



Department of  
Cannabis Control  
CALIFORNIA

# Cannabis Local Jurisdiction Retail Access Grant Program

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Phase I Grant Guidelines  
August 2023



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## I. Grant Overview

The Department of Cannabis Control (DCC) announces the availability of \$10 million in grant funding for Phase I of the Cannabis Local Jurisdiction Retail Access Grant. This program provides funding to local governments to support the development and implementation of a local cannabis retailer licensing program.

**Available funding:** \$10 million

**Question submission deadline:** February 24, 2023

**Application deadline:** April 28, 2023, 5 p.m.

**Eligible applicants:** Local jurisdictions (city, county, or city and county) that:

- Do not currently have a cannabis retail licensing program
- Have a plan to develop and implement a cannabis retail licensing program

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) establishes a dual regulatory structure for cannabis businesses: A person who wishes to engage in commercial cannabis activity is subject to regulation at both the state and local levels.

As of February 1, 2023, 327 cities and counties (61%) in California do not allow establishment of any cannabis retailers, whether storefront or non-storefront (delivery), within their jurisdiction.

This grant program aims to provide consumers with reliable access to regulated, tested cannabis in the legal market, and reduce demand in the illicit market. By supporting local governments in establishing cannabis retail licensing programs, this grant also seeks to reduce the size of the illicit market and establish sufficient cannabis retail stores statewide to meet existing consumer demand.

The grant program is authorized by the Budget Act of 2022, Item 1115-102-0001, found in [Assembly Bill 178 \(Ting, 2022\)](#).

### Funding Opportunity

Phase I of this grant program will provide up to \$10 million in funding for local jurisdictions to develop and implement a local cannabis retailer licensing program. Additional funding will be available to eligible local jurisdictions in Phase II of the Grant Program.

Grant program funds are available for expenditure until June 30, 2026.

## Timeline

Event	Date*
<b>Original Grant Guidelines and Application Instructions Published</b>	<b>February 14, 2023</b>
<b>Questions and Answers Period Opens</b>	<b>February 14, 2023</b>
<b>Questions and Answers Period Due Date</b> <ul style="list-style-type: none"> <li>• Questions about the grant program must be submitted by 5 p.m. on this date.</li> <li>• Questions must be submitted by email to <a href="mailto:grants@cannabis.ca.gov">grants@cannabis.ca.gov</a>.</li> </ul>	<b>February 24, 2023</b>
<b>Questions and Answers Posted</b> <ul style="list-style-type: none"> <li>• DCC will post answers to questions submitted during the Questions and Answers Period.</li> </ul>	<b>March 10, 2023</b>
<b>Phase I Application Submission Period Opens</b> <ul style="list-style-type: none"> <li>• Applications will be accepted beginning at 8:00 a.m. on this date.</li> </ul>	<b>March 10, 2023</b>
<b>Phase I Last Day to Submit Applications</b> <ul style="list-style-type: none"> <li>• Grant applicants must submit applications by 5 p.m. on this date.</li> <li>• Technical assistance will be available until 4:00 p.m. on this date.</li> </ul>	<b>April 28, 2023</b>
<b>Phase I Grant Award Notification</b>	<b>June 2023</b>
<b>Grant Guidelines Amended to Phase I Grant Guidelines</b>	<b>August, 2023</b>
<b>Last Day for Grant Funding Expenditures</b>	<b>June 30, 2026</b>

*\*Dates are tentative and subject to change.*

## Questions and Answers Process

Questions regarding the grant program requirements and application will be accepted from February 14, 2023, until February 24, 2023, at 5 p.m. Questions must be emailed to [grants@cannabis.ca.gov](mailto:grants@cannabis.ca.gov).

Answers to questions received by the deadline will be published on DCC's [Local Jurisdiction Retail Access Grant Program webpage](#) on March 10, 2023. DCC may group similar or related questions together or reword questions for clarity. The posted Questions and Answers are subject to updates. It is the inquirer's responsibility to check the webpage for the latest information; individual responses will not be sent.

## II. Grant Program Requirements

### Eligible Applicants

Grant funds are available only to eligible local jurisdictions (city, county, or city and county) located in California. A local jurisdiction is eligible if, as of February 14, 2023, it:

- Does **not** have a local cannabis retailer licensing program
- Has a plan to develop and implement a program to issue permits to cannabis retail businesses that establish within its jurisdiction

A jurisdiction that has already begun development of a cannabis retailer licensing program may be eligible if it:

- Has not yet begun accepting permit applications for cannabis retailers
- Has not yet published permit application forms
- Has not yet permitted any cannabis retailers within their jurisdiction

### A note on cities and counties

For purposes of cannabis regulation in California, cities and counties are regarded as separate local jurisdictions (except for San Francisco, which is both a city and county). A county is the local authority for businesses within the unincorporated areas of the county. An incorporated city is the local authority for businesses within its boundaries.

A county is eligible for the grant program if it meets the criteria for eligibility described above, even if there are incorporated cities within that county that already permit cannabis retailers. Conversely, an incorporated city is eligible for the grant program if it meets the eligibility criteria above, even if it is located within a county that already permits cannabis retailers.

### Examples of eligible local jurisdictions

- A local jurisdiction that currently prohibits all commercial cannabis activity but has a plan to develop and implement a program to issue permits to commercial cannabis retail businesses within its jurisdiction.
- A local jurisdiction that has passed a law to allow retail cannabis businesses but has not yet begun accepting permit application forms.
- A county that currently prohibits the establishment of cannabis retailers within the unincorporated area of the county, even if incorporated cities within that county already permit cannabis retailers.
- A city that currently prohibits the establishment of cannabis retailers within its boundaries, even if that city is located within a county that already permits cannabis retailers.

## Examples of ineligible local jurisdictions

- A local jurisdiction that already has a program to permit cannabis retail businesses and has begun accepting applications or has already issued retail licenses.
- A local jurisdiction that prohibits cannabis activity and has no plan to develop and implement a program to issue permits to retail businesses within their jurisdiction.
- A local jurisdiction that allows cannabis activity and has already issued retail licenses.
- A local jurisdiction that only plans to permit cannabis retailers to deliver from an outside jurisdiction and does not intend to allow the establishment of cannabis retailers within the jurisdiction

## Phase I Funding

During Phase I, an eligible local jurisdiction may receive initial funding to support its development and implementation of a local cannabis retailer licensing program.

**Available Funding:** Up to \$10 million in total funding is available for Phase I. An eligible jurisdiction may receive funding up to the maximum amounts listed in Table A, based on the local jurisdiction’s population as determined by the California Department of Finance’s 2022 Population Estimates for Cities, Counties, and the State<sup>1</sup>.

Additional funding will be awarded to local jurisdictions that include a proposal to issue retail licenses to qualified local equity businesses. This funding will be paid with the second disbursement, after the jurisdiction has established a program with explicit provisions to issue licenses to qualified equity retail businesses.

**Funding Disbursement:** Phase I funding will be disbursed in two payments:

- **1<sup>st</sup> Payment:** The first disbursement of funds will comprise 80% of the initial award and will be distributed upon execution of the Grant Agreement.
- **2<sup>nd</sup> Payment:** The second disbursement of funds will comprise the remaining 20% of the initial award and will be distributed after the jurisdiction has established the cannabis retail licensing program.

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<sup>1</sup> State of California, Department of Finance, [\*E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change – January 1, 2021 and 2022\*](#), Sacramento, California, May 2022. Note: County populations will be determined by counting only the population in the unincorporated areas of the county, denoted on the spreadsheet as “Balance of County,” under each respective county name.



**Table A: Maximum Funding Amounts During Phase I**

<b>Population</b>	<b>1<sup>st</sup> Payment (80%)</b>	<b>2<sup>nd</sup> Payment (20%)</b>	<b>Total Phase I Funding</b>	<b>Phase I Equity Bonus</b>
0-14,999	\$80,000	\$20,000	\$100,000	\$15,000
15,000-29,999	\$100,000	\$25,000	\$125,000	\$30,000
30,000-44,999	\$120,000	\$30,000	\$150,000	\$45,000
45,000-59,999	\$140,000	\$35,000	\$175,000	\$60,000
60,000-74,999	\$160,000	\$40,000	\$200,000	\$75,000
75,000-89,999	\$180,000	\$45,000	\$225,000	\$90,000
90,000-104,999	\$200,000	\$50,000	\$250,000	\$105,000
105,000-119,999	\$220,000	\$55,000	\$275,000	\$120,000
120,000-134,999	\$240,000	\$60,000	\$300,000	\$135,000
135,000+	\$260,000	\$65,000	\$325,000	\$150,000

### Example Fund Disbursement

An eligible local jurisdiction with a population of 80,000 could be granted **\$225,000** in Phase I (disbursed in two payments of \$180,000 and \$45,000) and may receive an additional **\$90,000** in equity bonus funding if they establish a program to issue cannabis retailer licenses to equity applicants.

## Eligible and Ineligible Uses of Funds

### Eligible Uses and Costs

Local jurisdictions must use funding to support the development and implementation of a cannabis licensing program, or for programs or initiatives that directly support cannabis equity businesses.

Eligible costs include, but are not limited, to the following:

- Salaries and benefits for local government staff directly involved in the development or implementation of the cannabis retailer licensing program
- Expenses to develop or implement application processes for cannabis retailer licenses, including software costs
- Expenses to conduct stakeholder outreach or community engagement to inform the development of the cannabis retailer licensing program
- Local government staff costs or other professional preparation of CEQA-compliant environmental documents for cannabis retailers
- Technical support for applicants and licensees
- Other uses that further the intent of the program, as determined by DCC

Additional grant funding provided in Phase I for adoption of an equity program **must be used for the benefit of the cannabis equity program or cannabis equity businesses**. Eligible uses for equity bonus funding include:

- Fee waivers, tax relief, or similar direct-financial assistance for equity applicants and licensees



- Development of infrastructure to support and/or prioritize equity applicants in the permitting process
- Technical assistance for equity applicants or licensees, including, but not limited to:
  - State or local license application assistance
  - Assistance with regulatory compliance
- Other uses that support the success of equity applicants or licensees, as determined by DCC

### **Ineligible Uses and Costs**

The following activities, products or costs are ineligible uses under the grant program and will not be allowed:

- Local government costs or initiatives unrelated to the development or implementation of the cannabis retailer licensing program
- Costs or fees related to litigation
- Payment of fines or other penalties incurred for violations of environmental laws and regulations, or related to unlicensed commercial cannabis activity
- Costs incurred outside of the grant funding expenditure period
- Acquisitions where the purchase price is greater than the appraised value
- Other prohibited uses, as determined by DCC

## III. Application Process

### Application Requirements

Grant applicants must submit a complete application to DCC, which includes:

- Application Cover Sheet (DCC-2625)
- Attachment A – Permitting Plan (DCC-2626)
- Attachment B – Budget Plan (DCC-2627)

#### Application Cover Sheet

The Application Cover Sheet (DCC-2625) describes basic information about the local jurisdiction, including the applicant information, grant funds requested, the jurisdiction’s current program status, and any adopted local cannabis laws.

#### Attachment A – Permitting Plan

The Permitting Plan (DCC-2626) describes the jurisdiction’s plan to establish a cannabis retailer licensing program. The plan must include timelines for program adoption, which will be used to assess whether the jurisdiction has made measurable progress toward permitting cannabis retail businesses, as required by the Budget Act of 2022. The permitting plan also describes the jurisdiction’s eligibility for priority review.

Jurisdictions applying for funding in connection with proposals to assist equity applicants must also complete the Equity Program Plan section of the form, which describes the local government’s plan to adopt a program that prioritizes and/or facilitates the issuance of licenses to qualified equity businesses. In establishing this program, the jurisdiction may adopt the state’s definition of “qualified equity applicant or licensee” ([CCR Title 4, §15014.1\(a\)](#)).

If selected for a grant award, Attachment A will be incorporated into the Grant Agreement as the Scope of Work.

#### Attachment B – Budget Plan

The Budget Plan (DCC-2627) estimates how Phase I funding will be used to support the creation of the local cannabis retailer licensing program and issuance of retail licenses. Detailed explanations and justifications for all proposed expenditures are required.

All grant program expenditures must be for activities, products, and costs that have been included in an approved Application proposal and Budget. Upon execution of the grant agreement, eligible expenses incurred within the Grant Term (July 1, 2023 - June 30, 2026) may be included as activities to be funded by this award.

No expenses can be incurred after June 30, 2026.

## Application Submission Process

Applications must be submitted to [grants@cannabis.ca.gov](mailto:grants@cannabis.ca.gov) by 5 p.m. on April 28, 2023. Applicants must use the form templates provided by DCC.

Applicants may modify their application by withdrawing their application and resubmitting a new application. The withdrawal request must be submitted by the applicant and emailed to [grants@cannabis.ca.gov](mailto:grants@cannabis.ca.gov). The new application must be received **before** the application deadline (5 p.m. on April 28, 2023) to be considered.

The grant applicant is responsible for all costs associated with developing the application or incurred in anticipation of award or the agreement. Grant applicants should carefully review their documents for errors and adherence to the application requirements. DCC is not responsible for any errors or defects in the submitted application, and applicants should not rely on DCC during the review process to discover and report to the applicant any such defects or errors.

**Notice to Applicants:** Materials submitted in response to a DCC grant program notice, and other materials submitted to DCC, may be subject to disclosure under the California Public Records Act (Government Code, 7920.000 et seq.).

## Technical Assistance Available

Resources are available to assist local jurisdictions with understanding the grant program requirements and application process:

- Visit the [Local Jurisdiction Retail Access Grant Program webpage](#) for additional information about this grant program, including answers to questions submitted during the Q&A period.
- Contact the DCC Office of Grants Management at [RetailAccessGrants@cannabis.ca.gov](mailto:RetailAccessGrants@cannabis.ca.gov) with any questions.

## IV. Selection Process

### Application Review

Grant applications will be screened for eligibility and completeness. Applications will be disqualified if they are:

- Submitted by an ineligible applicant
- Incomplete
- Received after the application deadline

DCC may request clarification regarding the submitted application, as needed, during the review process. Applicants will be notified if they do not meet the eligibility requirements and will be provided five business days to respond before a final determination of disqualification is made.

### Application Processing Order

Eligible applications will be processed in the order that they are received, beginning with those that receive the highest number of priority review points and ending with those receiving no priority points (as described below), until funding is exhausted. Applications with six priority review points will be processed first, followed by applications with five priority review points, then four, and so on. Applications with no priority review points will be processed last.

If a grant applicant withdraws their application to make modifications and submits a new application, the date the new application is received by DCC will be used in determining the processing order.

### Priority Funding

This grant program prioritizes funding to local jurisdictions that propose to assist cannabis equity businesses, address gaps in consumer access to safe and regulated cannabis, or plan to permit cannabis retailers through existing business permitting processes. To accomplish this, eligible applications will be awarded priority review points, as follows:

- Two (2) priority review points will be awarded to local jurisdictions whose proposed retail program contains provisions to assist equity applicants.
- Two (2) priority review points will be awarded to local jurisdictions in which consumption of cannabis and cannabis products in the county exceeds that county's proportional share of legal cannabis retailers.
- One (1) priority review point will be awarded to local jurisdictions whose proposed retail program will license cannabis retail businesses through the local jurisdiction's existing non-cannabis-business license process.

- One (1) priority review point will be awarded to local jurisdictions whose proposed retail program will license cannabis retail business projects only that are eligible for a categorical exemption under the California Environmental Quality Act (CEQA).

### **Priority Review Points: Equity Licensing Opportunities**

DCC is committed to providing equity to communities harmed by past cannabis criminalization through local pathways to licensure and business success. Local jurisdictions that submit a plan to incorporate equity into their permitting process will be eligible for two (2) priority review points.

Additional funding will be awarded in both phases of this grant program for local governments that adopt equity programs and issue cannabis retailer licenses to equity businesses.

### **Priority Review Points: Consumption Exceeding Retail Share**

This grant program aims to provide consumers with better access to regulated, tested cannabis and reducing the need for consumers to turn to the illicit market. To achieve this aim, priority review points will be allocated for areas of the state in which the proportion of licensed cannabis retail outlets is low compared to its share of consumer consumption, or in which no legal retailers are established (as shown in Appendix B).

Two (2) priority review points will be allocated to the following counties or cities located within the counties, where grant-eligible:

- Amador County
- Butte County
- Contra Costa County
- Fresno County
- Glenn County
- Kern County
- Lassen County
- Madera County
- Orange County
- Placer County
- San Benito County
- San Diego County
- San Joaquin County
- San Mateo County
- Santa Clara County
- Sutter County
- Tehama County
- Yuba County

## Priority Review Points: Existing Business Licensing Pathways and CEQA Exemptions

The experience of local jurisdictions that have proactively regulated cannabis has shown that:

- Establishing cannabis-specific licensing programs can be resource and time intensive
- Utilizing existing permitting and review pathways can simplify cannabis permitting processes

To support local jurisdictions in expeditiously developing cannabis retailer licensing programs, one (1) priority review point will be awarded to jurisdictions that propose to license cannabis businesses through existing business permitting process already in existence for non-cannabis businesses.

Additionally, one (1) priority review point will be awarded to jurisdictions whose proposed retail program will license cannabis retail business projects only that are eligible for categorical exemption under the California Environmental Quality Act (CEQA).

## Notification of Grant Award

DCC will announce grant awards in June 2023. Successful applicants will receive a Grant Award Notification and must enter into a Grant Agreement to receive funds.

## V. Grant Implementation

### Grant Agreement

Grant recipients must enter into a Grant Agreement which specifies terms and conditions relevant to the receipt and use of grant funding. The following items will be incorporated by reference into the Grant Agreement:

- The content of this solicitation and related terms and conditions (see Appendix C: Grant Agreement – Standard Terms and Conditions)
- The grant recipient’s submitted application materials, including any clarifications provided during the review process

Both DCC and the selected applicant must sign the Grant Agreement to execute it. An executed Grant Agreement must be in place before funding will be disbursed.

The term of the grant agreement will be July 1, 2023, to June 30, 2026.

### Requirements Prior To Execution of Grant Agreement

Prior to the execution of the Grant Agreement, the local jurisdiction will be required to submit a resolution of its governing body (i.e., the county board of supervisors or city council) that commits the entity to:

- Comply with the requirements of the Grant Agreement
- Accept grant funds from DCC

The resolution may be written so as to allow for grant amendments without governing body approval. A sample resolution is included in Appendix D.

As an alternative to submitting a resolution of its governing body, the local jurisdiction may instead show that the governing body has previously authorized another decisionmaker within the local jurisdiction to make these commitments on behalf of the local jurisdiction. In this circumstance, the local jurisdiction must submit evidence of this authorization (for example, a local ordinance delegating authority to the relevant decisionmaker within the local jurisdiction), as well as a commitment from the relevant decisionmaker on behalf of the local jurisdiction.

### Completion of Grant Agreement

Signed Grant Agreements, [Payee Data Form \(STD. 204\)](#), and approved governing board resolutions or authorizations must be returned to DCC no later than October 1, 2023. If these are not returned by the deadline, DCC, in its sole discretion, may withdraw the award and redirect funds to another eligible applicant, as needed.



## Fund Disbursement

### Phase I Fund Disbursement

DCC will distribute the first Phase I funds directly to a local jurisdiction after the award process is completed and the local jurisdiction has entered into the Grant Agreement. Payments will be made through the State Controller's Office.

Phase I funding will be disbursed in two payments:

- **1<sup>st</sup> Payment:** 80% of the initial award, distributed upon execution of the Grant Agreement
- **2<sup>nd</sup> Payment:** The remaining 20% of the initial award (including equity bonus funding, if eligible) distributed after the jurisdiction has established the cannabis retail licensing program

The grant recipient must notify DCC of its eligibility to receive the second payment by submitting the Payment Request Form (DCC-2630) and an updated budget expenditures report to [RetailAccessGrants@cannabis.ca.gov](mailto:RetailAccessGrants@cannabis.ca.gov), no later than October 31, 2025. If the second payment includes equity bonus funding, the jurisdiction must include an updated Budget Form detailing how the equity bonus funds will be spent.

### Disbursement of Remaining Funds

Grant program funds not originally distributed, and funds recaptured by DCC, may be distributed to any eligible local jurisdiction, as determined by DCC.

### Recapture of Funds

Any remaining amounts of funding allocated to local jurisdictions that are not expended by June 30, 2026, pursuant to each local jurisdiction's approved grant agreement by the Department of Cannabis Control, shall revert to, and be paid and deposited in, the General Fund, as prescribed in the Budget Act of 2022.

## Expenditure Deadline

Awarded grant funds must be expended by June 30, 2026. All eligible expenses incurred by the recipient must be within the grant term of July 1, 2023, to June 30, 2026. Any funds that are not expended as of July 1, 2026, are returned to the Department of Cannabis Control, and shall revert back to the state's General Fund.

## Reporting Requirements

### Annual Progress Report

The Grantee must provide an Annual Progress Report for each year of grant expenditures. The Annual Progress Report:

- Describes grant program expenditures and activities occurring during the calendar year, and
- Must demonstrate that the grant program funds were expended for eligible uses and consistent with the activities identified in the Grant Agreement.

The progress report must be submitted using the Annual Progress Report (DCC-2628) template provided by DCC.

The Annual Progress Report must be submitted for any year in which grant program funds were expended, even if no funds remain by the submission due date. DCC may request additional updates during the grant term as needed to assess the validity of expenditures or progress towards milestones outlined in the Grant Agreement.

**Table B: Annual Progress Report Submission Dates**

Reporting Timeframe	Annual Report Deadline
July 1 – December 31, 2023	January 1, 2024
January 1 – December 31, 2024	January 1, 2025
January 1 – December 31, 2025	January 1, 2026
January 1 – June 30, 2026	December 1, 2026

### Closeout Report

If the Grantee receives funding in Phase I but does not establish a local cannabis retailer licensing program by October 31, 2025, the Grantee must complete and submit a Closeout Report (DCC-2629).

The Closeout Report must include the following information:

- The status of cannabis retail within the jurisdiction
- A detailed description of the reason(s) the local jurisdiction did not establish a cannabis retailer licensing program

The Closeout Report must be submitted with the final Annual Progress Report form. The Grantee must provide a closeout report to DCC whether the grant term has expired or not, or the Grantee has expended the grant program funds before the end of the grant term.

Grantees that fail to establish a local cannabis retailer licensing program by October 31, 2025, must return any unused Phase I funds to DCC in a timely manner.

### Grant Amendments

Requests to amend the Grant Agreement must be submitted by the Grantee in writing to [RetailAccessGrants@cannabis.ca.gov](mailto:RetailAccessGrants@cannabis.ca.gov) using the Grant Amendment Form (DCC-2607).

Requests must include revised grant agreement exhibits and an explanation of reason for the requested change.

## Accounting, Records and Audits

The Grantee must maintain records of receipts and expenditures of grant funds for a minimum of seven (7) years after the grant term end date, or final payment of any grant funds, whichever is later. Records are subject to audit by DCC, the California State Auditor, the California Department of Finance or relevant state auditing authorities.

## Remedies of Non-Performance

DCC may recapture funds that have been disbursed to the Grantee in any of the following circumstances:

- Funds are not expended by the deadline established by DCC
- Funds are used for an ineligible purpose
- The use of funds does not align with the application materials submitted to DCC and incorporated into the Grant Agreement
- The Grantee fails to demonstrate progress toward establishing a cannabis retail licensing program, as measured by the plan and timeframes outlined in the application materials submitted to DCC and incorporated into the Grant Agreement.
- The Grantee is not in compliance with Item 1115-102-0001 of Section 2.00 of the Budget Act of 2022 or DCC's Grant Guidelines.

Grantees must notify DCC of any grant funds that have not been expended by the deadlines outlined in the Grant Agreement by emailing [RetailAccessGrants@cannabis.ca.gov](mailto:RetailAccessGrants@cannabis.ca.gov). DCC will reissue funds to other eligible applicants, where possible.

## VI. Appendices

### Appendix A: Definitions

The following terms used in this document are defined below, unless the context clearly indicates otherwise:

- a) “Eligible local jurisdiction” means a city or county that does not have a local cannabis retailer licensing program and that has a plan to develop and implement a program to issue permits to commercial cannabis retail businesses within the jurisdiction of the city or county.
- b) “Equity licensee” means a person who has applied for and been issued a license pursuant to a local cannabis retailer program and meets the definition of a local equity applicant or licensee established by that jurisdiction or the definition established by the Department of Cannabis Control for the fee waiver program described in Section 26249 of the Business and Professions Code.
- c) “Grant applicant” refers to either the local jurisdiction applying for funding under the grant program, or to a person authorized by the local jurisdiction to complete an application on behalf of the local jurisdiction (this is usually the primary contact listed on the application, but could also be the secondary contact, signature authority, consultant, or other authorized person).
- d) “Grantee” means a local jurisdiction that is the recipient of funds pursuant to the grant program.
- e) “Local equity applicant” means an applicant who has submitted, or will submit, an application to a local jurisdiction to engage in commercial cannabis activity within the jurisdictional boundaries of that jurisdiction and who meets the requirements of that jurisdiction’s local equity program.
- f) “Local cannabis retailer licensing program” means a local jurisdiction’s program to permit a person or entity to establish a commercial cannabis retail business within the jurisdictional boundaries of that jurisdiction.
- g) “Local jurisdiction” means a city, county, or city and county.

## Appendix B: List of jurisdictions in which consumption of cannabis and cannabis products exceeds the county’s proportional share of legal cannabis retailers

The data below is an analysis to estimate cannabis consumption in California. This data reflects data from the Substance Abuse and Mental Health Services Administration’s (SAMHSA) National Survey on Drug Use and Health (NSDUH), population data from the United States Census Bureau and estimated cannabis use rates per capita.

The NSDUH reports past month usage (regular consumers) and past year usage (casual consumers) of cannabis. Consistent with previous state estimates, this analysis assumes regular consumers consume an average of 21 grams of cannabis flower or equivalent cannabis product per month; it assumes casual consumers consume an average of 3.5 grams per month. These values are conservative and may be higher than actual figures.

Based on this analysis, the average total consumption of cannabis and cannabis products per licensed cannabis retailer is approximately 2,359 pounds. The counties in orange and with an asterisk by their name are:

- Those in which consumption amount per licensed retailer is higher than the average, or
- Those in which no legal retailers exist and consumption is higher than the average.

In these counties, the number of licensed cannabis retailers are low compared to its share of consumer consumption, indicating that consumers in these areas would benefit from expanded access to licensed retail cannabis.

County	# of Licensed Cannabis Retailers Located in the County (As of January 1, 2023)	Total Consumption of Cannabis and Cannabis Products (in lbs.)	Total Consumption Share (%)	Total Consumption (lbs.) / Retailer
Alameda	215	142,982	5.32%	665
Alpine	0	90	0.00%	N/A
Amador*	1	2,904	0.11%	2,904
Butte*	0	24,837	0.92%	N/A
Calaveras	5	3,216	0.12%	643

County	# of Licensed Cannabis Retailers Located in the County (As of January 1, 2023)	Total Consumption of Cannabis and Cannabis Products (in lbs.)	Total Consumption Share (%)	Total Consumption (lbs.) / Retailer
Colusa	2	2,267	0.08%	1,134
Contra Costa*	22	89,164	3.31%	4,053
Del Norte	6	3,100	0.12%	517
El Dorado	11	13,625	0.51%	1,239
Fresno*	17	58,003	2.16%	3,412
Glenn*	0	2,992	0.11%	N/A
Humboldt	47	15,851	0.59%	337
Imperial	16	10,516	0.39%	657
Inyo	3	932	0.03%	311
Kern*	13	40,445	1.50%	3,111
Kings	5	6,957	0.26%	1,391
Lake	7	7,621	0.28%	1,089
Lassen*	1	3,940	0.15%	3,940
Los Angeles	496	753,199	28.00%	1,519
Madera*	0	8,384	0.31%	N/A
Marin	9	17,235	0.64%	1,915
Mariposa	0	1,062	0.04%	N/A
Mendocino	30	10,295	0.38%	343
Merced	10	14,570	0.54%	1,457



County	# of Licensed Cannabis Retailers Located in the County (As of January 1, 2023)	Total Consumption of Cannabis and Cannabis Products (in lbs.)	Total Consumption Share (%)	Total Consumption (lbs.) / Retailer
Modoc	1	1,004	0.04%	1,004
Mono	5	910	0.03%	182
Monterey	28	37,802	1.41%	1,350
Napa	7	9,063	0.34%	1,295
Nevada	5	7,551	0.28%	1,510
Orange*	52	152,161	5.66%	2,926
Placer*	1	27,775	1.03%	27,775
Plumas	0	2,320	0.09%	N/A
Riverside	169	147,892	5.50%	875
Sacramento	119	113,671	4.23%	955
San Benito*	1	5,477	0.20%	5,477
San Bernardino	54	116,278	4.32%	2,153
San Diego*	75	227,633	8.46%	3,035
San Francisco	86	91,680	3.41%	1,066
San Joaquin*	19	48,021	1.79%	2,527
San Luis Obispo	24	27,174	1.01%	1,132
San Mateo*	18	58,359	2.17%	3,242
Santa Barbara	35	26,269	0.98%	751
Santa Clara*	18	102,502	3.81%	5,695





County	# of Licensed Cannabis Retailers Located in the County (As of January 1, 2023)	Total Consumption of Cannabis and Cannabis Products (in lbs.)	Total Consumption Share (%)	Total Consumption (lbs.) / Retailer
Santa Cruz	24	25,724	0.96%	1,072
Shasta	10	20,364	0.76%	2,036
Sierra	0	373	0.01%	N/A
Siskiyou	8	5,033	0.19%	629
Solano	24	28,810	1.07%	1,200
Sonoma	40	32,485	1.21%	812
Stanislaus	29	29,689	1.10%	1,024
Sutter*	0	6,549	0.24%	N/A
Tehama*	1	7,098	0.26%	7,098
Trinity	2	1,895	0.07%	948
Tulare	16	20,510	0.76%	1,282
Tuolumne	2	3,919	0.15%	1,960
Ventura	32	49,339	1.83%	1,542
Yolo	7	15,300	0.57%	2,186
Yuba*	2	5,191	0.19%	2,596

### Limitations of Data Sources

The NSDUH data underlying this analysis has limitations common to survey research, including the potential for sample biases and weighting errors. The data are based on self-reports of cannabis use, and their value depends on respondents’

truthfulness and memory. While NSDUH procedures were designed to address such concerns, some underreporting or overreporting may take place. Learn more about the [strengths and limitations of NSDUH data](#).

SAMHSA provides state and substate regional data from the NSDUH. In some cases, these substate regions contain multiple counties. Adult population data from the United States Census Bureau was used to extrapolate cannabis consumption levels by county from the broader regional data. Additionally, some regionalized data is not available due to data collection challenges during the COVID-19 pandemic. Where that is the case, the estimates in this analysis represent projected levels of cannabis consumption using historical averages and trends combined with the most recent available NSDUH data.

Despite these limitations, this data analysis serves as a good estimate of the relative share of total cannabis consumption in counties, as needed for the administration of this grant program.



## Appendix C: Grant Agreement – Standard Terms and Conditions

This Cannabis Local Jurisdiction Retail Access Grant Program, Phase I Agreement (“Grant Agreement”) is by and between [local jurisdiction] (“Grantee”), and the Department of Cannabis Control (“DCC”), hereinafter jointly referred to as the “Parties” or individually as the “Party.” Unless otherwise specified in these Terms and Conditions, all definitions, rules, guidelines, and requirements specified in the Cannabis Local Jurisdiction Retail Access Grant Program Guidelines, Phase I (Grant Guidelines) issued in August 2023 shall apply to this Agreement.

### 1. Approval

This Agreement is of no force or effect until signed by both parties. Grant funds may not be used for expenditures that occur outside of the grant program expenditure period of July 1, 2023, through June 30, 2026.

### 2. Agreement Execution

Unless otherwise prohibited by state law, regulation, or Department of Cannabis Control (DCC) or Grantee policy, the parties agree that an electronic copy of a signed Agreement, or an electronically signed Agreement, has the same force and legal effect as an Agreement executed with an original ink signature. The term “electronic copy of a signed Agreement” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed Agreement in a portable document format. The term “electronically signed Agreement” means an Agreement that is executed by applying an electronic signature using technology approved by all parties.

### 3. Representation on Authority of Parties/Signatories

Each person signing this Agreement represents and warrants that they are duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the Performance of such Party’s obligations hereunder have been duly authorized and that this Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

### 4. Assignment

This Agreement is not assignable by the Grantee.

### 5. Governing Law and Consent to Jurisdiction

This Agreement is governed by and will be interpreted in accordance with the State of California without regard to its conflict of laws rules. Each party hereby irrevocably consents to the exclusive jurisdiction and venue of any state court located within Sacramento County, State of California in connection with any matter arising out of this Agreement.

## **6. State and Federal Law**

It is the responsibility of the Grantee to know and understand which State, Federal, and local laws, regulations, and ordinances are applicable to this Agreement and the Project, as described in Exhibit A. The Grantee shall be responsible for observing and complying with all applicable State and Federal laws and regulations. Failure to comply may constitute a material breach.

## **7. Grantee Commitments**

The Grantee accepts and agrees to comply with all terms, provisions, and conditions of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grantee in the application, documents, amendments, and communications in support of its request for funding.

## **8. Grantee – Representations and Warranties**

Grantee represents and warrants that:

- A. Grantee is an eligible applicant as set forth in the Grant Guidelines;
- B. It is not a party to any agreement, written or oral, creating obligations that would prevent it from entering into this Agreement or satisfying the terms herein;
- C. All of the information in its grant application and all materials submitted to the DCC are true and accurate;
- D. Grantee's governing body has authorized the Grantee to enter into this Agreement and has designated by title the individual authorized to sign the Agreement on behalf of Grantee.

## **9. Performance and Assurances**

The Grantee agrees to perform or cause to be performed all Project work as described in the Scope of Work, and to apply grant funds awarded in this Agreement only to eligible Project uses and costs.

## **10. Funding Contingency Clause**

The funding for this Agreement is allocated pursuant to the Local Jurisdiction Retail Access Grant Funding. Grantee agrees that the DCC's obligation to pay any sum under this Agreement is contingent upon availability of funds disbursed from the Local Jurisdiction Retail Access Grant Funding. If there is insufficient funding, the DCC shall have the option to either:

- A. Terminate this Agreement, whereby no party shall have any further obligations or liabilities under this Agreement, or
- B. Negotiate an Agreement amendment with Grantee to reduce the grant award and scope of work to be provided under this Agreement.



## **11. Indemnification, Warranty and Disclaimer, Limitation of Liability**

Grantee shall defend, indemnify, and hold harmless DCC, its agents or assigns, from and against all claims, damages, and liabilities (including reasonable attorneys' fees) arising from this Agreement due to Grantee's breach of this Agreement or the Grantee's negligence or willful misconduct. UNDER NO CIRCUMSTANCES WILL THE STATE OF CALIFORNIA, DCC, ITS AGENTS OR EMPLOYEES BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES THAT ARISE FROM THIS AGREEMENT.

## **12. Integration**

This Agreement (including the exhibits hereto and any documents explicitly incorporated by reference, and any written amendments hereof executed by the Parties) constitutes the entire Agreement between the Parties related to this grant award and supersedes all prior agreements and understandings, oral and written, between the Parties with respect to the grant award described herein.

## **13. Severability**

If any term of this Agreement is to any extent invalid, illegal, or unenforceable such term shall be excluded to the extent of such invalidity, illegality, or unenforceability; all other terms shall remain in full force and effect.

## **14. Contractors and Consultants**

The Grantee assumes full responsibility for its obligation to pay its Contractors and Consultants. The Grantee is responsible to ensure that any and all contractors and consultants it engages to carry out activities under this Agreement shall have the proper licenses and certificates required in their respective disciplines. The Grantee's use of contractors and consultants shall not affect the Grantee's responsibilities under this Agreement.

## **15. No Third-Party Rights**

This Agreement creates no rights in and grants no remedies to any third party as a beneficiary of this Agreement.

## **16. Non-Discrimination Clause**

The Grantee agrees that during the performance of this Agreement, it will not discriminate, harass, or allow harassment or discrimination against any employee or applicant for employment based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. The Grantee agrees to require the same of all contractors and consultants retained to carry out the activities under this Agreement.

The Grantee agrees that during the performance of this Agreement, the evaluation and treatment of its employees and applicants for employment are free from discrimination and harassment. The Grantee will comply with the provisions of the Fair Employment and Housing Act (Government Code section 12990 et seq.) and

the applicable regulations promulgated there under (California Code of Regulations, Title 2, section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining unit or other Agreement. The Grantee must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

### **17. Union Activities**

Grantee acknowledges that Government Code Section 16645.2 applies to this Agreement. Pursuant to Government Code Section 16645.2, Grantee certifies that none of the grant award will be used to assist, promote, or deter union organizing. If Grantee makes expenditures to assist, promote, or deter union organizing, it shall maintain records sufficient to show that no portion of the grant award was used for those expenditures. Grantee shall provide those records to the Attorney General upon request.

### **18. Disputes**

The Grantee must continue with the responsibilities under this Agreement during any dispute. In the event of a dispute, the Grantee must file a "Notice of Dispute" with the DCC Office of Grants Management (OGM), identified in Exhibit A, or designee within ten (10) calendar days of discovery of the problem. The Notice of Dispute must contain the Agreement number. Within ten (10) calendar days of receipt of the Notice of Dispute, the DCC Office of Grants Management (OGM) or designee must meet with the Grantee for the purpose of resolving the dispute. In the event of a dispute, the language contained within this Agreement shall be interpreted as to its fair meaning and not strictly for or against any Party.

### **19. Termination for Convenience**

This Agreement may be terminated by either party upon written notice. Notice of termination must be delivered to the other party at least thirty (30) calendar days prior to the intended date of termination. Notice of termination does not nullify obligations already incurred prior to the date of termination. In the event of Termination for Convenience of this Agreement by DCC, DCC must not recapture all eligible costs and non-cancellable obligations incurred by the Grantee as of the date of termination.

### **20. Termination for Cause**

Either party may terminate this Agreement for cause in the event of a material breach of this Agreement, provided that the non-breaching party provides written notice of the material breach and ten (10) calendar days to cure the breach. If the breach is not cured to the satisfaction of the non-breaching party within ten (10) calendar days of receipt of notice, this Agreement shall automatically terminate and DCC shall not recapture from the Grantee all eligible documented costs

incurred up to the date of the notice of termination, including all non-cancellable obligations.

## **21. Acceptable Failure to Perform; Force Majeure**

The Grantee shall not be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is caused by any of the following: labor disturbances or disputes of any kind, accidents, or the inability to obtain any required government approval to proceed, civil disorders, acts of aggression, acts of God, energy or other conservation measures, failure of utilities, mechanical breakdowns, materials shortages, disease, pandemics, or similar occurrences.

- A. If by reason of force majeure Grantee's performance hereunder is delayed or prevented, then the performance by Grantee may be extended for the amount of time of such delay or prevention. The term "force majeure" shall mean any fire, flood, earthquake, or public disaster, strike, labor dispute or unrest, embargo, riot, war, insurrection or civil unrest, any act of God, any act of legally constituted authority, or any other cause beyond the Grantee's control which would excuse Grantee's performance as a matter of law.
- B. Grantee agrees to provide the DCC written notice of an event of force majeure under this Agreement within ten (10) calendar days of the commencement of such event and within ten (10) calendar days after the termination of such event, unless the force majeure prohibits Grantee from reasonably giving notice within this period. Grantee will give such notice at the earliest possible time following the event of force majeure.

## **22. Material Breach**

A material breach for purposes of this Agreement shall include, but not be limited to:

- A. Failure to timely furnish the progress reports or other documents requested by DCC relating to the Grantee's compliance with this Agreement.
- B. Material misstatements in any information provided to DCC as part of the application process or after this Agreement is signed.
- C. Use of Grant funds not in accordance with the Budget or Project Plan.
- D. Funds are not expended by the date established by DCC.
- E. Funds are used for an ineligible purpose.
- F. Failure to comply with applicable State and Federal laws.
- G. Failure to demonstrate progress toward the establishment of a local cannabis retailer licensing program as measured by the specific criteria in the Program Plan.

In the event of a material breach of this Agreement, DCC shall provide in writing a Notice of Breach to the Grantee. The Grantee shall have ten (10) calendar days



from receipt of the notice to cure the breach or such longer period as mutually agreed to in writing between the Parties. If Grantee fails to cure the breach within the prescribed timeframe, DCC may do any of the following:

- A. Suspend payments.
- B. Recapture funds disbursed.
- C. Terminate the agreement.
- D. Take any other action deemed necessary to protect its interests.

### **23. Recapture**

DCC may recapture funds disbursed in the following circumstances:

- A. Funds are not expended by the date established by DCC.
- B. Funds are used for an ineligible purpose, including costs and fees related to litigation, payment of fines or other penalties incurred for violations related to unlicensed commercial cannabis activity, and other prohibited uses as determined by DCC.
- C. The use of funds does not comply with the application plan submitted to, and approved by, DCC.
- D. The local jurisdiction has failed to demonstrate progress toward permitting commercial cannabis retail businesses, as measured by the specific criteria provided in the plan.
- E. The local jurisdiction has not complied with or is not in compliance with Item 1115-102-0001 of Section 2.00 of the Budget Act of 2022 or DCC's Grant Guidelines.

Grantee shall notify DCC of grant funds disbursed but not expended by the date established by DCC within the Agreement. DCC shall provide Grantee with instructions how to return the funds. Under all other circumstances, DCC shall notify Grantee of the circumstance, the amount to be recaptured and provide Grantee with instructions as to how to return funds.

### **24. Publicity and Acknowledgement**

The Grantee agrees that it will acknowledge DCC's support whenever projects funded, in whole or in part, by this Agreement are publicized in any news media, brochures, publications, audiovisuals, presentations or other types of promotional material and in accordance with the Statement of Work attached to this Agreement. The Grantees may not use DCC's logo.

### **25. News Releases/Public Conferences**

The Grantee agrees to notify DCC in writing at least two (2) business days before any news releases or public conferences are initiated by the Grantee or its Contractors/Consultants regarding the Project.



## **26. Amendments**

Changes to the Scope of Work, Budget, Project term, or funding amount must be requested in writing to DCC Office of Grants Management (OGM) no less than sixty (60) calendar days prior to the requested implementation date. Any changes are subject to DCC approval and, at its discretion, DCC may choose to accept or deny any changes. If accepted and after negotiations are concluded, the agreed upon changes will be made and become part of this Agreement. No amendments are possible if the Agreement is expired.

## **27. Reporting Requirements**

Grantee must be able to demonstrate to the satisfaction of the DCC that the grant funds were expended for eligible uses and consistent with the activities identified in its application and under the Grant Agreement. The Grantee agrees to comply with all reporting requirements specified in the Grant Guidelines and Application Instructions incorporated by reference to this Agreement.

## **28. Records, Inspection and Audit**

Grantee must maintain books, records, subcontracts, and other material relative to the Project and retain such books, records, subcontracts and other material detailing the expenditure of all grant funds for a period of seven (7) years after the end of the Grant Term. Grantee must require that such books, records, subcontracts, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by DCC and the California State Auditor. The Grantee must allow and must require its contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Grantee agrees to include a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the termination of this Agreement.

## **29. Equipment**

Purchase of equipment not included in the approved Budget requires prior approval. The Grantee must comply with applicable state requirements regarding the use, maintenance, disposition, and reporting of equipment.

## **30. Confidential and Public Records**

The Grantee and DCC understand that each party may come into possession of information and data which may be deemed confidential or proprietary by the person or organization furnishing the information or data. Such information or data may be subject to disclosure under the California Public Records Act (PRA) (Gov. Code, § 7920.000 et seq.). DCC has the sole authority to determine whether the information is releasable. Each party agrees to maintain such information as confidential and notify the other party of any requests for release of information.

### **31. Conflict of Interest**

Grantees are subject to State conflict-of interest laws. The Grantee certifies that its officers, directors, agents, representatives, and employees are in compliance with applicable State and federal conflict of interest laws and will remain in compliance for the useful life of the Project. Public entities are required to have adopted conflict of interest codes and may be required to provide documentation of those codes to DCC.

### **32. Independent Actor**

The Grantee and its agents and employees, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of DCC.

### **33. Undisbursed Funds Interest**

The Grantee is not entitled to interest earned on undisbursed funds.

### **34. Sections and Other Headings**

The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

### **35. Notice**

Within thirty (30) calendar days of the effective date of this Agreement, Grantee shall notify the DCC, in writing, of the name, address, phone number, and email of its contact person for future communication relating to this Agreement. In addition, Grantee agrees to immediately inform the DCC of any changes to the name, address, phone number, and email of its contact person. Unless otherwise specified in this Agreement, any notice required or permitted to be given under this Agreement to the DCC shall be emailed to [RetailAccessGrants@cannabis.ca.gov](mailto:RetailAccessGrants@cannabis.ca.gov).

### **36. Closeout**

The Agreement will be closed out after the completion of the Project or project term, receipt and approval of the final report, and resolution of any performance or compliance issues.

### **37. Executive Order N-6-22**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine the grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide the grantee advance written notice of such termination, allowing the grantee at least 30

calendar days to provide a written response. Termination shall be at the sole discretion of the State.



## Appendix D: Sample Resolution

RESOLUTION OF **[INSERT NAME OF LOCAL GOVERNING BODY]** AUTHORIZING STATE OF CALIFORNIA LOCAL JURISDICTION CANNABIS RETAIL ACCESS GRANT PROGRAM FUNDING.

The **[insert name of local governing body]** finds:

WHEREAS, the California Legislature has appropriated funds for award by the California Department of Cannabis Control to eligible local jurisdictions to develop and implement a cannabis retailer licensing program;

WHEREAS, **[insert name of local government body]** has a plan to develop and implement a program to issue permits to commercial cannabis retail businesses;

WHEREAS, **[insert name of local government body]** has determined that it will use grant funds from the Department of Cannabis Control to establish a local cannabis retailer licensing program as described in its application for grant funds.

NOW, THEREFORE, BE IT RESOLVED that the **[insert title of designated official]** of the **[insert city or county name]** is authorized to execute by electronic signature on behalf of **[insert name of local government body]** the grant agreement with the Department of Cannabis Control, including any extensions or amendments thereof and any subsequent grant agreement with Department of Cannabis Control in relation thereto.

BE IT FURTHER RESOLVED that the **[insert name of local government body]** agrees to abide by the terms and conditions of the Grant Agreement as set forth by the Department of Cannabis Control.

Passed, approved, and adopted by the **[insert name of local government body]** in a meeting thereof held on **[insert date]** by the following:

### VOTE

Ayes:

Nays:

Absent:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Typed Name and Title: \_\_\_\_\_

### ATTEST

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Typed Name and Title: \_\_\_\_\_