

ORDINANCE NO. 375-2019



**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIO DELL
ESTABLISHING A CANNABIS LOCAL EQUITY PROGRAM,
CHAPTER 3.45 OF THE RIO DELL MUNICIPAL CODE**

WHEREAS, on September 26, 2018, the State of California adopted the California Cannabis Equity Act of 2018 (SB 1294, Bradford, 2018), authorizing grant funding through the Bureau of Cannabis Control (BCC) for local equity programs to assist eligible individuals in local jurisdictions to gain entry to, and successfully operate in, the State’s regulated cannabis marketplace; and

WHEREAS, on March 1, 2019, the BCC published a Notice of Funding Availability and Local Equity Grant Program Guidelines and online application form, with an application deadline of April 1, 2019; and

WHEREAS, on March 19, 2019 the City Council adopted Resolution No. 1419-2019 establishing a Local Equity Program and a Cannabis Local Equity Program Manual the administration of the City of Rio Dell’s Local Equity Program, Pursuant To The California Cannabis Equity Act Of 2018; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Rio Dell finds that:

1. The proposed establishment of a Cannabis Local Equity Program is in the public interest; and
2. Maximizing the City’s chances of securing grant funding from all available sources is of paramount importance so as to assist individuals who have been adversely impacted by past criminalization of cannabis to gain entry to, and successfully operate in, the State’s regulated cannabis marketplace for the reasons more fully set forth in Resolution No. 1419-2019; and

3. Completing all necessary application materials through adoption of the Rio Dell Cannabis Local Equity Program by Ordinance as well as by Resolution is necessary for the immediate preservation of the public peace, health, and safety of the citizens in Humboldt County and City of Rio Dell; and

4. The establishment of a Cannabis Local Equity Program is Statutorily Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations.

BE IT FURTHER RESOLVED, that the City Council of the City of Rio Dell does hereby ordain as follows:

Section 1

Chapter 3.45 Cannabis Local Equity Program Regulations are established as follows:

3.45.010 Authority and Title

The State of California adopted the California Cannabis Equity Act of 2018 (SB 1294, Bradford, 2018), authorizing grant funding through the Bureau of Cannabis Control (BCC) for local equity programs to assist eligible individuals in local jurisdictions to gain entry to, and successfully operate in, the State's regulated cannabis marketplace. This Section shall be known as the Cannabis Local Equity Program Regulations

3.45.020 Purpose and Intent

The purpose and intent of this Chapter is to establish regulations consistent with the California Cannabis Equity Act of 2018 to assist local individuals to gain entry to, and successfully operate in, the State's regulated cannabis marketplace

3.45.030 Applicability

These regulations shall apply to eligible individuals in the City of Rio Dell to gain entry to, and successfully operate in, the State's regulated cannabis marketplace.

3.45.040 General Provisions

The purpose of these provisions is to describe the requirements for licensees of, or those seeking to apply to the City of Rio Dell Cannabis Local Equity Program (CLEP). These provisions will be incorporated into a Cannabis Local Equity Program Manual as required by the State. These provisions and Manual describes the types of services to be provided by the CLEP, and program administration.

(1) Qualifications

Those applying for, or who are licensee of, the Cannabis Local Equity Program shall:

- (a) Apply as a person, not an entity.
- (b) Be one of the following:
 - (i) An individual licensed for, seeking a license for, or employment in a Rio Dell licensed cannabis business.
 - (ii) The business owner.
 - (iii) Own at least 40% of the business and be the principal executive or managing member.
 - (iv) Own at least 51% of the business.
 - (v) A board member of a non-profit cannabis business where most of the board also qualify as equity applicants.
 - (vi) Have a membership interest in a cannabis business formed as a cooperative per Business and Profession Code Section 26220 - 26231.2.
 - (vii) An employee of, or seeking employment with, a Rio Dell licensed cannabis business.
- (c) Have resided in Humboldt County at least five years during the period 1971 – 2016.
- (d) Have obtained or applied for a permit for, be employed in or seeking employment in commercial cannabis activities in the City of Rio Dell, or shall apply for a permit for commercial cannabis activities from the City, or shall seek employment in connection with the services and assistance to be provided by the Rio Dell Cannabis Local Equity Program.
- (e) Meet at least one of the following equity conditions:
 - (i) Household income below 80% of median for Humboldt County in year submitting CLEP application;

(ii) Have been arrested for or convicted of the sale, possession, use, manufacture or cultivation of cannabis (including as a juvenile), or been subject to asset forfeiture from 1971 to 2015;

(iii) Have a parent, sibling or child who was arrested for or convicted of the sale, possession, use, manufacture or cultivation of cannabis (including as a juvenile) from 1971 to 2015;

(iv) Have lived within a five mile radius of the location of raids conducted by the Campaign Against Marijuana Planting (CAMP) program during the period from 1971 to 2015;

(v) Have engaged in cultivation of cannabis on property in Humboldt County owned, leased, or with the express permission of the owner, with a cultivation area less than 10,000 square feet for a period of at least 2 years during the period from 1971 - 2015.

(vi) Be a member of an ethnic, racial or other disadvantaged community, including but not limited to LGBTQ persons.

(vii) Have become homeless or suffered a loss of housing as a result of marijuana enforcement during the period from 1971 – 2015.

(2) Services

Services to be provided by the Cannabis Local Equity Program may include, depending on need and the availability of funds from grants or other sources:

(a) Waiver of fees for Application Assistance Meetings of up to two (2) hours;

(b) Technical Assistance from the City, including assistance with application preparation, Plan of Operations preparation, Site Plan preparation, etc., not to exceed eight (8) hours;

(c) Deferral of payment of Application Fees for Cannabis Activities for a period not to exceed two (2) years;

(d) Reduction or deferral of local cannabis excise taxes as approved by the City Council.

(e) Waiver or deferral of fees for training and certification by the Agricultural Commissioner's office for Weights and Measures and Pesticide Applicators requirements or certification of scales used in cannabis licensed businesses in Humboldt County;

(f) Any other technical or financial assistance as deemed appropriate by the City Council.

(3) Program Administration

(a) No more than ten percent (10%) of Bureau of Cannabis Control Local Equity Program Grant Funds may be utilized for program administration;

(b) Principal Administration and coordination of services shall be administered by the City Manager, Community Development Director and the Finance Director for determination of eligibility;

(c) City staff shall promulgate any policies, procedures, and forms necessary for program administration and submit them to the City Council for review and approval;

(d) To the maximum extent feasible, City staff will provide existing services to CLEP applicants and licensees, with the intent to have Equity Program funding pay for the cost of those services. Such funding will be provided either through the administration portion of the CLEP or eligible services described in Section 2 above;

(e) City staff shall monitor and report on all program services provided through the CLEP, at least annually and more frequently as directed by the City Council, State law or regulation;

(f) The Planning and Building Department shall receive and process all applications to determine eligibility of equity program participants with coordination with the City Manager and Finance Director.

(4) Budget Allocation

Available Program funds shall be allocated for Services specified in Section 2, above, as follows:

Loans and Grants	60%
Technical Assistance, Training, waivers and fee reductions	30%
Administration (not to exceed)	10%

Section 2. Severability

If any provision of the ordinance is invalidated by any court of competent jurisdiction, the remaining provisions shall not be affected and shall continue in full force and effect.

Section 3. Limitation of Actions

Any action to challenge the validity or legality of any provision of this ordinance on any grounds shall be brought by court action commenced within ninety (90) days of the date of adoption of this ordinance.

Section 4. CEQA Compliance

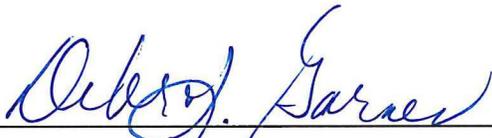
The City Council has determined that the adoption of this ordinance is exempt from review under the California Environmental Quality Act (CEQA), subject to Section 15061(b)(3) of the CEQA Guidelines. Due to the nature of the proposed regulations, there is no evidence that any significant impact to the environment would occur as a result of adoption of the Ordinance.

Section 5. Effective Date

The City Council finds and determines pursuant to California Government Code Section 65858 that adoption of this ordinance is necessary for the immediate preservation of the public health, safety and welfare, and shall take effect immediately upon its adoption by a four-fifths (4/5) vote of the City Council in accordance with Section 36937 of the Government Code of the State of California. The facts constituting the emergency are contained in this Ordinance, Resolution No. 1419-2019 and the staff report thereto.

I HEREBY CERTIFY that the forgoing Ordinance was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the March 19, 2019 by the following vote:

AYES: Mayor Garnes, Richter, Wilson, Woodall
NOES: None
ABSENT: Strahan
ABSTAIN: None



Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Ordinance No. 375-2019 which was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on March 19, 2019.



Karen Dunham, City Clerk, City of Rio Dell