



# Nevada County Cannabis Local Equity Program Manual

## Section 1. Purpose

As demonstrated by the Nevada County Cannabis Equity Assessment (2021), rural counties with a multigenerational history of cannabis cultivation have been impacted significantly by the criminalization of cannabis. Targeted, data-driven, and well-funded equity programs can help communities and populations, typically small growers when in rural counties, into a legal and sustainable economic future.

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

## Section 2. Program Eligibility

<b>Section 2. Program Eligibility</b>	
<b>Eligibility Criteria</b>	
Those who meet one or more of the below eligibility criteria shall become eligible for consideration for funding and services provided therefrom:	
Conviction History	Any individual who has obtained or applied for a commercial cannabis permit in Nevada County, or who has worked in or currently works in the cannabis industry and was arrested and/or convicted of a non-violent cannabis-related offense or was subject to asset forfeiture arising from a cannabis-related event.
Low Income Status	Any individual and/or entity that has obtained or applied for a commercial cannabis permit, and the permit is for a business located in an area in Nevada County with a poverty rate higher than the State of California, or any individual who can demonstrate their annual income is below the median income in Nevada County.
Trauma History	Are a person who experienced sexual assault, exploitation, domestic violence, and/or human trafficking while participating in the cannabis industry.
Homeless Consideration	Any individual who became homeless or suffered a loss of housing as a result of cannabis enforcement.
Small Scale Eradication Experience	Any individual who has experienced eradication or abatement for less than 50 plants.
Ownership Consideration	Any stakeholder that owns at least 51% of a cannabis-related business.
Residency Consideration	Give additional consideration to those who have resided in Nevada County for at least five years between 1971-2016. The county may



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	choose to also give consideration to those residing in the San Juan Ridge or other identified areas of high poverty.
Local Benefit	Hiring of local workforce and/or donations to local cooperatives, nonprofits and other community organizations.
Family Conviction	Have a parent, sibling, or child who was arrested for or convicted of the sale, possession, use, manufacture, or cultivation of cannabis (including as a juvenile).

In order to determine and categorize which equity applicants are most in need of support, a score will be determined for each equity applicant based upon the applicant’s number of qualifications. This score will impact prioritization of services for equity applicants.

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

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

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

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

<b>Section 3. Program Access</b>	
Prioritization	Consider a prioritized permit process for equity applicants.
Ratios	Consider mandating a requisite number/percentage of equity applicants during permitting.
Provisional Approval	Consider allowing for provisional approval of permits to allow equity applicants to overcome financial barriers. Provisional approval may provide potential investors with more certainty and willingness to provide capital investments.
Amnesty Program	Consider developing pathways such as an amnesty program to encourage existing nonconforming businesses (such as small operators who qualify as equity applicants) to transition to the legal market.
Other	Other strategies up to the discretion of Nevada County to incentivize.

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

- Information on Nevada County’s website



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- News releases and other media outreach
- Social media campaigns
- Informational guidance documents/handouts
- Through community partners such as the Nevada County Cannabis Alliance, Nevada County Contractors’ Association, Contractors Association of Truckee Tahoe, Nevada County Association of Realtors and other associated industry businesses.

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

### **Section 4. Services**

Services to be provided by the Nevada County Cannabis Equity Program may include the following, depending on need and the availability of funds from grants or other sources. To address and mitigate financial barriers of entering the legal market, the following services will be offered:

<b>Section 4. Services</b>	
<b>Financial</b>	
1.	Waiver, deferral, and/or reduction of fees for application assistance meetings and permit application costs with all regulatory departments within the Nevada County Community Development Agency
2.	Loans and/or grants associated to real property costs to bring properties into compliance with commercial cannabis permitting standards. Examples of this could be construction related to as-built permitting, site grading, and/or fire safe access standards.
3.	Loans and/or grants associated to project design and consulting costs including but not limited to commercial cannabis site plan preparation, preparation of application documents, and/or drafting of construction documents.
4.	Waiver or deferral of fees for trainings and certifications required by law.
5.	Loans and/or grants to incentivize businesses that mitigate adverse environmental effects of cannabis cultivation such as implementing best management and sustainable practices.

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

<b>Section 4. Services</b>	
<b>Administrative/Technical</b>	
1.	Technical assistance for the formation of cannabis cooperative associations.
2.	Technical assistance to help with legal access to commercial cannabis sites.
3.	Provide training and/or technical assistance to assist those with past cannabis convictions to get their records expunged.



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4.	Business planning, marketing, workforce development, employee housing, tax preparation, and/or other technical aspects related to business start-up and/or long-term sustainability.
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The following services help equity applicants with establishing trust and confidence with participating in the legal cannabis market:

<b>Section 4. Services</b>	
<b>Distrust of Government</b>	
1.	Conduct outreach and education efforts in areas that were focused on by law enforcement for cannabis eradication and cannabis arrests; encourage those individuals to apply for licenses and enter the legal industry.
2.	Create outreach materials that are clear, concise, and accessible to those with low literacy. Consider creating materials in multiple languages such as Spanish and Hmong.
3.	Conducting free educational outreach opportunities regarding local and state regulations and tools for coming into compliance with these regulations.

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

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

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

If it is determined that there is funding available and existing need from equity applicants and equity licensees, Nevada County may explore the following additional services for inclusion in the Local Equity Program. Recommendations are divided into the following categories: Agriculture/Cultivation, Manufacturing/Production, and Retail.

<b>Section 5. Additional Services for Cannabis Businesses</b>	
<b>Agriculture/Cultivation</b>	
1.	Access to business planning, grants, 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.



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3.	Access to standard human resource methods: hiring and orientation, training in proper and regulated land use for farm and field workers, hiring and supervision processes, setting job benchmarks and performance standards, evaluating performance for promotion or wage scale increases.
4.	Access to business and human resource tools: developing human resource 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, and family supportive services.
5.	Developing, securing, and increasing farm management skills in agricultural, biology, and land management.
6.	Access to agricultural extension services to help with the science of plant biology from a medicinal and commercial standpoint and help feed local graduates in biology and environmental sciences into the industry-much like the timber industry has done.

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

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



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Please note the services listed in this section are sourced from the June 2018 *Workforce Report: Humboldt County's New Cannabis Landscape* authored by Deborah Claesgens & Michael Kraft on behalf of the Humboldt County Workforce Development Board. Nevada County reserves the right to update and/or edits these recommendations if a similar study is conducted in the county.

### **Section 6. Program Administration**

Nevada 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 Nevada County Board of Supervisors will explore local funding that can supplement these efforts. The use of local funding for the Local Equity Program will remain at the discretion of the County.

Section 6. 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 Nevada County Community Development Agency or other designated entity determined by the Board of Supervisors and/or the CEO's Office.
3.	The Nevada County Community Development Agency or other designated entity determined by the Board of Supervisors and/or the CEO's Office shall receive and process all applications to determine eligibility of equity program participants.
4.	The Nevada County Community Development Agency or other designated entity determined by the Board of Supervisors and/or the CEO's Office 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.

### **Section 7. Provision of Services**

Staff in the Nevada County Community Development Agency or other entity designated by the Nevada County Board of Supervisors serve as the liaison between equity applicants and



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equity licensees who receive grant funding and the selected agency that provides an eligible service.

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

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

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

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

<b>Section 8. Program Monitoring and Evaluation: Recommended Metrics</b>	
Number of equity applicants to apply	<ol style="list-style-type: none"> <li>1. Types of drug-related offenses</li> <li>2. Income status</li> <li>3. Race Ethnicity</li> <li>4. Gender</li> <li>5. Sexual Identity</li> <li>6. Residency Status</li> <li>7. Ownership Structure</li> <li>8. Participation in Nevada County Medical Cannabis Donation Program</li> </ol>
Workforce characteristics	<ol style="list-style-type: none"> <li>1. Total number of employees</li> <li>2. Number of local employees</li> <li>3. Employment status (full-time, part-time, etc.)</li> </ol>
Equity program-specific data	<ol style="list-style-type: none"> <li>1. Number of applicants eligible for equity program</li> </ol>



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	<ol style="list-style-type: none"><li>2. Number and types of services provided to equity applicants</li><li>3. Number of equity program applicants to receive licenses.</li></ol>
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Nevada County will address feedback from communities and populations eligible for the Local Equity Program in the following ways:

- Written and electronic comment
- Program surveys
- Opportunities to speak and comment at meetings of elected bodies
- Other opportunities up to the discretion of Nevada County