



## **Cannabis Equity Program Manual V1.0 (2024)**

### **1. Program Purpose.**

The City of Vista has a longstanding commitment to identifying and addressing social, economic, and health disparities. Furthermore, the City recognizes that certain populations and communities within Vista have been adversely affected by both the criminalization of cannabis and poverty, as demonstrated in the City of Vista Cannabis Equity Assessment. As such, the City has adopted the Cannabis Equity Program Manual (“Program”) described herein.

The City of Vista Cannabis Equity Program Manual is specifically designed to promote fair and inclusive access to the cannabis industry. It seeks to reduce the obstacles faced by individuals and communities who have been disproportionately impacted by the enforcement of cannabis-related offenses in Vista. The Program manual outlines the eligibility criteria for participation in the Vista Cannabis Equity Program, as well as the range of services it offers. All services and factors listed in this manual are and continue to be at the discretion of the City of Vista and are subject to updates and revisions in accordance with the Program, as approved by the City Council.

### **2. Definitions.**

- a. “Cannabis Arrest or Conviction” means an arrest, conviction, or adjudication to be a ward of the juvenile court in California for any crime under the laws of the State of California or the United States relating to the sale, possession, use, manufacture, or cultivation of cannabis that occurred during the period from 1971 to present.
- b. “Cannabis Equity Program Manual” means the City’s Cannabis Equity Program Manual.
- c. “Cannabis Equity Program” means the Cannabis Equity Program created by this Program Manual.
- d. “Direct Technical Assistance” means support provided to equity applicants to acquire the knowledge and/or skills necessary in order to gain entry to, and to successfully operate in, the regulated cannabis marketplace.
- e. “Equity Applicant” means an individual who meets the criteria in Section 4.

- f. “Equity Business” means a cannabis business where a minimum of fifty-one percent (51%) ownership in the cannabis business is held by one equity applicant or, if the cannabis business will be held by a group of applicants in the Equity Program, the aggregate ownership held by equity applicants must total fifty-one percent (51%) or more for a minimum of three years.
- g. “Immediate family member” means child, parent, sibling, spouse, legal guardian, or grandparent.
- h. “Individual” means a person twenty-one (21) years of age or older.
- i. “Ownership interest” means a right, proportionate to the interest held, to share in the business’s profits, including dividends, distributions, or other payments; a right, proportionate to the interest held, to the proceeds of a sale of the business’s assets, liquidation of the business, merger of the business into another business, or another transaction that would signify the end of the original business; and a right, proportionate to the interest held, to vote on fundamental decisions relating to the business.
- j. “Priority processing” means the City will review and consider for approval applications of Program participants for cannabis related business and conditional use permits, if any, before any other cannabis related business or conditional use permit application received by the City that would otherwise be processed on a first come, first served basis.
- k. “Program Participant” or “participant” means an individual that has been admitted to participate in the Cannabis Equity Program.

**3. Applicability of Vista Municipal Code Chapter 5.98 Cannabis.**

All Program participants are subject to the provisions of Chapter 5.98 of the Vista Municipal Code.

**4. Equity Program Eligibility.**

- a. To be eligible for the Equity Program as an Equity Applicant, an individual shall satisfy the following criteria:
  - i. During the period from 1971 to present, had, or have an immediate family member who had, a cannabis arrest or conviction; or
  - ii. Have a household income below 80% of the Area Median Income in San Diego County, as defined by the U.S. Department of Housing and Urban Development, in either the preceding year or current year of submitting an equity verification application or is eligible to get financial aid through a program like CalFresh, MediCal, CalWORKS, Supplemental security income, or Social Security disability; and has a net worth of less than \$250,000; and

- b. In addition to meeting the criteria under subsection 4(a), an individual shall also satisfy at least one (1) of the following criteria:
  - i. Be a current or former resident of the City of Vista who has lived in the City for at least five (5) years cumulative residency.
  - ii. Own, or previously owned, a business within the City of Vista for at least five (5) years cumulative ownership.
  - iii. Worked, or previously worked, within the City of Vista for at least five (5) years cumulative employment.
  - iv. Have lost housing in the City of Vista through eviction, foreclosure, or subsidy cancellation any time after 1994.
  - v. Have attended school in the Vista Unified School District or the City of Vista for at least five years between 1971 and 2016.
  - vi. Have been placed in the foster care system in San Diego County between 1971 and 2016.
  
- c. To be eligible for the Equity Program as an Equity Business, majority ownership interest of the business must be held by equity applicant(s). If the cannabis business has one equity applicant listed as an owner, a minimum of fifty-one percent (51%) ownership in the cannabis business must be held by the equity applicant for a minimum of three years. If the cannabis business will have multiple equity applicants listed as owners of the cannabis business, the aggregate ownership held by equity business partners must total fifty-one percent (51%) or more for a minimum of three years.

**5. Application required.**

- a. Any person seeking to be qualified as a Verified Equity Applicant shall submit a written application to the City, signed under penalty of perjury, using the form approved by the City for that purpose and in the manner required by the City Manager or their designee. All applications shall contain, at a minimum, the following information and documents:
  - i. Applicant Information.
    - 1. The legal name of the applicant.
    - 2. The applicant's mailing address, e-mail address, and telephone number.
  - ii. Social Equity Qualification Documents
    - 1. Proof of Cannabis Criminalization: Proof of cannabis arrest or conviction should be demonstrated through court documents, probation documents, Department of Corrections or Federal Bureau of Prisons documentation. Documentation needs to include the following:
      - a. Date of the offense or arrest.
      - b. Charges filed.
      - c. Name of defendant.
  - iii. Proof of income.

1. Proof of income to demonstrate a household income below 80% of the Area Median Income in San Diego County, shall be supported with federal tax returns and at least one of the following documents:
  - a. Two months of pay stubs,
  - b. Current profit and loss statement if Sole Proprietor,
  - c. Previous Federal tax year's 1099-Miscellaneous Income Form showing proof of income,
  - d. Medical/CALWORKs, or
  - e. Proof of current eligibility for General Relief (GR), CalFresh (Food Stamps), Medical/CalWORKs, Supplemental Security Income (SSI), or Social Security Disability (SSDI).
- iv. One of the following criteria:
  1. Proof of Residency.
    - a. A minimum of two (2) of the supporting documents listed below, evidencing a minimum of five (5) years of residency, whether consecutive or in total, shall be considered acceptable proof of residency. All residency documents must list the first and last name of the equity applicant and the Vista residence address:
      - i. California Driver's record or permanent Driver's License or AB 60 Driver's License,
      - ii. California identification card record,
      - iii. Property tax billing and payments from the San Diego County Assessor,
      - iv. Verified copies of State or Federal income tax returns where a Vista address within is listed as a primary address,
      - v. School records,
      - vi. Medical records,
      - vii. Banking records,
      - viii. Vista Housing Authority records, or
      - ix. Utility, cable, or internet company billing and payment covering any month in each of the five (5) years.
  2. Proof of Business Ownership.
    - a. Proof of business ownership shall be supported by:
      - i. Copies of business licenses issued by the City of Vista for the relevant years.
      - ii. Federal and state tax returns that list the business for the relevant years.
      - iii. Articles of incorporation (for corporations) or articles of organization (for LLCs) filed with the California Secretary of State, including the original filing and any amendments.
      - iv. Copies of property lease agreements for business premises in Vista, showing the duration of the lease or

Deeds or property tax records for properties owned by the business in Vista.

3. Proof of Employment.
  - a. Proof of employment shall be supported by:
    - i. Copies of pay stubs from the relevant years that show the employer's name and address in Vista.
    - ii. Copies of W-2 forms issued by employers in Vista for the relevant years.
    - iii. Copies of federal and state tax returns, particularly the sections that list employment information (such as W-2 forms).
4. Proof of Loss of housing.
  - a. Proof of loss housing shall be supported by:
    - i. A letter of foreclosure,
    - ii. A notice of eviction, or
    - iii. A notice of revocation of a housing subsidy.
5. Proof of school attendance in Vista or Vista Unified School District
  - a. A transcript from a Vista Unified School District School for at least five years between 1971 and 2016.
6. Proof of placement in the foster care system in San Diego County between 1971 and 2016
  - a. SD County foster care system placement paperwork between 1971 and 2016

## **6. Incomplete applications.**

- a. Upon review of an application, if an application is determined to be incomplete, the City shall provide notice to the applicant, who shall have thirty (30) calendar days to correct all deficiencies in the application.
- b. If the applicant fails to correct said deficiencies within the thirty (30) day period, the application shall be deemed abandoned, void, and of no further force and effect. The applicant may reapply at any time following an abandoned application.
- c. The City Manager or their designee may extend the deadline upon showing of good cause by the applicant for the inability to provide all required information by the deadline, if a written request for an extension is received no later than ten (10) calendar days prior to the deadline. For purposes of this subsection, the term "good cause" shall mean the applicant's failure to complete the application process occurred due to circumstances outside of the applicant's control.

## **7. Application rejection.**

Upon review of an application, if an application is determined to not meet the criteria to be verified as an equity applicant, the City shall have the right to reject said application. All rejections are final and may not be appealed. An equity applicant may reapply at any time after having an application rejected.

## **8. Cannabis Equity Licenses**

A minimum of twenty-five (25) percent of licenses for new (or expanded) cannabis business types issued by the City shall be issued to Equity Applicants. This excludes the licenses issued for cannabis dispensaries under VMC Chapter 5.94 and 5.95.

## **9. Program Services and Benefit**

General program benefits and services provided by the Program will include:

- a. Fee waivers
- b. Assistance in applying to the City for various permits
- c. Application Priority Processing
- d. Provisional approval (when needed)
- e. Ongoing support from staff (a minimum of quarterly check-ins for a three-year period)
- f. Promotion of the Public Defender Office's Fresh Start Program for Record Expungement

Depending on need and availability of funds from grants or other sources, the program may also provide:

- a. Direct grants
- b. Direct Technical Assistance
- c. Legal Assistance
- d. Workforce and/or Small Business Development
- e. Regulatory Compliance training

## **10. Program Administration.**

- a. The City Manager or their designee is authorized to make reasonable rules, policies, and procedures consistent with the intent and spirit of this Manual to develop and implement an administrative program for this Equity Program. Regulations promulgated by the City Manager become effective upon date of publication, unless specified otherwise.
- b. The principal administration and coordination of services shall primarily be performed by City Manager staff.

- c. When possible, City staff will provide services to applicants and participants with the intent to have the program reimburse the City for the cost of those services. If City staff are unable to provide services, refer to Section 10, Provision of Services.
- d. City Manager staff shall monitor and report on all program services provided through the Program, at least annually and more frequently as directed by the City Council, state law, or regulation.

#### **11. Provision of Services.**

- a. City Manager staff serve as the liaison between program participants and the agency(ies) and firm(s) providing eligible services. Agencies and firms may include, but are not limited to:
  - i. City of Vista's Planning and Economic Development Departments
  - ii. Business development organizations and firms
  - iii. Workforce development agencies and firms
  - iv. Banking and financial institutions
  - v. Commercial real estate brokerages and associations
- b. The City Manager or their designee may enter into an agreement, on behalf of the City through the City's competitive selection process in accordance with the City Municipal Code, with qualifying internal or external agencies or firms capable of providing the services described in this Program Manual. These services may include, but are not limited to:
  - i. Business Development
  - ii. Technical Assistance
  - iii. Legal Assistance
  - iv. Workforce Development
  - v. Grant Administration
  - vi. Record Expungement Services

#### **12. Program Monitoring and Reporting.**

For the purposes of understanding the impact, success, and measurable outcomes and outputs of the Program and to inform future development, the City of Vista will collect qualitative and quantitative data on an ongoing basis. The City Manager or their designee shall provide annual updates to the City Council on the status of the Program. The update to Council shall include an evaluation of any ongoing barriers to entry and participation, any reevaluations of the Program, and recommended solutions as needed.

Completion of an annual demographic questionnaire will be voluntary and will be aligned with the demographic questionnaire developed by the State of California. Applicants and licensees will be encouraged to participate so that the City can ensure that equity funding is being awarded to populations of highest need. Recommended metrics are as follows:

- a. Number of equity applicants to apply:
  - i. Types of drug related offenses.
  - ii. Income status.
  - iii. Race Ethnicity.
  - iv. Gender.
  - v. Sexual identity.
  - vi. Residency status.
  - vii. Ownership structure.
  
- b. Workforce characteristics:
  - i. Total number of employees.
  - ii. Number of local employees.
  - iii. Employment Status (full-time, part-time, etc.).
  
- c. Equity program-specific data:
  - i. Number of applicants eligible for equity program.
  - ii. Number and types of services provided to equity applicants.
  - iii. Number of new equity program applicants to receive licenses.
  - iv. Total number of equity businesses operating

### 13. Program Funding

- a. City staff shall seek grant funding for the program, including but not limited to the GO-Biz's Cannabis Equity Grants Program for Local Jurisdictions. In addition, staff will work to establish partnerships with other agencies to provide services and/or financial support and may utilize cannabis tax revenue at the discretion of the City Council.

### 14. Community Reinvestment

- a. The City Council will strive to allocate a minimum of ten (10) percent of cannabis tax revenue to a scholarship program for youth and young adults. The program provides opportunities for young people to participate in programs and activities that they may otherwise be unable to do, including but not limited to recreation, art, music, tutoring, and job training.