

## Grant Expenditure Plan by Program

The California Cannabis Equity Act of 2018 established by Senate Bill 1294 (Equity Act) and the Budget Act of 2019, Item 1111-490 – Reappropriation (Budget Act of 2019) appropriated funding for the State to provide to local jurisdictions to develop and operate local cannabis equity programs that focus on the inclusion and support of individuals in California's legal cannabis marketplace who are from communities negatively or disproportionately impacted by cannabis criminalization. Resources made available through the California Cannabis Equity Grant support specific programs within the Social Equity Program.

### SEED Grant Program

With funds awarded from the California Cannabis Equity Grant for Local Jurisdictions, DCR is working to establish the SEED Grant Program, which will distribute up to \$7,625,000 million in grants to local Social Equity Applicants and Licensees. DCR is currently working to complete various administrative and programming responsibilities associated with the launch of the official SEED Grant Program. To date, DCR has been successful at identifying and contracting with Elevate Impact LA to administer the Program. DCR is currently finalizing plans to launch this program, which include working with the Office of Finance and other relevant parties to determine how the funds will be disbursed to Grantee Applicants and coordinating with Elevate Impact to develop the Grant Application and Website with all relevant information concerning the SEED Grant Program. DCR anticipates launching this program in April 2021.

DCR plans to disburse up to \$5 million in grant funds to Applicants with Storefront Retail Applications deemed eligible for further processing under LAMC 104.06.1(b) in a \$25,000 lump sum payment. Any remaining funds not awarded by 90 days prior to the end of the City's Agreement with the California Governor's Office of Business and Economic Development, or any extension thereof, may be disbursed on a pro rata basis to Applicants who applied by August 20, 2021 and who are eligible for the \$25,000 grant.

Additionally, DCR plans to disburse up to \$1 million in grant funds to any Social Equity Individual Applicant with a non-retail Application deemed eligible for further processing. Applicants shall receive grant funds on a first come, first served basis in two disbursements based on meeting the following licensing milestones: (1) \$5,000 when DCR deems the Pre-Application eligible for further processing; and (2) \$5,000 when the Applicant is eligible for a Notice of Local Compliance Underway. Any remaining funds not awarded by 90 days prior to the end of the Grant Term of the City's Agreement with the Bureau of Cannabis Control, or any extension thereof, may be disbursed on a pro rata basis to Applicants who applied by August 20, 2021 and who are eligible for grant funds under this subsection.

From resources awarded from the Cannabis Equity Grant to the City of Los Angeles In 2021, DCR will allocate the following amounts: \$1,624,997 in support of the SEED Grant Program. Once DCR has received these grant monies from the State, DCR will prepare and present an expenditure plan to the City Council for the specific use of these funds. The expenditure plan will identify the Social Equity Applicants eligible to apply for these grant monies.

DCR anticipates using the draft contract attached hereto, subject to revisions by the Office of the City Attorney, to ensure grant funds are used only for reasonable expenses incurred to launch and operate a grantee's licensed commercial cannabis business.

**SE Verification Waivers**

DCR will expend, up to, \$1,042,754 to grant SEIA Eligibility Verification (Section 104.06.1) fee waivers to, up to, 1,747 Social Equity Individual Applicants (SEIA) applying to be verified. Fee waivers will be granted on a first come first served basis to SEIAs that submit a completed eligibility verification application. This program is funded by the 2019 California Bureau of Cannabis Control grant (\$650,740) and the 2020 Governor's Office of Business and Economic Development (GO-Biz) Cannabis Equity Grant for Local Jurisdictions (\$392,014).

**Direct Technical Assistance**

According to the Ordinance, LAMC Section 104.20.4(iii), DCR will provide Business Licensing and Compliance (BLC) assistance through programming and curriculum development and training in the areas of state and local licensing requirements, commercial cannabis regulations, general business development, cannabis-specific business development and workforce development to all qualified Social Equity Applicants.

Under the California Cannabis Equity Grant, BLC Assistance is considered direct technical assistance. DCR intends to use \$203,000 from the 2021 California Cannabis Equity Grant to support the administration of Business, Licensing and Compliance Assistance.

**Elevate Impact LA**

DCR has contracted with Elevate Impact LA to administer the SEED Grant Program. DCR intends to utilize \$375,000 from the California Cannabis Equity Grant to fund this contract.

**Administrative and Overhead Costs**

DCR intends to utilize \$661,416 from the California Cannabis Equity Grant to support various administrative and overhead costs associated with the Social Equity Program which includes the funding of two full-time personnel dedicated to the SEP, including the SEP Director and Senior Project Coordinator positions.

**Table No. 2**  
 Department of Cannabis Regulation  
 Grant Expenditure Plan by Program

<b>SEED Grant Program</b>	<b>\$7,624,997</b>
<b>Grant:</b> California Local Equity Grant Bureau of Cannabis Control Grant (2019)	\$1,000,000
<b>Line Item:</b> Cannabis Equity Grant GO-Biz Grant (2020)	\$5,000,000
<b>Line Item:</b> Cannabis Equity Grant GO-Biz Grant (2021)	\$1,624,997
<b>SE Verification Waivers</b>	<b>\$1,042,754</b>
<b>Grant:</b> California Local Equity Grant Bureau of Cannabis Control Grant (2019)	\$650,740
<b>Line Item:</b> Cannabis Equity Grant GO-Biz Grant (2020)	\$392,014
<b>Line Item:</b> Cannabis Equity Grant GO-Biz Grant (2021)	\$0
<b>Direct Technical Assistance</b>	<b>\$203,000</b>
<b>Grant:</b> California Local Equity Grant Bureau of Cannabis Control Grant (2019)	\$0
<b>Line Item:</b> Cannabis Equity Grant GO-Biz Grant (2020)	\$0
<b>Line Item:</b> Cannabis Equity Grant GO-Biz Grant (2021)	\$203,000
<b>Elevate Impact LA</b>	<b>\$375,000</b>
<b>Grant:</b> California Local Equity Grant Bureau of Cannabis Control Grant (2019)	\$0
<b>Line Item:</b> Cannabis Equity Grant GO-Biz Grant (2020)	\$375,000
<b>Line Item:</b> Cannabis Equity Grant GO-Biz Grant (2021)	\$0
<b>Administrative and Overhead Costs</b>	<b>\$661,416</b>
<b>Grant:</b> California Local Equity Grant Bureau of Cannabis Control Grant (2019)	\$183,416
<b>Line Item:</b> Cannabis Equity Grant GO-Biz Grant (2020)	\$275,000
<b>Line Item:</b> Cannabis Equity Grant GO-Biz Grant (2021)	\$203,000
<b>TOTAL:</b>	<b>\$9,907,167    \$9,907,167</b>