



## Frequently Asked Questions

### Commercial Cannabis Business (CCB) Permit

<http://www.fresno.gov/cannabis>

Updated: November 18, 2020

#### Contents

Application Procedures .....	1
Application Scoring.....	4
Financial.....	5
Retail .....	5
Operational (all permit types) .....	5
Application Portal .....	6
Social Equity Applications .....	7

**This document makes reference to the Fresno Municipal Code (FMC) which can be found here:**

[https://library.municode.com/ca/fresno/codes/code\\_of\\_ordinances?nodeId=MUCOCHFRCA](https://library.municode.com/ca/fresno/codes/code_of_ordinances?nodeId=MUCOCHFRCA)

#### Application Procedures

1. Where do I find the application document?
  - a. The application is submitted through an electronic portal that can be found here: <https://fresnocaviewpointcloud.com/>
2. What is the recommended font and can it be different for titles and headers?
  - a. The recommended font is 12pt Arial or Times New Roman. It can be different or larger for titles and headings. The purpose of the font recommendations is so that the documents will be easy to read for the reviewers.
3. What permit types are authorized in Fresno?
  - a. Retail (storefront) with or without delivery service, cultivation, manufacturing, distribution, testing lab, microbusiness (non-retail)
4. Is the application the same for all permit types?

- a. Yes – the application is the same. This only difference is that you will only respond to the operating requirements listed in the business plan criteria for the type of permit you are applying. If microbusiness, respond to all three sections covering cultivation, manufacturing, and distribution.
5. Can we operate multiple locations with a single permit?
  - a. No, you will need a permit for each separate location.
6. Can we apply for more than one permit at a single location?
  - a. Yes, you may apply for more than one permit type at a single location, however, the premise would need to be separate.
7. If my ownership interest is less than 20%, may I submit as many applications as I want?
  - a. No, the intent is to limit all businesses/owners to a maximum of 3 applications due to the limited number of permits available in the City.
8. Can multiple different businesses propose the same location for their permit?
  - a. Yes, as long as you include the required letter of intent to lease or a leasing agreement this is acceptable. If both applications score highly, only the higher ranked application would move forward.
9. Why is it that when I submit my Zoning Inquiry Letter request it is not showing a fee of \$522?
  - a. When you get to the final screen please note the 20TMP number and save your application. Email [Erik.Young@fresno.gov](mailto:Erik.Young@fresno.gov) and provide this number. Erik will adjust the settings in your application so that the appropriate fee populates. Then, you can log back in and pay for the request.
10. How long does it take to receive a response to my ZIL and what if I do not get it by the permit application due date?
  - a. The processing time for ZIL's are typically 14 business days. However, due to the volume of ZIL requests, this timeframe may be extended. If an applicant does not receive their ZIL response before the submission date of their Cannabis Business Permit application, they may attach the confirmation page showing that they successfully submitted their ZIL request before the 12/04/2020 permit due date. Applicants must also log back in to their application and upload their ZIL letter when they receive it, even if it is after the 12/04/2020 date.
11. Are operators that were open before the ordinance prohibited from applying?
  - a. No, they are not prohibited. FMC 9-3318(3) states that persons will be prohibited from holding a CCB Permit if "As of the date of the application submittal, applicant was conducting commercial cannabis activity in the city in violation of local and state law."
12. What sort of resume is the application requiring and if you have many owners do you still include resumes for all or just those involved in the day-to-day operations?

- a. The purpose of the resume is to highlight the experience and capability of your leadership team, specifically your owners. You should include the resumes of owners that have ownership interest of at least 20% or more.
13. Can we change our proposed location after we submit our application?
- a. No – the location is a big factor in determining permit approvals due to ordinance requirements (i.e. only two retail permits are authorized in each City Council district). Changes to ownership or location may occur during the annual renewal process and require the business to re-apply. (See FMC Section 9-3325)
14. Could you clarify what is required for the background check?
- a. Pursuant to FMC Section 9-3318(c): At the time of submission of an application for a commercial cannabis business permit, all operators, owners, investors, and managers of a commercial cannabis business or cannabis retail business shall submit information for a background check. The City is requiring a background check form to be submitted with the CCB application listing relevant criminal background history (or confirming there is none). Applicants who advance to Phase IV (or Phase V if Social Equity) will be asked to completed a Livescan background check process to confirm this information for each operator, owner, investor, and manager.
15. What information is required for a letter of intent to lease?
- a. The Letter of Intent should be from the property owner on their letterhead and state their intent to lease to the cannabis company for their specific intended use. For example, if they intend to do retail or cultivation, manufacturing, etc. The letter should be recent (30 days or less prior to application submission) and indicate if there is an expiration date to the agreement to lease. It does not need to list the specific terms but must agree to comply with FMC Section 9-3318(b).
16. Local Preference criteria and Social Equity eligibility both require 51% of the ownership interest meet the eligibility factors. Can a company have an eligible owner represented as a 51% owner but make management agreements that reduce the individual's profits or rights as an owner?
- a. No. We have added the requirement of signing an "ownership acknowledgement form". This form describes the intent of the social equity program and local preference criteria.
17. How do you mark application materials as confidential?
- a. You may put a watermark on the document or write "confidential" in the header or footer. Please keep in mind that applications are subject to the Public Records Act and only those documents exempt from that law will be treated as confidential even if they are all marked confidential.
18. Are evaluation sections six (6) Location, and seven (7) Community Benefits and Investments Plan, due with the application in writing even though they are not listed in Phase II for the standard application process?

- a. Yes, they are due in writing with your application and will be reviewed and considered in Phase III.
19. Does the Premises Diagram have to be to 1/4" scale min?
- a. Since the application materials are to be submitted electronically in PDF formatting, it just needs to be easily readable in PDF format. The sheet size and scale were originally included considering a hard copy format but the electronic application system will accept PDF.
20. In Section 2.7 - Can applicants choose their own organizations to sign labor peace agreements with?
- a. Yes
21. What should I expect during the interview? How many team members can join me?
- a. We will provide further instructions to applicants that proceed to the interview round prior to scheduling the interviews. The interview discussion will be based on the evaluation criteria submitted with your application.

### Application Scoring

1. Will the City be providing a detailed scoring rubric?
  - a. No. Although the City will use a detailed scoring rubric to ensure applications are scored consistently, we are only providing the total scores for each section (listed in the application procedures document) and the information that was provided in the orientation meeting.
2. Who is scoring the applications?
  - a. The review panel consists of a team of City staff members who will review and score different sections of the applications based on their expertise and using a scoring rubric to ensure consistency.
3. For Section 2.9, how will the City seek to verify LOI's for any equity incubation commitments. Also will these requirement be conditions of a permit approval?
  - a. Equity incubation is not a requirement of the standard application process. However, if an applicant makes a commitment to this they will be expected to follow through with it.
4. Will the city begin reviewing applications for phase 1 prior to the deadline?
  - a. No. Review of applications will begin after the application due date.
5. What is the difference between evaluation criteria 3.3 and 3.5?
  - a. (3.3.) Describe odor mitigation practices: Please describe all proactive policies, procedures and/or practices the business and its employees will used to prevent odor complaints.
  
  - (3.5.) Describe odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the permitted premises: Please describe all proposed devices and mechanical systems

designed to prevent odor from being detected beyond the permitted premises.

### Financial

1. Is there a required amount of capitalization?
  - a. There is not a required amount but the minimum recommended is \$400,000 for the first three months. The figure should match your business plan proposal.
2. What is expected for the pro forma and financial plan section of the business plan?
  - a. Pro forma is 3 years of financial performance projections detailing profit and loss expectations.
3. In the event we have loan or line of credit commitments from individuals or entities, would bank statements in the name of those individuals/entities along with a signed letter stating such commitment be sufficient to show proof of funds? Would such a letter need to be notarized?
  - a. The documents do not need to be notarized as long as it is on letterhead and shows the full contact information for the individual/entity making the commitment.

### Retail

1. The Business Plan asks for product line information. Do you expect to see brand names or just categories of products?
  - a. Knowing the types of products you intend to sell is important for your business model. You do not have to reference specific brands.

### Operational (all permit types)

1. Do we need to have a fulltime Cal Osha employee on staff?
  - a. FMC Section 9-3316(c) requires that within one year of receiving a permit the business will have one supervisor and one employee who have successfully completed a Cal-OSHA 30-hour general industry outreach course offered by a training provider that is authorized by an OSHA Training Institute Education Center to provide the course.
2. Is there a problem if the building I am proposing is not constructed yet?
  - a. No, that is okay. As long as the parcel is properly zoned, far enough from sensitive use, and you can describe how the facility will be laid out in the relevant sections this would be acceptable.
3. The evaluation criteria references use of vacant buildings, blighted properties, and brownfields. How are these defined?
  - a. During the orientation, reference was made to a vacant building registry. Subsequently, applicants requested a copy of this list. Currently, the registry is only tracking residential properties and is therefore not applicable for Commercial Cannabis Businesses. Please find the definition

of “vacant building” in FMC Section 10-603(o) and “blighted building” in Section 10-603(d). The EPA definition of Brownfield is: “A **brownfield** is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.”

4. Are there any protections for cannabis business owners against property owners who are charging higher than fair market value for leasing or purchasing property located inside the city of Fresno?
  - a. FMC Section 9-3318(b) states, “No person shall be issued a commercial cannabis business permit to operate who enters into an agreement to lease, sublease or any other agreement, regardless of whether it is verbally or in writing to any terms of use of the premises from a property owner, commercial broker or any third party, unless that property is leased at fair market value and such lease, sublease, or agreement does not have any terms or conditions for the cannabis permit licensee to pay the property owner, commercial broker, or any third party a percentage of gross receipts, royalties, equity, or other unreasonable compensation as determined by the city. In addition, all leases, subleases, or other agreements must be based a monthly rate.”

### Application Portal

1. Regarding Q1 on the Application Portal "Are you an owner of Cannabis business that would like to apply for a Cannabis Business Permit in the City of Fresno?" Would an applicant that is pursuing their first cannabis business choose "NO"?
  - a. NO. The purpose of the question is to have the person completing the application complete the background form as well as the permit application if they are an owner. Answering “no” will take you straight to the permit application without doing the background check. This would be relevant if you have a staff person or consultant preparing your application that is not required to do a background check form, or if you have already completed your background check form.
2. Can a non-owner submit or file the commercial cannabis business application?
  - a. Yes. The business should decide who has the authority submit the application on their behalf and it does not have to be an owner. However, the owner must complete a background check form and ensure that the information being submitted is accurate.
3. Do you need to create multiple viewpoint IDs to submit multiple applications or can one account submit multiple applications?
  - a. No. You may use a single ID to submit multiple applications and background check forms. Just make sure to adhere to the “Limitations” section of the application procedures. It is also possible to submit applications for different businesses under a single ID.
4. Does the application information have to be completed in one session?
  - a. No. You are able to save your application and login later to continue working on it.

5. Who will receive the application information?
  - a. Documents will be sent through the system to the email that the individual registered the account with. If our office needs to call you, we will contact the individual listed as the “primary contact” in your application.

## Social Equity Applications

1. Can I submit both a regular application and a social equity application?
  - a. No. The social equity permits are reserved for qualified social equity applicants. Applicants need to decide which application process they want to pursue.
2. Clarifying FMC Sec. 9-3316(b)(6)(iii)(6) – (Social Equity Applicant Eligibility) “An individual with a membership interest in a cannabis business formed as a cooperative.”
  - a. The individual would need to provide documents (Membership agreement or informed consent form) showing that they had membership interest in a cannabis cooperative when it was formed, regardless of whether the facility is still operating. MAUCRSA amended Health and Safety Code section 11362.775, the provision of SB 420 affording legal protection to cannabis collectives and cooperatives. The protection against criminal sanctions for cooperatives ended January 9, 2019 and cooperatives had to comply with State licensing requirements to continue operating.
3. When the eligibility says a “Business with no less than fifty-one percent (51%) ownership by individuals who meet criteria” does that mean multiple people can be listed of owners with a cumulative interest of 51%?
  - a. Yes. As long as a majority of the ownership interest meet the social equity criteria the business is eligible. You will need to upload documents that demonstrate the eligibility for all of the owners included in the 51% ownership interest that the business is basing its eligibility on.
4. Social Equity eligibility criteria #5 states, "Owners of social enterprise with no less than 51% ownership", a social enterprise could be a non-profit organization. Since there are no owners in a non-profit, and a manager or director can qualify as an "owner" for the application, how do you determine how much percentage someone owns (required 51%), since there are no such things as shares or equity ownership in a non-profit?
  - a. FMC Section 9-3304(jj) defines owner. In this section, item 2 and 3 apply to nonprofits. The owner is (2) The Manager of a nonprofit or other entity. Or (3) A member of the board of directors of a nonprofit. For a nonprofit, this is how an owner is defined and the individual this describes would need to qualify as a social equity applicant.
5. What resources are the city providing to social equity entrepreneurs to find quality cannabis business partners?

- a. The technical assistance provider for social equity applicants has access to a network of resources for applicants.
6. How will social equity applications be scored?
  - a. The written documents are reviewed on a pass/fail basis. Applicants will be ranked based on the interview process.
7. Is a social equity applicant required to utilize the technical assistance resources provided by the City?
  - a. No. Technical assistance is available but it is up to the applicant to use it or not.
8. What does low-income household mean?
  - a. Low-income household whose gross income does not exceed 80 percent of the area median income for Fresno County. Based on census information, \$51,261 (2018) = Average Household Median Income for County of Fresno. 80% = **\$41,008** This household income or less would be considered “low income” for the purposes of SE.
9. Do I have to be a Fresno resident to qualify as a social equity applicant?
  - a. No, you may still apply. However, there is a local preference consideration.
10. Will I be able to open my social equity business sooner than general businesses?
  - a. No. We expect to get to the interview phase for both application processes at the same time so the applicants will be on the same application process time frame.
11. Will asking for technical assistance delay my application?
  - a. No. We accounted for this in the overall timeline.
12. What documents can show local residency?
  - a. There are different documents that can show this including lease agreement, utility bills, mortgage statement, school records. Please contact our office if you have a question about a specific document.
13. Who is considered immediate family?
  - a. Immediate family refers to a person’s parents, spouse, children (and their spouses), siblings, parent’s spouse, stepchildren, and adopted children.
14. Does the immediate family member with a qualified conviction have to be an owner?
  - a. No.
15. Can a Social Equity applicant make changes to the ownership of their business?
  - a. Social Equity applicants may make changes to their business ownership until 1/29/2021 (Phase III of the application process). However, the qualified social equity applicant must not change and must retain majority interest. To notify the City of ownership changes, please attach a dated letter to your application that specifies each owner’s name, title, address, and ownership interest and ensure that every listed owner has submitted

on online background check form. Changes after this date are subject to FMC Section 9-3325.