

APPENDIX B

I. EQUITY PERMIT PROGRAM

The Madera City Council has expressed interest in creating a Social Equity Permitting process that addresses disparities in the cannabis industry by prioritizing the victims of the war on drugs and minimizing barriers of entry into the industry. The first step in creating such a process is the establishment of the Equity Permit Application Eligibility.

- A. An “equity applicant” shall be defined as an applicant whose ownership or owner meets the following criteria:
- a. Is currently a resident of the County of Madera and has been for at least five years;
 - b. Was arrested after November 5, 1996, and convicted of a cannabis crime in Madera County, California.
 - c. Has an annual household income at or less than the Madera County Area Median as specified annually by the US Census Bureau. The Madera County Area Median Income for 2021 is \$70,700 for a household size of four (4) persons. The following table identifies the adjustments to the Area Median Income limits based on different household sizes:

Household Size	Income Limit
One person	\$ 49,500
Two people	\$ 56,550
Three people	\$ 63,650
Four people	\$ 70,700
Five people	\$ 76,350
Six people	\$ 82,000
Seven people	\$ 87,650
Eight or more	\$ 93,300

- B. Equity Applicant Verification Process
- a. An applicant’s eligibility shall be determined at Phase 1A of the Social Equity application process. If the applicant fails to qualify as an Equity Applicant, the applicant may apply for a Standard or Vertically Integrated business and be subject to those application procedure requirements respectively.
 - b. Each owner of the Social Equity application will be required to complete the Criminal Background Check on the background portal and pay the appropriate fees. The background check will be used to help verify the eligibility requirements and ensure that the

applicant(s) meets the qualifications.

- c. Proof of Income
 - i. A copy of owner's federal tax returns for the past two years and at least one of the following two documents:
 - 1. Two months of pay stubs, current Profit and Loss Statement or Balance Sheet
 - 2. Proof of current eligibility for General Assistance, Food Stamps, Medical/CALWORKs or Supplemental Security Income or Social Security Disability (SSI/SSDI).
- d. Proof of Residency
 - i. Provide at least two of the following documents, evidencing five years of residency:
 - 1. California Driver's record or Identification Card record
 - 2. Property tax billing and payment records
 - 3. Verified copies of state or federal income tax returns where a Madera County address is listed as the primary address
 - 4. School records
 - 5. Medical records
 - 6. Banking records
 - 7. Madera County Housing Authority records
 - ii. Documents demonstrating residency in 2021 can be used for proof of current residency only; they will not be considered proof of a year of residency.
- e. Proof of Conviction
 - i. Proof of conviction shall be demonstrated through the following documents:
 - 1. Court records
 - 2. Probation documents
 - 3. Department of Corrections or Federal Bureau of Prisons documentation that clearly indicates the arrest occurred in Madera County.

C. Definition of Owner: For purposes of Section A and B of the Social Equity Program a "Owner" shall be defined as an individual or entity who was identified as owning 51% or more of the Social Equity Application applying for a Commercial Cannabis Business Permit (CCB). The individual or entity must own at least 51% of the business entity submitting the cannabis application. If 51% or more of the ownership of the CCB is held by an entity, that entity must be the same entity requesting the CCB application.