



# COUNTY OF SONOMA

575 ADMINISTRATION  
DRIVE, ROOM 102A  
SANTA ROSA, CA 95403

## SUMMARY REPORT

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**Agenda Date:** 3/10/2026

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**To:** Board of Supervisors

**Department or Agency Name(s):** County Executive's Office

**Staff Name and Phone Number:** M. Christina Rivera and McCall Miller, (707) 565-2431

**Vote Requirement:** 4/5th

**Supervisorial District(s):** Countywide

**Title:**

Local Cannabis Equity Grant Program Update and GO-Biz Equity Grant Award

**Recommended Action:**

- A) Receive an update on the Local Cannabis Equity Program.
- B) Adopt a Resolution authorizing the County Executive, or designee, to accept and execute the Cannabis Equity Grant agreement with the Governor's Office of Business and Economic Development (GO-Biz) in the amount of \$808,797.
- C) Adopt a Resolution adjusting the adopted FY 25-26 County Executive's Office managed Cannabis Tax Fund budget by \$227,199.25 to program Type 2 Cannabis Equity Grant funds and by \$25,000 to program available Cannabis Business Tax fund balance to update the Cannabis Equity Assessment (4/5th Vote Required).
- D) Authorize the County Executive, or designee, to determine grant recipients and funding level, enter and execute grant agreements with recipients, and amend these agreements in accordance with the Cannabis Equity Program Manual and approved uses intended to assist Verified Cannabis Equity Applicants/Operators. The total collective amount awarded to grantees shall not exceed \$671,000.

**Executive Summary:**

The purpose of this item is to: 1) provide an update on the Sonoma County Local Cannabis Equity Program; 2) request authorization to enter into a grant agreement with GO-Biz and to designate the individual who is authorized to sign the agreement on behalf of the County; 3) request authorization for a budget adjustment to recognize the awarded state funding; and 4) to request delegated authority for the County Executive, or designee, to determine grant recipients and funding level, execute the grant agreements, and amend as needed in accordance with the Sonoma County Cannabis Equity Program Manual.

The County has previously received two Type 2 Cannabis Equity Grants from the Governor's Office of Business and Economic Development (GO-Biz) to assist local equity applicants and licensees through the Sonoma County Local Cannabis Equity Program, established in 2021.

- In 2024, total of \$635,000 was awarded to 20 verified local equity applicants and operators.
- In 2025, total of \$520,000 was awarded to 22 verified local equity applicants and operators.

The County applied for and received notice in January 2026 that it would be awarded \$808,797 in a new Type 2 Cannabis Equity Grant. A total of \$671,000 will be awarded to verified local equity applicants and operators for approved uses including rent, licensing fees, legal assistance, regulatory compliance, cannabis testing,

capital improvements, security equipment, workforce training, bookkeeping services, marketing, and tax relief. Direct technical assistance costs of \$80,000 will include education and training for verified local equity applicants and operators. The remaining \$57,797 will be used for an updated cannabis equity assessment, equity program administration, counsel, and translation costs.

**Discussion:**

**Cannabis Equity Grants Program for Local Jurisdictions**

The State of California set aside funds through the Cannabis Equity Grants Program for Local Jurisdictions. The purpose of the program is to advance economic justice for populations and communities harmed by previous cannabis prohibition and to provide support to local jurisdictions as they promote equity and mitigate barriers to enter the newly regulated cannabis industry. By issuing grants to local jurisdictions, GO-Biz aims to advance the well-being of populations and communities that have been negatively or disproportionately impacted by cannabis prohibition and the war on drugs.

The County has previously received three grants from GO-Biz:

- March 2021, Type 1 Grant for a cannabis equity assessment and local equity program development, grant award of \$75,000
- March 2023, Type 2 Grant to assist local equity applicants and licensees, grant award of \$687,561
- March 2025, Type 2 Grant to assist local equity applicants and licensees, grant award of \$558,102.04

In January 2026, the County was notified it would be receiving a new Type 2 Cannabis Equity Grant in the amount of \$808,797.00 to continue to assist local equity applicants and licensees.

The requirements related to Type 2 funding include the following:

- To provide grants, no-interest loans, or low-interest loans to the jurisdiction's local equity applicants and/or local equity licensees to assist with startup and ongoing costs.
- To provide or fund direct technical assistance to the jurisdiction's local equity applicants and/or local equity licensees. No more than 10 percent of the grant award may be used for direct technical assistance.
- To assist in the administration of the jurisdiction's local equity program. No more than 10 percent of the grant award may be used for cannabis equity program administration.

For the new Type 2 Cannabis Equity Grant and per the requirements listed above: \$671,000 will be awarded to verified local equity applicants and operators for approved uses including rent, licensing fees, legal assistance, regulatory compliance, cannabis testing, capital improvements, security equipment, workforce training, bookkeeping services, marketing, and tax relief; \$80,000 will fund direct technical assistance costs and will include education and training for verified local equity applicants and operators; and \$57,797 will be used for an updated cannabis equity assessment, equity program administration, counsel, and translation costs.

To receive Type 2 Cannabis Equity Grant Funding, GO-Biz requires formal authorization for the County to enter into a grant agreement with GO-Biz and to designate the individual, or designee, who is authorized to sign the agreement on behalf of the County (see Attachment 1, Authorizing Resolution; and Attachment 3, GO-Biz Type 2 Grant Agreement).

**Sonoma County Local Cannabis Equity Program Update**

*2025 Grant Award Cycle*

With the GO-Biz Grant funding awarded in March 2025, a total of 22 grants totaling \$520,000 were awarded from the County to verified local equity applicants and operators in Fall 2025. The grant awards ranged from \$12,002.85 to \$45,518.53 for approved uses as described in the Local Cannabis Equity Program Manual (Attachment 4) incurred between April 1, 2024 and June 30, 2027 (regulatory and compliance costs must be incurred between April 1, 2025 and October 31, 2026). Approved grant fund uses include rent, licensing fees, legal assistance, regulatory compliance, cannabis testing, capital improvements, workforce training, bookkeeping services, marketing, and tax relief.

As part of GO-Biz reporting requirements and to inform Local Cannabis Equity Program management, a survey was emailed to cannabis equity grant recipients in February 2026. Of 42 grant recipients (20 from the 2024 grant cycle and 22 from the 2025 grant cycle), 13 (31%) completed the survey. All 13 respondents believe the cannabis equity grant funding was helpful for their business with many stating how grateful they are for the opportunity:

- “the grant funds are helping us cover regulatory compliance costs”
- “It gave us money we wouldn't otherwise have”
- “it was very beneficial to the business as we are not a big multi chain company”
- “it helped relieve some of the financial stress of making it possible to be able to pay these fees”
- “[we] have paid enormous amounts of money to be in compliance....This helps offset those costs, making the business more viable”
- “every single penny helps”
- “having the ability to even be able to apply for a grant like this is hugely helpful”
- “we appreciate the boost very much”

**Application Process**

The application process is divided into two phases: Phase 1 - applicants apply to become a Verified Cannabis Equity Applicant/Operator; and Phase 2 - Verified Equity Applicants/Operators apply for Cannabis Equity Grant funding. The Phase 1 application period opened on September 8, 2023. As of February 1, 2026, and since the Phase 1 application period opened, 50 applicants/operators have been deemed verified local equity applicants/operators.

*Phase 1 Application*

Any cannabis applicants/operators operating within Sonoma County (unincorporated areas and within the cities) may submit a Phase 1 application to become a Verified Cannabis Equity Applicant/Operator. Those who meet one or more of the below eligibility criteria and provide adequate documentation will be deemed Verified Cannabis Equity Applicants/Operators.

<b>Eligibility Criteria</b>	<b>Criteria Description</b>	<b>Documentation Types</b>
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Applicant conviction and/or arrest history	Applicant was arrested and/or convicted of the sale, possession, distribution, use, manufacture, or cultivation of cannabis (including as a juvenile), or other non-violent cannabis-related crime, or been subject to asset forfeiture because of a cannabis-related offense between 1971 and 2016.	<ul style="list-style-type: none"> <li>• Copies of federal or state court records that show the outcome of the case</li> <li>• Records showing dismissal or expungement</li> <li>• Any other court or law enforcement record that shows proof of conviction or arrest</li> <li>• Declarations from attorneys familiar with your conviction history</li> <li>• Records documenting asset forfeiture</li> </ul>
Family conviction and/or arrest history	Applicant with a parent, sibling, spouse, child, guardian, or member of immediate household who was arrested for or convicted of the sale, possession, distribution, use, manufacture, or cultivation of cannabis (including as a juvenile), or other non-violent cannabis-related crime between 1971 and 2016.	Same as above
Low-income status	Applicant whose household income is at or below the “Low Income 60% Area Median Income” level based on the Department of Housing & Urban Development (HUD) State and Local Program income limits (ILs) for Sonoma County.	<ul style="list-style-type: none"> <li>• Individual federal tax returns, state tax returns, or W-2s</li> <li>• At least two consecutive paystubs</li> <li>• Proof of eligibility for a program that provides financial aid to adults without enough income or resources, such as CalFresh, MediCal, CalWORKS, supplemental security income, or social security disability</li> </ul>

Residency in low HDI areas	Applicant lived for at least five years between 1971 and 2016 in a census tract identified in the Portrait of Sonoma (2021) as having an American Human Development Index (HDI) of less than or equal to 6.19.	<ul style="list-style-type: none"> <li>• California Driver’s License or State Identification Card</li> <li>• Property tax bill or payment, or evidence that the owner is exempt from property tax payment</li> <li>• Signed rental agreement, or deed or title to residential property</li> <li>• Copies of state or federal tax returns</li> <li>• School records</li> <li>• Banking or credit card records</li> <li>• Voter registration</li> <li>• Credit reports</li> <li>• Utility, cable, or internet billing or payment records</li> <li>• Vehicle titles or proof of vehicle registration</li> </ul>
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*Phase 2 Application*

Applicants/operators that have been deemed Verified Cannabis Equity Applicants/Operators are the only ones eligible to submit a Phase 2 application for funding. The below criteria are only applicable if the applicant meets at least one eligibility criterion described above and will be used to determine and prioritize which individuals are most in need of support. Adequate documentation must be provided to verify which of these criteria are applicable.

- Size of operation - Applicant has “small scale” cultivation as defined by Sonoma County’s ministerial (zoning) permit criteria as stated in Ordinance No. 6436 adopted June 6, 2023.
- School district enrollment - Applicant is legal guardian of at least one child that has been enrolled in a Sonoma County School District for at least five (5) consecutive years prior to application.
- Wildfire Damage - Applicant operating in the legal cannabis industry in Sonoma County who has been directly impacted (i.e.: damage to/loss of home or business) by wildfires in the County in the period from 2017 to present.
- Participation in PRP - Applicant currently participates in or previously participated in the cannabis Penalty Relief Program (PRP).
- Shift in Land Use Requirements - Applicant was cultivating on land zoned Agricultural Residential (AR) or Rural Residential (RR) when cannabis Ordinance No. 6189 adopted December 20, 2016, which did not allow for commercial cultivation in those zoning districts; or on a parcel under 10 acres in size when the minimum parcel size was raised per Ordinance No. 6245 adopted October 16, 2018.
- Participation in Foster Care System - Applicant was a part of the foster care system.
- Drug Diversion Program Completion - Applicant has completed a drug diversion program.
- Residency consideration - Applicant has resided in Sonoma County for at least ten years in the period between 2011 and the present.
- Veteran status - Applicant is a veteran of the United States Armed Forces.
- Equity Licensee Status - Applicant is a verified Department of Cannabis Control Equity Licensee.

Types of accepted documentation (non-exhaustive list):

- Penalty Relief Program Local Authorization Letter
- Letter of confirmation of Department of Cannabis Control Equity Licensee status
- DD Form 214 or Veteran Status Verification Form
- Utility (PG&E, water, cellular phone) bill in applicant's name for each year of residency
- Rental or lease agreement with signatures and in the applicant's name
- School district certificate of enrollment or verification/proof of school enrollment for each year

#### Additional Requirements

Where a permit or permit application for which funds will be expended is associated with a business entity, the applicant must be named as a member, manager, or officer on the Statement of Information submitted to the California Secretary of State. Only a maximum of two applicants per business may be under a cannabis equity grant at any given time.

Applicants in a current grant agreement are not eligible for a new grant agreement prior to the end of the term of the current grant agreement. Those in grants expiring on June 30, 2026 will become eligible for additional funding after that date. Those in grants expiring on June 30, 2027 will become eligible for additional funding after that date.

#### Grant Agreements

Cannabis equity grants awarded with the new funding will be disbursed in four installments, as the County receives disbursements from GO-Biz. It is expected that the Program will serve 25-50 applicants and operators. Grantees will execute the attached Grant Agreement (Attachment 5) with the County, which will include a copy of their approved budget (use of the grant funds).

#### **Cannabis Equity Assessment Update**

The County's Local Cannabis Equity Program was established in November 2021. The Cannabis Equity Assessment (2021) (see Attachment 6) included a recommendation that the Assessment be redone every three years. Now that the Local Cannabis Equity Program is in its fifth full year of existence, staff proposes to utilize \$25,000 of Type 2 Cannabis Equity Grant funds and matching funds of \$25,000 from the Cannabis Business Tax Fund for this purpose.

#### **Cannabis Program Budget Adjustments**

Staff recommends the Board adopt a budget resolution adjusting the adopted FY 25-26 County Administrator's Office managed Cannabis Tax Fund budget by \$202,199.25 programming Type 2 Cannabis Equity Grant funds which will be disbursed to cannabis equity applicants/operators as part of the next application process; and by \$25,000 programming available Cannabis Business Tax fund balance for an updated Cannabis Equity Assessment.

#### **Strategic Plan:**

N/A

#### **Racial Equity:**

**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

Yes

In 2021, the County contracted with the California Center for Rural Policy (Humboldt State University), using Type 1 Cannabis Equity Grant Funds for Local Jurisdictions from the Governor’s Office for Business and Economic Development (GO-Biz), to conduct a Cannabis Equity Assessment (Assessment). See Attachment 6.

The analysis provided by the 2021 Sonoma County Cannabis Equity Assessment informed the initial design for the draft Local Equity Program Manual. Key findings from the Assessment include:

- Sonoma County’s legacy small cultivation applicants, particularly those in the Penalty Relief Program (PRP), have been disproportionately impacted by bottlenecks, program requirements, and subsequent costs in the County’s permitting process.
- State classification of cannabis as an agricultural product rather than agriculture creates a distinct and more expensive permitting process than other agricultural businesses follow. Other issues include rural neighborhood opposition, ordinance volatility, and high capital barriers to entry such as high real estate values in the County.
- Sonoma County’s Latinx and low-income populations have been disproportionately impacted by pre-Proposition 64 enforcement and the war on drugs.
- As in the rest of California and across the nation, wealthy, white stakeholders increasingly own the County’s licensed cannabis landscape whose investments in land and resources result in limited opportunities for small cannabis operators.
- The intent is that the Assessment and initial program criteria design are not static and will be revised to a) incorporate new data as it becomes available; b) align the process and criteria to better serve socioeconomically disadvantaged individuals applying for Cannabis permits; and c) to improve Sonoma County’s Local Equity Program funding annual eligibility.

It is also believed that cannabis’ illegal status at the State and Federal levels has had a disproportionately negative impact on certain individuals who were convicted of cannabis offenses as well as on their families and communities, and the Assessment provides a data-rich identification of those areas of disproportionate impact. Over the years, cannabis criminal enforcement led to residents being labelled criminals for simple possession and other cannabis-related convictions that would carry little to no criminal consequences under California’s new regulations. Unfortunately, long lasting consequences combined with high capital and compliance requirements provide limited opportunities for socioeconomically disadvantaged and Latinx individuals looking to transition into Sonoma County’s now legal cannabis industry.

**Prior Board Actions:**

4/13/2021 - Received Type 1 Cannabis Equity Grant from GO-Biz

11/16/2021 - Board of Supervisors received the Cannabis Equity Assessment and established the Local Cannabis Equity Program

3/14/2023 - Received Type 2 Cannabis Equity Grant from GO-Biz and adopted the Local Cannabis Equity Program Manual

4/30/2024 - Authorized County Executive to award FY 23-24 Cannabis Equity Grants

3/11/2025 - Authorized County Executive to award FY 24-25 Cannabis Equity Grants

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY25-26 Adopted</b>	<b>FY26-27 Projected</b>	<b>FY27-28 Projected</b>
Budgeted Expenses	\$202,199.25	\$404,398.50	\$202,199.25
Additional Appropriation Requested	\$25,000.00		
<b>Total Expenditures</b>	<b>\$227,199.25</b>	<b>\$404,398.50</b>	<b>\$202,199.25</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	\$202,199.25	\$404,398.50	\$202,199.25
Fees/Other			
Use of Fund Balance	\$25,000.00		
General Fund Contingencies			
<b>Total Sources</b>	<b>\$227,199.25</b>	<b>\$404,398.50</b>	<b>\$202,199.25</b>

**Narrative Explanation of Fiscal Impacts:**

The Type 2 Cannabis Equity Grant total award is \$808,797, of which \$671,000 will be awarded to verified equity applicants/operators, \$80,000 will be used for direct technical assistance, and \$57,797 will be used for costs associated with program administration and new cannabis equity assessment.

GO-Biz will disburse the Type 2 Cannabis Equity Grant in four payments. Upon execution of the grant agreement with GO-Biz, the County will receive \$202,199.25. Each successive payment to the County is not made until the prior is expended. As such, the County will also make grant payments to local equity applicants and operators in four installments, aligning with payments from GO-Biz. Two installments from GO-Biz totaling \$404,398.50 are projected to be received in FY26-27 with the final and fourth installment totaling \$202,199.25 projected to be received in FY 27-25. Disbursement to verified local equity applicants/operators is anticipated to begin in FY25-26 and continue into FY26-27 and FY27-28. Unspent grant funds in the current year will be rolled forward to the next year’s budget. Grant funds must be spent by October 31, 2027.

In FY 25-26, staff recommend allocating \$25,000 of available Cannabis Business Tax Fund Balance for the purposes of engaging a consultant to conduct an updated Cannabis Equity Assessment. Consultant agreements of \$50,000 or less will be secured through a Department-led procurement process within authorized Department Head award levels.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

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**Agenda Date:** 3/10/2026

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**Attachments:**

Attachment 1: Authorizing Resolution

Attachment 2: Budget Resolution

Attachment 3: GO-Biz Type 2 Grant Agreement

Attachment 4: Local Cannabis Equity Program Manual

Attachment 5: Local Cannabis Equity Program Grant Agreement Template

Attachment 6: Sonoma County Cannabis Equity Assessment, 2021

**Related Items “On File” with the Clerk of the Board:**

None