



## CITY COUNCIL AGENDA REPORT

**MEETING DATE:** Tuesday, March 25, 2025  
**TO:** CITY COUNCIL  
**WRITTEN BY:** HOUSING MANAGER LANDAVERRY  
ADMINISTRATIVE ANALYST ORTIZ  
**RECOMMENDED BY:** INTERIM COMMUNITY DEVELOPMENT DIRECTOR MEEK  
**APPROVED BY:** TAMARA VIDES, CITY MANAGER  
**SUBJECT:** RESOLUTION ACCEPTING GRANT FUNDING IN THE AMOUNT OF \$250,000 FROM  
THE GOVERNOR’S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT AND  
APPROPRIATE SUCH FUNDING TO THE SPECIAL GRANTS FUND

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### RECOMMENDATION:

Staff recommends that the City Council adopt a resolution to accept a \$250,000 grant from the Governor’s Office of Business and Economic Development to support Cannabis Equity Businesses, allocate these funds to the Special Grants Funds (0260), and authorize the City Manager to execute all necessary documents, including agreements and payment requests.

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In December 2024, staff submitted a grant application to the Governor’s Office of Business and Economic Development to support cannabis equity businesses in Watsonville. On January 23, 2025, the Governor’s Office of Business and Economic Development informed city staff that the City had been awarded \$250,000.

### DISCUSSION:

In 2018, California passed SB 1294, known as the California Cannabis Equity Act. The Act aimed to provide support for those most affected by previous cannabis criminalization and economic disadvantages, helping them enter the legal cannabis industry.

The State has \$15 million available for the 2024-2025 fiscal year. The City plans to collaborate with our cannabis equity businesses to identify their needs for the year and process grant requests through the City’s Affordable Housing Division. Staff will offer direct grants to cover expenses and/or provide technical assistance based on the needs of our equity businesses.

## **STRATEGIC PLAN:**

The action is consistent with the following Strategic Plan goals:

- Economic Development

## **FINANCIAL IMPACT:**

The grant award will be allocated to the Special Grants Fund (0260) for its intended use in the fiscal year. The grant allows the City to utilize 10% of the award for administrative costs, such as staff time for program management while providing \$225,000 to support our local cannabis equity businesses.

## **ALTERNATIVE ACTION:**

The City Council may choose not to accept the award.

## **ATTACHMENTS AND/OR REFERENCES:**

1. Grant letter from the Governor's Office of Business and Economic Development