

**MEETING DATE:** February 13, 2020

**AGENDA ITEM:** E

**TO:** BSCC Chair and Members

**FROM:** Helene Zentner, Field Representative, [helene.zentner@bscc.ca.gov](mailto:helene.zentner@bscc.ca.gov)

**SUBJECT:** Proposition 64 Public Health & Safety Grant Program, Request for Proposals: **Requesting Approval**

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### Summary

This agenda item requests Board approval to release the proposed Request for Proposals (RFP) (Attachment E-1) for the Proposition 64 Public Health & Safety Grant Program, which directs revenue from the cultivation and sale of cannabis to projects that promote public safety and health.

### Background

The Proposition 64 Public Health & Safety (Prop 64 PH&S) Grant Program was established as part of a voter-approved initiative in November 2016, the *Control, Regulate and Tax Adult Use of Marijuana Act* (AUMA). This initiative legalized the recreational use of cannabis in California for individuals 21 years of age and older. As part of the initiative, a portion of tax revenue generated from the cultivation and retail sale of cannabis or cannabis products would go toward implementing AUMA within the State and would provide funds for a variety of grant programs to assist in mitigating impacts due to the legalization of recreational cannabis.

Revenue and Taxation Code section 34019, subdivision (f)(3)(C) (Attachment E-3) provides that funds derived from tax revenues collected as part of AUMA are to go to the “the Board of State and Community Corrections for making grants to local governments to assist with law enforcement, fire protection, or other local programs addressing public health and safety associated with the implementation of the Control, Regulate and Tax Adult Use of Marijuana Act.” However, “[t]he board shall not make any grants to local governments which have banned the cultivation, including personal cultivation... or retail sale of cannabis or cannabis products...”

In addition, the Governor’s 2019-20 May Revision to the Budget provided additional direction to the BSCC on this grant, as follows: “[f]or a competitive grant program for local governments that have not banned cannabis cultivation or retail activities that will prioritize various public health and safety programs, including, but not limited to, local partnerships focused on prevention and intervention programs for youth and to support collaborative enforcement efforts aimed at combating illegal cannabis cultivation and sales.”

At its July 11, 2019 meeting, the Board appointed BSCC Board Chair Linda Penner to serve as chair of the Prop 64 PH&S Grant Program Executive Steering Committee (Attachment E-2). In addition, the Board authorized BSCC staff to work with Chair Penner to establish an ESC and modify membership, if needed. It also authorized the ESC to oversee the grant development process and make funding recommendations for this grant program.

The Prop 64 PH&S ESC consisted of a diverse group of subject-matter experts representing various disciplines and geographic areas in California. (Attachment E-2.) The ESC met on October 22-23, 2019 and November 13, 2019 to developed key decisions relative to this grant. Those decisions are reflected in the attached RFP.

### Key Grant Components

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- Eligible applicants for the Prop 64 PH&S Grant Program are local governments (i.e., Counties and Cities) in California that have not banned the cultivation, including personal cultivation, or retail sale of marijuana or marijuana products.
  - “Banned the cultivation” is defined as regulations, ordinances, or amendments to local government charters that prohibit:
    - indoor commercial cultivation (including mixed light cultivation),
    - indoor personal cultivation (including mixed light cultivation),
    - outdoor commercial cultivation, or
    - outdoor personal cultivation
  - “Banned the retail sale” is defined as regulations, ordinances, or amendments to local government charters that prohibit the local establishment or local operation of any or all businesses licensed under Division 10 (commencing with Section 26000) of the Business and Professions Code. Businesses must be allowed to have a physical presence (i.e., brick and mortar location) within the local government’s jurisdiction/authority.
- There is \$24.7 million available in this RFP for four (4) Project Purpose Areas (PPAs) or combinations of the PPAs.
  - PPA 1: Youth Development/Youth Prevention & Intervention. This is a mandatory component and all applicants are required to budget a minimum of 10 percent of requested grant funds for this area.
  - PPA 2: Public Health
  - PPA 3: Public Safety
  - PPA 4: Environmental Impacts
- A maximum of \$1 million may be requested by any one eligible applicant. A maximum of \$2 million may be requested by a collaborative application composed of eligible local governments.
- All grant project components and activities must link to the intent of the Prop 64 PH&S Initiative, i.e., addressing local impacts due to the legalization of cannabis in California.

- Grant funds will be awarded within four (4) categories and applicants will compete only with other applicants within that category. The categories and amounts available are as follows:
  - Small counties, and all cities within those counties, will compete for 20 percent of the total Prop 64 PH&S grant funds, or \$4,940,000.
  - Medium counties, and all cities within those counties, will compete for 20 percent of the total Prop 64 PH&S grant funds, or \$4,940,000.
  - Large counties, and all cities within those counties, will compete for 20 percent of the total Prop 64 PH&S grant funds, or \$4,940,000.
  - The highest-rated proposals that did not receive an award under the above categories will compete for the remaining 40 percent, or \$9,880,000, regardless of county size category.
- To be considered for funding, an application must score at least 50 percent of the total available points (i.e., minimum of 100 total points).
- Successful applicants will be funded for a term of three years – July 1, 2020 through June 30, 2023.

### RFP Activities and Tentative Timeline

Below is a tentative timeline of activities necessary to administer a competitive RFP for the Prop 64 PH&S Grant Program.

TENTATIVE TIMELINE	ACTIVITY
July 11, 2019	Selection of Chair and ESC development agenda item to the BSCC Board
October 22 & 23, 2019 November 13, 2019	Request for Proposals (RFP) development by ESC
February 13, 2020	Present the ESC's RFP recommendation to the BSCC Board for approval
February 14, 2020	Release the RFP to the field (contingent on BSCC Board approval)
Date TBD – week of February 24-28, 2020	Bidders' Conference(s)
April 3, 2020	Proposals due to the BSCC
April 22, 2020	ESC Rater Training
May 15, 2020	ESC rating of proposals complete
May 27, 2020	<i>Tentative ESC Scoring Meeting (pending TBD)</i>
June 11, 2020	Present ESC funding recommendations to the BSCC Board for approval
July 1, 2020	Grants begin

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**Recommendation/Action Needed**

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Staff recommends that the Board:

- Approve and authorize release of the RFP as recommended by the ESC.

**Attachments**

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E-1: Proposition 64 Public Health & Safety Grant Program, Request for Proposals

E-2: Proposition 64 Public Health & Safety Grant Program Executive Steering Committee  
Member Roster

E-3: Revenue and Taxation Code section 34019

Attachment D-2