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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING DATE: November 18, 2025

TO: Board of Supervisors

FROM: Matt Kelley, Code & Cannabis Compliance Director

SUBJECT: Resolution authorizing the submission of an application for the Governor's Office of Business and Economic Development Cannabis Equity Grants Program for Local Jurisdictions for Type 2 funding in the amount of \$750,000.00 for fiscal year 2025-2026.

RECOMMENDATION: Adopt the Resolution authorizing the submission of an application for the Governor's Office of Business and Economic Development Cannabis Equity Grants Program for Local Jurisdictions for Type 2 funding in the amount of \$750,000.00 for fiscal year 2025-26.

FUNDING: The Nevada County Cannabis Division intends to seek funding from the Governor's Office of Business and Economic Development (GO-BIZ) in effort to continue to support and retain commercial cannabis applicants who participate in the regulated marketplace.

The attached Resolution reflects the intent to apply for a competitive grant to continue operation and expansion of the Nevada County Cannabis Equity Program. No match funding is being requested. If funds are awarded, staff will return to the Board of Supervisors with a subsequent Resolution to accept the award amount, authorize a budget amendment and appropriate the program revenues and expenditures for Fiscal Year 2025-2026.

BACKGROUND:

On October 8, 2025, the California Governor's Office of Business and Economic Development (Department) released the competitive grant guidelines for the Cannabis Equity Grants Program for Local Jurisdictions. For fiscal year 2025-2026, the program was allocated fifteen million dollars (\$15,000,000) from the Cannabis Tax Fund, to assist local jurisdictions in promoting equity and inclusion within the licensed cannabis marketplace.

The Cannabis Equity Grants Program offers two types of applications:

- Type 1 Funding: for development of local equity assessments and program design.
- Type 2 Funding: for implementation and expansion of established equity programs (maximum award request: \$3,500,000.00).

PREVIOUS GO-BIZ GRANT AWARDS AND PROGRAM PERFORMANCE:

In 2020, Nevada County was awarded Type 1 funding to complete a Cannabis Local Equity Assessment, which was approved by the Nevada County Board of Supervisors on September 28, 2021, at their regular meeting, as included in Resolution No. 21-431. This Resolution adopted the Nevada County Cannabis Local Equity Program Manual and officially created the Local Equity Program pursuant to the California Cannabis Equity Act of 2018.

As approved by the Nevada County Board of Supervisors by Resolution No. 23-086 at their regular meeting of February 28, 2023, the County received \$755,895.55 Type 2 Equity Grant from GO-BIZ, which was used to assist applicants with local and state licensing costs, regulatory compliance, capital improvements, professional consulting services, environmental site development, sustainable practices, business and employee training, and other costs necessary for equitable participation in the regulated cannabis marketplace. The grant also funded County administrative costs associated with program implementation and fiscal oversight.

Through this funding, the Nevada County Cannabis Compliance Division, through a contract with the Sierra Business Council, successfully distributed \$650,450.85 in direct grant funds to 106 qualified cannabis applicants, including both licensed operators and prospective participants seeking to enter the regulated market.

Continuing the success of this previous grant award, the Cannabis Compliance Division applied for an additional Type 2 Local Jurisdiction Assistance Equity Grant from GO-BIZ on November 12, 2024. On January 23, 2025, the County was awarded a \$500,000.00 grant for the Local Equity Grant Fund Program, which was accepted by the Nevada County Board of Supervisors at their regular meeting of February 25, 2025, through Resolution No. 25-070.

Similarly, as outlined above, the Nevada County Cannabis Compliance Division, through a contract with the Sierra Business Council and the Nevada County Cannabis Alliance, is anticipating to being able to distribute \$440,000.00 in direct grant funds to qualified cannabis applicants, including both licensed operators and prospective participants seeking to enter the regulated market. Applications are currently being accepted from September 30, 2025, through October 30, 2025, from qualified applicants. At the close of the application period, the Cannabis Compliance Division, along with the Sierra Business Council and the Nevada County Cannabis Alliance will review the submitted applications for compliance with the Local Equity Grant Fund eligibility criteria and begin to distribute direct grant funds to qualified cannabis applicants.

CURRENT GRANT APPLICATION AND PROGRAM CONTINUATION:

Continuing to further build on the success of the previous local equity grant program awards, the Cannabis Compliance Division, now seeks to apply for an additional \$750,000.00 in Type 2 funding, through the same GO-BIZ Grant Program to continue operating and expanding the Nevada County Cannabis Local Equity Program. The use of these grant funds as part of the goal of the Nevada County Cannabis Local Equity Program is to continue to support and retain commercial cannabis applicants who participate in the regulated marketplace.

Grant applications must be submitted through the GO-BIZ Cannabis Equity Grants Portal by December 8, 2025, at 11:59 p.m. GO-BIZ anticipates that grant agreements will be executed no later than March 31, 2026, with an anticipated grant term from April 1, 2026, through October 31, 2027.

This continued funding will enable the County to:

- Provide direct financial assistance to equity-qualified cannabis applicants and licensees.
- Offer technical and business support services to help applicants meet local and state regulatory requirements.
- Support capacity building, education, and sustainability practices; and
- Offset program administration and grant management costs.

SUMMARY:

The submission and potential award of the Fiscal Year 2025-2026 GO-BIZ Type 2 Equity Grant will strengthen Nevada County's ability to continue advancing an equitable, transparent, and compliant local cannabis industry. The application and award of these grant funds will provide direct funding to further support the Nevada County Cannabis Local Equity Program and assist applicants and licensees to operate successfully in the regulated cannabis marketplace.

Given that this is a competitive grant, staff will return to the Board of Supervisors to present a subsequent resolution accepting the official grant award and approving the associated budget amendment should Nevada County be selected for funding.

ATTACHMENTS:

1. Resolution Authorizing the Submittal of the California Governor's Office of Business and Economic Development's Cannabis Equity Grants Program Application
2. California Governor's Office of Business and Economic Development's Cannabis Equity Grants Program Grant Guidelines

Item Initiated By: Matt Kelley, Code and Cannabis Compliance Director

Approved By: Trisha Tillotson, Community Development Agency Director