

Approved as to Form and Legality



City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO:
(1) APPLY FOR AND ACCEPT NINE-MILLION NINE-HUNDRED AND FIVE THOUSAND AND TWENTY DOLLARS (\$9,905,020) IN STATE OF CALIFORNIA LOCAL JURISDICTION ASSISTANCE GRANT PROGRAM FUNDS; AND (2) APPROPRIATE THE LOCAL JURISDICTION ASSISTANCE GRANT BY: (A) FUNDING STAFF IN THE ECONOMIC AND WORKFORCE DEVELOPMENT, PLANNING AND BUILDING, AND FIRE DEPARTMENTS IN THE AMOUNT OF FOUR MILLION SEVEN-HUNDRED AND NINETY-NINE THOUSAND SEVEN HUNDRED AND NINE DOLLARS (\$4,799,709); (B) FUNDING PERMIT TECHNOLOGY SYSTEMS IN THE AMOUNT OF FOUR-HUNDRED AND THIRTY THOUSAND DOLLARS (\$430,000); (C) AWARD GRANTS TO SUPPORT THE TRANSITION TO ANNUAL STATE LICENSES FOR CANNABIS EQUITY APPLICANTS IN AN AMOUNT NOT TO EXCEED TWO-HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000) PER GRANT TO BE DETERMINED AND WITHOUT RETURN TO CITY COUNCIL IN A CUMULATIVE AMOUNT OF ONE MILLION SEVEN HUNDRED AND TWENTY-TWO THOUSANDSIX-HUNDRED AND FIFTY-FIVE DOLLARS AND FIFTY CENTS (\$1,722,655.50); (D) AWARD GRANTS FOR BUSINESS SECURITY PURPOSES TO PROVISIONALLY LICENSED CANNABIS APPLICANTS IN AN AMOUNT NOT TO EXCEED TWO-HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000) PER GRANT TO BE DETERMINED AND WITHOUT RETURN TO CITY COUNCIL IN A CUMULATIVE AMOUNT OF ONE MILLION SEVEN HUNDRED AND TWENTY-TWO THOUSAND SIX-HUNDRED AND FIFTY-FIVE DOLLARS AND FIFTY CENTS (\$1,722,655.50); AND (E) ALLOCATING FUNDING IN THE AMOUNT OF ONE MILLION TWO HUNDRED AND THIRTY THOUSAND DOLLARS (\$1,230,000) FOR CONSULTANTS TO BE SELECTED THROUGH COMPETITIVE REQUEST FOR PROPOSAL PROCESSES TO ADMINISTER GRANT PROGRAMS AND PROVIDE TECHNICAL AND LEGAL ASSISTANCE TO CANNABIS EQUITY APPLICANTS

WHEREAS, the State of California Budget Act of 2021, Item 115-101-0001-For Local Assistance, found in Senate Bill 129 (2021) provides \$100 million in statewide funding for the Local Jurisdiction Assistance Grant Program; and

WHEREAS, under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), the Department of Cannabis Control licenses and regulates cannabis businesses. Annual licenses are issued by the Department once an applicant or licensee meets all requirements for annual licensure; and

WHEREAS, the Department of Cannabis Control may issue a provisional license if a state cannabis applicant has submitted a completed license application that confirms compliance with the California Environmental Quality Act (CEQA) and local permitting requirements; and

WHEREAS, the MAUCRSA contains specific timelines for when the Department of Cannabis Control can no longer issue or renew provisional licenses; and

WHEREAS, State provisional licensees must complete the annual license process by certain dates or face a potential gap in licensure; and

WHEREAS, currently, approximately seventy-five percent of California's commercial cannabis licenses are provisionally licenses; and

WHEREAS, the Local Jurisdiction Assistance Grant Program allocates \$100 million to local jurisdictions with significant numbers of provisional licenses who are legacy and equity applicants, and provisional licensees in that are more likely to have arduous environmental compliance requirements associated with CEQA; and

WHEREAS, this one-time aid is intended to encourage local jurisdictions to allow the Department to transition provisional licenses to annual licenses more expeditiously without sacrificing California's environmental commitments; and

WHEREAS, the State allocated additional funding to those local jurisdictions that have received grant funding from the State to support an already established local equity program; and

WHEREAS, the Local Jurisdiction Assistance Grant Program funds shall be expended no later than March 31, 2025; and

WHEREAS, the City of Oakland (City) conducted the nation's first race and equity analysis of the cannabis industry and adopted the nation's first Equity Program in the Spring of 2017 with the goal of promoting equitable ownership and employment opportunities in the cannabis industry to address the disproportionate impacts of the war on drugs in marginalized communities of color; and

WHEREAS, the City has received more than a thousand cannabis permit applications since 2017; and

WHEREAS, hundreds of the City’s cannabis permit applicants hold a provisional state license; and

WHEREAS, the Local Jurisdiction Assistance Grant Program allocates a total of nine million nine-hundred and five thousand and twenty dollars (\$9,905,020) to the City, four million four hundred thousand two-hundred and ninety three dollars (\$4,400,293) in grant program funding and an additional five million five-hundred and four thousand seven hundred and twenty-seven dollars (\$5,504,727) due to the City’s equity program; and

WHEREAS, City staff has identified increased staffing, improved technologies, and funding for cannabis applicants as effective strategies to transition cannabis permit applicants from a provisional to an annual state license;

WHEREAS, staff presented these strategies to the Cannabis Regulatory Commission in 2021, and staff incorporated the Commission’s recommendations in this Resolution; and

WHEREAS, transitioning cannabis permit applicants through local and state licensing processes will establish a sustainable and safe cannabis industry in the City; now, therefore be it

RESOLVED: That the City of Oakland desires to participate in the Local Jurisdiction Assistance Grant Program; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to apply for and accept nine million nine-hundred and five thousand and twenty dollars (\$9,905,020) in Local Jurisdiction Assistance Grant Program funds; and be it

FURTHER RESOLVED: That the City Administrator or designee, is authorized to execute on behalf of the City of Oakland, by electronic signature or other method required by the Department of Cannabis Control, to sign the Local Jurisdiction Assistance Grant Agreement with the Department of Cannabis Control, including any amendments thereof; and be it

FURTHER RESOLVED: That the City of Oakland agrees to abide by the terms and conditions of the Grant Agreement as set forth by the Department of Cannabis Control; and be it

FURTHER RESOLVED: That the nine million nine-hundred and five thousand and twenty dollars (\$9,905,020) in Local Jurisdiction Assistance Grant funding from the Department of Cannabis Control shall be deposited in the following funds: State of California Fund (2159), Special Activities: Cannabis Organization (85621), State Grant Miscellaneous Account(46229), in a Project (TBD); and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to appropriate said grant funds; and be it

FURTHER RESOLVED: That City Administrator or designee is authorized to allocate four million seven-hundred and ninety-nine thousand seven-hundred and nine dollars (\$4,799,709) towards funding new staff positions and overtime for existing positions in the Economic and Workforce Development, Planning and Building, and Fire Departments; and be it

FURTHER RESOLVED: That City Administrator or designee is authorized to allocate four-hundred and thirty thousand dollars (\$430,000) to fund the acquisition and maintenance of permit technology systems; and be it

FURTHER RESOLVED: That City Administrator or designee is authorized to allocate one million seven hundred and twenty-two thousand six-hundred and fifty-five dollars and fifty cents (\$1,722,655.50) towards providing grants to cannabis equity applicants to be determined without returning to City Council to support their transition from a provisional to an annual state cannabis license in an amount not to exceed two-hundred and fifty thousand dollars (\$250,000) per grant; and be it

FURTHER RESOLVED: That City Administrator or designee is authorized to allocate one million seven hundred and twenty-two thousand six-hundred and fifty-five dollars and fifty cents (\$1,722,655.50) towards providing grants to cannabis applicants with a provisional state cannabis license to address security requirements in an amount not to exceed two-hundred and fifty thousand dollars (\$250,000) per grant; and be it

FURTHER RESOLVED: That City Administrator or designee is authorized to allocate one million two-hundred and thirty thousand dollars (\$1,230,000) towards consultants to be selected through competitive Request for Proposal Processes to administer loan and grant programs and provide technical as well as legal assistance to cannabis equity applicants; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to re-allocate Local Jurisdiction Assistance Grant Program funds towards any of the above-described uses in an amount greater than identified above if funds are not needed in one or more of the above-described categories and as authorized by the state grant; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to take any other action necessary consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - GALLO, FIFE, KALB, KAPLAN, REID, TAYLOR, THAO AND PRESIDENT
FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
ASHA REED
City Clerk and Clerk of the Council of
the City of Oakland, California