In 1999, the legislature allowed a law that mandated driver’s license revocation for any individual found guilty of possession of drugs to expire. In 2000, California passed the Substance Abuse and Crime Prevention Act, meant to allow individuals convicted of drug use or possession to enter treatment in lieu of prison or jail time. Ten years later, Senate Bill 1449 was passed, making the possession of one ounce or less of cannabis a civil infraction, rather than a misdemeanor.

In 2010, California residents voted down Proposition 19, which would have legalized cannabis-related activities, including allowing for local regulation of adult-use cannabis markets. The margin was narrow, with 53.6% of voters voting against it, and in 2016, the voters passed Proposition 64, legalizing the adult-use cannabis market.

Figure 2: Percentage of Votes in Favor and Against Proposition 64 (2016)<sup>8</sup>



<sup>8</sup> The Coachella Valley comprises Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage

### Coachella Cannabis Policy

The City of Coachella, incorporated in 1946, is located on the eastern edge of the Coachella Valley and is home to nearly 50,000 residents. Over 90% of the city's residents are Hispanic. Its growth in population has been fueled primarily by Mexican immigrants and their descendants, though a significant number of Japanese, Portuguese, and Turkish immigrants have also contributed to its growth. These individuals make up a significant portion of the work force not only in the city, but also across the Coachella Valley. Being in one of the of the largest crop-growing regions in California, the City of Coachella contains a significant portion of farmland. In recent years though, the city has experienced significant growth in commercial and industrial development. What follows is a brief description of the history of cannabis policies in the city.

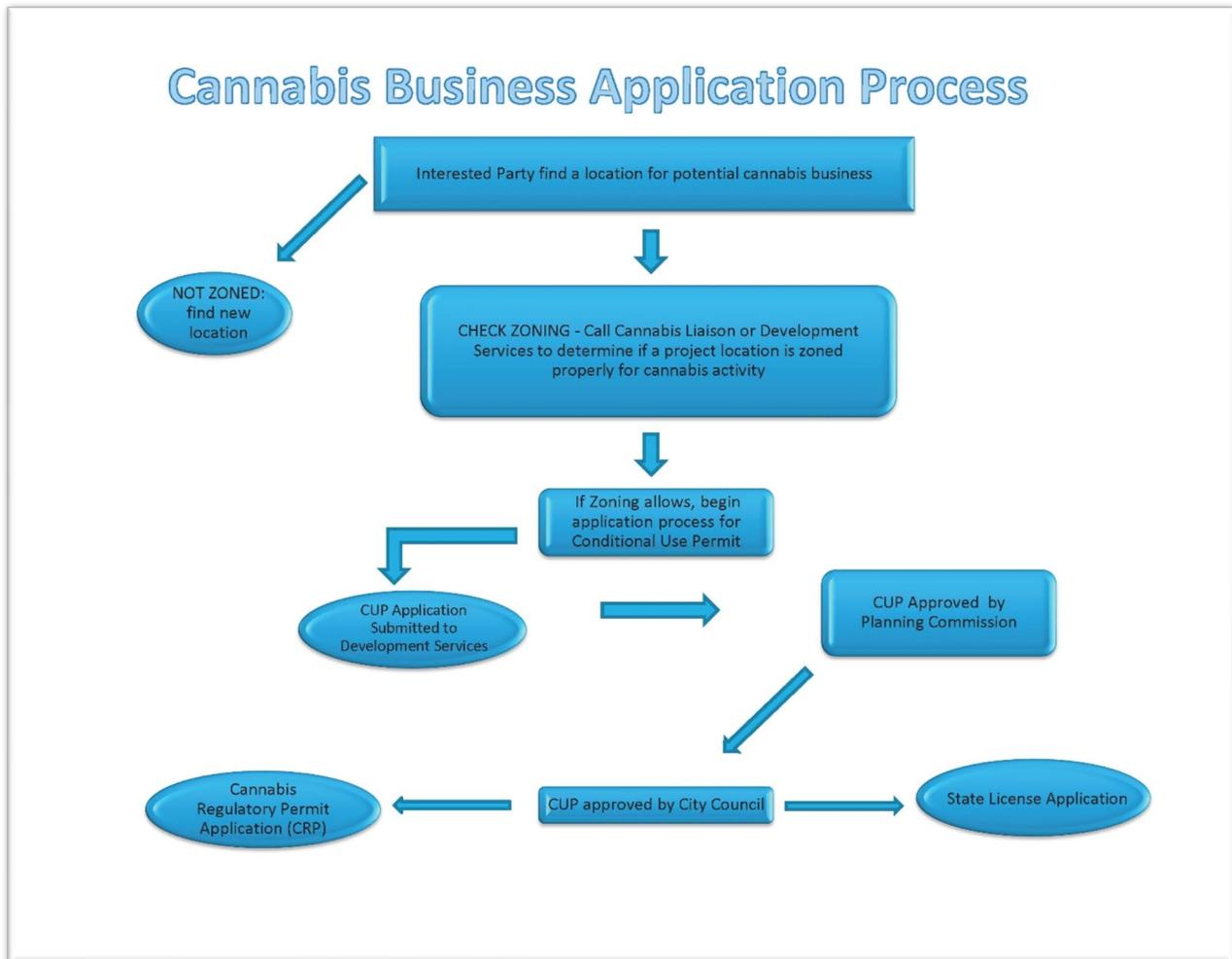
Although medical cannabis was legalized in California in 1996, the City of Coachella did not allow for medical cannabis businesses to operate until 2016. In 2007, City Council adopted a temporary moratorium on medical cannabis businesses, which was extended twice more. By 2009, Ordinance 1008 was passed, prohibiting the establishment of medical cannabis dispensaries. Seven years later, Ordinance 1083 permitted cannabis business activities, including cultivation, manufacturing, distribution, transportation, and testing, although it maintained the ban on establishing medical dispensaries and delivering medical cannabis directly to patients. This ordinance also established zoning regulations such that medical cannabis businesses would be permitted to operate in the M-W zone of the city.

Following legalization of adult-use cannabis in California, the City Council passed Ordinance 1108 in 2017, providing for the regulation of medical and adult-use cannabis businesses and expanding the zones in which commercial cannabis activity could take place. Today, cannabis businesses other than retail outlets are permitted in three areas of the city: the Wrecking Yard Area, the Coachella Industrial Park, and Peter Rabbit Farms.<sup>9</sup> Ordinance 1109, adopted in 2017, updated the pre-existing regulatory permit scheme. The current business application process is pictured in Figure 3.

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<sup>9</sup> See Appendix A for a copy of the current zoning maps.

Figure 3: Coachella Cannabis Business Application Process



Today, two storefront retail dispensaries are in operation, with several more planned. Authorized cannabis businesses in the city include indoor cultivation, outdoor cultivation, manufacturing, distribution, testing, microbusiness, non-storefront delivery, retail, temporary cannabis events, and onsite consumption (with a retail license). Notably, some of these business opportunities are less capital-intensive than others and may be of interest to individuals just starting out in the cannabis industry. The city is well-situated to support various cannabis businesses and can encourage the growth of this emerging market through thoughtful policies designed to improve the well-being of its residents and provide new opportunities for economic development.

### Social Equity Analysis in the City of Coachella Coachella’s Program

The Cannabis Social Equity Program in Coachella, launched in 2019 is a two-year pilot program meant to “assist individuals who have been negatively impacted by the disproportionate enforcement of cannabis-related crimes by providing them assistance and opportunity to participate in the cannabis industry.” The program also seeks to revitalize neighborhoods with new business development through the reinvestment of funds. To date,

successful applicants to the CSEP are in varying stages of the process to launch their cannabis business. Three applicants to the program were approved and received funding from the city to support cannabis-business related activities.

Eligibility for the program was separated into four classification categories, as follows:

- **Classification 1.** A current or former resident of the City of Coachella who previously resided or currently resides in a low-income household and was either: a) arrested or convicted for a cannabis related crime in the City of Coachella between the years of 1980 and 2011; or is b) an immediate family member of an individual in subsection a of Classification 1 or Classification 2.
- **Classification 2.** A current or former resident of the City of Coachella who has lived in a low-income household for at least five (5) years, between the years of 1908 and 2018. Annual family income must be at or below 80 percent of the Area Median Income (AMI) and net worth below \$250,000.
- **Classification 3.** A cannabis business with not less than 51% ownership by individuals meeting Classification 1 or 2 criteria that their business resides within the City of Coachella. If no such individual exists, individuals meeting Classification 1 or 2 criteria from other applicable areas may be utilized.
- **Classification 4.** A Cannabis Incubator Business or a Cannabis Social Enterprise with not less than 51% ownership by individuals meeting Classification 1 or 2 criteria.

Although the criteria for eligibility are relatively straightforward, applicants may have struggled to provide appropriate documentation establishing their eligibility. In particular, records of arrest that did not lead to conviction are very hard to obtain, as are older records of prosecution. Similarly, individuals with inconsistent or undocumented income sources may have had a difficult time pulling together necessary and appropriate financial records, particularly for a period of five years. Nevertheless, the eligibility requirements are reasonably broad to capture a large portion of individuals who may have been previously harmed by the war on drugs.

### Community Outreach Events

In order to better understand the community perspective of the current CSEP and how it may be improved, two community outreach events took place in May of 2021. Due to COVID-19 gathering restrictions, these events were in a digital format. The first was a community wide survey, with results discussed below. The second was a virtual cannabis business event hosted by the Development Services Department from the City of Coachella. Findings from the event are discussed below.

### *Results of the Community-Wide Survey*

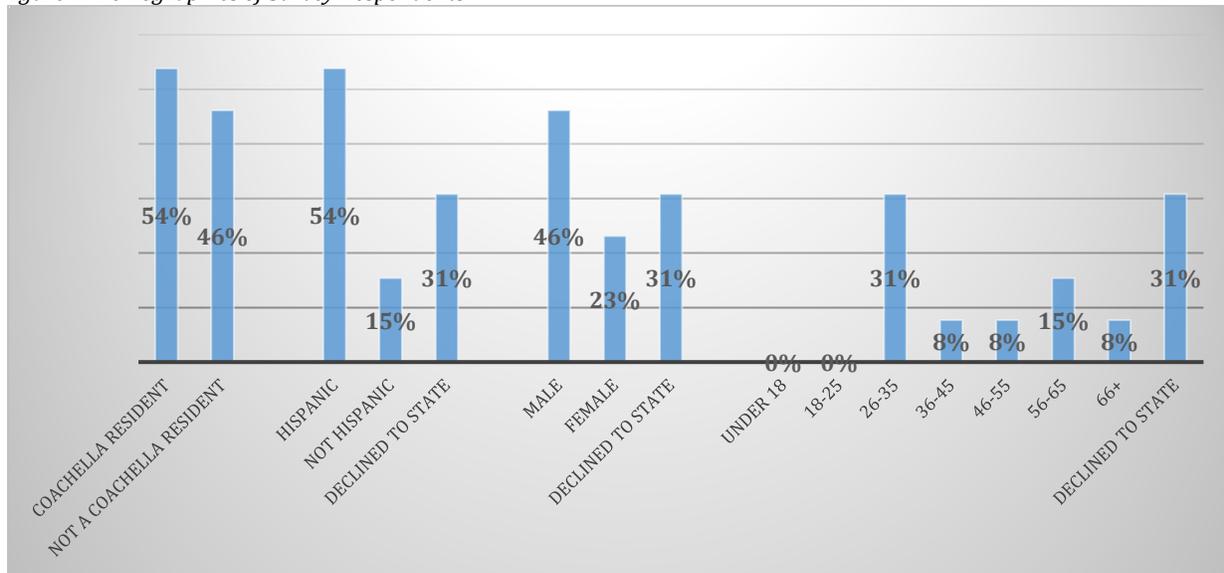
On May 6, 2021, the community survey regarding the Cannabis Social Equity Program in Coachella was launched.<sup>10</sup> Outreach efforts to promote the survey included distributing flyers regarding the survey to local businesses in Coachella. In addition to these in-person

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<sup>10</sup> See Appendix B for a copy of the survey in English and in Spanish.

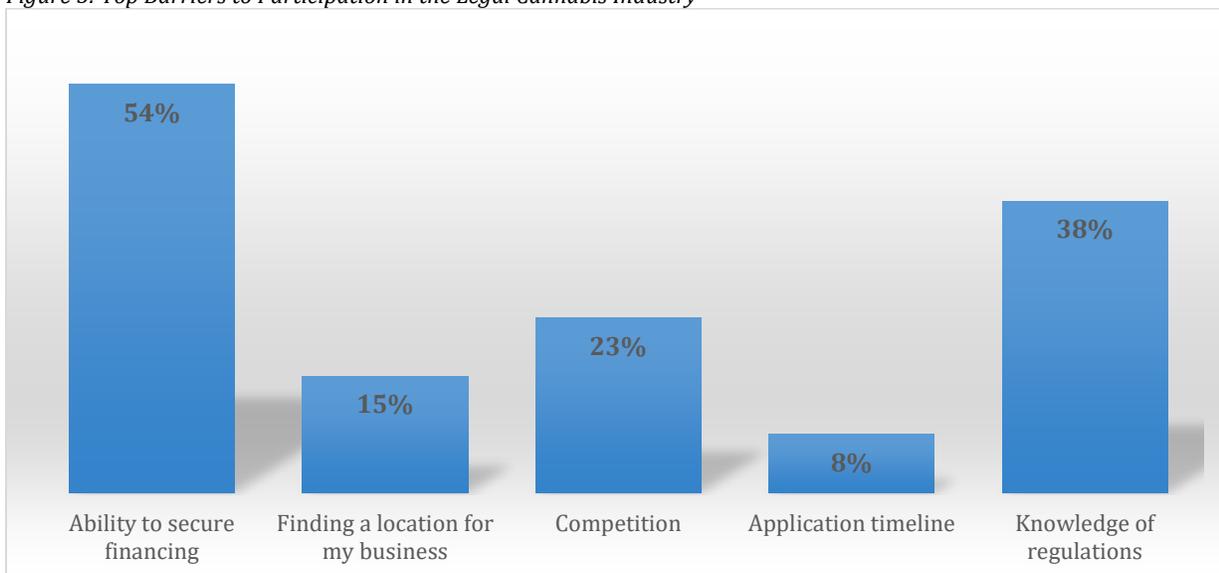
efforts, outreach to the College of the Desert to promote the survey and subsequent targeted meeting that occurred. Ultimately, 13 individuals responded to the survey. Their demographics are listed in the figure below.

Figure 4: Demographics of Survey Respondents



When asked to identify the top barriers to participation in the legal cannabis industry, over half of the individuals surveyed (54%) indicated ability to secure financing, and nearly 40% cited knowledge of the regulations. Only 23% suggested that competition was a top barrier, 15% cited finding a location, and 8% suggested the application timeline as the chief hurdle.

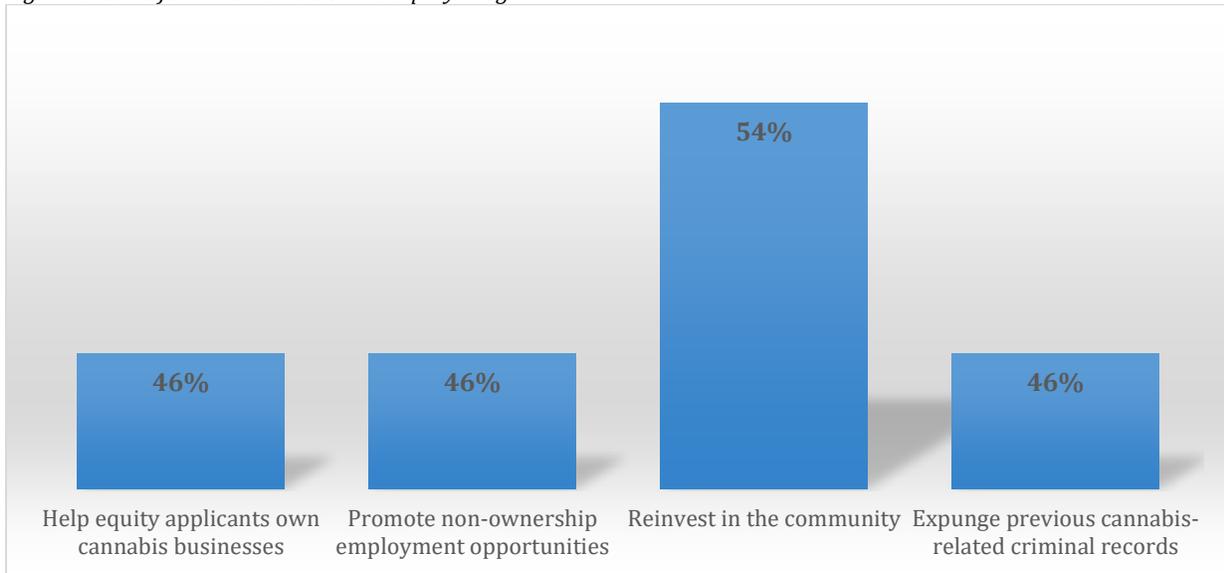
Figure 5: Top Barriers to Participation in the Legal Cannabis Industry



When asked to suggest the appropriate goals for a cannabis social equity program, nearly half of the respondents identified helping equity applicants own cannabis businesses,

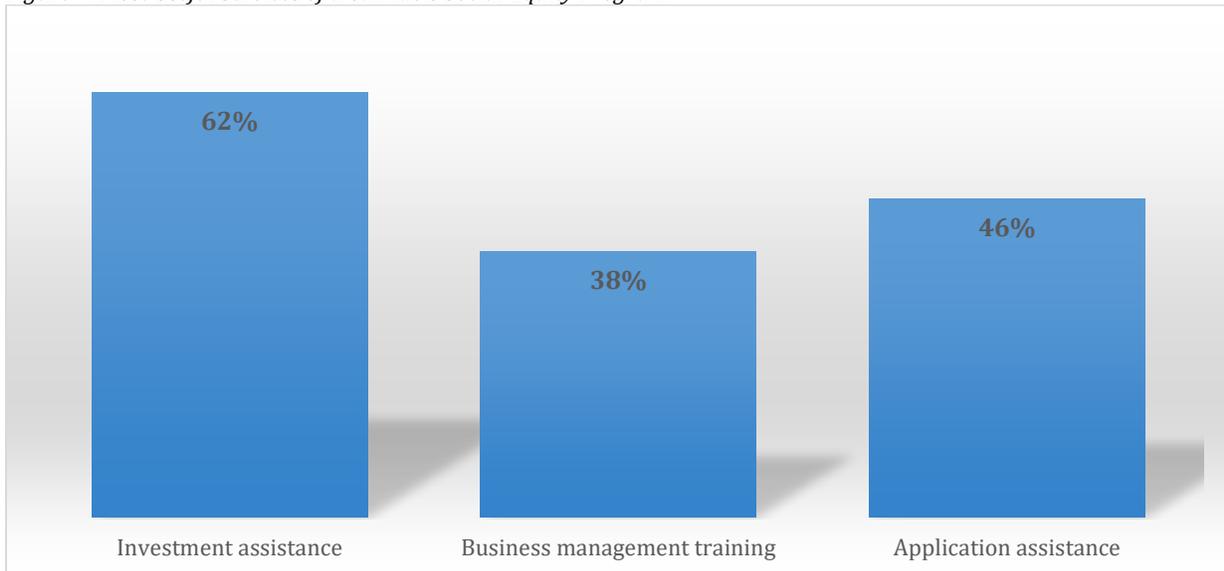
promoting non-ownership employment opportunities, reinvesting in the community, and expunging previous cannabis-related criminal records.

*Figure 6: Goals for the Cannabis Social Equity Program*



Respondents were also asked what services they believe would be most useful to them from a Cannabis Social Equity program. Most people indicated investment assistance would be useful, though respondents also indicated assistance with their applications and business management training would be useful.

*Figure 7: Most Useful Services of a Cannabis Social Equity Program*



### *Coachella Cannabis Business Virtual Event*

On May 20, 2021, we held the Cannabis Business Virtual Event, during which attendees heard from city representatives regarding the cannabis business opportunities in Coachella and the Social Equity Program. This event provided attendees with an opportunity

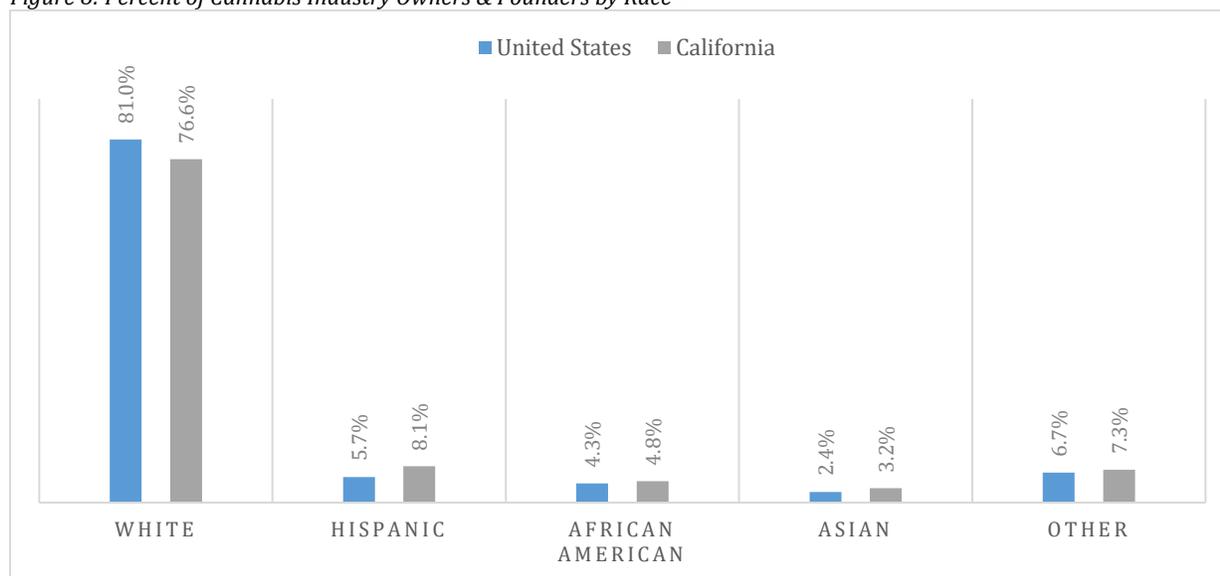
to ask questions of city representatives as well, and the engagement suggested community residents are interested in learning more about and engaging with the cannabis business industry in Coachella.

At the event, city representatives unveiled the newly developed Coachella Cannabis website ([coachellacannabis.org](http://coachellacannabis.org)) where individuals can go to find more about cannabis businesses and business opportunities in the City of Coachella.

### Participation in the Cannabis Industry

In 2017, Marijuana Business Daily conducted an online poll of 567 self-identified cannabis business owners to determine the racial composition of owners across the country. Perhaps not surprising, the survey shows that Hispanics, African Americans, and Asians are underrepresented. Across the United States and in California, cannabis business owners are predominantly white. Collectively, non-white cannabis business owners make up about 20% of the total cannabis business owners across the United States and about 25% in California.

Figure 8: Percent of Cannabis Industry Owners & Founders by Race<sup>11</sup>



### Identifying Disadvantaged Communities

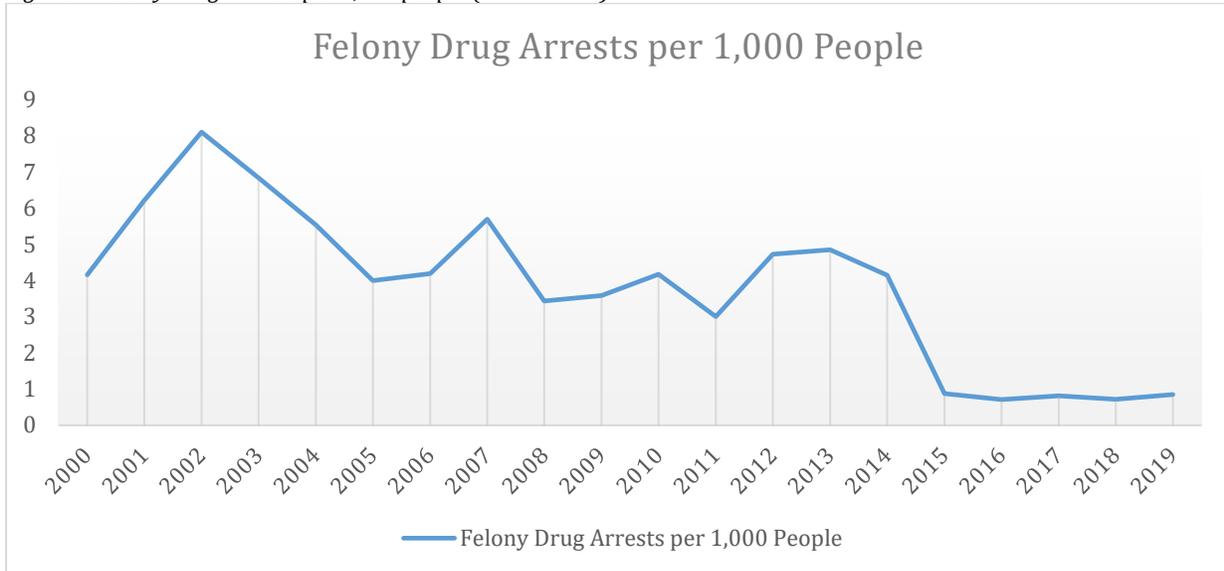
The community outreach events provided valuable insight from members of the community regarding the current Cannabis Social Equity Program and what services would be most useful to them as the program grows. Nevertheless, a key component of many social equity programs has been to address the criminalization of cannabis use. The following section explores the drug arrest rate of individuals in Coachella and seeks to identify communities within the city that have historically high drug arrest rates and a high percentage of low-income households.

<sup>11</sup> Source: Marijuana Business Daily, August 2017 Reader Survey

### Historical Arrest Rates

Data provided by the Riverside County Sheriff’s Office of arrests in the Coachella Valley from 2000 through 2019 are used to demonstrate historical trends in drug arrests.<sup>12</sup> Figure 8, below, depicts the felony drug arrest rate per 1,000 people in Coachella. In Figure 9, felony and misdemeanor drug-related arrest rates per 1,000 people are shown, primarily to demonstrate that the decrease in felony drug-related arrests observed in 2015 was due to the effects of Proposition 47, which reclassified many property and drug crimes from felonies to misdemeanors.

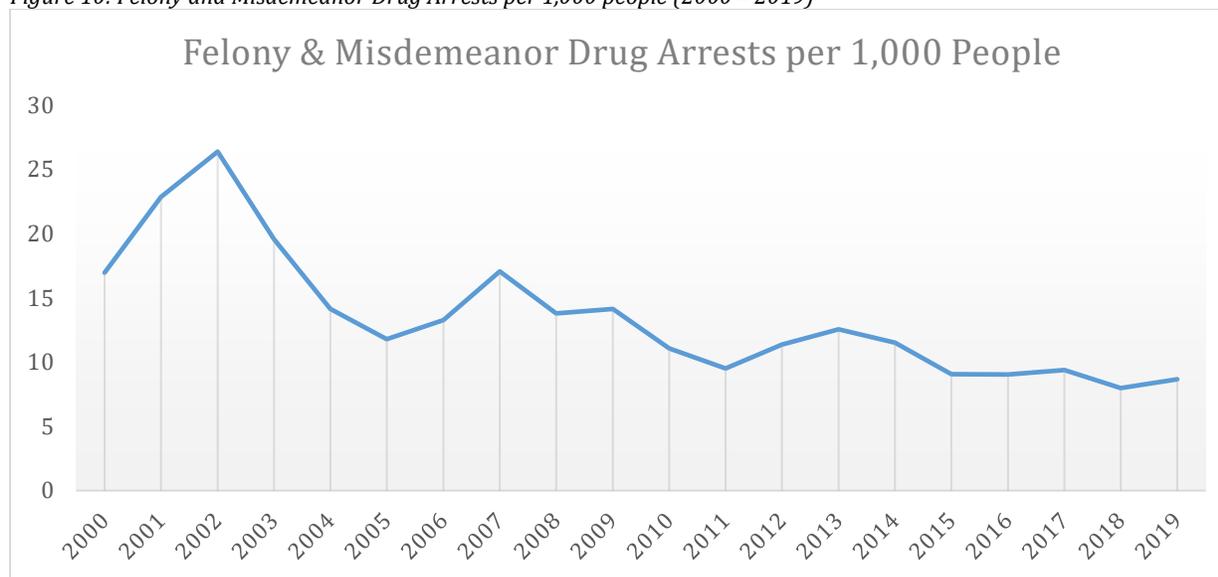
Figure 9: Felony Drug Arrests per 1,000 people (2000 - 2019)<sup>13</sup>



<sup>12</sup> The arrests shown here encompasses drug-related charges, not necessarily only those related to cannabis possession, use, cultivation, or distribution.

<sup>13</sup> Although felony drug arrests appear to decrease significantly in 2015, this is due to a change in state-level policy rather than an actual significant decrease in felony drug arrests. Due to the passage of Proposition 47, numerous drug and property crimes were re-classified from felonies to misdemeanors. Figure 9 demonstrates that although there was a slight decline in drug-related arrests between 2014 and 2015, the significant decline in felony arrests is most likely related to the reclassification of charges than actual declines in arrests.

Figure 10: Felony and Misdemeanor Drug Arrests per 1,000 people (2000 – 2019)



*Evaluating Historical Arrests Rates and Median Household Income*

According to the California Department of Housing and Community Development, the Area Median Income (AMI) of Riverside County in 2020 was \$75,300. Table 1, below, indicates the income thresholds for Riverside County by number of persons in the household.<sup>14</sup> However, the median household income in Coachella is \$34,224, far lower than in Riverside County. For the purposes of this analysis, a low-income household is any household with a total income less than \$35,000, roughly the median income of the city.

Table 1: 2020 Riverside County Income Thresholds by Number of Persons in Household<sup>15</sup>

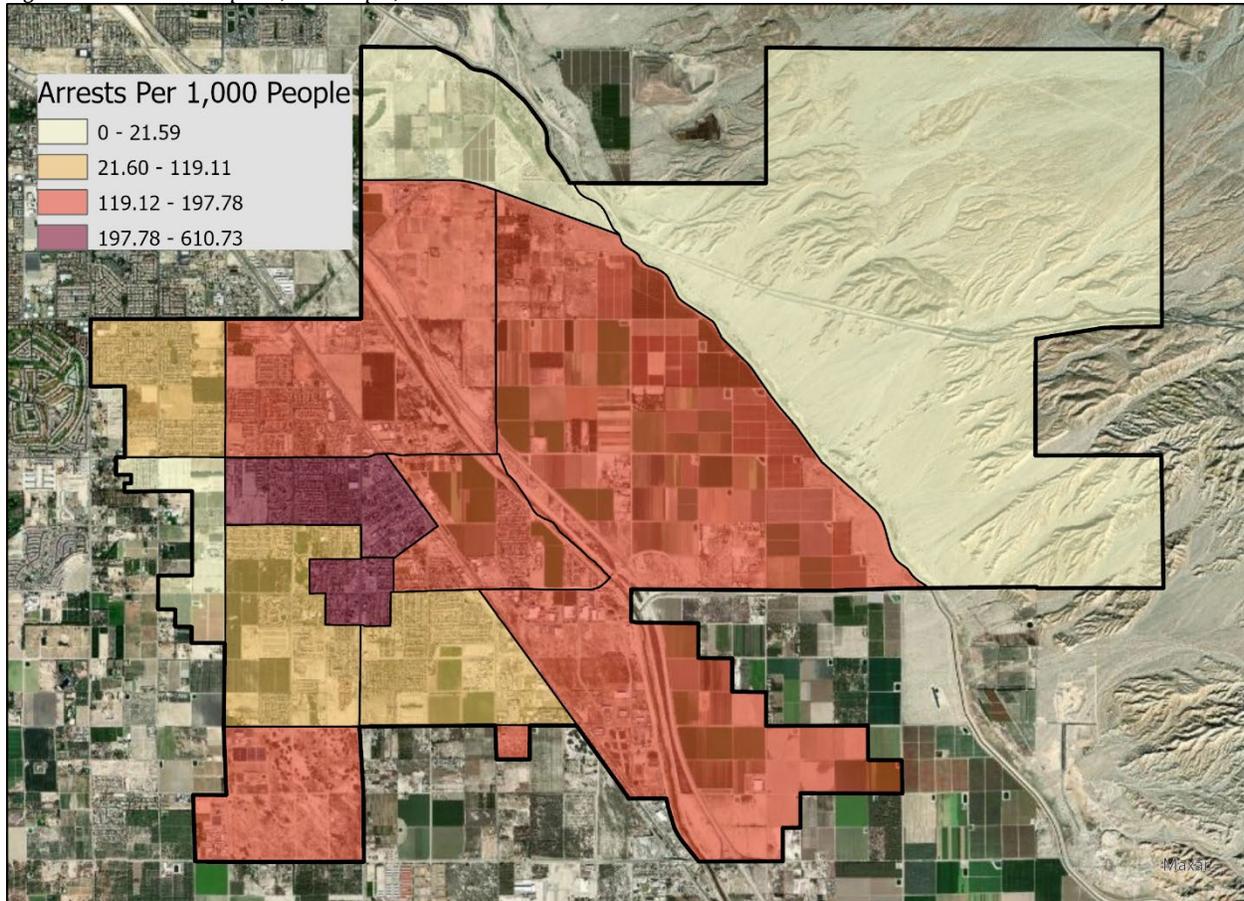
	1	2	3	4	5	6	7	8
<b>EXTREMELY LOW INCOME</b>	\$15,850	\$18,100	\$21,720	\$26,200	\$30,680	\$35,160	\$39,640	\$44,120
<b>VERY LOW INCOME</b>	\$26,400	\$30,150	\$33,900	\$37,650	\$40,700	\$43,700	\$46,700	\$49,700
<b>LOW INCOME</b>	\$42,200	\$48,200	\$54,250	\$60,250	\$65,100	\$69,900	\$74,750	\$79,550

<sup>14</sup> From the California Department of Housing and Community Development: “State Income Limits apply to designated programs, are used to determine applicant eligibility (based on the level of household income) and may be used to calculate affordable housing costs for applicable housing assistance programs. Use of State Income Limits are subject to a particular program’s definition of income, family, family size, effective dates, and other factors. In addition, definitions applicable to income categories, criteria, and geographic areas sometimes differ depending on the funding source and program, resulting in some programs using other income limits.”

<sup>15</sup> Source: <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/income-limits-2020.pdf>

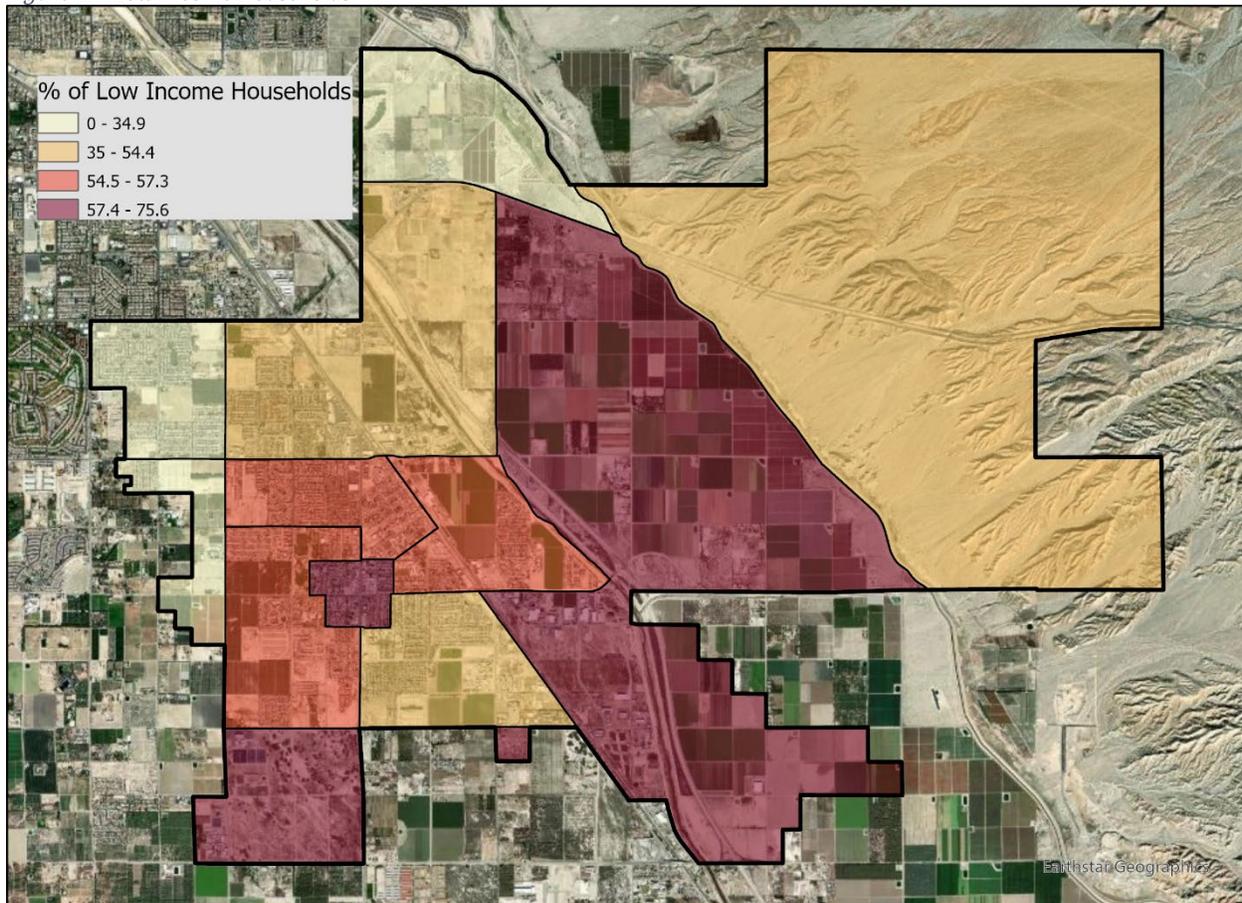
Figure 10 (below) shows the arrest rate per 1,000 people within each census tract in the city. Census tracts within the city with the highest arrest rates are outlined in red. The city center has the highest arrest rate per 1,000 people.

Figure 11: Arrest Rate per 1,000 People, 1999 - 2019



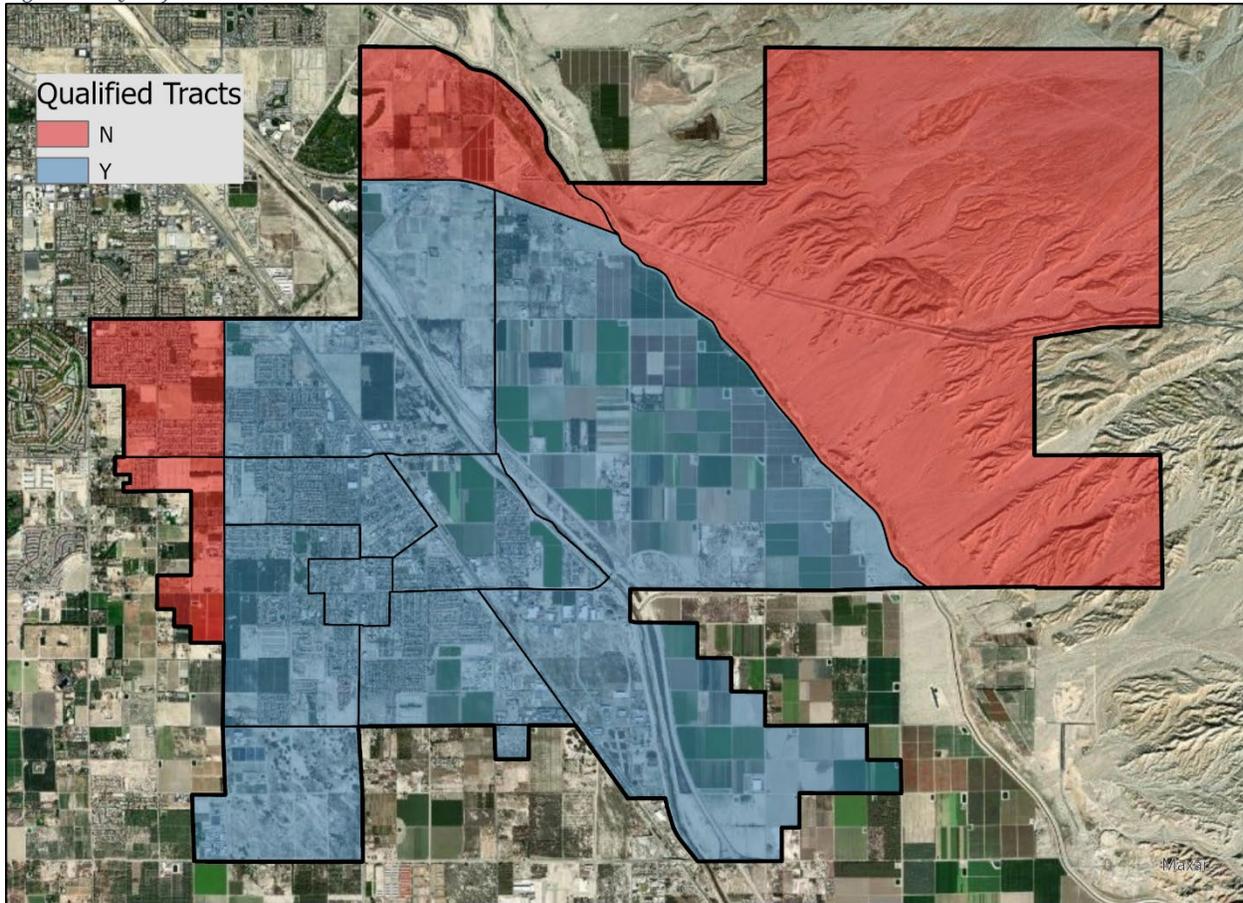
The following figure shows the current areas of the City of Coachella with the highest percentage of low-income populations by census tract according to the American Community Survey 5-year estimates from 2019. Again, the city center contains the highest percentage of households whose total income was less than \$35,000.

Figure 12: Low Income Households



To identify communities within the city with disproportionately high rates of drug-related arrests *and* low-income households, Figure 12 highlights those tracts where 30% or more households have income less than \$35,000 and a significant number of cannabis arrests. Of the 11 possible census tracts, five met both criteria and are represented in blue in Figure 12, below.

Figure 13: Qualified Tracts



## Cannabis Market Analysis

The goal of both public and private revenue generation has been an undeniable driver of cannabis legalization initiatives. Advocates of legalization contend cannabis revenues can be used to fund various social programs to redress some of the structural drivers of inequality that contribute to disparities associated with the failed war on drugs. For example, half of Alaska's cannabis revenues are spent on programs to reduce recidivism. Colorado's revenues are ear-marked for education and California spends its excess cannabis revenues to fund programs related to drug-use education, academic studies, and economic empowerment.

However, the trade-offs between maximizing revenue generation on the one hand, and public health and social equity considerations on the other should be considered. A smaller number of large producers capable of moving large volumes of product at low cost, with cannabis sales taxed at the point of sale on an ad valorem basis, is likely to be the easiest model to license and regulate. But lower product prices will likely exacerbate problem consumption and may incentivize out-of-state trafficking, which continues to carry the risk of prosecution. While easier to license and regulate, a smaller number of large producers necessarily reduces opportunities for market participation except for all but the best-capitalized entrepreneurs. Less well-capitalized applicants may struggle to enter the market and realize any profit. Unfortunately, it is most likely that well-capitalized entrepreneurs will not frequently come from communities that have been historically disadvantaged by the former prohibition and the related disparities in enforcement. Regulators therefore need to balance the goals of revenue generation against considerations for social equity and public health.

Achieving that balance would be easier if there were concrete forecasts for demand and supply of cannabis within a given jurisdiction. However, history has demonstrated that modeling supply and demand and the resulting product prices is easier said than done. Many complex analyses conducted to date have proven wildly inaccurate. In that uncertain environment the best advice to regulators today is the same as it was at the start of cannabis legalization: do not spend revenues before they have been collected and retain within the regulatory infrastructure sufficient dynamism that regulations might respond to inevitable market shocks.

The following paragraphs provide an overview of the historic and emerging trends in cannabis supply and demand, accounting for local, regional, and national influences.

### Comparative Tax Analysis

As adult-use cannabis markets continue to emerge in states, various taxation models have been introduced. California charges an excise tax of 15%, as well as a sales tax of 7.25%. Cities and counties also can impose local sales tax, and indeed many jurisdictions that permit cannabis businesses have opted to do so. Table 2 details the adult-use cannabis retail excise and sales taxes imposed by State. Washington has one of the highest excise tax rates, though at the outset of its market, a 25% tax was levied at three points (sales to processors, retailers, and customers). New York will levy taxes based on THC content, rather than price or weight of the product.

Table 2: State Adult-use Cannabis Retail Taxes

<b>Jurisdiction</b>	<b>Specific Excise</b>	<b>State Sales Tax</b>	<b>Local Tax Options</b>
Alaska	N/A, excise tax is paid by cultivator/processor.	No state tax	Local excise tax and local sales taxes may apply.
Arizona	16%	5.6%	
California	15%	7.25%	Local excise tax and local sales taxes may apply.
Colorado	15%		Local excise tax and local sales taxes may apply.
Illinois	10% on flower 20% on cannabis-infused products of up to 35% potency 25% for cannabis-infused products above 35% potency.	6.25%	Local taxes up to 3% may apply.
Maine	10%	5.5%	
Massachusetts	10.75%	6.25%	Local excise tax of up to 3% may apply.
Michigan	10%	6.0%	
Montana (projected to start 2022)	20%	0.0%	
Nevada	10%	4.6%	Retail sales tax applies to purchases of cannabis at the local rate: 6.850% – 8.10% Wholesale excise tax of 15%
New Jersey (Projected from late 2021)	None	6.625%	Local municipalities will be permitted to add an additional 2% sales tax.
New York	9%		
Oregon	17%	0.0%	Local excise tax up to 3%.
South Dakota (Pending litigation)	15% (If implemented)	4.5%	
Vermont	14%	6.0%	
Virginia (Projected from 2024)	21%	5.3%	An extra 3% tax may be added by the local municipality.
Washington	37.5%	6.5%	Local sales taxes apply (0.5-3.1%).

### California City and County Adult-use Cannabis Business Taxes

In addition to the 15% excise tax California collects at the point of sale, cities and counties may apply sales taxes, typically ranging between 7% and 10%, varying by location. These are calculated inclusive of excise taxes. A product’s cost is therefore calculated as follows:

$$\begin{aligned} \text{Retail Price} + 15\% \text{ Excise Tax} &= \text{Subtotal} \\ \text{Subtotal} + \text{Sales Tax} &= \text{Cost} \end{aligned}$$

In addition to the taxes imposed on retail sales and delivery, cities and counties impose taxes on other cannabis businesses, including manufacturing, cultivation, distribution, and testing. The figures that follow show the cultivation, manufacture, and retail tax rates imposed by the five cities across the Coachella Valley that permit cannabis businesses to operate. Most notable, there is a significant range in the types and levels of taxes imposed. While Palm Springs charges less per square foot for cultivation space than the City of Coachella, their retail tax rate on gross receipts is nearly double that of Coachella. Also notable, the City of Coachella is the only jurisdiction that levies taxes on distribution and testing (2% and 1%, respectively).

Figure 14: Adult-use Cannabis Business Taxes of Cities in the Coachella Valley

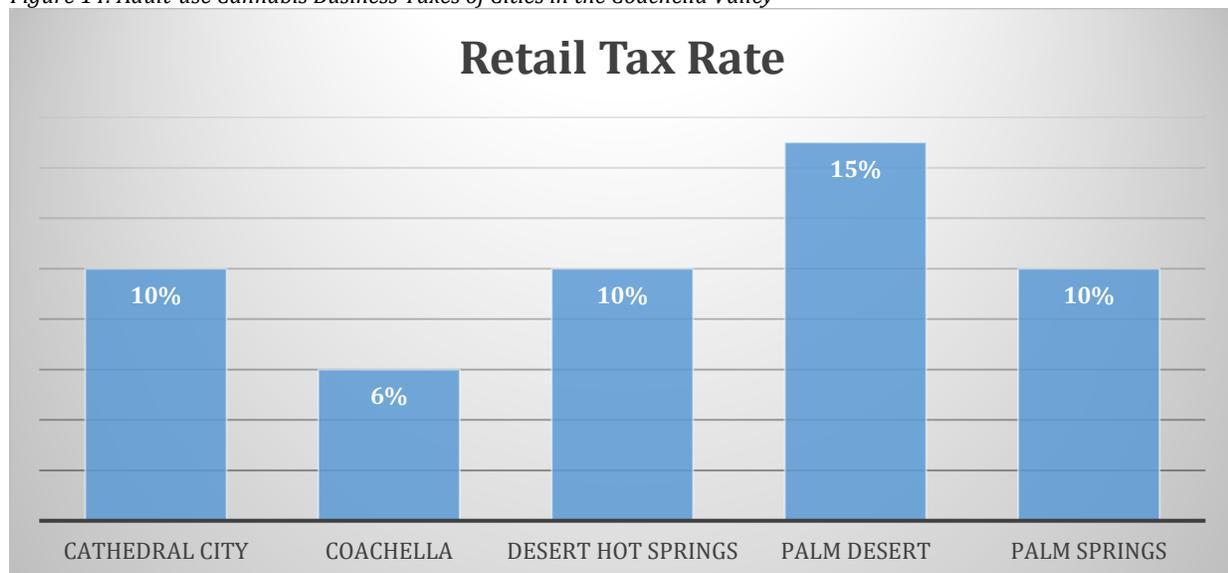
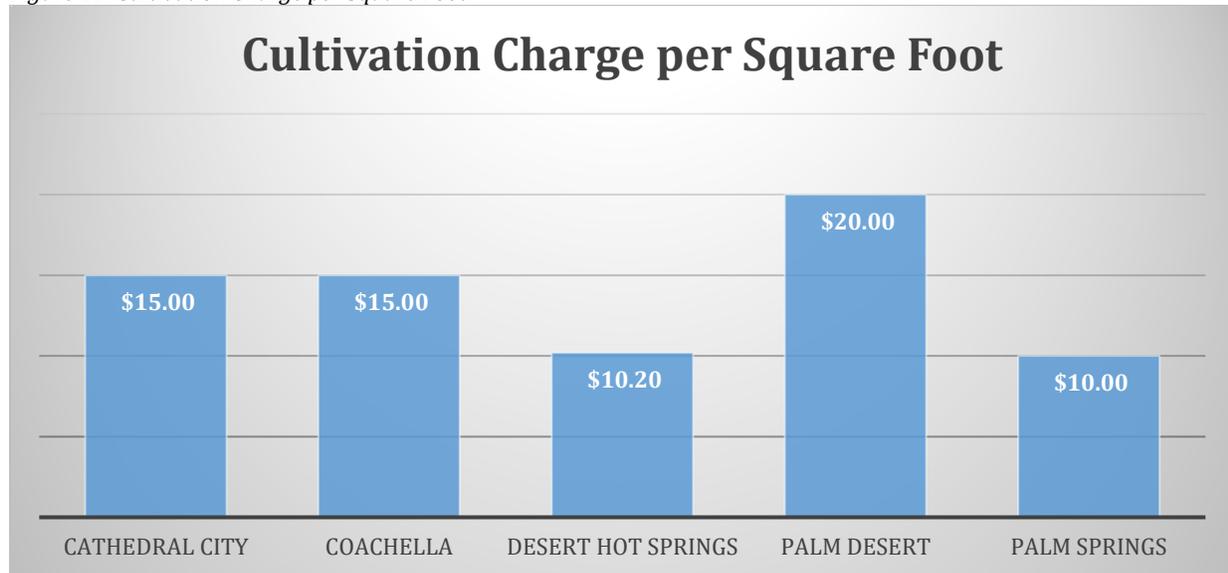


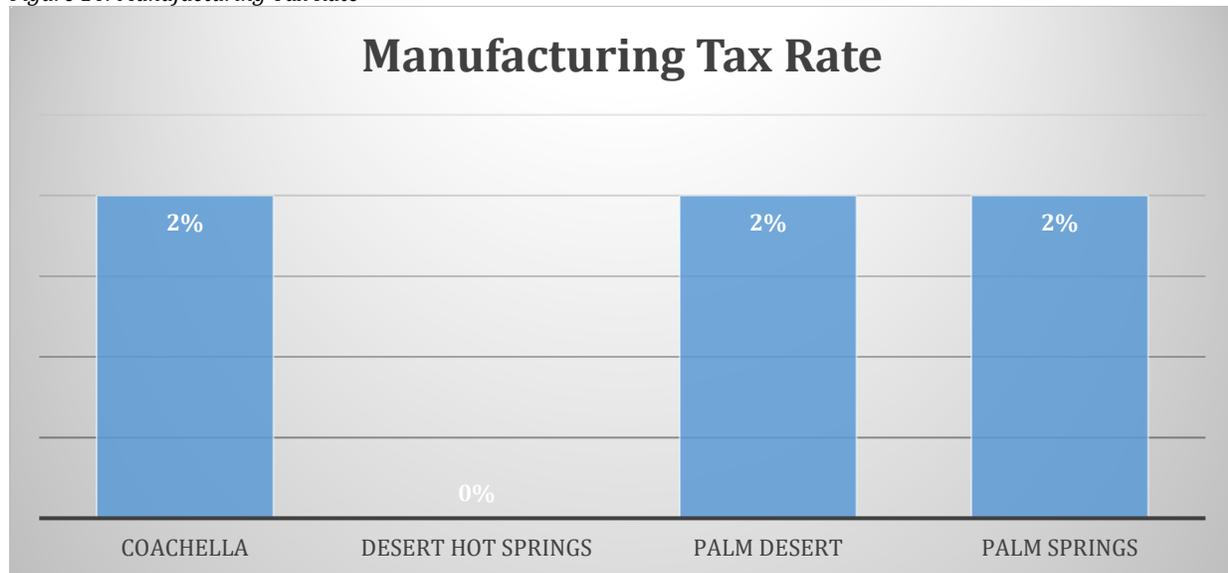
Figure 15: Cultivation Charge per Square Foot



\*Coachella charges \$7.50 per sq. ft. after 20,000 sq. ft.

\*\*Desert Hot Springs charges this rate bi-annually

Figure 16: Manufacturing Tax Rate



\*Note: Cathedral City collects product-specific manufacturing taxes: \$0.40 of each cannabis product other than concentrate; \$0.05/g of crude concentrate; \$0.10/g of distillate; \$.40/g exotic/boutique concentrate; \$15/sq ft on cultivation space

It should be noted that significantly different tax rates across the Coachella Valley may be a key driver of the business decisions of individuals interested in entering the cannabis market. Tax rates in one city that are significantly lower than the others may drive business into that city in lieu of others. In the long term, cooperation across the five cities in the Coachella Valley that permit cannabis businesses may be necessary to avoid a situation in which the cities needlessly undercut one another in the design of their cannabis regulations, even at the expense of capturing funds necessary to efficiently run the regulatory authority and provide necessary community reinvestment. That being said, the tax rates in Coachella

Valley are not unlike the tax rates imposed by other cities and counties in California, as shown in Table 3, below.

*Table 3: Adult-use Cannabis Business Taxes in Select California Cities and Counties*

Los Angeles	10% city tax; 9.5% local sales tax
San Francisco	2.5% for up to \$1 million in gross receipts for retail 5% for gross receipts in excess of \$1 million for retail 1% for up to \$1 million in gross receipts for businesses other than retail 1.5% on gross receipts over \$1 million for business other than retail
Long Beach	8% of gross receipts of retail sales and delivery 1% of gross receipts for manufacturing, distribution, and testing \$13.20/sq ft of cultivation space
San Diego	8% of gross receipts
Adelanto	3% of gross receipts for retail and special events 1% of gross receipts for manufacturing, testing, and distribution \$0.415/ sq ft of cultivation space
Riverside County	0.25% plus 1% plus 0.5% local sales tax
Los Angeles County	10% on gross receipts for retail sales 1% on gross receipts for transportation and testing 2% on gross receipts for cultivation and all other activities
Imperial County	8% of gross receipts received by retailers 5% on gross receipts received by manufacturers \$3.50/sq ft of cultivation space
San Bernardino County	4% of retail gross receipts (including microbusinesses) 2% on distribution (including microbusinesses) 2.5% on manufacturing 1% on testing \$7/sq ft of canopy cultivation space

### State Cannabis Business Taxes

In addition to the retail excise and sales taxes applied to cannabis retail and delivery businesses, some states impose additional taxes on other types of cannabis businesses. Table 4 details the types and rates of taxes imposed on cannabis cultivation and processing businesses.

Table 4: State Adult-use Cannabis Business Taxes

<b>Jurisdiction</b>	<b>Cultivation</b>	<b>Processing</b>
Alaska	\$50/oz for mature flowers \$25/oz for immature flowers \$15/oz for stems and leaves \$1/clone	Excise tax of \$50/ounce for flowers, \$15/ounce for stems and leaves, \$25/ounce for immature flowers/buds and \$1/clone.
Arizona	N/A	N/A
California	Cultivation Tax of \$9.65/oz for flowers, \$2.87/oz for trim; \$1.35/oz. for fresh plant	0%
Colorado	Cultivators and qualifying cannabis product manufacturers must pay a 15% excise tax on the first sale or transfer from a retail cannabis cultivation facility to a retail cannabis store, retail cannabis product manufacturing facility or to another retail cannabis cultivation facility.	
Illinois	7% sales tax applied to sale from cultivator	
Maine	Wholesale Excise tax of \$335/lb – flower, \$94/lb trim, \$1.50/seedling, \$0.35/seed.	
Massachusetts	N/A	N/A
Michigan	N/A	N/A
Montana (projected to start 2022)		
Nevada	Wholesale Excise Tax 15% [Fair Market Value determined by DOT]	Wholesale Excise Tax 15% [Fair Market Value determined by DOT]
New Jersey (Projected from 2021)	33% of average retail price/oz for first nine months of legal sales Then, \$10/oz if average retail price/oz is above \$350 \$30/oz if average retail price/oz is between \$250 and \$350 \$40/oz if average retail price/oz is between \$200 and \$250 \$60/oz if average retail price/oz is below \$200	
New York	\$0.005/mg of THC in flower \$0.008/mg of THC in concentrates \$0.03/mg of THC in edibles	
Oregon	N/A	N/A
South Dakota (Pending litigation)	N/A	N/A
Vermont	N/A	N/A
Virginia (Projected from 2024)	N/A	N/A
Washington	N/A	N/A

## Methods for forecasting cannabis tax revenue

Conceptually, estimating cannabis tax revenue from retail sales should be relatively simple. Revenues will be equal to the tax collected per unit sold in local markets times the projected sales volume in that market, plus taxes and fees assessed throughout the supply chain. Start with the number of cannabis consumers, including both resident and transitory. Multiply by the average rate of consumption. Then subtract the quantity provided by home-grown and illicit producers to calculate the total consumption. Multiply total consumption by the product price/unit. Finally multiply that by the rate of tax.

Uncertainties, both internal and external, obfuscate the ability to accurately predict the values at each intermediary point in this process. How will policy changes of neighboring counties and cities affect competition, and therefore local product prices? Will federal de-scheduling of cannabis create new out-of-state markets for California's licensees to capitalize on? Or will new-found competition from out-of-state producers suppress prices further? How will the continuing normalization of cannabis use, and changing demand for different cannabis products affect demand for wholesale cannabis?

The extant uncertainties can be categorized as structural, parametric and dynamic. Structural uncertainties include questions about the likelihood and impact of federal regulatory changes, and neighboring jurisdictions (both regional and national) implementing competing markets. The timeline, scale and conditions of those changes is unknowable. Parametric uncertainties include for example questions about how demand for products will change over time. Will competition between licensees suppress prices? Will demand shift towards edibles and other concentrates that might fetch a greater mark-up? How willing will local consumers be to source product from other markets legal or proximate legal markets. Finally, there are dynamic uncertainties: How will licensee productivity and demand for those products change over time? How will changes in supply interact with changes in demand? On the one hand, declining prices might reduce tax revenue per unit sold; on the other, increased total sales could expand the taxable sales base.

Understanding the dynamics of supply and demand, and being able to project these dynamics forward, is vital if regulators are to get this balance right. However, market dynamics depend largely on the decisions of local and regional regulators, as well as the conditions in other neighboring markets and the parallel illicit market. Further, under the right circumstances, regulatory changes at the national and even international level will also inform local market conditions. This means that models should be considered dynamic and should be revised regularly to accommodate for the rapidly changing details of the cannabis regulatory landscape.

## Factors Affecting Demand

Growth has been one of the defining features of each state following Cannabis legalization. According to one study<sup>16</sup> the US Cannabis market will generate \$85 billion in

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<sup>16</sup> Cowen. "[Themes 2020: Cannabis.](#)" Accessed May 21, 2021

sales by 2030. New frontier Data famously estimated that legal cannabis sales will reach \$41.5 billion by 2025.<sup>17</sup>

Optimistic predictions such as this point to the growing use of cannabis products as Cannabis products and use becomes increasingly normalized. For example, according to Pew Research, the portion of Americans who believes that Cannabis should be legal has doubled since 2000<sup>18</sup>, and is now 67%. The normalization of cannabis use is reflected in the demographics of consumers and growth is particularly marked among older consumers. For example, use of cannabis among individuals 50-64 years old has doubled since 2012, while use by adults over 65 has increased seven-fold.<sup>19</sup>

As a relative early-mover to embrace adult-use cannabis, and as the most populous US state it is perhaps unsurprising that California has reaped the greatest share of cannabis tax revenues of any state with more than \$2 billion in gross revenue by the end of 2020, despite other states such as Colorado and Washington having a multi-year head-start on legal sales. It is projected that medical cannabis will lose market share to the adult-use market, while illicit cannabis sales will continue to compete with the regulated market. Home to some of the highest Cannabis taxes in the nation it was widely assumed that California's adult use market would continue to lose out to the illicit market, however recent tax figures released by the state show revenues increasing, despite the pandemic. Regulatory fine-tuning and the resolution of supply-chain chokepoints appear to be resulting in greater convenience and falling product prices, both of which help make the regulated market competitive against the illicit one.

## COVID-19

Despite Covid-19-related lockdowns in second quarter of 2020, cannabis sales appear to have weathered the pandemic well, and growth was sustained through the third quarter. A possible reason for this growth may be that consumption increased as consumers tried to deal with the boredom and isolation of the lockdown, and those gains may have off-set any reductions associated with social distancing restrictions. The designation of cannabis businesses by the state as 'essential businesses' helped reinforce the normalization of cannabis use in the state.

The availability of delivery may have played an important role in driving demand as well. The retail and delivery app Ease, which bills itself as "California's largest legal cannabis marketplace" analyzed over 400,000 customers who used their platform in 2020. Their data suggests that COVID drove more frequent and larger deliveries, including a 44% increase in first-time deliveries, and a 13% increase in total order value. Demand for social equity product also increased – especially in customers over the age of 30. Ease reports that 9.5% of all customers bought SE brands. The purchase of SE brands appears to be associated with

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<sup>17</sup> <https://newfrontierdata.com/product/cannabis-in-america-for-2021-and-beyond/>

<sup>18</sup> Pew Research Center. "[Two-Thirds of Americans Support Marijuana Legalization](#)." Accessed May 21, 2021

<sup>19</sup> New York University. "Marijuana Use Continues to Grow Among Baby Boomers." Accessed May 21, 2021

age and sex, with males and those over 31 being more likely to purchase SE brands. However, the fourth quarter of 2020 recorded the first quarterly decline in cannabis revenues. This may also be due to the pandemic-related effect on supply. It is also possible that consumers stockpiled products in Q3 in anticipation of a second lock-down and therefore purchased less product in the fourth quarter as they used up stockpiled supplies. It remains to be seen whether the Q1 2021 revenues bounced back but it is likely that the COVID-effect will be short-lived.

## Product Trends

Flower once dominated the cannabis market and continues to hold a significant portion of market share. However, it appears that increasing interest in concentrates and edibles has followed legalization in multiple contexts. On the demand side, an increasing proportion of cannabis consumers are opting for oils and 'vaping' or 'dabbing' over smoking. This effect might be driven in part by the increasing hostility towards combustible tobacco, and the emergence of e-cigarettes as an alternative method of consuming nicotine. On the supply side, in areas where there has been a supply-demand imbalance, producers who are unable to sell their harvest have often opted to process flower into more durable concentrates. Eaze's 2020 State of Cannabis Report reported that Edibles accounted for 22% of overall sales and are the most popular method of consumption in large urban areas including San Francisco, Los Angeles, Oakland and San Diego. While vaping remains the most popular method of consumption among Gen-Zs, every other age group appears to prefer edibles. During the pandemic, within the edibles category, cannabis beverages have increased in popularity, perhaps replacing (if temporarily) the role of social drinking in restaurants, bars and clubs.

Increasing awareness of reported medical benefits, and increased acceptability of use will likely continue to drive growth. These dynamics may be compounded especially as more states legalize medical and adult-use cannabis. However, change at the federal level, including the possible legalization of medical cannabis by the Biden administration may bring about significant changes.

## Factors Affecting Supply

### Out-of-state competition

California will likely remain the largest cannabis market in the medium term (Illinois, Florida, and Michigan follow). New state-level markets will serve as a catalyst of normalization of regulated cannabis. However, those states will not contribute to the demand for California-produced cannabis due to the legal status of cannabis at the federal level. Until cannabis is de-scheduled, the transportation of product across state boundaries will remain a criminal act, meaning Californian producers must compete with others in their state to supply to residents and visitors to their state.

There are two important exceptions to this. The 2018 Farm Bill made the cultivation of hemp (with THC values equal or less than 0.3%) legal. Hemp can be used to make CBD products, the transportation of which across state boundaries is legal. This puts producers from different states in direct competition. However, since CBD products that do not contain THC are not broadly substitutes for THC products (even those that may contain CBD) the

cultivation of hemp for the purposes of isolating CBD does not put cultivators of high-THC cannabis at a competitive disadvantage.

The emergence of Delta-8 THC, psycho-active compound similar to the delta-9 tetrahydrocannabinol in medical and adult use cannabis, changes this dynamic. Delta-8 may be a substitute for conventional THC products. Further since it may be produced from hemp-derived CBD, delta-8 products are technically legal under federal law, though a pending ruling by the DEA might classify delta-8 as a Schedule 1 controlled substance. Twelve states have specific laws banning delta-8 but in the absence of state law, and until the DEA ruling is delivered, Delta-8 may present a legal competitor to traditional THC. In the absence of state and federal prohibitions, Delta-8 products might have a significant competitive advantage over traditional THC products in that the burden of regulatory compliance associated with their production would be significantly less. That might make them cheaper and, eventually, more ubiquitous than conventional THC.

### Federal legalization

Federal legalization would affect the local cannabis market in a number of ways. By repealing the federal prohibition on cannabis production and distribution, cannabis businesses would no longer be subject to clause 280E of the federal tax code which prevents them from writing off their operating expenses. This would likely increase profitability, and/or drive prices down. Federal legalization would also halt government restrictions on Cannabis research which would make it easier to study the risks and benefits of use, and would likely normalize both adult and medical cannabis use, leading to some increase in demand. Those jurisdictions with pre-existing regulated supply chains would be well-positioned to take advantage of new markets on other states (assuming those states do not implement specific restrictions), and could legally transport products across state lines for the first time (again, assuming there are no novel restrictions on inter-state commerce).

However, along with these opportunities there is also risk. Federal legalization would put state markets in competition with each other. States with high taxes on producers and/or low production costs are likely to be at an advantage. Consider for example the discrepancy between California's minimum wage, which will be \$15/hr in 2023, and costs for electricity (20c/KWH in 2018) and water compared with those of states such as Mississippi which had no minimum wage other than the federally mandated \$7.25/hr), where energy costs are below 10c/KWH (9.28c/KWH in 2019<sup>20</sup>).

### Legalization in Mexico

Our experience suggests that legalization reduces product prices, since producers no longer need to compensate themselves for the risk of prosecution and can benefit from larger economies of scale. However, while cannabis legalization in Mexico may disrupt the illicit markets south of the border, the trafficking of product over the US/Mexico border would remain illegal until Federal legalization occurs. The dynamics of both illicit and legal cannabis markets in Mexico will likely have consequences for the US, particularly in states proximate to the international boarder. Given that production costs (labor, water and

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<sup>20</sup> <https://www.eia.gov/electricity/state/mississippi/>

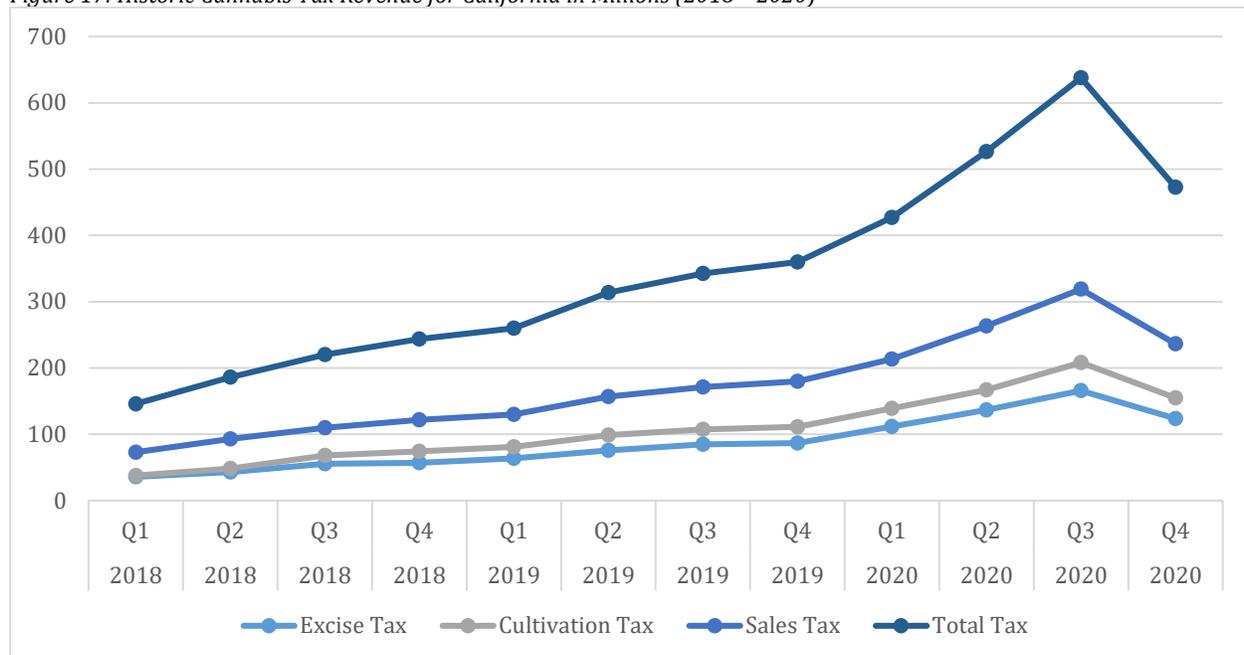
electricity) are likely less in Mexico than in the US, the production of cannabis is likely to be less expensive there. Our experience of legalization suggests that post-regulation excess supply further decreases product prices. If the differential between prices for regulated cannabis in Mexico and the prices for illicit cannabis in the US is significant that will incentivize cross boarder trafficking. The likely effect is that illicit prices on the US will drop. Any resulting gain in illicit market share would threaten local licensed production. Conversely if the regulated cannabis prices in Mexico are sufficiently low enough, they will likely gain market share from illicit producers and suppliers south of the boarder. That may incentivize those actors to traffic their product across the US border. Again, any increase in illicit market sales would undermine the local regulated market.

## Cannabis Tax Revenues

### Revenues by State

In recent years, California has seen significant growth in its tax revenue, as shown in the figure below. Notably, California saw significant growth in its tax revenue in quarter 3 of 2020, perhaps due to the ongoing COVID-19 pandemic driving both increased consumption among current users and encouraging new consumers to enter the market. The unprecedented revenues observed in quarter 3 did not carry over to the following quarter though.

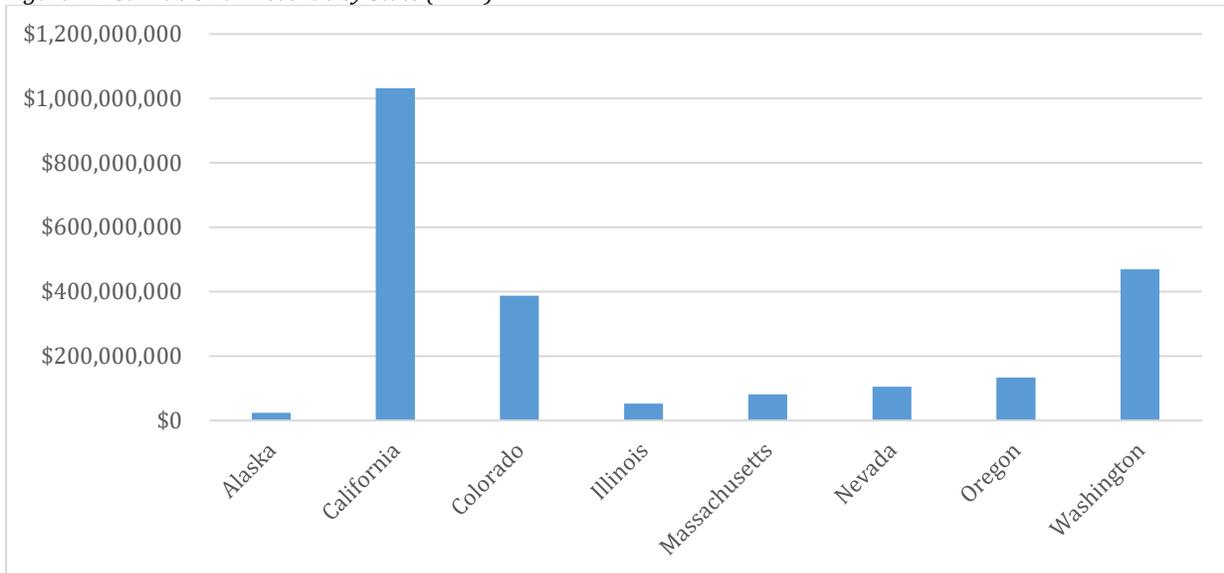
Figure 17: Historic Cannabis Tax Revenue for California in Millions (2018 – 2020)<sup>21</sup>



In 2020, California tax revenue from cannabis surpassed all other states.

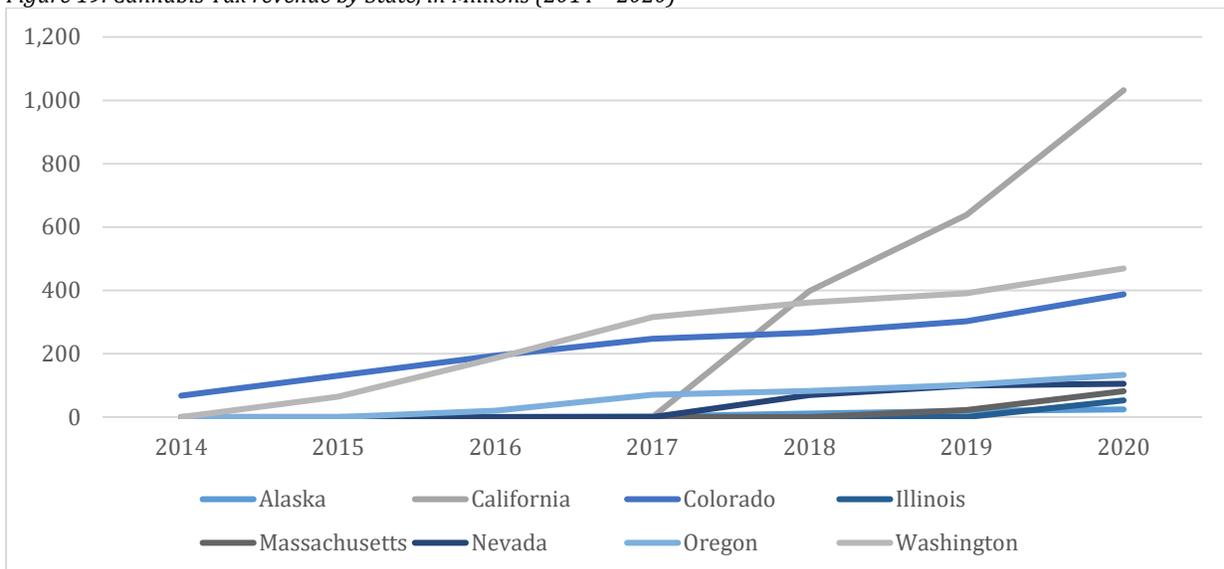
<sup>21</sup> Source: California Department of Tax and Fee Administration (<https://www.cdtfa.ca.gov/dataportal/dataset.htm?url=CannabisTaxRevenues>)

Figure 18: Cannabis Tax Revenue by State (2020)<sup>22</sup>



Since the launch of its cannabis market in 2018, California has seen enormous growth in its tax revenue, as demonstrated in Figure 19, below.

Figure 19: Cannabis Tax revenue by State, in Millions (2014 - 2020)



<sup>22</sup> Source: Tax Foundation, 2021

## Barriers to Entry & Recommendations

This section provides an overview of barriers to entry in Coachella’s adult-use cannabis market that Equity Applicants currently face. Nested within each barrier are key recommendations that could foster equitable access to Coachella’s legal cannabis industry, development of community reinvestment for communities that have historically been disenfranchised, and mitigate the adverse effects of cannabis criminalization and poverty that have disproportionately impacted those communities. The recommendations included are intended to inform decision makers concerning the continuation of a Coachella Social Equity Program (CSEP).

After careful consideration of community engagement data, stakeholder interviews, and key insights from data from the City of Coachella, we have identified the following key barriers to entry and recommend short- and long-term approaches to address these barriers:

*Table 5: Barriers to Entry & Recommendations*

<b>Barriers to Entry &amp; Recommendations</b>	
<b>Barrier</b>	<b>Recommendation</b>
Eligibility	<ol style="list-style-type: none"> <li>1. Adapt current Business Classifications for program participation to reflect lower ownership percentages</li> </ol>
Permit Process	<ol style="list-style-type: none"> <li>1. Evaluate permitting process to identify unnecessary roadblocks</li> <li>2. Directly invest in infrastructure development or provide incentives for outside investors</li> </ol>
Workforce Development	<ol style="list-style-type: none"> <li>1. Require Cannabis Businesses to Provide Equitable Employment</li> <li>2. Expand Access to Workforce Services</li> <li>3. Require Training or Similar Workforce Development Experience</li> </ol>
Financial Assistance	<ol style="list-style-type: none"> <li>1. Provide Loans or Investment Matching Opportunities</li> <li>2. Institute Fee Waivers for First Year of Operation</li> <li>3. Assistance Securing Capital Investments through Banking Access</li> </ol>
Technical Assistance	<ol style="list-style-type: none"> <li>1. Leverage Existing Resources</li> <li>2. Hire Full-Time City Personnel with Industry Experience</li> <li>3. Create a Simple Compliance Process</li> </ol>
Coachella Valley Stakeholder Outreach	<ol style="list-style-type: none"> <li>1. Create Formal Relationships: Task Force Membership</li> <li>2. Create &amp; Support Informal Relationships</li> </ol>

Public Awareness & Education	<ol style="list-style-type: none"> <li>1. De-stigmatize Cannabis Business Ownership</li> <li>2. Launch Public Education Campaign</li> </ol>
Community Reinvestment	<ol style="list-style-type: none"> <li>1. Community Benefit &amp; Business Equity Plan</li> <li>2. Seek funding from the Governor’s Office of Business and Economic Development community reinvestment grants program.</li> <li>3. Creation of a Community Reinvestment Fund</li> </ol>
Effectiveness & Accountability Measures	<ol style="list-style-type: none"> <li>1. Facilitate quarterly or annual meetings among CSEP Grant Recipients to gather baseline data</li> <li>2. Require Report from CSEP Grant Recipients to gather baseline data</li> <li>3. Create Strategic Data Plan to measure effectiveness of CSEP</li> </ol>

**Eligibility**

Current eligibility criteria mirrors many California municipality criteria. Inclusion of applicant or immediate family member with a conviction history associated with cannabis related crimes, holding low-income status, is a current or previous resident of The City, and baseline ownership requirements are all common practices for a social equity program. The parity between The City and other localities’ eligibility criteria continues to ensure The City is a competitive location for social equity businesses. Only one recommendation is made in this report for adaptation to current eligibility criteria.

**RECOMMENDATION:** The City should consider lower ownership percentage thresholds. Ownership structures are common in California’s social equity programs and set a baseline to ensure applicants maintain decision making power and profit sharing. The City’s current percentage of ownership ensures that cannabis operators eligible for the social equity program benefit from operations, though the percentage requirement for 51% equity applicant ownership may have an unintended impact of shrinking the field of potential investors. With decreased interest from outside investors, the current ownership structure is creating a significant barrier to accessing appropriate capital. As an example, San Francisco recently lowered their equity applicant ownership stake from 51% to 40% ownership stake.

**Permitting**

Licensees face several hurdles in the permitting phase. While the City maintains a simple flow chart indicating how interested parties would go about securing the necessary permits to operate a cannabis business, the process itself is cumbersome. Potential licensees are required first to secure a Conditional Use Permit on a property that is zoned properly. Once the CUP is approved by the Planning Commission and City Council, a licensee must secure both a Cannabis Regulatory Permit and State License. Often, applications to launch a cannabis business fail at the land-use approval phase.

It is known that the City faces infrastructure problems impeding the ability of interested parties to operate a cannabis business, despite attempts to ameliorate these

issues. As a result, interested parties are often unable to obtain the necessary CUP to progress in the licensing process.

**RECOMMENDATION:** Evaluate the applicability of current requirements to obtain a Conditional use Permit as they pertain to cannabis businesses.

The requirement to acquire a CUP is necessary to protect the health, safety, and welfare of residents of the City of Coachella. Nevertheless, the process by which interested parties go about obtaining a CUP may be unnecessarily difficult and impede business development as a result. The City should conduct an evaluation of its current requirements to determine if the process produces unnecessary roadblocks that can be addressed.

**RECOMMENDATION:** Invest in infrastructure improvements through direct investments or via incentives provided to potential outside investors.

### **Workforce Development**

A common barrier to success in Coachella’s cannabis industry is a lack of training for high-quality, well-paying jobs within the cannabis industry and other similar industries. Recruitment, training, and retention of knowledgeable employees is an issue nationwide, and no less so in Coachella. In order for an Equity Applicant to grow their business, they need workforce ready employees that are skilled on specific techniques, best practices, and compliance efforts. Dedicated workforce development efforts are needed to provide current and future businesses with skilled and local employees.

**RECOMMENDATION:** Require Cannabis Businesses to Provide Equitable Employment

All cannabis operators should promote and/or be required to offer local, equitable employment opportunities. These opportunities should include hiring formerly-incarcerated individuals, hiring racial minorities, and paying living wages.

**RECOMMENDATION:** Expand Access to Workforce Services

The City should consider partnerships with current curriculum developers to support new workforce and entrepreneurship services for individuals seeking ownership or employment across industries. Examples include, but are not limited to:

- Creation of an “Accelerated Cannabis Training Program” or similar program for entry level workforce and/or entrepreneurs through the College of the Desert.
- Leverage existing cannabis training programs through Oaksterdam University, Cannabis Tech, Cannabis Industry Institute, Cannabis Training University or similar industry-specific training programs.

- Leverage existing training programs for entrepreneur and business skills which can also be applied in other industries, like California State University - San Bernadino Reentry Initiative in Indio or local community college business/financial/marketing certificates. While this example is not specific to creation of a cannabis business, supporting training programs for individuals disproportionately impacted by the War on Drugs aligns with The City's broader goals to promote equitable opportunities for its community.

**RECOMMENDATION:** Require Training or Similar Workforce Development Experience

The City should consider job skills training curriculum completion as a requirement of CSEP fund recipients, as included in the grant/loan award.

**Financial Assistance**

Lack of capital or financial assistance is an oft cited barrier to entry for many BIPOC individuals. Compounding this issue is the lack of banking available to cannabis industry, and with it a dearth of small business loans for otherwise eligible applicants. Indeed, the most common focus of any social equity program is to include financial assistance to applicants to ensure equitable access to cannabis business ownership. Creating fee, permit or other remuneration waivers can also significantly reduce barriers to business ownership.

**RECOMMENDATION:** Provide Loans or Investment Matching Opportunities

The City should consider creation of a fund to provide low- or no-interest loans to Equity Applicants. Alternatively, The City should consider creation of a program to match financial or in-kind private investments to Equity Applicants.

Multiple models exist to address financial barriers for BIPOC applicants.

1. Incubator Programs: This model grants cannabis permits to non-equity applicants in return for those applicants providing assistance to equity applicants. Options include, but are not limited to, facility lease assistance, partial ownership of existing firm, and business development mentorship.
2. Investment Assistance: This model increases the incentive for investors or supports equity applicant in attracting investors.
3. Direct Funding: This model uses funds drawn from non-equity permit fees, cannabis taxes, and State grant programs to directly loan or fund start-up costs to equity applicants.

Given the high financial and administrative cost of incubator models, the low certainty of success for a fledging industry in a rural city, and the lack of regional expertise for social equity applicants, we do not recommend an incubator model. Additionally, given the competing market in nearby Palm Springs with an abundance of regional investors and the low level of knowledge about investment

on the part of current equity applicants, we do not recommend an investment assistance model. With one exception: lowering the qualified applicant ownership stake in the firm, as referenced in the Eligibility section of this report.

After evaluating multiple studies on financial assistance models, we recommend creating a loan or investment matching opportunity through direct funding. Though the initial costs for this model are high, another application for State grant dollars can be sought to fund this model. This model is highly effective in achieving social equity as it directs funds into the hands of those that were directly affected by inequitable laws and enforcement. The City of Oakland offers a similar direct loan program, setting aside \$3,000,000 for zero-interest four-year loans to Equity Applicants.<sup>23</sup> Using a tiered structure, the loan size is dependent on the stage in which the business is operating, i.e. “Establish the Business”, “Get Compliant”, “Grow the Business.” According to the City of Seattle’s Cannabis Equity Survey and Analysis interview with Oakland operators, current loans are “based on a \$1,000 square foot estimate for necessary operating space.”

**RECOMMENDATION:** Institute Fee Waivers for First Year of Operation

The City should consider waiving application, permit, and related inspection fees for eligible Equity Applicants to lower financial barriers of entry. Many cities offer this benefit to Equity Applicants including nearby Palm Springs, Long Beach, and Los Angeles.

The City should consider maintaining funds to assist Equity Applicants in paying State regulatory fees.

**RECOMMENDATION:** Assistance Securing Capital Investments through financial facilities.

The City should consider leading regional efforts with the State Treasurer to provide more opportunities for applicants to access banking services through Coachella Valley credit unions so that they may serve as a resource to local operators.

**Technical Assistance**

Multiple barriers to cannabis business ownership or employment and entry into CSEP exist currently, including business planning, operations, and awareness of available resources.

**RECOMMENDATION:** Leverage Existing Resources

The learning curve to starting a new business is steep, no matter the venture. Though many locales offer business classes, personalized coaching, and contracting

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<sup>23</sup> City of Oakland, Loan & Grant Program Elevate Impact Oakland, <https://www.oaklandca.gov/services/elevate-impact-oakland-loan-grant-progam#equity-loan-grant-programs>

specialized work, the target audience for CSEP likely cannot afford paying for these services and approach business ownership at a disadvantage.

Cannabis businesses have additional layers of technical expertise needed, including closely held industry practices, techniques, and networks of support. Additionally, compliance with local and state regulation is a complex process that requires specialized expertise.

Therefore, The City should consider creating a partnership with Coachella Valley Small Business Development Office and/or SBA Small Business Administration and steering Equity Program participants in need of business technical assistance and mentorship to services currently available. The City can decide to contract for services directly on as-needed basis available for all CSEP recipients or can include costs of any fees, course tuition, or coaching expenditures as allowable expenses for Equity Applicants.

Coachella Valley Small Business Development Office offers the following consultation services<sup>24</sup>:

- **Marketing** including audience segmentation, pricing strategy development, digital marketing strategy development, branding development, and public relations.
- **Funding** including loan packaging assistance, bank plan preparation, and connection to a network of more than 100 funding institutions.
- **Management** including accounting, financial strategy development, creating operations benchmark goals, cash flow management, and technology optimization.
- **Business Planning** including lease negotiation, business plan development, business formation, and permit guidance.

**RECOMMENDATION:** Hire additional City personnel with industry experience

The need is clear for direct technical assistance, support navigating the city and state regulatory systems, and insight into cannabis industry in Coachella Valley. In response to that need, The City should consider creating a full-time position with cannabis business-related experience within the department to manage technical assistance, entrepreneurship and workforce services, community outreach, and stakeholder engagement.

**RECOMMENDATION:** Streamline the City’s compliance process

Legal and regulatory compliance includes a myriad of requirements, many of which are specific to cannabis-related business. In emerging cannabis markets, such as California’s, the complex and fluctuating systems of government create a significant barrier to Equity Applicants. As the cannabis regulatory structure in California

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<sup>24</sup> Orange County Inland Empire SBDC Network, Coachella Valley SBDC  
<https://ociesmallbusiness.org/coachella-valley/>

matures, requirements for operations, grow locations, environmental controls, monitoring product tracking, liability insurance, and cultivation and testing standards, among others, will fluctuate. These barriers are compounded for entrepreneurs and disadvantaged populations that may have not owned or operated businesses under highly regulated conditions involved in legal cannabis.

Therefore, as part of a long-term strategy The City should consider simplifying the compliance process for all applicants, so individuals are knowledgeable about expectations and are prepared to meet them. A simpler compliance process can include:

- Creation of a step-by-step toolkit or road map from initial application to a business opening its doors. A comprehensive and categorized process guide will help all cannabis business owners understand the sequence of steps to be taken, regulatory and legal requirements to expect, and resources needed to accomplish the applicant’s goal.
- Create publicly available compliance check lists for specific cannabis businesses that include compliance requirements from both Coachella and California. This should include a calendar of compliance activities and associated fees (i.e. initial permitting officer checks, annual lab testing, 5-year employee certifications).
- Fast track the local permitting process that involves communication between land use development office, City Council, and business owner (as noted in the Permitting Recommendations in this report).

### **Coachella Valley Stakeholder Outreach**

A significant barrier to transition from an illicit to a legal cannabis market lies in distrust in government to act in the community’s best interest. The role of government is to serve, protect, and ensure healthy futures for its citizens. In order to do so, government must understand the current climate surrounding cannabis, legalization, and the role of equity in this work. The ambiguity surrounding cannabis business ownership and the lack of awareness of CSEP resources, particularly for those that have been victimized by those enforcing government laws, must be addressed through transparent engagement, communication, and targeted outreach.

To establish a thriving local and legal market, The City must consider the regional context in which it operates. The City of Coachella resides in an economically diverse valley, which includes rural agricultural lands, tourist centers, and resort communities, and low-income residential areas. While few cities in Coachella Valley have allowed legal cultivation and sales, the regional competition for retail sales is high- primarily in the Palm Springs saturated market. Coachella’s unique offerings present viable a niche and specialized opportunities. Coachella itself has relatively low tourism rates compared to some of its neighboring cities, but the popularity of the annual Coachella music festival brings significant brand cache. Additionally, the availability of cultivation and processing land and facilities could foster a thriving growers market, if infrastructure issues are addressed. The City could

likely find great success pivoting to facilitation of a cultivation and processing hub in Coachella that feeds neighboring Palm Springs’ and Desert Hot Springs’ retail market. A regional coordination approach can ensure a mutually beneficial and thriving marketplace that supports local employment and increased tax revenue from land ownership and industry fees.

**RECOMMENDATION: Create Formal Relationships: Task Force Membership**

Establishing regional coordination can support The City’s goal of creating a thriving market led by Equity Applicants and entrepreneurs. Therefore, The City should establish a Coachella Valley Task Force inclusive of representatives from regulatory, governmental, legal, industry, and social equity eligible participants to craft a regional plan for cannabis business and regulation. Coordination amongst these groups can reduce competition amongst municipalities through negotiation of similar tax rates, applicant requirements, and zoning for specialized business.

**RECOMMENDATION: Create & Support Informal Relationships**

Creating relationships built on trust between government and BIPOC communities remains essential. The additional strain of stigmatized cannabis use and lack of access to legal business ownership by those victimized by the War on Drugs creates an environment that can drive individuals to remain in the illicit market rather than the regulated market. To increase access to the legal marketplace, build awareness of CSEP, and demystify regulatory schemes, The City should consider prioritizing creation of informal relationships such as listening sessions or Town Hall meetings between The City and a stakeholder group that includes equity-eligible community members. Increased communication with stakeholders can build trust in government, strengthen policy that reflects consumer and business needs, and ensure effective regulation of a legal market.

**Public Awareness & Education**

Interviews with existing Cannabis Social Equity Program participants and data from the City of Coachella community survey revealed that the broader community, and potential applicants to the CSEP, were unaware of the existence of the program or the added value the program could provide. Indeed, many current CSEP participants could not recall how they learned about the program except, “through a friend”, nor were they aware that additional resources were available to them through The City.

**RECOMMENDATION: De-stigmatize Cannabis Business Ownership**

The City should consider a public outreach and education campaign to de-stigmatize cannabis business ownership. After decades of the War on Drugs, cannabis remains stigmatized. Hispanic adults are less likely than their peers to engage in cannabis business ownership due to lack of access to reliable information about the health and legal impacts of cannabis consumption, decades of over-policing of minority communities, and lingering stigma about cannabis consumption or business ownership. As a result, Hispanics are less likely to engage in information seeking or

business licensure in this industry. A public education campaign to de-stigmatize cannabis business ownership targeted to Hispanic business owners and entrepreneurs is needed for CSEP to attract successful applicants.

**RECOMMENDATION: Public Education Campaign**

The City should consider a public outreach and education campaign to communicate the value of cannabis business and CSEP to the community at large. Cannabis business, and particularly businesses owned, operated, and staffed by Coachella residents and individuals disproportionately impacted by the War on Drugs could increase local employment rates, increase land ownership and subsequent tax revenue, increase generational wealth among lower income populations, and reduce cycles of poverty amongst families of formerly-incarcerated individuals. Currently, the residents of Coachella are unaware of the benefits of CSEP has the potential to bring to their families and communities.

If additional funding is secured to continue and expand CSEP, the array of available resources for cannabis entrepreneurs should be included in the campaign messaging.

**Community Reinvestment**

Communities that have been disproportionately impacted by the War on Drugs and over-policing bear long term impacts including neighborhood disorganization, low neighborhood attachment, decreased generational wealth, decreased lifetime earnings, discrimination in the workforce, and a number of other individual, family, and community impacts. Decades of these impacts result in a dearth of community and personal resources to support healthy environments and families. Community reinvestment programs from cannabis revenue provide targeted funding to address this disparity and support thriving communities.

**RECOMMENDATION: Community Benefit & Business Equity Plan**

The City should consider requiring or incentivizing inclusion of a Community Benefit Agreement for all cannabis business applicants to include an Equity Plan and strategy to benefit local community organizations. A Community Benefit Agreement can include:

- Noise and odor mitigation strategies to promote good relations with existing neighboring businesses.
- Environmental stewardship plans for indoor cultivation operations including water conservation, electricity conservation, and greenhouse gas emission mitigation procedures.
- Local neighborhood or community letter of support
- Equity Plan inclusive of local hire commitments, workforce development criteria, and partnerships with local community organizations that serve populations disproportionately impacted by the War on Drugs. Examples include:

- Commitment to hiring 50% of employees from Coachella, including formerly incarcerated individuals.
- Commitment to requiring annual workforce training for employees, to include Responsible Vendor Training, attending College of the Desert workshops, certifications from “Oaksterdam” or other cannabis training providers.
- Sponsoring local community events: Hidden Harvest food drives, Coachella Valley Boxing Club or Soccer League fundraisers, or local faith organization events.

**RECOMMENDATION:** Seek funding from the Governor’s Office of Business and Economic Development community reinvestment grants program.

**RECOMMENDATION:** Creation of a Community Reinvestment Fund for grants to Coachella community organizations that address priority social equity concerns. Illinois offers a similar community reinvestment approach, earmarking 20 percent of tax funds for mental health and substance abuse programs, and 25 percent to treatment and recovery programs. Examples of Coachella fund recipients could include, but are not limited to:

- Organizations that support re-entry programs for incarcerated individuals.
- Organizations that increase legal, medical, education, or financial access to low-income individuals.
- Organizations that support the families of agricultural workers, including those in the cannabis industry.
- Organizations that address root causes of systemic racism, poverty, and stigma.
- Organizations that increase positive community norms, neighborhood attachment, and school achievement success.
- Organizations that increase positive youth development or substance abuse disorder prevention.

### **Effectiveness & Accountability Measures**

Effectiveness and accountability measures should be included in any City or State initiative to better understand the impact, success, and economic impact of the program as well as inform future development through the identification and management of barriers or constraints. Common measures include qualitative and quantitative data. Quantitative data often includes: number of equity applicants, number of equity awards, amount awarded, number of businesses successfully launched, number of new jobs created, application response times between submission and approval, economic impact of new industry to The City, and population growth due to local industry enticement. Qualitative data often includes: quality of technical assistance at various stages of business development, launch, and growth; quality of business plans presented to CSEP; business acumen of Coachella entrepreneurs; impact of community reinvestment and engagement; perception of access to city support services; and perception of navigability of compliance process. Many of these

measures take years to see progress, but baseline measures are essential to capture at the outset.

**RECOMMENDATION:** Facilitate quarterly or annual meetings among CSEP Grant Recipients to gather baseline data

The City should consider facilitating a meeting, no less than annually, of CSEP grant recipients to network, learn, engage, and provide meaningful feedback for CSEP to ensure program success. Meeting structures could range from small, private learning communities to support local business knowledge or a large, public summit with regional cannabis and business leaders.

**RECOMMENDATION:** Require Report from CSEP Grant Recipients to gather baseline data

The City should consider an annual financial and business report from CSEP grant recipients for three years from initial funds distribution to ensure good fund stewardship. The report should include:

- Ownership status of business (if applicable),
- Demographic data on program recipients, including staff (if applicable)
- Progress update on individual applicant goals, including license status (if applicable)
- Financial statement to include investor and/or matching funds (if applicable),
- Business plan projection,
- Indication of need for additional City or State support.

**RECOMMENDATION:** Create Strategic Data Plan to measure effectiveness of CSEP

In order to measure effectiveness and analyze the outcomes of CSEP, data must be gathered at regular intervals. We have included a number of sample measures which correspond with report recommendations to create a comprehensive picture of the impact of equitably owned cannabis business and CSEP effectiveness in Coachella.

The CSEP Measures section includes data specific to Coachella Social Equity Program which can be collected through engagement with Equity Applicants and internal data tracking. Measures one (1) through six (6) are accountability indicators of appropriate use of social equity funds. Measures seven (7) through seventeen (17) correspond to recommendations made in this report. As recommendations are adopted, the corresponding measurement should be as well.

The Industry Measures section includes data specific to cannabis-related business that are either required to be reported to the State or could be included in local business surveys. These measures indicate the relative health of the cannabis marketplace, with a focus on equity indicators including impact on local

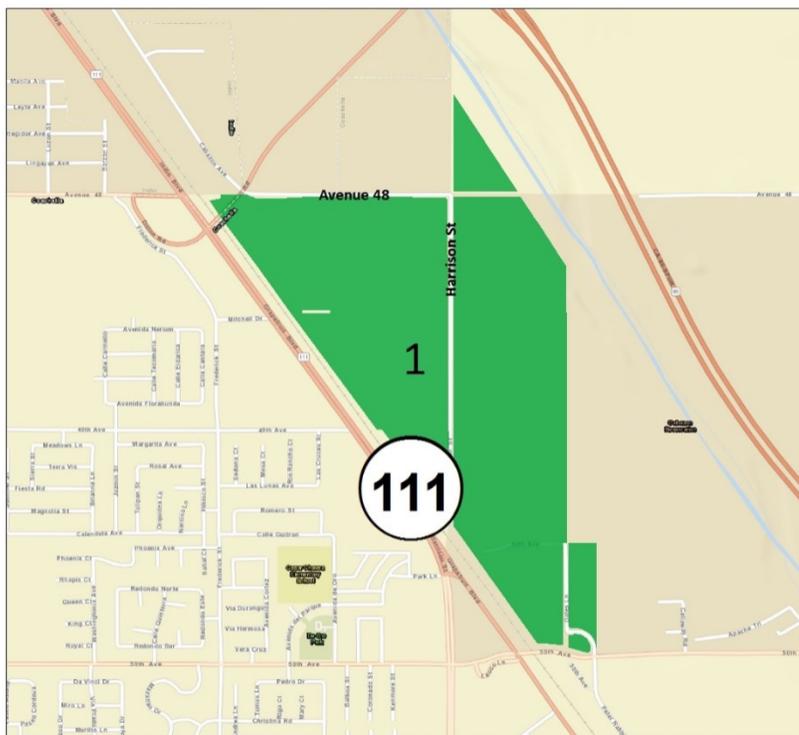
employment, adequate employee compensation, and additional outside investment brought to The City.

The Community Level Measures include a more sophisticated analysis of the broader social impact that cannabis business may have on Coachella. Measures include long term impacts on economic growth, employment, and associated harms ascribed to a mature cannabis market.

Table 6: Coachella Program Effectiveness & Accountability Sample Measures

<b>Coachella Program Effectiveness &amp; Accountability Sample Measures</b>		
<b>CSEP Measures</b>		
1	Applicants, by Tier	Post-Award, Annually
2	Applicant Demographics, by Tier	Post-Award, Annually
3	Loan, Investment Matching, or Grant, by Number	Post-Award, Annually
4	Amount Awarded, by Range of Awards	Post-Award, Annually
5	Current Cannabis Business Licenses, Issued	Annually
6	Cannabis Business Licenses, Applied	Annually
7	License/Permit Application Wait Times	Monthly/Quarterly, Annually
8	Workforce Development Course(s) Completion	Annually
9	Technical Assistance Contact, by count	Quarterly
10	Technical Assistance Contact, by category of support	Quarterly
11	Equity Program Recipient Goal Progress	Annually
12	Equity Program Recipient Meetings Held & Attendance	Quarterly/Annually
13	Participation in Local & Regional Leadership Forums, by Count	Annually
14	Public Education Campaigns, by Funding Amount	Annually
15	Public Education Campaigns, by KPI	Monthly/Quarterly
16	Workforce Programs Launched/Partnerships Developed, by Count	Quarterly/Annually
17	Community Reinvestment Plan, by Funding Amount & Fund Recipient	Annually
<b>Industry Measures</b>		
1	Sales, by product type	Monthly, Annually
2	Investment capital raised	Annually
3	Employment demand, by business type	Annually
4	Salary rate, by position	Every Three - Five Years
<b>Community Level Measures</b>		
	Changes in value of real estate	Annually
	Employment, by Percentage of Population	Annually
	Families Living in Poverty, by Percentage of Population	Annually
	Crash Fatality Rate	Annually
	Cannabis-related Crime Rate	Annually
	Cannabis Use Rate, by Age	Annually

# Appendix A – Cannabis Business Zoning Maps



**City of Coachella**

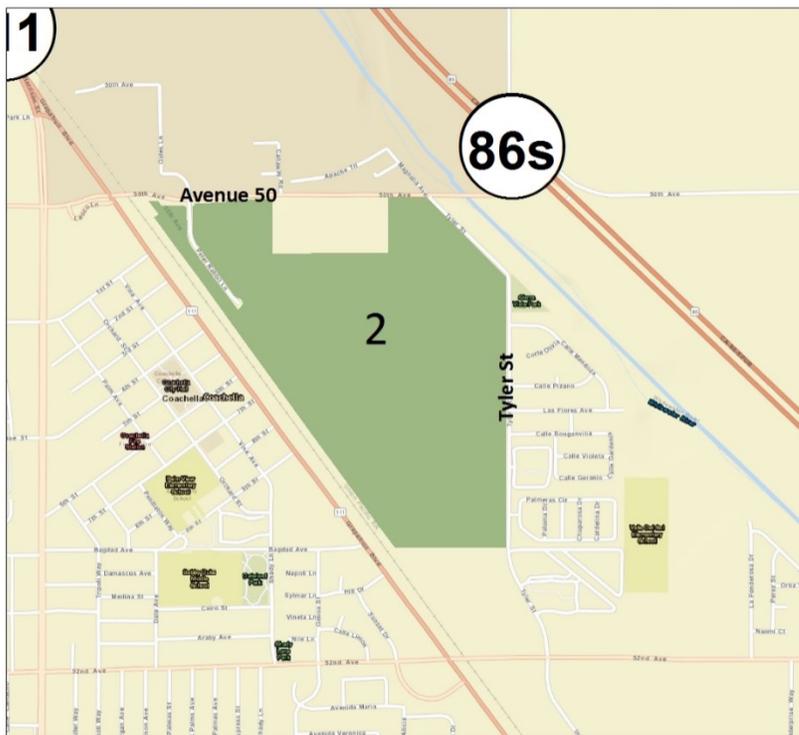
**Cannabis Infrastructure Subareas**

**Legend**

**Sub-Areas**

- 1. Wrecking Yard Area

Source: City of Coachella and Riverside County  
Date: January 2014



**City of Coachella**

**Cannabis Infrastructure Subareas**

**Legend**

**Sub-Areas**

- 2. Peter Rabbit Farms

Source: City of Coachella and Riverside County  
Date: January 2014





**City of Coachella**

**Cannabis Infrastructure Subareas**

### Legend

#### Sub-Areas

-  3. Coachella Industrial Park



Source: City of Coachella and  
Riverside County  
Date: January 2014



## Appendix B – Community-wide Survey

### Survey Questions<sup>25</sup>

1. Are you a resident of the City of Coachella?\*
  - a. Yes
  - b. No
2. Did you attend the Coachella Cannabis Business Virtual Event on 5/20/2021?\*
3. What are the top barriers you see for participating in the legal cannabis market?
  - a. Ability to secure financing.
  - b. Finding a location for my business.
  - c. Competition.
  - d. Application timeline.
  - e. Knowledge of regulations.
  - f. Other (please specify)
4. What goals do you believe a cannabis social equity program should have?
  - a. Help equity applicants own cannabis businesses.
  - b. Promote non-ownership employment opportunities.
  - c. Reinvest in the community.
  - d. Expunge previous cannabis-related criminal records.
  - e. Other (please specify)
5. What types of services would be most useful in a social equity program?
  - a. Investment assistance.
  - b. Business management training.
  - c. Application assistance.
  - d. Other (please specify)
6. Have you heard of the Cannabis Social Equity Program in Coachella?\*
7. Do you believe you would qualify for the program?
  - a. Yes
  - b. No
  - c. I'm not sure.
8. Are you interested in learning more about the Cannabis Social Equity Program in Coachella?\*
9. Is there any additional feedback about the Cannabis Social Equity Program you would like to provide?

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<sup>25</sup> Questions marked with an \* were required to be answered.

**Demographic Questions (optional)**

10. How old are you?
  - a. Under 18 years old
  - b. 18 – 25
  - c. 26 – 35
  - d. 36 – 45
  - e. 46 – 55
  - f. 56 – 65
  - g. 66 years or older
11. What gender do you identify as?
  - a. Male
  - b. Female
  - c. Other
12. Are you Hispanic?
  - a. Yes
  - b. No
13. How would you best describe yourself?
  - a. American Indian or Alaska Native
  - b. Asian
  - c. Black or African American
  - d. Native Hawaiian
  - e. Pacific Islander
  - f. White
  - g. Other (please specify)
14. What is your current employment status?
  - a. Employed
  - b. Self-employed
  - c. Out of work and currently looking.
  - d. Out of work and not currently looking.
  - e. A homemaker
  - f. A student
  - g. Military
  - h. Retired

## Appendix C - Flyers for Cannabis Business Virtual Event

**FREE  
VIRTUAL EVENT**

**May 20th 6:30 PM**  
[tinyurl.com/CoachellaCannabis](https://tinyurl.com/CoachellaCannabis)

Scan QR Code to Register



**LOOKING TO  
GET IN?**

**CANNABIS  
BUSINESS  
VIRTUAL  
EVENT**

**KEYNOTES**  
**Jocelyn Kane**  
**Luis Lopez**  
City of Coachella  
Social Equity Program

[tinyurl.com/CoachellaCannabis](https://tinyurl.com/CoachellaCannabis)



## COACHELLA CANNABIS BUSINESS VIRTUAL EVENT

CURIOS ABOUT JOINING THE CANNABIS INDUSTRY IN COACHELLA?  
JOIN THE FREE CANNABIS BUSINESS VIRTUAL EVENT  
HOSTED BY THE CITY OF COACHELLA  
6:30 PM  
THURSDAY MAY 20, 2021

KEYNOTES:  
JOCELYN KANE, Cannabis Liaison, City of Coachella  
LUIS LOPEZ, Development Services Director, City of Coachella



REGISTER NOW! [tinyurl.com/CoachellaCannabis](https://tinyurl.com/CoachellaCannabis)

Coachella Cannabis Event  
May 20th 6:30 PM  
[tinyurl.com/CoachellaCannabis](https://tinyurl.com/CoachellaCannabis)

2021  
EVENTO VIRTUAL  
GRATIS

20 DE MAYO 6:30 PM

[tinyurl.com/CoachellaCannabis](https://tinyurl.com/CoachellaCannabis)

Escanee el código QR  
para registrarse



¿BUSCANDO  
ENTRAR?  
EVENTO  
VIRTUAL DE  
NEGOCIOS  
DE CANNABIS

PRESENDADORES

**Jocelyn Kane & Luis Lopez**

Ciudad de Coachella Programa de Equidad Social

[tinyurl.com/CoachellaCannabis](https://tinyurl.com/CoachellaCannabis)



## EVENTO VIRTUAL DE NEGOCIOS DE CANNABIS EN COACHELLA

¿TIENE USTED CURIOSIDAD POR UNIRSE A LA INDUSTRIA DE CANNABIS EN COACHELLA?

ÚNASE AL EVENTO VIRUTAL GRATUITO DEL NEGOCIO DE CANNABIS

Hospedado por la ciudad de Coachella

6:30 PM

Jueves, 20 de Mayo

PRESENDADORES:

JOCELYN KANE, Cannabis Liaison, City of Coachella

LUIS LOPEZ, Development Services Director, City of Coachella



Escanee el código QR

REGISTRARSE AHORA: [tinyurl.com/CoachellaCannabis](https://tinyurl.com/CoachellaCannabis)

Evento Cannabis en Coachella  
20 de Mayo 6:30 PM  
[tinyurl.com/CoachellaCannabis](https://tinyurl.com/CoachellaCannabis)

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