

Regulation No. 14. Financial Grant Program.

A. Subject to the availability of funds, and pursuant to LAMC Section 104.20(c)(4)(iv), DCR may implement a financial grant program, hereinafter referred to as the Social Equity Entrepreneur Development Grant Program ("SEED Grant Program") for Social Equity Individual Applicants.

B. To the extent funding is allocated for the SEED Grant Program, DCR shall administer the Program in accordance with the following:

1. Subject to the availability of funds, up to \$5 million in grant funds from the California Governor's Office of Business and Economic Development may be disbursed by DCR to Applicants with Storefront Retail Applications deemed eligible for further processing under LAMC 104.06.1(b). Applicants eligible for grant funds under this subsection may receive \$25,000 in grant funds in one lump sum payment. DCR shall accept applications for grant funds under this subsection for a period of 120 days. Funds shall be disbursed on a first come, first served basis. Any remaining funds not awarded by 90 days prior to the end of the City's Agreement with the California Governor's Office of Business and Economic Development, or any extension thereof, may be disbursed on a pro rata basis to Applicants who applied by August 20, 2021 and who are eligible for grant funds under this subsection.
2. Subject to the availability funds, up to \$1 million in grant funds from the Bureau of Cannabis Control's California Local Equity Grant Program may be disbursed by DCR to any Social Equity Individual Applicant with an Application deemed eligible for further processing that did not receive grant funds under subsection (1). DCR shall accept applications for grant funds under this subsection for a period of 120 days. Applicants eligible for grant funds under this subsection may receive available grant funds in two disbursements upon meeting the following licensing milestones: (1) \$5,000 when DCR deems the Pre-Application eligible for further processing; and (2) \$5,000 when the Applicant is eligible for a Notice of Local Compliance Underway. Funds shall be disbursed on a first come, first served basis. Any remaining funds not awarded by 90 days prior to the end of the Grant Term of the City's Agreement with the Bureau of Cannabis Control, or any extension thereof, may be disbursed on a pro rata basis to Applicants who applied by August 20, 2021 and who are eligible for grant funds under this subsection.
3. Applicants must apply for grant funds. DCR shall have sole and absolute discretion to determine application requirements, if an Applicant is eligible for grant funds, and if applicable, whether and when the requirements for any disbursement of funds are met.
4. DCR may disburse funds to an Applicant at any time after the Applicant has been determined eligible for grant funds.

5. Grant recipients shall enter into a contract with DCR prior to receipt of any grant funds. The contract shall specify the permissible use of the funds, and method and timing of payment.
6. Grant funds shall be used only for expenses incurred to launch and operate a licensed commercial cannabis business in the City of Los Angeles.
7. Applicants with Applications that have been deemed abandoned or denied shall not receive grant funds.

C. Notwithstanding Section (B), the Executive Director may make adjustments to this Regulation and/or allocate available grant funds in any manner required to maximize utility of the funds, including but not limited to using SEED Grant Program funds to reimburse or pay licensing and regulatory fees for Social Equity Individual Applicants due under LAMC Section 104.19.

D. To the extent grant funds are provided by a funding source outside the City, DCR may administer the SEED Grant Program for those funds in compliance with the requirements of that source. To the extent the terms do not conflict, this Regulation shall govern.

Regulation No. 15. Fee Deferral and Fee Waiver Program.

A. Subject to the availability of funds, and pursuant to LAMC Section 104.20(c)(4)(ii), DCR may implement a fee deferral or fee waiver program for Social Equity Individual Applicants.

B. To the extent funding is allocated for fee waivers, DCR may implement fee waivers in accordance with the following:

1. Subject to the availability of funds, up to \$650,750 may be applied to Social Equity Application (SEIA) Eligibility Verification (Section 104.06.1) Fees pursuant to LAMC Section 104.19 as fee waivers for individuals who submit a complete eligibility verification application to be verified as a Social Equity Individual Applicant.

2. Funds shall be disbursed on a first come, first served basis. Any remaining funds not awarded after the Eligibility Verification window closes pursuant to Section 104.06.1(c), may be disbursed in accordance with the terms of the fee deferral program in subsection (C).

C. To the extent funding is allocated for fee deferrals, DCR may implement fee deferrals in accordance with the following:

1. Subject to the availability of funds, DCR may defer the Social Equity Program (SEP) Temporary Approval Application Fees pursuant to LAMC Section 104.19

for Applicants who were deemed eligible for further processing under LAMC 104.06.1(c), LAMC 104.06.1(e), or LAMC 104.06.1(f).

2. Fees shall be deferred on a first come, first served basis.

3. Social Equity Individual Applicants are limited to one outstanding fee deferral at a time.

4. Fees may be deferred for a maximum period of six months from the effective date of a Fee Deferral Agreement, until a modification request is deemed eligible for further processing, or until Temporary Approval is granted, whichever occurs earlier.

5. Fees shall not be deferred unless and until a Fee Deferral Agreement is entered into to the satisfaction of the Executive Director or their designee.

D. Notwithstanding Sections (B) and (C), the Executive Director may make adjustments to this Regulation and/or allocate available grant funds in any manner required to maximize utility of the funds.