



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Alexa Jeffress
Director, Economic and
Workforce Development

SUBJECT: SUPPLEMENTAL – Assistance For
Businesses Impacted By Armed
Robberies

DATE: December 10, 2021

City Administrator Approval 

Date: Dec 10, 2021

REASON FOR SUPPLEMENTAL

This supplemental report (1) requests clarification regarding the proposed resolution to direct the City Administrator to assist businesses who have been harmed by armed robberies and (2) provides information on existing programs and services related to businesses impacted by burglaries or robberies. Staff hopes that by submitting this supplemental report to the City Council in advance of the December 14, 2021, Special Public Safety Committee Meeting, the City Council will have an opportunity to incorporate additional information into any final adopted resolution, which in turn will expedite implementation.

BACKGROUND

Vice Mayor Kaplan, Councilmembers Fife and Gallo, and City Council Pro Temp Thao have requested that the Public Safety Committee consider the following Resolution at a Special Public Safety Committee Meeting on December 14, 2021:

Resolution to Direct the City Administrator To Assist Impacted Businesses Who Have Been Harmed By Armed Robberies By (1) Researching Whether City-Issued Loans To Impacted Businesses Can Be Deferred Or Waived And Returning To Council For Authorizations As Needed, (2) Researching Options For Tax Rebates For Impacted Businesses And Reporting Back To Council On Options, (3) Researching Whether The City Can Provide Funding through The City's Façade Improvement/Tenant Improvement Programs To Help Businesses Rebuild And Install Security Doors/Gates And Related Infrastructure And Returning to Council For Authorization As Needed, (4) Researching Whether Funds Granted To The City Of Oakland From The State Of California to Support Cannabis Businesses And East Oakland Businesses Can Be Used To Help Impacted Businesses With Recovery And Returning To Council for Authorizations As Needed, And (5) Conduct An Intensive Outreach Campaign to Impacted Businesses To Inform Them Of the Availability Of Any Existing City Support To Remediate The Economic Harm Caused By Armed Robberies

No staff report or underlying Resolution has been published to date.

Special Public Safety Committee
December 14, 2021

REQUEST FOR CLARIFICATION AND STATUS UPDATES

Below staff has highlighted elements of the proposed resolution title for which staff seek clarification as well as shared information regarding analyses and efforts already underway and existing programs and services in place to assist businesses impacted by burglaries or robberies.

Direct the City Administrator To Assist Impacted Businesses Who Have Been Harmed By Armed Robberies

Staff request that the final adopted resolution clarify the scope of impacted businesses. For example, the title of the proposed resolution is limited to armed robberies,¹ however, more Oakland businesses have recently been victims of burglaries² than robberies. Furthermore, while several burglaries took place against Oakland businesses during the period of November 18, 2021, to November 30, 2021, the proposed resolution title does not identify a time period during which the businesses should have been impacted to qualify for assistance pursuant to the proposed resolution. Staff request that the final resolution clarify whether both businesses that suffered burglaries and robberies should qualify as an impacted business, and what time period the burglary or robbery should have taken place in order to qualify as an impacted business.

By (1) Researching Whether City-Issued Loans To Impacted Businesses Can Be Deferred Or Waived And Returning To Council For Authorizations As Needed

Following a report on the City of Oakland's no-interest revolving loan program for cannabis equity applicants, at the November 2021 meeting of the Cannabis Regulatory Commission, the Commission adopted a motion recommending that the City Administration postpone collection action for delinquent cannabis equity loan borrowers for six months while staff conducts an analysis of the loan program and whether to present legislation to City Council for further loan relief. The City Administrator has approved this recommendation and staff is now in the process of conducting its analysis of the loan program.

(2) Researching Options For Tax Rebates For Impacted Businesses And Reporting Back To Council On Options

Staff will need clarification on the definition of an impacted business to evaluate options for tax rebates.

In addition to the new tiered and category-based tax structure for cannabis businesses adopted via Ordinance No. 13573 C.M.S. on December 10, 2019, the City Council adopted four different tax rebate programs totaling nine separate and distinct conditions upon which a cannabis business would be entitled to the rebate of a portion of business taxes paid annually. The

¹ California Penal Code Section 211 defines a robbery as the felonious taking of personal property in the possession of another, from his person or immediate presence, and against his will, accomplished by means of force or fear.

² California Penal Code Section 459 defines a burglary as the act of entering a structure with intent to commit grand larceny, petit larceny, or any other felony.

cannabis business tax rebate programs are a refund of the business tax paid after cannabis businesses meet a certain threshold. The four rebate programs are shown in **Table 1**, below:

Table 1: Cannabis Business Tax Rebate Programs	
Rebate Program	Rebate Conditions
Local Hiring Rebate (5.04.481.B.2.a.)	I. 30% of workforce consists of "Equity Employees"
	II. 25% of workforce consists of Equity Employees in "Essential Roles"
	III. 20% of workforce consists of Equity Employees in "Managerial Roles"
Equity Supply Chain (5.04.481.B.2.b.)	I. 30% of value of cannabis products delivered to the business were delivered by an Equity Businesses
	II. 25% of value of cannabis products delivered to the businesses were originally cultivated or manufactured by an Equity Business
Workforce Quality of Life (5.04.481.B.2.c.)	I. \$20/hr. with health benefits <u>or</u> \$25/hr. without health benefits for all employees employed
	II. 80% of total employees are full-time employees
Incubation (5.04.481.B.2.d.)	I. Provide free rent to Equity Business beyond the initial three-year period
	II. Provide free rent to Equity Business in the tax year but does not seek "permitting priority"

As an option, the City Council could consider amending the Oakland Municipal Code Section 5.04.481 to include a fifth rebate program allowing for the rebate of 2021 taxes paid if "cannabis businesses" suffered burglaries and robberies during the period of November 18, 2021, to November 30, 2021.

(3) Researching Whether The City Can Provide Funding through The City's Façade Improvement/Tenant Improvement Programs To Help Businesses Rebuild And Install Security Doors/Gates And Related Infrastructure And Returning to Council For Authorization As Needed

Following the previous direction of City Council, staff are developing a plan to retool current and future Façade and Tenant Improvement Programs to increase participation by less capitalized businesses and remove burdens to accessing the program. Staff intend to bring these recommendations to Council in early 2022.

Staff are still seeking clarification on whether Redevelopment Bond Funds, which are the current source of funding for the Façade and Tenant Improvement Program, can be used to support cannabis businesses, and an alternate funding source may be required to support these businesses.

(4) Researching Whether Funds Granted To The City Of Oakland From The State Of California to Support Cannabis Businesses And East Oakland Businesses Can Be Used To Help Impacted Businesses With Recovery And Returning To Council for Authorizations As Needed

In response to recent burglaries of cannabis businesses, the Special Activity Permits Division made grants up to \$15,000 available to burglarized cannabis equity applicants through funds

received earlier this year from the Governor’s Office of Business and Economic Development (Go-Biz).³

In addition to funds from Go-Biz, the City of Oakland has or will receive two additional state grants related to cannabis, one from the Board of (BSCC) and one from the Department of Cannabis Control (DCC). In July 2021, the Oakland City Council adopted Resolution No. 88735 C.M.S. to receive \$997,694 over three years from the BSCC to address youth prevention, consumer awareness, and public safety related to the legalization of recreational cannabis. In the State of California’s Budget Act of 2021 the DCC has set aside \$9,905,020 over the next three years for the City of Oakland through the Local Jurisdiction Assistance Grant Program to transition cannabis operators with a provisional state license to an annual license and support the City of Oakland’s cannabis equity program.⁴ After conferring with the Cannabis Regulatory Commission, staff submitted a grant application to the DCC prior to its November 15, 2021 deadline.

Following recent burglaries of cannabis businesses and recommendations from the Cannabis Regulatory Commission at its December meeting, staff is now examining whether and how the City of Oakland can amend either its BSCC or DCC grant application to support burglarized cannabis businesses and prevent future burglaries. Staff anticipates submitting an amended proposal to this effect for the Cannabis Regulatory Commission and state agencies’ consideration in January 2022 and related legislation to the City Council in the first quarter of 2022.

Regarding the funds from the State of California to support East Oakland businesses, the City Council recently adopted Resolution No. 88877 C.M.S., which directed staff to accept and appropriate \$8,000,000 from the State of California to fund the ESO Ventures Capital In The Community Act. Staff consulted with Go-Biz, the state agency issuing the grant, and Go-Biz clarified that the funds will be granted directly to ESO Ventures and will not pass through the City.

And (5) Conduct An Intensive Outreach Campaign to Impacted Businesses To Inform Them Of the Availability Of Any Existing City Support To Remediate The Economic Harm Caused By Armed Robberies

When Economic and Workforce Development (EWD) staff learn of a business that has been impacted by looting or organized burglaries, an EWD staff person personally visits the business to share a multilingual checklist of steps to aid recovery and share other resources, including the Oakland Indie Alliance’s Small business Repair Fund. Since April 2021, EWD staff have visited 19 businesses that were impacted by burglaries. EWD staff learns of impacted businesses from the Oakland Police Department, media coverage, and self-reporting by businesses that use the City’s online form to report business damage or loss at www.oaklandbusinesscenter.com.

³ More information on grants and loans Oakland cannabis equity applicants is available here:

<https://www.elevateimpactoakland.com/>

⁴ More information on the Local Jurisdiction Assistance Grant Program is available here:

https://cannabis.ca.gov/wp-content/uploads/sites/2/2021/09/Local-Assistance-Grant_Guidelines.pdf

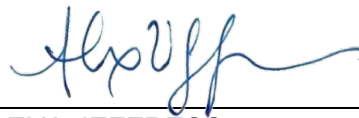
Similarly, EWD's Special Activity Permits Division has informed cannabis equity applicants regarding grants available for burglarized cannabis equity businesses by emailing its email distribution list of cannabis equity applicants and presenting at the December Cannabis Regulatory Commission meeting.

RECOMMENDATION

Staff recommends that the City Council receive this supplemental report and clarify the definition of an impacted business in any adopted resolution.

For questions regarding this report, please contact Greg Minor, Assistant to the City Administrator at gminor@oaklandca.gov or 510-238-6370 or Micah Hinkle, Deputy Director of the Department of Economic and Workforce Development at mhinkle@oaklandca.gov or 510-238-6193.

Respectfully submitted,



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