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City of San Diego Awarded State Cannabis Equity Grant

FUNDING WILL HELP POTENTIAL BUSINESS OWNERS AND PROMOTE EQUITY IN THE LEGAL CANNABIS INDUSTRY

SAN DIEGO – As part of an ongoing effort to promote equity in the local cannabis industry, the City of San Diego was awarded a statewide grant for more than \$880,000 by the Governor of California's Office of Business and Economic Development (GO-Biz). The money will support residents seeking to enter the legal cannabis industry in San Diego through funding grants to cover permit and license fees and associated start-up property costs while providing access to the cannabis industry workforce.

San Diego was among 16 cities and counties across the state to receive a combined \$15 million in grants, funded through tax revenue generated from statewide recreational cannabis sales.

"The historical enforcement of drug laws produced profound disparities in business ownership, wage earnings and mass incarceration within the criminal justice system for African American/Black, Latino and Native American/Indigenous communities," said Kim Desmond, the City's Chief of Race and Equity. "An acknowledgment of historic institutional racism and systemic inequity is key to understanding disparities in the cannabis industry."

The GO-Biz funds will be dispersed locally, supporting the state's effort to advance economic justice for populations and communities harmed by cannabis prohibition. These grants will help potential business owners pay for permitting and licensing fees, access education and training, and receive property rental assistance for entrepreneurship in various sectors that support local cannabis businesses. These include finance, marketing, advertising and legal services, among others.

"Receiving this critical funding source is vital to jump-starting our Cannabis Equity Program," said the City's Cannabis Business Division Deputy Director Lara Gates. "These dollars will provide a solid foundation for our initial cannabis equity applicants to get a strong foothold in the legal cannabis market."

Last year, the City was also awarded \$764,000 from a <u>California Department of Cannabis Control grant</u> that is helping to develop online the tools necessary to help businesses navigate and comply with local and state laws and streamline permit processes.

Launched in 2020 as part of the Development Services Department, the City's <u>Cannabis Business Division</u> issues permits and regulates cannabis businesses in San Diego to ensure they follow requirements under the Municipal Code.

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