



Sonoma County Cannabis Local Equity Program Manual

Section 1. Purpose

In 2021, Sonoma County contracted with Humboldt State University's California Center for Rural Policy (CCRP) to perform a comprehensive analysis of the impact of cannabis criminalization and poverty on the County of Sonoma. This analysis, known as the Sonoma County Cannabis Equity Assessment (CEA) (2021) established that certain persons in the county have been substantially and adversely affected by poverty and the criminalization of cannabis.

Many rural communities in California have a history of entrenched local poverty and economic hardship.¹ These communities were impacted significantly by the criminalization of cannabis, including Sonoma County communities as illustrated on page 25 of the CEA. According to the Sonoma County Cannabis Equity Assessment (2021), targeted, data-driven, and well-funded equity programs can help communities and populations, especially ancillary cannabis businesses, into a legal and sustainable economic future.

The purpose of this manual is to describe program participation qualifications for the Sonoma County Cannabis Local Equity Program (LEP). The LEP is informed by findings in the CEA, which itself will be revised and updated periodically as the program matures in alignment with program participation and outcomes achieved.

¹ View Sonoma County Cannabis Equity Assessment: https://share.sonoma-county.org/link/0cc_lqEX5a8/



Sonoma County Cannabis Local Equity Program Manual



Section 2. Program Eligibility

The Governor’s Office of Business and Economic Development’s (GO-Biz) Cannabis Equity Grant (CEG) outlines that local jurisdictions will be aiding equity applicants and licensees to build a business in the regulated market. Accordingly, individuals and not business entities are the only ones eligible to apply to the Cannabis Local Equity Program. For individuals seeking support or services to participate in the legal cannabis industry in Sonoma County, eligibility criteria for the program are:

Tier A Eligibility Criteria – Those who meet one or more of the below **Tier A** eligibility criteria will be considered for state funding and state funded services.

| Tier A Eligibility Criteria | |
|--|--|
| Applicant conviction and/or arrest history | Applicant was arrested and/or convicted of the sale, possession, distribution, use, manufacture, or cultivation of cannabis (including as a juvenile), or other non-violent cannabis-related crime, or been subject to asset forfeiture because of a cannabis-related offense between 1971 and 2016. |
| Family conviction and/or arrest history | Applicant with a parent, sibling, spouse, child, or a guardian/member of immediate household who was arrested for or convicted of the sale, possession, distribution, use, manufacture, or cultivation of cannabis (including as a juvenile). |

Tier B Eligibility Criteria – The following criteria are only applicable if the applicant meets at least 1 criteria in **Tier A** and will be used to determine and categorize which individual applicants are most in need of support.



Sonoma County
Cannabis Local Equity Program Manual



| Tier B Eligibility Criteria | |
|-------------------------------------|--|
| Size of operation | Applicant has “small scale” cultivation as defined by Sonoma County’s ministerial (zoning) permit criteria as stated in Ordinance No. 6436 adopted June 6, 2023. |
| School district enrollment | Applicant is legal guardian of at least one child that has been enrolled in a Sonoma County School District for at least five (5) consecutive years prior to application. |
| Wildfire Damage | Applicant operating in the legal cannabis industry in Sonoma County who has been directly impacted (i.e.: damage to/loss of home or business) by wildfires in the County in the period from 2017 to present. |
| Participation in PRP | Applicant currently participates in or previously participated in the cannabis Penalty Relief Program (PRP). |
| Shift in Land Use Requirements | Applicant was cultivating on land zoned Agricultural Residential (AR) or Rural Residential (RR) when cannabis Ordinance No. 6189 adopted December 20, 2016, which did not allow for commercial cultivation in those zoning districts; or on a parcel under 10 acres in size when the minimum parcel size was raised per Ordinance No. 6245 adopted October 16, 2018. |
| Participation in Foster Care System | Applicant was a part of the foster care system. |



Sonoma County Cannabis Local Equity Program Manual



| Tier B Eligibility Criteria Continued | |
|--|---|
| Drug Diversion Program Completion | Applicant has completed a drug diversion program. |
| Residency consideration | Applicant has resided in Sonoma County for at least ten years between 2011-2023. |
| Veteran status | Applicant is a veteran of the United States Armed Forces. |
| Equity Licensee Status | Applicant is a verified Department of Cannabis Control Equity Licensee (documentation will need to be provided). |
| Low-income status | Applicant whose household income is at or below the "Low Income 80% AMI" level based on the Department of Housing & Urban Development (HUD) State and Local Program income limits (ILs) for Sonoma County. ² |

In order to determine and categorize which individual applicants are most in need of support, a score will be determined for each equity applicant based on the number of eligibility criteria the applicant meets. Tier A criteria will be scored at two points each and Tier B criteria will be scored at one point each. The County reserves the right to adjust eligibility criteria and scoring method as needed to reflect current needs and trends in the County. The score will support prioritization of services and support for equity applicants. The goal of the applicant scoring system is to ensure that those most impacted by cannabis criminalization and poverty have priority access to local equity program funding.

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

- Applicants that have already received their Department of Cannabis (State) license

² For an outline of the relevant Sonoma County income limits, please see the following link:
<https://sonomacounty.ca.gov/CDC/Housing-and-Neighborhood-Investment/Income-and-Rent-Limits/>



Sonoma County Cannabis Local Equity Program Manual



- Applicants that are facing barriers to entry in receiving their Department of Cannabis Control (State) license
- Applicants that are not yet in the local permitting process but are planning to begin the process

Section 3. Program Access

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

| Program Access | |
|--------------------------------|--|
| Prioritization | Consider a prioritized permit process for equity applicants. Equity Applicants may receive priority application review, allowing them to move quicker through the application process. |
| Ratios | Consider mandating a requisite number/percentage of equity applicants during permitting. |
| Incubation Program | Consider a robust incubation program for equity applicants to learn from more experienced cannabis businesses. Incubators can help equity applicants/licensees become independent and successful at the end of their incubation period. Service examples include providing physical space, administrative support, capital, links to potential investors and funding sources, and access to training, expert advisors, coaching, mentorship, and networking. |
| Equity Applicant Incentives | Consider providing additional scoring for equity applicants who cultivate other crops and/or participate in recognized sustainable certification programs. |
| Untaxed Compassionate Products | Consider not taxing products that are donated to Compassionate Access Programs. |

Sonoma County will notify the community about the Local Equity Program and all information pertaining to it through the following avenues:



Sonoma County Cannabis Local Equity Program Manual



- Information on the Sonoma County's Cannabis Program website.
- News releases and other media outreach.
- Social media campaigns.
- Local industry groups.
- Through community partners selected by the County.

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

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

- Written e-comment.
- Opportunities to speak with County Administrator's Office staff.
- Listening sessions.
- Surveys.

Section 4. Services

Services to be provided by the Sonoma County Cannabis Local Equity Program may include one or more of the services listed in the below tables. The availability and scope of services will depend on need and the availability of funds from grants or other sources.

The County of Sonoma intends to provide a majority of services via direct funding assistance to equity applicants and licensees to assist them in entering and succeeding in the legal cannabis industry.³

Direct funding is intended to offset costs associated with completing each phase of the cannabis business license application and permitting process. Wherever possible, Sonoma County will align services with funding requirements and recommendations from the State of California.

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

³ All financial assistance relevant to the Sonoma County Cannabis Equity Program is made available through grant funding provided by the State of California. Grant funding will only be available until funds are exhausted, or until the State mandated expiration of the equity grant program, whichever occurs sooner.



Sonoma County Cannabis Local Equity Program Manual



| 1. Financial | |
|---------------------|--|
| 1. | Direct payment of fees on the applicant's behalf for Pre-Application Meetings of up to four hours with Sonoma County Cannabis Program staff. |
| 2. | Assistance with application fees for a Zoning, Minor Use, and Conditional Use Permit application for a period not to exceed three (3) years. |
| 3. | Assistance with fees for studies required as part of the land use application such as cultural studies, hydrology reports, biology reports, etc. |
| 4. | Assistance to cover costs of agencies and/or professionals who offer cannabis business support including but not limited to business planning, loan application preparation, site location services, human resource management, legal assistance, capital procurement services, bookkeeping and accounting practices and systems, for Sonoma-based cannabis businesses. |
| 5. | Direct grants to applicants for the purpose of complying with permits or license requirements for any local jurisdiction in Sonoma County and/or the State of California. |
| 6. | Direct grants to applicants, not to exceed \$10,000 per grant, for purposes of assuring compliance with regulatory requirements of the County or California permits or licenses that mitigate adverse environmental effects of cannabis cultivation or other activities including, but not limited to: <ul style="list-style-type: none">● Water storage for irrigation during forbearance periods of surface water diversion required by state or local regulations.● Installation of solar electrical systems where connecting to the grid is economically infeasible.● Rent for said facilities where the above activity is occurring.● Funds to cover fire suppression and compliance, such as water tanks.● Funds to cover necessary trainings and certifications such as those for pesticide use, etc. |

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



Sonoma County Cannabis Local Equity Program Manual



| 2. Administrative/Technical | |
|------------------------------------|---|
| 1. | Assistance to cover fees to agencies and/or professionals who provide technical assistance for the formation of an incorporated cooperative composed of members that are cannabis equity program applicants or licensees. |
| 2. | Provide technical assistance to assist those with past cannabis convictions to get their records expunged, if not previously expunged. |
| 3. | Provide technical assistance to assist equity applicants with the local permitting and state licensing processes. |

These next services help equity applicants with establishing trust and confidence with participating in the legal cannabis market:

| 3. Outreach and Education | |
|----------------------------------|--|
| 1. | Conduct outreach and education efforts for residents in low-income housing to encourage those individuals to apply for licenses and enter the legal industry. An example of outreach may include hosting listening sessions. |
| 2. | Create outreach materials that are clear, concise, and accessible to those with limited literacy. Including creating materials in multiple languages. |

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

| 4. Business Acumen | |
|---------------------------|---|
| 1. | Training for equity participants and their employees in licensed cannabis operations in Sonoma County. |
| 2. | Provide training/support for business owners to understand workforce rules and regulations (see Section 5 below). |



Sonoma County Cannabis Local Equity Program Manual



Section 5. Additional Services for Cannabis Businesses

If it is determined that there is funding available and an existing need from equity applicants and equity licensees, the County of Sonoma may revise the Local Equity Program to include the following additional services.

Recommendations are divided into the following categories listed in priority order: Manufacturing/Productions, Agriculture/Cultivation, and Retail. The County will explore ways to partner with the local community college to connect equity applicants and licensees with training and education opportunities.

| Manufacturing/Production | |
|---------------------------------|--|
| 1. | Access to business planning (business startup strategy: how to build and manage a detailed startup business plan that can scale up and include facilities, marketing, tax and regulation, payroll, human resources hiring and supervision, and teamwork). |
| 2. | Access to incubator programs such as manufacturing hubs that can hire, cross train and job share positions between small entrepreneurs. Incubation hubs will provide (1) mentorship in business skills; (2) technical assistance; (3) a reporting system to monitor and ensure neither equity licensee nor business mistreat the other; and (4) a system that allows equity licensees and businesses to anonymously provide suggestions and complaints about the existing program. |
| 3. | Training to learn how to use Metrc, the state's track and trace system used to track commercial cannabis activity and movement across the distribution chain. |

| Agriculture/Cultivation | |
|--------------------------------|--|
| 1. | Access to business planning, low-cost loans or investment sources that can assist smaller, often multi-generational family farmers with the costs of legalization, so that income can be spent on hiring, training, growing wages and benefits of a variety of jobs-from farm management to bookkeeping. |
| 2. | Support for reasonable regulations and zoning that promote and incentivize employers to build good business and workforce development practices. |
| 3. | Access to standard human resource methods: hiring and orientation, training in proper and regulated land use for farm and field workers, hiring and supervision |



Sonoma County
Cannabis Local Equity Program Manual



| | |
|----|--|
| | processes, setting job benchmarks and performance standards, evaluating performance for promotion or wage scale increases. |
| 4. | Access to business and HR tools: developing HR manuals and procedures, how to frame up a request for a consultant scope, interview and select the right consultant or consultant firm, how to manage a consultant scope. |
| 5. | Developing, securing, and increasing farm management skills in agricultural, biology, and land management. |
| 6. | Access to agricultural extension services to help with the science of plant biology from a medicinal and commercial standpoint and help feed local graduates in biology and environmental sciences into the industry-much like the timber industry has done. |
| 7. | Training on Occupational Safety and Health Administration (OSHA) regulations and standards. |

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

Section 6. Program Administration

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

If funding is received from the State, the Sonoma County Board of Supervisors will explore local funding that can supplement these efforts - the Board has agreed to provide an initial \$100,000 from local cannabis tax revenues, contingent upon the County receiving funding from the State.



Sonoma County Cannabis Local Equity Program Manual



| Program Administration | |
|-------------------------------|---|
| 1. | No more than ten percent (10%) of any funding from the California Governor's Office of Business and Economic Development (GO-Biz) Local Equity Program Grant Funds may be utilized for program administration. |
| 2. | Principal administration and coordination of services shall be performed by the County Administrator's Office or other designated entity determined by the Board of Supervisors. |
| 3. | The County Administrator's Office or other designated entity determined by the Board of Supervisors shall receive and process all applications to determine eligibility of equity program participants. |
| 4. | The County Administrator's Office or other designated entity determined by the Board of Supervisors shall monitor and report on all program services provided through the LEP, at least annually and more frequently as directed by the Board of Supervisors, state law, or regulation. |

Local jurisdictions that have been previously awarded a Cannabis Equity Grant from GO-Biz are eligible to apply for a subsequent grant only if:

- The jurisdiction has expended at least 50 percent (50%) of any grant funds awarded more than 12 months ago; and,
- Expended at least 80 percent (80%) of any grant funds awarded more than 18 months ago.

Section 7. Provision of Services

Staff in the County Administrator's Office serve as the liaison between equity licensees/permitted operators who receive grant funding and the selected agency (agencies) that provides an eligible service.



Sonoma County Cannabis Local Equity Program Manual



| Provision of Services | |
|---|--|
| Involved departments and agencies may include but are not limited to: | |
| 1. | Small business development organizations |
| 2. | Permit Sonoma |
| 3. | Agriculture/Weights & Measures |
| 4. | Department of Health Services |
| 5. | Workforce development agencies |

Section 8. Program Monitoring and Evaluation

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

Completion of an annual demographic questionnaire will be voluntary and will be aligned with the demographic questionnaire developed by the State of California. Applicants and existing operators will be encouraged to participate so that the County can assure that equity funding is being awarded to populations of highest need. Initial metrics are as follows and may be amended at the County's discretion:



Sonoma County
Cannabis Local Equity Program Manual



| Program Monitoring and Evaluation | |
|--|---|
| Initial Metrics | |
| Number of equity applicants to apply | <ol style="list-style-type: none"> 1. Types of drug-related offenses 2. Income status 3. Race Ethnicity 4. Gender 5. Sexual Identity 6. Residency Status 7. Ownership Structure |
| Workforce characteristics | <ol style="list-style-type: none"> 1. Total number of employees 2. Number of local employees 3. Employment status (full-time, part-time, etc.) |
| Equity program-specific data | <ol style="list-style-type: none"> 1. Number of applicants eligible for equity program 2. Associated permit types 3. Number and types of services provided to equity applicants 4. Number of equity program applicants to receive licenses/permits. 5. Number of equity program applicants starting ancillary businesses 6. Feedback from participants to understand the impact of receiving funds on their socioeconomic status or ability to stay in Sonoma |