

**Nevada County**  
**Good to Grow Direct Grant Program Manual**  
**Local Jurisdiction Assistance Grants Program (LJAGP)**  
**January 21, 2022**

**Contents**

Direct Grant and CEQA Direct Grant Program Manual .....	1
Local Jurisdiction Assistance Grants Program (LJAGP).....	1
Purpose of the Local Jurisdiction Assistance Grants Program (LJAGP).....	1
I. Direct Grant & CEQA Direct Grant Program for Qualified Provisional License Holders.....	1
II. Qualifications & Program Eligibility .....	2
III. Services .....	2
IV. Program Administration.....	7
V. Use of Direct Grant Awards.....	8

**Purpose of the Local Jurisdiction Assistance Grants Program**

**I. Direct Grant Program for Qualified Provisional License Holders**

In October 2021, the Department of Cannabis Control (DCC) announced the availability of \$100 million in funding for the Local Jurisdiction Assistance Grants Program (“LJAGP”). The LJAGP dedicates funding to local jurisdictions with the greatest need to transition provisional licenses to annual licenses. The LJAGP is authorized by the Budget Act of 2021, Item 1115-101-0001 – For local assistance, found in Senate Bill 129 (2021). Under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“Act”), the DCC licenses and regulates cannabis businesses. The DCC issues annual licenses once an applicant or licensee meets all requirements for annual licensure. Local jurisdictions eligible to receive grant funding represent those with significant numbers of provisional licenses who are legacy and equity applicants and provisional licensees that are more likely to have arduous environmental compliance requirements associated with CEQA. The LJAGP allocated \$100 million on a one-time basis to aid local jurisdictions and their provisional licensees in completing CEQA compliance requirements necessary to achieve annual licensure. LJAGP funds may also be used to aid local jurisdictions in more expeditiously reviewing provisional licensee local requirements. Allowable uses are intended to encourage local jurisdictions to administer grant funds in ways that allow the DCC to transition provisional licenses to annual licenses more expeditiously without sacrificing California’s environmental commitments.

**II. Qualifications & Program Eligibility**

Grant funds may be utilized by awarded applicant after disbursement of grant awards. Funds shall be expended no later than March 31, 2025.

The application window will be from February 1, 2024 to March 4, 2024. The county will provide the application materials, including a guidance document and hold at least one (1) public meeting, within ten (10) days of materials being available, and one (1) additional meeting prior to application window ending, to go over the application process with local licensees. For the purposes of this grant, 'Applicant' includes any provisional license issued by the Department of Cannabis Control.

### **III. Services**

Services to be provided by the LJAGP Direct Grant depending on need and the availability of funds, includes the following:

#### **A. Direct grants related to CEQA compliance**

The LJAGP direct grants program is intended to assist State provisional licensees in meeting annual license requirements by providing LJAGP funding to pay for local permitting fees directly related to CEQA compliance and review including but not limited to odor emission mitigation/controls, biological reporting, water quality improvements and testing, air quality/reduced greenhouse emissions, sound studies, remediation and correction expenses, other CEQA related projects as approved by Nevada County Cannabis Compliance Division (NCCCD). The grant funds may be used for application and license fees related to CEQA compliance and review. Direct grant funds may be used for allowable expenses dated back to January 21, 2022 for applicants that hold a provisional license and have not yet moved to an annual license. Direct Grant funds can be used for CEQA costs outlined below:

##### **1. Improving Air Quality and Reducing Greenhouse Gas Emissions.**

- a. Improvements and modifications of operations resulting in reduced greenhouse gas emissions and as approved by NCCCD.
- b. Consultants required for planning and permitting, equipment, installation costs, labor, and any additional items as approved by NCCCD related to improving air quality and reducing greenhouse gas emissions.

##### **2. Remediation. Direct Grant funds may be used for reimbursement of remediation and environmental correction related expenses including-the following circumstances:**

- a. Remediation of a commercial cannabis cultivation site located within a streamside management area, a wetland, and/or floodplain,
- b. Remediation of a commercial cannabis cultivation site that is determined to have potential impacts on sensitive species as identified during the Sensitive Species Habitat Review, and
- c. Remediation of a commercial cannabis cultivation site as compelled by a state agency or as recommended in a biological or any other professional report submitted in the Sensitive Species and Habitat Review (SSHR) or CEQA processes.
- d. Consultant costs required for planning and permitting, equipment, installation costs, labor, and additional items as approved by NCCCD for remediation.
- e. Remediation funding is not permissible if it is already being funded by other means, including any other grant funding.

##### **3. Premise Modification. Direct grant funds may be used for costs related to partial or complete licensed premise modification on the same parcel, if retiring and premise modification was required to comply with an agency requirements not including penalties incurred for violations of environmental laws and regulation:**

- a. Vegetation modification associated partial site closure,
- b. SWRCB or CDFW related site premise modification,
- c. Any other partial or complete closure and premise modification of the same parcel.
- d. Consultant costs required for planning and permitting, equipment, installation costs, labor, and additional items as approved by NCCCD for premise modification.

4. Hydrology and Improved Water Quality. Direct Grant funds may be used for reimbursement of costs related to mitigation measures related to water conservation and water quality protection measures. Measures may include the following:

- a. California Department of Fish and Wildlife (CDFW) Lake or Streambed Alteration Agreement (LSAA) projects and related.
  - i. LSAA permit fees such as notification major and minor amendment, and extension related to transitioning from provisional licensees to annual licensure,
  - ii. Hiring consultants and other professionals to provide technical support for completing notification and/or implementation of a Lake or Streambed Alteration Agreement required for local permitting and State annual licensure, and
- b. Projects and permits required by the State Water Resource Control Board (SWRCB), and the Division of Water Rights, including enforcement of the Cannabis General Order, and/or the Clean Water Act. Such projects and Expenses.

i. Hiring consultants and other professionals to provide technical support for the purposes of filing any required permits including section 401 permits, Small Irrigation Use Registrations, and the payment of fees associated with such permits,

ii. Hiring consultants and other professionals to provide technical support for the development and/or implementation of Water Resource Protection or Site Management plans, and any other special or annual reporting to any division of the Water Board,

iii. The payment of fees associated with annual water reporting and monitoring programs related to transition from provisional to annual licensure, and

c. Projects and/or equipment and materials that increase water conservation, and/or reduce reliance on surface water and groundwater resources. Such projects and expenses may include:

- i. Water availability studies and hydrological connectivity studies required by local and/or state agencies,
- ii. Planning and design costs,
- iii. The installation of water storage and distribution systems including ponds and water tanks, and rainwater catchment, distribution systems.

5. Site specific CEQA and SSHR Related Expenses. Direct grant funds may be used for the reimbursement of expenditures by State provisional licensees in order to transition to a State annual license related to CEQA document preparation and any costs related to demonstrating a less than significant impact to sensitive species and habitat during the SSHR process.

- a. Hiring consultants and other professionals to provide technical support for the purpose of preparing CEQA documentation, including the project description and supporting materials.

b. Hiring consultants and other professionals to prepare associated studies used as a basis for demonstrating the project has a less than significant impact to sensitive species and habitat and which may be utilized in developing the project description or CEQA review, such as archeologic, biologic, hydrologic, forestry, invasive species management plans, engineering plans, geotechnical reports, soil studies, etc.

c. Reimbursable costs include consultant costs required for planning and permitting, equipment, installation costs, labor associated to CEQA mitigation, and any additional items as approved by NCCCD for CEQA and SSHR work, projects, and studies.

6. Professional Compliance Assistance. Hiring consultants to support cultivators' ability to maintain compliance with every local and state agency for which compliance must be maintained to achieve and maintain local licensing necessary for transitioning to state annual licensure.

7. Prohibited and Allowable Uses. Direct Grant awards can only be used for those allowable uses identified in the Department of Cannabis Control's Local Jurisdiction Assistance Grant Program: Guidelines and Application Instructions dated October 2021 (the "Guidelines"). NCCCD will not award any direct grant funds for reimbursement of any prohibited uses identified in the Guidelines.

## **B Award Thresholds & Disbursement of Funds**

Eligible provisional license holders may be awarded up to \$25,000 award which may be used for direct grants related to CEQA compliance and review, direct grants for allowable uses, or both.

1. LJAGP awards may be comprised of grants related to CEQA compliance and review, direct grants for allowable uses, or both. Direct grants may be issued as a part of the total grant budget after the approval of a complete application submitted to the NCCCD on forms, and in a format prescribed by the NCCCD.

## **C. Application Requirements**

1. Applications for Direct Grants: Grants related to CEQA compliance and review and direct grants for allowable uses may be applied for on a form, or forms, prescribed by the NCCCD and must include the following information:

a. Improving Air Quality and Reducing Greenhouse Gas Emissions –Costs that improve air quality and reduce greenhouse gas emissions must include the following information:

i. Original Receipts of paid invoices for contractor or consultant services, receipts for materials, or fees necessary to substantiate the cost of the work completed, or in the case of conversion to plan that reduces greenhouse gas emissions by switching to a greater percentage of or total renewable production of electricity by a utility, receipts for payment of utility bills showing the plan partial or total renewable electricity.

b. Remediation– Applications costs for the remediation of a cultivation site must include the following information:

i. A site plan showing the original site and remediated area,

ii. The environmental reasons for remediating,

iii. A detailed Remediation plan,

iv. If consultants and/or professionals were hired for the project, include a scope of work from the consultant(s) and/or professional(s), an itemized invoice for the work, the total hours worked, and the services provided and,

v. Estimates, invoices, and any contractor scope of work necessary to describe the cost of completing the Remediation project.

c. Premise Modification - Costs for cultivation area premise modification on the same parcel must include the following information:

i. A site plan showing the original site and identify the premise modification,

ii. The environmental reasons for premise modification,

iii. If consultants and/or professionals were hired for the project, include a scope of work from the consultant(s) and/or professional(s), an itemized invoice for the work, the total hours worked, and the services provided and,

iv. Estimates, invoices, and any contractor scope of work are necessary to describe the cost of completing the premise modification project.

d. Hydrology and Improved Water Quality – Applications for hydrology and improved water quality related projects must include the following information:

i. Invoices for any contractor or consultant services, and/or receipts for materials or labor necessary to complete the project.

ii. For applications that include reimbursement for LSAA and/or SWRCB license or application fees related to CEQA compliance and review, provide the receipt, applicable agency's fee schedule, and a description of the required fees and why they are required for the proposed project(s). For applications that include professional services related to water availability or hydrologic connectivity, invoices for services to complete the required studies and a narrative describing each project.

iii. For applications that include Water Conservation projects must provide the following information:

1. A water budget identifying the amount of water used annually by the commercial cannabis business,

2. The amount of water to be stored,

3. A site plan showing the location of the water source and location of the water storage and distribution system installation,

4. Invoices and/or receipts for the permits, materials, and labor required to complete the project.

5. Invoices for professional services related to design of storage and other irrigation conservation systems, water availability analyses, or hydrological connectivity studies.

e. CEQA and SSHR related expenses – Applications for CEQA and SSHR related costs must provide the following information:

i. Invoices for consultants and other professionals to provide technical support for the purpose of creating any CEQA and SSHR materials including the project description and supporting materials, and responses to requests for information

or remediations requested in SSHR comment letters during the local licensing process.

ii. Invoices for consultants and other professionals to prepare associated studies used in preparation of CEQA materials, the SSHR process, or for completion of an LSAA.

f. Compliance Assistance - applications for professional compliance business entity, local licensing, and state provisional licensing assistance must provide the following information:

i. Invoices, receipts, and scope of work.

2. Timeline for Application Submission Direct Grant applications may be submitted during submission timelines prescribed by the NCCCD. At the close of the submission timeline, NCCCD staff will review all complete applications received and award the qualifying applications based on funding availability.

#### **IV. Program Administration**

1. Principal Administration and Coordination of Services shall be performed by the NCCCD, or a contractor selected by the county.

2. The NCCCD shall promulgate any policies, procedures, grant funding caps, grant agreements/execution deadlines, application windows, and forms necessary for program administration.

3. The NCCCD shall monitor and report on all program services provided through the LJAGP, as directed by the State grant agreement.

4. The NCCCD or contractor(s) selected by the County may be designated to receive and process applications to determine eligibility and grant funding of program participants.

#### **V. Use of Direct Grant Awards** Direct Grant Awardee Obligations to Preserve and Submit Documentation. Direct Grant awardees shall comply with the following:

1. All use of Direct Grant awards shall be documented through invoices, receipts, canceled checks, or other similar means of memorializing the use of such funds.

2. All such documentation shall be retained for at least seven (7) years following the completion of all obligations arising under the grant agreement entered with the County.

3. Use all reasonable efforts to provide any additional documentation requested by staff of the NCCCD or its contractor that they deem necessary to further support the use of such funds.

4. All requests by staff of the NCCCD or its contractor necessary to perform a compliance audit to demonstrate that all Direct Grants have been used in accordance with the terms of the grant agreement.

5. The Awardee shall submit any additional data and/or information requested by NCCCD to support expenses and shall submit any additional data and/or information that may be required.

6. Upon NCCCD's review and approval of the Awardee's reimbursement request, the County will distribute to the Awardee the approved reimbursement amount.

7. NCCCD may deny part or all of the awarded grant amount if it believes that it is not a supportable Project expense per grant guidelines or Item 1115-101-0001 of Section 2.00 of the Budget Act of 2021.

8. No award will be made which would cause the distribution of grant funds to exceed, through such payment(s), the limits of grant funds.

9. NCCCD may withhold payment if the Awardee is not current in its reporting requirements.

Nevada County's Obligations to Manage Direct Grant funds are following:

1) Staff of the NCCCD or its contractor shall comply with the following:

a) Ensure all Direct Grant awardees are notified and agree to the documentation and retention requirements in Section IV.1.

b) Retain all such documentation received for at least seven (7) years following the end of each grant agreement.