



STAFF REPORT
12/11/2019

TO: Honorable Mayor and City Council Members

FROM: Luis Lopez, J.D., Development Services Director
Celina Jimenez, Grants Manager

SUBJECT: Adopt Resolution No. 2019-71 Authorizing the City Manager to Execute a Fiscal Year 2019-20 Local Equity Grant Program Agreement with the Department of Consumer Affairs and the Bureau of Cannabis Control in the Amount of \$500,000.00

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 2019-71 authorizing the City Manager to execute a fiscal year 2019-20 Local Equity Grant Program Agreement with the State of California - Department of Consumer Affairs and the California Bureau of Cannabis Control in the Amount of \$500,000 in furtherance of the City's commercial cannabis activity local equity program, and related activities.

BACKGROUND:

The Bureau of Cannabis Control (Bureau) appropriated ten million dollars for its Local Equity Grant Program, which funding was authorized by the California Cannabis Equity Act of 2018 established by Senate Bill 1294 (Bradford 2018) and the Budget Act of 2019, Item 1111-490 – Re-appropriation (Equity Grant Funding). The Equity Grant Funding allows for direct assistance to local jurisdictions' commercial cannabis equity programs that provide assistance to local equity applicants or local equity licensees.

The pre-legalization War on Drugs, had significant impacts on Coachella residents and in others across the nation, wherein decades of discriminatory drug policies have been shouldered by those persons of color who have been criminalized. As the City considers its regulatory structure for commercial cannabis activity, the City has a responsibility to ensure that the policies it creates undo the racist policies of its past. Through this grant, the City hopes to craft programs that foster equitable access to industry – programs that seek to reflect and uplift the community.

DISCUSSION/ANALYSIS:

The City of Coachella was amongst the ten jurisdictions selected to receive equity grant funding. The City's Cannabis Social Equity Program aims to provide financial and technical assistance to

small business applicants who desire to operate a business in the City of Coachella and who are from communities with high levels of poverty or a history of drug arrests. Assistance from the City's Cannabis Social Equity Program may take the form of business loans, workforce development, assistance with securing business locations prior to or during the application process, and assistance with regulatory compliance. Additionally, the City Council and Economic Development Subcommittee have given staff direction regarding use of the grant funds to procure the services of a full-time staff position to monitor compliance with local cannabis ordinances and taxation schemes, and the possibility of creating a City Cannabis Commission to help further the City's local equity goals.

A successful program will ensure a more inclusive and diverse industry through ownership and workforce, an expansion of educational opportunities, an end to policies that continue to burden communities that have been disproportionately impacted by the War on Drugs, and investment in communities like Coachella that endured the consequences of drug policies.

ALTERNATIVES:

1. Adopt Resolution No. 2019-71 Authorizing the City Manager to Execute a Fiscal Year 2019-20 Local Equity Grant Program Agreement with the Department of Consumer Affairs and the Bureau of Cannabis Control in the Amount of \$500,000
2. Not Adopt Resolution No. 2019-71 Authorizing the City Manager to Execute a Fiscal Year 2019-20 Local Equity Grant Program Agreement with the Department of Consumer Affairs and the Bureau of Cannabis Control in the Amount of \$500,000

FISCAL IMPACT:

Grant funds awarded pursuant to the Equity Grant funding will be issued directly to the City of Coachella in one disbursement, upon execution of the grant agreement, and passing of a resolution.

ATTACHMENT(S):

- A. Resolution No. 2019-71
- B. California Local Equity Grant Program Grant Agreement