GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT
STATE OF CALIFORNIA • OFFICE OF GOVERNOR GAVIN NEWSOM

California Community Reinvestment Grants Program
Frequently Asked Questions

The information in this document is applicable to the Grant Solicitation issued on August 16, 2021 and available at
www.business.ca.gov/CalCRG.

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General

1. **What is the California Community Reinvestment Grants (CalCRG) program?**

   The CalCRG program is a grant program that was included in The Adult Use of Marijuana Act (Proposition 64), which was approved by California voters on November 8, 2016. In accordance with the proposition, the Governor's Office of Business and Economic Development (GO-Biz) will award grants to Local Health Departments (LHDs) and qualified Community-based Nonprofit Organizations (CBOs) to support the following activities for communities disproportionately affected by past federal and state drug policies, also known as the War on Drugs:

   - Job placement
   - Mental health treatment
   - Substance use disorder treatment
   - System navigation services
   - Legal services to address barriers to reentry
   - Linkages to medical care

2. **How is the CalCRG program funded and how much is available each year?**
   The CalCRG program is funded by the cannabis excise and cultivation taxes imposed by California Revenue and Taxation Code sections 34011 and 34012, respectively. The funding for the CalCRG program is as follows:
   - $40 million in fiscal year 2021-22 (July 1, 2021 – June 30, 2022)[1]
   - $50 million in fiscal year 2022-23 (July 1, 2022 – June 30, 2023) and each year thereafter[1]

3. **May more than one organization partner together and submit a collaborative application?**

   Yes, however all organizations within the collaborative application must be Eligible Applicants (see Eligibility section below for more details).

4. **How much funding is available to grantees during this award cycle?**

   A total of $38,400,000 is available, of which 50 percent will be available to CBOs with average annual total revenue of $2 million or less over their last three tax years.[2] Therefore, applications from such organizations will be evaluated in comparison to other organizations that also meet this criterion. The remaining 50 percent of funding will be available to all other Community-based Nonprofit Organizations and Local Health Departments.

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[1] Contingent upon sufficient tax proceeds generated
[2] Amounts may be adjusted – see Grant Solicitation for details.

5. **What is the size of the grant, and how long is the grant term?**

    The total grant award amount is over the entire three-year grant term. For applications from a single organization, the minimum amount that may be requested is $100,000, and the maximum amount is $450,000. For collaborative applications, the minimum amount that may be requested is $200,000, and the maximum amount is $900,000, with a maximum allocation of $450,000 to any one organization in the collaboration. The minimum amount that may be allocated to an organization in a collaborative application is $100,000.

    The grant term, or performance period, is 36 months. The total awarded amount is for the entire grant term. However, there is no minimum or maximum that must be spent in a given year during the grant term. Grantees may spend grant funds on programmatic needs consistent with their approved budget and work plan.

6. **Are the grant funds awarded before or after the grantee provides the services proposed in its grant application?**

    The CalCRG program is based on a reimbursement model, where the grantee will submit an invoice after the qualifying services have been rendered.

7. **Can an organization submit more than one application?**

    No, an organization may only be included in one application, either as a partner in a collaborative application, or as a single organization applicant.

8. **Does the CalCRG program have a "match" requirement in which an applicant must secure funding from other sources to be eligible for a grant?**

    No, there is no match requirement for this grant. However, equipment purchase and similar expenditures related to the provision of Eligible Services in excess of $10,000 for a single piece of equipment (such as a vehicle to provide transportation to medical appointments) shall be reimbursed by the CalCRG program at a rate of 50 percent of the cost of the item.

9. **If my organization was already awarded a CalCRG program grant, may it apply for another grant?**

    CalCRG program grantees may apply for another grant only if they have spent at least 50% of funds for their existing grant as evidenced by invoices submitted and approved by the Phase 1 application due date. Additionally, the grantee's progress and performance of its existing grant will be considered when evaluating subsequent grant applications.

10. **Some grant programs only provide funding for direct costs; are indirect costs allowed for the CalCRG program?**

    Yes, the CalCRG program allows for indirect costs, but such costs may not exceed 17 percent of the total grant award.

11. **Funding from Proposition 64 was allocated for youth development and youth prevention services. Is this the same program as the CalCRG program?**

A large percentage of the youth prevention and education efforts included in Proposition 64 will be funded by the [Youth Education, Prevention, Early Intervention and Treatment Account](#), with the funding disbursed to the State Department of Health Care Service. For the CalCRG program, Proposition 64 specified the six funding categories referenced in question number one above.

12. **Can an organization submit an application proposing services in more than one funding category?**

Yes, applicants may choose any combination of the previously mentioned funding categories.

13. **If an applicant includes an ineligible cost in their budget, may a lower amount be awarded than what was requested, or will the application be denied?**

Applicants that include ineligible costs in their budget, based on the guidance in the Grant Solicitation, may have their final budgets adjusted.

14. **Will Local Health Departments and Community-based Nonprofit Organizations apply with the same application, or will there be two separate applications?**

All applicants will complete the same application; however, some application questions and documents may not apply depending on the applicant type. Please review the Grant Solicitation for a list of required and supporting application documents for each applicant type.

15. **How does a collaborative application qualify for the small Community-based Nonprofit Organization funding allocation?**

For a collaborative application to be considered under the small Community-based Nonprofit Organization funding allocation, all organizations within the collaboration must be Community-based Nonprofit Organizations and each have average annual total revenue of $2,000,000 or less over their last three tax years.

16. **Some of the eligible services my organization would like to provide with the grant funds may require specialized skills that we are unable to provide directly; may I subcontract a small portion of the grant funds for this assistance, and if so, does the subcontractor need to be an "Eligible Applicant"?**

As much of the grant funds as possible should be used directly by grant recipients, however, grant funds may be used for subcontracted costs in limited circumstances. Subcontracted costs may not exceed 20 percent of the overall budget, except in limited situations and at the sole discretion and approval of GO-Biz. Any use of subcontractors for evaluation activities may not exceed $30,000 for the entire grant

term. A subcontractor does not need to qualify as an Eligible Applicant, nor are they to be listed as a partner in a collaborative application. However, intentional use of a subcontractor to circumvent program eligibility requirements is prohibited. Please review the Grant Solicitation for complete details regarding subcontracted costs.

17. **Can eligible services be provided virtually?**

Yes, organizations may provide eligible services through virtual options, if applicable.

Eligibility

1. **Who may apply for the grants from the CalCRG program?**

Local Health Departments and Community-based Nonprofit Organizations may apply for grants from the CalCRG program. Please see the "Eligible Applicants" section of the Grant Solicitation available at: www.business.ca.gov/CalCRG for complete eligibility requirements.

2. **Can for-profit organizations apply as a single organization applicant, lead applicant, or be listed as partners in a collaborative application?**

No.

3. **Do all partners in a collaborative application need to be identified at the time an application is submitted?**

Yes. Once the Phase 1 application due date has passed, the applicant may not replace or remove a proposed partner under any circumstances.

4. **Do all partners in a collaborative application need to be allocated funding?**

Yes.

5. **Can collaborative applications include local governments or municipalities, or government departments/agencies other than the jurisdiction's Local Health Department?**

No. All partners in a collaborative application must be an Eligible Applicant as defined in the Grant Solicitation.

6. **Do collaborative applications need to address all eligible funding categories?**

No.

7. **May a nonprofit project use a fiscal sponsor to qualify for the CalCRG program?**

Yes, a nonprofit project may use an organization to serve as its fiscal sponsor. However, the fiscal sponsor must be an Eligible Applicant, as defined in the Grant Solicitation. When starting such an application, for the question that asks for the

applicant organization's legal name, enter the name of the fiscal sponsor, followed by "FBO" (for the benefit of) then the nonprofit project's name. For the section of the application that asks for the applicant's Federal Employer Identification Number, Secretary of State Entity Number, and Registry of Charitable Trust Number, enter the applicable numbers for the fiscal sponsor. For the question in the application that asks for the total revenue of the organization, answer the question based on the revenue of the nonprofit project. Also, in the Phase 1 Required Documents section of the application, upload a copy of the fiscal sponsorship agreement, as well as a copy of the fiscal sponsor's IRS Form 990.

8. **Can an organization with an adverse eligibility status, such as a "suspended" status with the California Secretary of State, use a fiscal sponsor to qualify for the CalCRG program?**

No, an organization with an adverse eligibly status may not use a fiscal sponsor to circumvent program eligibility requirements.

9. **Are there any geographic eligibility requirements for the CalCRG program?**

Yes, the CalCRG program statute requires the funding for this program to be used for services provided to communities "disproportionately impacted by past federal and state drug policies". As a result, the CalCRG program identified specific counties and census tracts that are eligible. Applicants may propose services in multiple eligible counties or census tracts. Please see the "Geographic Eligibility" section of the Grant Solicitation available at www.business.ca.gov/CalCRG for complete details.

10. **Since the CalCRG program is funded by cannabis excise and cultivation taxes, if my municipality forgoes legalized cannabis sales, is my organization disqualified from applying?**

No, your organization is not disqualified from applying. Organizations serving communities within such jurisdictions are still able to apply for CalCRG funding if all eligibility requirements are met.

11. **Are there any citizenship requirements for the populations my organization can serve with CalCRG funding?**

No.

12. **Are classifications such as community health workers, case managers, and "Promatoras" eligible classifications for funding?**

Yes, these are allowable classifications if the services provided by individuals in these classifications are within the funding categories referenced in question one in the "General" section of this document.

13. **Are services only intended for adults or can services be directed to the youth population?**

Services may be directed toward youth and/or adult clients, but the applicant must describe how the population they are proposing to serve has been affected by past federal and state drug policies.

14. **Are eligible service recipients limited to those who have been formerly incarcerated?**

Services are not limited to formerly incarcerated individuals. However, Preference Points may be awarded in some instances if an applicant has a history of providing services to formerly incarcerated clients.

15. **Can we include clients who have been incarcerated in county jail for services under the Legal Services to Address Barriers to Reentry funding category?**

Yes.

16. **Can we include clients who are reentering society from juvenile detention under the Legal Services to Address Barriers to Reentry funding category?**

Yes.

17. **Where do we find information regarding the Attorney General's Registry of Charitable Trusts?**

Please visit https://oag.ca.gov/charities for more information regarding the California Attorney General's Registry of Charitable Trusts.

18. **Can funds be used for capital improvements on already rented or owned properties?**

Funding may be used for capital improvements to an existing facility that supports eligible service delivery. The proposal should describe how the improvements are reasonable and necessary to support the services proposed in the application.

Application

1. **How do I apply for a grant from the CalCRG program?**

The Online Application Portal will be available beginning August 23, 2021, via a link at www.business.ca.gov/CalCRG. A detailed Online Application Portal User Guide, which outlines the steps to create an account and application, is also available at the above referenced website.

2. **When are applications due?**

The Phase 1 application for this fiscal year must be completed and submitted via the Online Application Portal no later than September 29, 2021, at 11:59 p.m. (Pacific Time).

3. **What criteria will the CalCRG program use to evaluate my application?**

The Phase 1 application review process and detailed scoring criteria can be found in the Grant Solicitation, which is available at www.business.ca.gov/CalCRG. Applicants that are invited to advance to the Phase 2 application process will be provided the Phase 2 Evaluation and Scoring Criteria.

4. **Are there any program priorities or preference points for certain activities?**

Yes, current CalCRG program priorities include proposals from organizations led by individuals directly impacted by the War on Drugs, organizations that serve individuals formerly incarcerated in prison, jail or juvenile detention, and organizations placing individuals in jobs. Preference Points will be allocated to proposals that match current CalCRG program priorities.

5. **What are the character limits for questions in the application?**

Each narrative question in the application has a specific character limit which can be viewed after starting an application in the Online Application Portal for Phase 1, and within the Phase 2 Application document.

6. **Are the character limits intended to be a guide in how lengthy you want the responses to be?**

No. Our intention in creating the character limits is to ensure applicants have sufficient opportunity to explain their responses fully. It is up to the applicant to determine how much detail to include in their responses.

7. **Can multiple people work on one application?**

Yes. Each person (i.e., user) will need their own account to access the Online Application Portal. The user who created the application will then need to add each additional user access to the application. Please see the Online Application Portal User Guide located at www.business.ca.gov/CalCRG for more information.

8. **Can multiple counties be selected in the Geographic Eligibility section of the Application Information section?**

No. Select the county where the majority of the proposed services and/or the priority population are located. Additional counties where services will be provided can be discussed in the narrative portion of the application.

9. **Can multiple census tract numbers be listed?**

Yes, however it is not required to list all census tracts. Additional census tracts can be discussed in the narrative portion of the application.

10. **For collaborative applications, is it a requirement to upload documents for each collaborative partner?**

    Yes. Please review the Grant Solicitation for a list of the required documents.

    It is the Lead Applicant's responsibility to ensure that the required documents for each collaborative partner are uploaded to the Online Application Portal. All documents for each file type may be combined and uploaded as a single PDF document (e.g., FTB status documentation for lead and all partners in one PDF) or by uploading multiple files of the same file type.

11. **Does the Online Application Portal allow users to save their progress and come back to it later?**

    Yes.

12. **If an organization files a Form 990-EZ instead of a Form 990, how do we complete the Form 990, Exempt Organization Tax Return Information section?**

    In this section, for the first question, select "No" in the drop down and mark the section as complete. However, please upload the Form 990-EZ in the Required/Supporting Documentation section.

Contact Information

If any additional assistance is needed, please email CalCRG@gobiz.ca.gov or call 916-322-2683.