LONG BEACH ECONOMIC DEVELOPMENT & OPPORTUNITY

ECONOMIC DEVELOPMENT & OPPORTUNITY DEPARTMENT
CANNABIS EQUITY PROGRAM

Cannabis Equity Program

Direct Grants, Fee Waiver, & Direct Technical Assistance Guidelines

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Background

On July 10, 2018, the Long Beach City Council approved the Adult-Use Cannabis Business Ordinance, which included the creation of the Long Beach Cannabis Social Equity Program. The goal of the Cannabis Social Equity Program is to recognize and address the long-term impact that federal and state cannabis enforcement policies have had on low income, communities of color in the city of Long Beach.

To minimize disparities within the cannabis industry in Long Beach, the City of Long Beach (City) provides equity applicants with prioritized licensing and permitting, expedited application review, fee waivers and deferrals, technical assistance, and financial assistance through the Direct Grants Program.

Since the initial round of grant funding in 2019, Long Beach has continued to receive grant funding from different State agencies, including the Bureau of Cannabis Control (BCC) (now known as the Department of Cannabis Control (DCC)) and the Governor's Office of Business and Economic Development (GO Biz).

The City designed the direct grants program to support equity businesses with a portion of the financial costs towards opening a cannabis business. As the program progresses, the City will continue to revise the direct grants program to respond to changing policies enacted by the City Council and/or the State of California.

Reservation of Rights

The City of Long Beach reserves the right to evaluate and revise the Direct Grants and Fee Waiver Program at any time based on information gathered in its ongoing evaluation of the program.

Direct Grants

Program Summary

The City of Long Beach's Cannabis Equity Direct Grants Program utilizes funding from the Governor's Office of Business and Economic Development (GO Biz) to provide grants to Long Beach's cannabis equity entrepreneurs (Equity Applicants). To receive grant funds, Equity Applicants must complete a grant application and undergo a business verification process. Grant amounts are disbursed at milestones during the business license process that will assist Equity Applicants in starting a sustainable cannabis business. If an Equity Applicant meets the requirements of all milestones, they will be eligible to receive a grant depending upon the type of cannabis business and size (square footage) of the cannabis facility.

PLEASE NOTE: The grant funding provided to Equity Applicants will help offset a portion of the capital needed to start a cannabis business but will likely not be able to fully fund the business operation. Equity Applicants will likely need additional sources of funding to start and sustain their cannabis operation. In addition, grant funds are currently not available to Equity Businesses once the business becomes licensed and operational; therefore, it is recommended to not rely solely on the grant funding.

Grant funds are solely provided to assist an Equity Applicant with obtaining a business license. The City is exploring ways to provide additional resources and assistance to Cannabis Equity Businesses once they become operational without the use of grant funds, including Direct Technical Assistance and incubation support.

Grant Application Prerequisite Documentation

Before an Equity Applicant can apply for a Direct Grant, they must have completed the following:

- Have been verified as an Equity Applicant by the Economic Development & Opportunity Department and received the *Cannabis Social Equity Program Verification Letter*
- Have submitted a response to the Cannabis Equity Program Demographic Questionnaire

Grant Application

A completed grant application will be reviewed by staff from the Economic Development & Opportunity Department's (EDO) Cannabis Equity Program (CEP).

Given the limited amount of grant funds, grants will be issued on a first come first served basis and grant applications must also receive a minimum score of 60 out of 100 points on the Direct Grant Assessment. If a grant application does not score 60 points or higher, feedback will be provided, and the Applicant can resubmit their grant application to improve their score.

A completed grant application will be required for all grant milestones; however, a Direct Grant Assessment is not required for fee waiver Milestones A, B, 1A, 1B, 1C, 2A, 2B, 2C, and 2D.

The documents that will be reviewed as part of the Direct Grant Assessment include the following:

- Equity Applicant resume
- Partner(s) resume or answers to experience questions
- Updated Business Plan
- Business Entity Documents
- Written explanation of how funding will be used

Grant Milestone Requirements

Direct grants will be awarded for each milestone of the business license process completed by an Equity Applicant. The amount of grant funding will be dependent upon the type of cannabis activity being conducted and the size of the cannabis facility. For microbusinesses, grant funds will be issued for each separate cannabis activity occurring at the business location.

To qualify for the grant under each milestone, the Equity Applicant must meet the following requirements for these license types: Cultivation, Manufacturing, Lab Testing, Distribution, Microbusiness, and Storefront Retail Dispensary. The grant milestone requirements for Non-storefront retailer (delivery only) dispensaries are organized differently (see here).

Milestone	Grant Application Requirements	Eligible Uses
Milestone A Cannabis Facility Consultation Preparation	- Completed Grant Application - Completed Prerequisite Activities - Completed Prerequisite Documentation - Executed LOI for a Lease Agreement to Lease Commercial Property - Completed Site Plan and/or Floor Plan drafts (Refer to IB-043) - Completed Form 010 Predevelopment Meeting Request - Paid invoice/receipt for architect fee reimbursement - Quote for Site Plans Draft	Architect Fees
Milestone B Cannabis Facility Consultation Fee	- Completed grant application - Invoice for Cannabis Facility Consultation Fees	Fee waivers
Milestone 1 Securing Business Location	- Completed grant application - Completed budget plan from Direct Technical Assistance contractor - Quote for architectural plan drafts - Approved Business Plan Assessment Documentation - Executed Lease Agreement	Rent/lease payments Security deposit Consultants Legal Fees Architect Fees
Milestone 1A Application Fees	- Completed grant application - Bill Notice for Application Fees	Fee waivers
Milestone 1B Administrative Use Permit Fees	- Completed grant application - Invoice for Administrative Use Permit (AUP) fees	Fee waivers
Milestone 1C	- Completed grant application	Fee waivers

Milestone	Grant Application Requirements	Eligible Uses
Conditional Use Permit Fees	- Invoice for Conditional Use Permit (CUP) fees	
Milestone 2 Drawing Up Plans	- Completed grant application - Complete Architectural Plans Submission - Letter of Local Authorization to Apply for a State License	Items in Milestone 1 Consultants Architect Fees Structural Engineer Legal Fees
Milestone 2A Cannabis Facility Consultation Fee	- Completed grant application - Invoice for Cannabis Facility Consultation Fees	Fee waivers
Milestone 2B Plan Check Fees	- Completed grant application - Invoice for Plan Check Fees	Fee waivers
Milestone 2C Permitting Fees	- Completed grant application - Invoice for Permitting Fees	Fee waivers
Milestone 2D Categorical Exemption Fees	- Completed grant application - Invoice for Categorical Exemption Fees	Fee waivers
Milestone 3 Starting Construction	- Completed grant application - Copy of issued Building Permit	Items in Milestone 1 and 2 Contractor Electrician Structural Engineer Plumber Consultants
Milestone 4 Opening Your Business	- Completed grant application - Copy of issued Business License	Items in Milestones 1,2, and 3 Marketing IT and website Equipment Fixtures

Non-storefront retailer (delivery only):

Milestone	Grant Application Requirements *(Non-storefront retailer (delivery only)*	Eligible Uses
Milestone A Cannabis Facility Consultation Preparation	- Completed Grant Application - Completed Prerequisite Activities - Completed Prerequisite Documentation - Executed LOI for a Lease Agreement to Lease Commercial Property - Completed Site Plan and/or Floor Plan drafts (Refer to IB-043)	Architect Fees

Milestone	Grant Application Requirements *(Non-storefront retailer (delivery only)*	Eligible Uses
	- Completed Form 010 Predevelopment Meeting Request - Paid invoice/receipt for architect fee reimbursement - Quote for Site Plans Draft	
Milestone B Cannabis Facility Consultation Fee	- Completed grant application - Invoice for Cannabis Facility Consultation Fees	Fee waivers
Milestone 1 Securing Business Location	- Completed grant application - Completed budget plan from Direct Technical Assistance contractor - Quote for architectural plan drafts - Approved Business Plan Assessment Documentation - Executed Lease Agreement	Rent/lease payments Security deposit Consultants Legal Fees Architect Fees
Milestone 1A Application Fees	- Completed grant application - Bill Notice for Application Fees	Fee waivers
Milestone 1B Administrative Use Permit Fees	- Completed grant application - Invoice for Administrative Use Permit (AUP) fees	Fee waivers
Milestone 1C Conditional Use Permit Fees	- Completed grant application - Invoice for Conditional Use Permit (CUP) fees	Fee waivers
Milestone 2 Drawing Up Plans and Starting Construction	- Completed grant application - Complete Architectural Plans Submission - Letter of Local Authorization to Apply for a State License - Completed grant application - Copy of issued Building Permit	Items in Milestone 1 Consultants Architect Fees Legal Fees Contractor Electrician Structural Engineer

Milestone	Grant Application Requirements *(Non-storefront retailer (delivery only)*	Eligible Uses
		Plumber Consultants
Milestone 2A Cannabis Facility Consultation Fee	- Completed grant application - Invoice for Cannabis Facility Consultation Fees	Fee waivers
Milestone 2B Plan Check Fees	- Completed grant application - Invoice for Plan Check Fees	Fee waivers
Milestone 2C Permitting Fees	- Completed grant application - Invoice for Permitting Fees	Fee waivers
Milestone 2D Categorical Exemption Fees	- Completed grant application - Invoice for Categorical Exemption Fees	Fee waivers
Milestone 3 Opening Your Business	- Completed grant application - Copy of issued Business License	Items in Milestones 1 and 2 Marketing IT and website Equipment Fixtures

Direct Grants Milestone Funding Amounts

Direct grants will be issued for each milestone based upon the type of cannabis activity being conducted and the size of the cannabis facility and operation found in the matrixes below.

Funding Amount – Milestone 1

Milestone 1 does not have a designated funding amount because it is unique to each cannabis operation. To determine the funding amount, staff from the EDO CEP will review the following criteria:

- Direct Grant Assessment
- Executed Commercial Lease/Rental Agreement Terms including price per square foot, monthly rental amount, and security deposit

- Whether the business activity is required to obtain an Administrative Use Permit or Conditional Use Permit (which would extend the timeline to approve the application by the Planning Bureau)

Milestone 1 funding is intended to help applicants secure a business location before entering the licensing process and may also support a portion of annual rent needed to move forward. Funding amounts vary for each business based on individual circumstances. If an applicant does not meet the Milestone 1 criteria, staff will provide feedback, and the applicant may resubmit.

Please note: If staff determine that a lease or rental agreement is predatory or priced above typical market rates for cannabis properties, Milestone 1 funding will not be approved.

Funding Amount – Milestones 2-4 [Milestone 1-3 for Non-storefront retailer (delivery only)]

The designated funding amounts for Milestones 2-4 are listed in the Direct Grants Program Funding Matrix. Funding for Milestone 2 is based on the suite and building square footage identified in the executed commercial lease. Funding for Milestones 3 and 4 is based on the cannabis activity square footage shown on the approved architectural plans.

Equity Applicants may apply for Milestone 2,3, or 4 (if applicable) funding once they have provided receipts and supporting documentation showing that at least 80% of previously awarded funding has been properly spent. If they have not yet spent 80%, they may instead submit documentation demonstrating that the remaining grant balance is still held in the business bank account. Combined, receipts and remaining funds must total at least 80% of all prior grant awards.

For Non-storefront retailer (delivery only), the designated funding amounts for Milestones 2 and 3 are listed in the Direct Grants Program Funding Matrix. Funding for Milestone 2 is based on the suite and building square footage identified in the executed commercial lease. Funding for Milestone 3 is based on the cannabis activity square footage shown on the approved architectural plans.

Equity Applicants may apply for Milestone 4 (if applicable) funding after submitting receipts and documentation confirming that 100% of all funds awarded under Milestones 1–3 have been properly used.

State License Type Summary

State License Type	Description
Cultivation	
Nursery	Indoor cultivation of only clones, immature plants, seeds, or other types of cannabis used for propagation.
Specialty Cottage	Indoor cultivation site with 500 square feet or less of total canopy.
Specialty	Indoor cultivation site between 501 and 5,000 square feet of total canopy.
Small	Indoor cultivation site between 5,001 and 10,000 square feet of total canopy.
Medium	Indoor cultivation site between 10,001 and 22,000 square feet of total canopy.
Manufacturing	
Type S - Shared-Use Manufacturing	Small manufacturers who use a shared manufacturing facility to conduct extraction using butter or cooking oils, infusions, and packaging and labeling.
Type P - Packaging and Labeling	Manufacturers that can only package and label products.
Type N - Infusions	Manufacturers that conduct infusions of cannabis into cannabis products (cookies, candies, vape pens, etc.).
Type 6 - Non-Volatile Manufacturing	Manufacturers that conduct extractions of cannabis oil using non-volatile solvents.
Type 7 - Volatile Manufacturing	Manufacturers that conduct extractions of cannabis oil using volatile solvents.
Lab Testing	
Type 8 - Lab Testing	Facility that tests cannabis goods prior to final sale at a retailer.
Distribution	
Type 11 - Distribution	Distributors that can transport product between cultivation, manufacturing, and distribution premises, move finished product to retail premises, provide storage services for other licensed businesses, and arrange for testing of cannabis goods.
Type 13 – Transport-only Distribution	Distributors that can only transport product between cultivation, manufacturing, and distribution premises.
Microbusiness	
Type 12 - Microbusiness	Business that conducts at least three (3) of the following activities: cultivation up to 10,000 square feet, manufacturing (Type 6, P, or N), distribution (Type 11 or 13), and retail (dispensary or delivery).
Dispensary	
Type 9 – Non-storefront retailer (delivery only)	A non-storefront retailer sells cannabis goods to customers only through delivery.
Type 10 – Storefront Retail	A storefront retailer has a physical location where cannabis goods are sold. Storefront retailers can also deliver cannabis goods.

Cultivation Grant Funding Amounts

Square Feet	Milestone 1 *Securing Business Location*	Milestone 2 *Drawing Up Plans*	Milestone 3 *Starting Construction*	Milestone 4 *Opening Your Business*	Total *Excluding Milestone 1*
Nursery					
0-500	TBD	$2,500.00	$15,000.00	$5,000.00	$22,500.00
Specialty Cottage					
0-500	TBD	$2,500.00	$15,000.00	$5,000.00	$22,500.00
Specialty					
501-1,000	TBD	$5,000.00	$25,000.00	$10,000.00	$40,000.00
1,001-2,000	TBD	$7,500.00	$35,000.00	$15,000.00	$57,500.00
2,001-3,000	TBD	$10,000.00	$45,000.00	$20,000.00	$75,000.00
3,001-4,000	TBD	$12,500.00	$55,000.00	$25,000.00	$92,500.00
4,001-5000	TBD	$15,000.00	$65,000.00	$30,000.00	$110,000.00
Small					
5,001-7,500	TBD	$20,000.00	$80,000.00	$40,000.00	$140,000.00
7,501-10,000	TBD	$25,000.00	$95,000.00	$50,000.00	$170,000.00
Medium					
10,001+	TBD	$30,000.00	$110,000.00	$60,000.00	$200,000.00

Manufacturing Grant Funding Amounts

Square Feet	Milestone 1 *Securing Business Location*	Milestone 2 *Drawing Up Plans*	Milestone 3 *Starting Construction*	Milestone 4 *Opening Your Business*	Total *Excluding Milestone 1*
Type 7: Volatile Solvent Manufacturing					
0-500	TBD	$2,500.00	$15,000.00	$5,000.00	$22,500.00
501-1,000	TBD	$2,500.00	$45,000.00	$5,000.00	$52,500.00
1,001-2,500	TBD	$5,000.00	$65,000.00	$10,000.00	$80,000.00
2,500+	TBD	$8,000.00	$90,000.00	$15,500.00	$113,500.00
Type 6: Non-Volatile Solvent Manufacturing					
0-500	TBD	$2,500.00	$35,000.00	$5,000.00	$42,500.00
501-1,000	TBD	$5,000.00	$60,000.00	$10,000.00	$75,000.00
1,001-2,500	TBD	$8,000.00	$90,000.00	$15,500.00	$113,500.00

2,500+	TBD	$11,500.00	$120,000.00	$21,000.00	$152,500.00

Type P: Packaging & Labeling					
0-500	TBD	$2,500.00	$15,000.00	$5,000.00	$22,500.00
501-1,000	TBD	$5,000.00	$25,000.00	$10,000.00	$40,000.00
1,001-2,500	TBD	$8,000.00	$40,000.00	$15,500.00	$63,500.00
2,500+	TBD	$11,500.00	$55,000.00	$21,000.00	$87,500.00
Type S: Shared Use Manufacturer					
N/A	TBD	N/A	N/A	$20,000.00	$20,000.00

Distribution Grant Funding Amounts

Square Feet	Milestone 1 *Securing Business Location*	Milestone 2 *Drawing Up Plans*	Milestone 3 *Starting Construction*	Milestone 4 *Opening Your Business*	Total *Excluding Milestone 1*
Type 11: Distributor					
501-1,000	TBD	$5,000.00	$10,000.00	$5,000.00	$20,000.00
1,001-2,000	TBD	$7,500.00	$15,000.00	$10,000.00	$32,500.00
2,001-3,000	TBD	$10,000.00	$25,000.00	$15,000.00	$50,000.00
3,001-4,000	TBD	$12,500.00	$35,000.00	$20,000.00	$67,500.00
4,001-5000	TBD	$15,000.00	$45,000.00	$25,000.00	$85,000.00
5,001+	TBD	$17,500.00	$55,000.00	$30,000.00	$102,500.00
Type 13: Transport-Only Distributor					
N/A	TBD	N/A	N/A	$30,000	$30,000

Lab Testing Grant Funding Amounts

Square Feet	Milestone 1 *Securing Business Location*	Milestone 2 *Drawing Up Plans*	Milestone 3 *Starting Construction*	Milestone 4 *Opening Your Business*	Total *Excluding Milestone 1*
Type 8: Lab Testing					
501-1,000	TBD	$5,000.00	$25,000.00	$5,000.00	$35,000.00
1,001-2,000	TBD	$7,500.00	$40,000.00	$10,000.00	$57,500.00
2,001-3,000	TBD	$10,000.00	$55,000.00	$15,000.00	$80,000.00
3,001-4,000	TBD	$12,500.00	$70,000.00	$20,000.00	$102,500.00

4,001-5000	TBD	$15,000.00	$85,000.00	$25,000.00	$125,000.00
5,001+	TBD	$17,500.00	$100,000.00	$30,000.00	$147,500.00

Dispensary Grant Funding Amounts

Square Feet	Milestone 1 *Securing Business Location*	Milestone 2 *Starting Construction*	Milestone 3 *Opening Your Business*	Total *Excluding Milestone 1*
Type 9: Non-storefront retailer (delivery only)				
0-500	TBD	$20,000	$15,000	$45,000
501-750	TBD	$30,000	$15,000	$60,000
751-1,000	TBD	$40,000	$20,000	$80,000
1,001-1,250	TBD	$50,000	$20,000	$95,000
1,250+	TBD	$60,000	$25,000	$115,000

Square Feet	Milestone 1 *Securing Business Location*	Milestone 2 *Drawing Up Plans*	Milestone 3 *Drawing Up Plans and Starting Construction*	Milestone 4 *Opening Your Business*	Total *Excluding Milestone 1*
Type 10: Storefront Retailer					
501-1,000	TBD	$20,000.00	$50,000.00	$25,000.00	$95,000.00
1,001-2,000	TBD	$22,500.00	$55,000.00	$30,000.00	$107,500.00
2,001-3,000	TBD	$25,500.00	$60,500.00	$35,500.00	$121,500.00
3,001-4,000	TBD	$29,000.00	$66,500.00	$41,500.00	$137,000.00
4,001-5000	TBD	$33,000.00	$73,000.00	$48,000.00	$154,000.00
5,001+	TBD	$37,500.00	$80,000.00	$55,000.00	$172,500.00

Grant Approval Process

The steps to apply for a Direct Grant are as follows:

Step 1 – Submit Application: Once an Equity Applicant has met the milestone requirements, Applicants may submit a completed Grant Application found on the City's website. Grant applications must be submitted by email or mail to the EDO CEP at cannabizLB@longbeach.gov.

Step 2 – Application Review: Grant applications will be reviewed by staff in the EDO CEP to ensure that the Equity Applicant has met the milestone requirements and submitted the required documents for that milestone.

- If the grant application is complete, the Applicant will receive an email saying that the application is complete and has been sent to the Manager of Cannabis Oversight for final review.
- If the grant application is not complete, the Applicant will receive an email explaining which documents are missing and/or which milestone requirements have not been met.

Step 3 – Grant Assessment: A completed grant application will be scored by staff in the EDO CEP according to the Direct Grant Assessment. A grant application must receive a minimum score of 60 out of 100 points to be approved for a direct grant.

- If the grant application scores 60 points or more, the Applicant will receive an email saying that the application has been approved and will be sent to the Manager of Cannabis Oversight for final review.
- If the grant application scores 59 points or less, the Applicant will receive an email explaining that they did not meet the minimum score of 60 points. Staff will call and/or meet with the Applicant to explain what they can do to improve their score. The Applicant can resubmit their grant application to improve their score.

Step 4 – Grant Closing: Staff from the EDO CEP will close the grant as follows:

- Send an email to the Applicant letting them know the grant has been approved.
- Obtain a completed W-9 from the Equity Applicant (if one is not currently on file).
- Enter the grant into the City's financial system for payment processing.

Step 5 – Grant Issuance: Once the grant payment has been processed, the check for the grant amount will be mailed to the address as indicated in the W-9 on file with the City. It typically takes up to 3 weeks for the grant payment to be processed and a check to be mailed out.

Fee Waivers

Fee Waiver Summary

The City of Long Beach's Cannabis Equity Program utilizes funding from the Governor's Office of Business and Economic Development (GO Biz) to provide fee waivers to Long Beach's cannabis equity entrepreneurs (Equity Applicants). "Fee waivers" refers to City fees being paid using the grant funding provided by the State – not that fees are not being charged. Fees will continue to be assessed; however, some fees may be paid using grant funds as opposed to being paid directly by the applicant.

To receive fee waivers, Equity Applicants must complete a grant application and provide invoices/receipts for fees that need to be paid using grant funds. Fee waivers are disbursed during the business license process to offset some of the costs of licensing and permitting.

Milestone	Fee Type	Fee Waiver Amount
Milestone B	Cannabis Facility Consultation Program Fees	$766.80
Milestone 1A	Application Fees	$56.30*
Milestone 1B	Administrative Use Permit Fees	$7,271.61*
Milestone 1C	Conditional Use Permit Fees	$16,573.41*
Milestone 2A	Cannabis Facility Consultation Program Fees	$766.80
Milestone 2B	Plan Check Fees	*Varies, depending upon business model, license type, and size of operation.*
Milestone 2C	Permitting Fees	*Varies, depending upon business model, license type, and size of operation.*
Milestone 2D	Categorical Exemption Fees	*Varies, depending upon business model, license type, and size of operation.*

**Fees are charged for each business activity/license at the facility*

PLEASE NOTE: The grant funds provided to Equity Applicants for fee waivers will help offset a portion of the capital needed to pay for all licensing and permitting fees but will likely not be able to fully pay for all fees required to obtain a license. Equity Applicants will likely need other, additional sources of funding to pay for all costs of the licensing and permitting process; therefore, it is recommended to not rely solely on the grant funding.

Fee Waiver Procedures

To be awarded grant funds for fee waivers, businesses must follow the same steps to be issued a direct grant including meeting the prerequisite documentation requirements and submitting a full and complete grant application. However, grant applications for fee waivers will **not** be subject to the Direct Grant Assessment.

Grant and Fee Waiver Terms & Restrictions

The following grant and fee waiver terms and restrictions shall apply to all grant funds issued by the CEP.

1. To create a sustainable program for all Equity Applicants, grant funds will only be issued to an individual Equity Applicant once for each milestone, regardless of business entities, business locations, and/or business status (if the business moves, changes entities, etc.). Additional grant funds will not be provided to an Equity Applicant for multiple business entities and/or business locations.
2. Grant funds will only be issued to one Equity Applicant per household. Separate grant funds will not be issued to spouses and/or relatives living within the same household and/or filing jointly on their tax return.
3. The maximum amount of grant funding issued for any individual Equity Applicant conducting one cannabis activity from their business location is $350,000.
4. If the City discovers an Equity Applicant misused past grant funds, the Equity Applicant will be ineligible to receive any future grant funds and may be required to repay the amount of misused grant funds back to the City.
5. The City reserves the right to not award grant funding to any Equity Applicant that does not meet the requirements of the direct grants program.

Ineligible Uses of Grant Funds

- **Unlicensed Cannabis Activity:** Any cannabis-related activity conducted without proper local authorization from the City of Long Beach and applicable State of California licensure.
- **Purchase of Cannabis Inventory or Paraphernalia:** Grant funds may not be used for the acquisition of cannabis, cannabis products or cannabis paraphernalia.
- **Relending, Investment, or Capital Contributions:** Grant funds may not be used for relending, issuing loans, investing in other businesses, purchasing equity interests, or otherwise serving as capital contributions unrelated to the direct operational needs of the awarded business.
- **Other Licenses/Locations/Businesses Owned by Equity Applicant:** Equity Applicants may only use funding for the pre-approved business, location, and license set in their original Milestone 1 grant agreement.
- **Personal Expenses, Owner Compensation, or Acquisition of Personal Property:** Grant funds may not be used for personal living expenses or personal-use property, including but not limited to housing costs, personal vehicles, entertainment, or other non-business-related expenditures. Grant funds also may not be used to pay the business owner(s) directly, including owner draws, distributions, dividends, bonuses, or other forms of personal compensation not

supported by documented payroll for legitimate employee services directly tied to business operations.

- **Operations Prohibited by State or Local Law:** Any activity that is prohibited under applicable State of California cannabis regulations or the Long Beach Municipal Code, including uses not permitted under the City's cannabis licensing framework. All grant funds must be used solely for approved, documented, and eligible business expenses directly associated with a permitted cannabis business operating within the City of Long Beach.

Direct Technical Assistance

Program Summary

The goal of the Direct Technical Assistance Program is to provide free technical assistance to Equity Applicants and Licensees to help acquire the knowledge and skills necessary to start, sustain and grow a viable cannabis business in Long Beach.

Under this program, the City contracts consultants to provide free training and educational services to Equity Applicants and Licensees that cover a variety of subjects including, but not limited to:

- Finding appropriate commercial properties for their cannabis business
- Negotiating lease agreements
- Developing business plans, financial plans, budget documents, and projections
- Securing capital and investors
- Understanding State and local taxes and other regulatory compliance requirements
- Setting up proper payroll and accounting procedures
- Entering into business agreements
- Navigating the City and State's licensing and permitting processes

The City seeks to make available technical assistance services that:

- Offer flexibility in the method of learning, such as in-person, virtual, and/or asynchronous learning and individual or group meeting
- Provide generalized business education and/or training but also cannabis-specific training and/or education
- Increase the number of Equity Applicants that can successfully enter and complete the business license process
- Increase access to, enrollment in, and sustained participation in direct technical assistance services

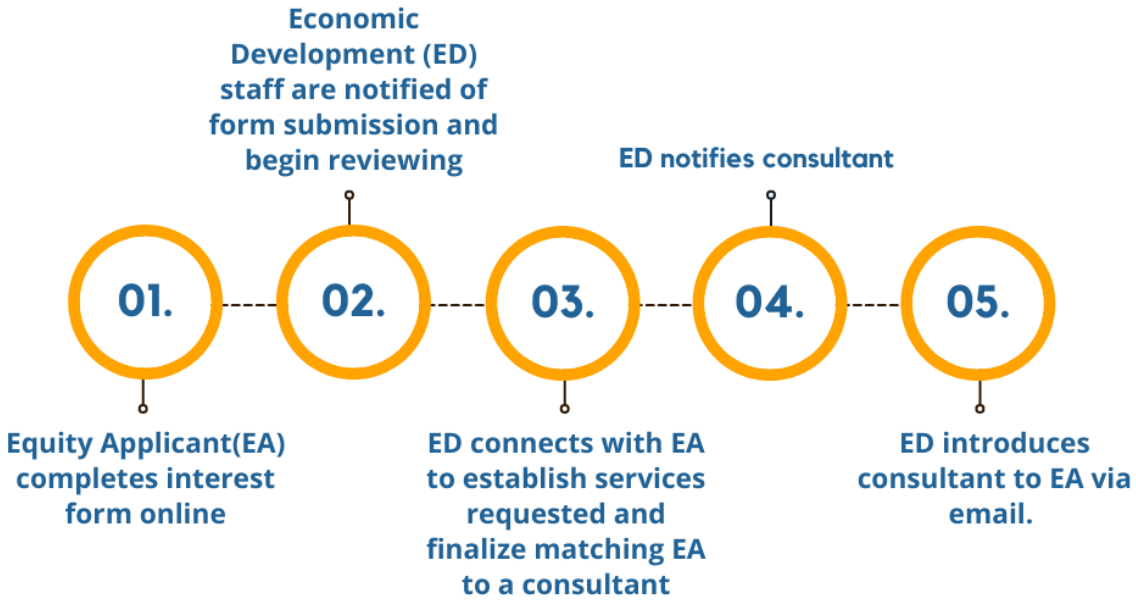
Prerequisites

To be eligible for assistance you must complete the following:

- Have been verified as an Equity Applicant by the CEP and received a *Cannabis Equity Program Verification Letter*

One-on-One Advisory Services Program Process

A completed interest form or application will be reviewed by staff from the CEP. An assessment of the requested assistance will be reviewed, and the Equity Applicant or Licensee will be matched with a consultant that specializes in the area of need. Assignment of a consultant is on a first-come, first-served basis. If clarification on consulting needs is required, CEP staff will connect via phone or email with the Equity Applicant or Licensee. After confirming areas of consulting need, the Equity Applicant or Licensee will be introduced to an assigned consultant via email and will be provided information on the requirement to regularly engage in communications with the consultant.



Rules of Engagement

Participation in the One-on-One Advisory Services subjects Equity Applicants and Licensees to the rules of engagement. Failure to comply with these rules may result in ineligibility for future program services.

Rules of Engagement are as follows:

1. Equity Applicants and Licensees will limit unproductive behavior with consultants

2. Equity Applicants and Licensees shall notify consultants and the City of any changes to their contact information (i.e., phone number and email address)

3. Equity Applicants and Licensees must contact City staff regarding any requests to change their assigned consultant, request an additional consultant, or remove themselves from the program

4. Equity Applicants and Licensees shall demonstrate adequate preparation to meeting with consultants - prepared with "homework assignments" and questions

5. Equity Applicants and Licensees shall address consultant meetings as professional sit-down business meetings whether that is virtual or over the phone. Meetings with consultants that are deemed unprofessional by interruptions, traveling etc. will be rescheduled.

6. Information shared with consultants is confidential, and Equity Applicants and Licensees are encouraged to provide business details for consultants to provide their best recommendations

7. Any questions surrounding City Cannabis Equity grants, City Program policies and procedures should be directed to City staff, not consultants.

Direct Technical Assistance Terms & Restrictions

The following program terms and restrictions apply to any Equity Applicant or Licensee participating in the Direct Technical Assistance Program.

1. To create an equitable and sustainable program for all Equity Applicants and Licensees, Equity Applicants and Licensees will be allowed a maximum of 3 hours weekly for One-on-One Advisory Services with a consultant.

2. Equity Applicants and Licensees may work with multiple consultants but are limited to the 3-hour weekly maximum.

3. One-on-one sessions will include the assigned vendor and the Equity Applicant or Licensee only. No other representatives may participate in the sessions. Based on the circumstance, exceptions may be requested in writing in advance. These exception requests will be reviewed by CEP staff, and final determination will be provided prior to the session.

4. Equity Applicants and Licensees are to notify consultants at least 24 hours prior to any cancellations of a scheduled session.

5. Equity Applicants and Licensees will be subject to request reinstatement from the Direct Technical Assistance Program if they incur three (3) of the following (or a combination thereof) for scheduled sessions:
    i. No-Shows
    ii. Last minute cancellations (less than 24-hour notification)
    iii. Late-shows (five (5) minutes or more)

6. If after reinstatement Equity Applicant or Licensee is still not showing up to scheduled appointments with consultants without the adequate 24 hour notice they may be ineligible for future program services.