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Approved as to Form and Legality

*Arnold Sotol*  
City Attorney's Office

## OAKLAND CITY COUNCIL

RESOLUTION NO. 88030 C.M.S.

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**RESOLUTION: (1) ACCEPTING AND APPROPRIATING ONE-MILLION, SIX-HUNDRED AND FIFTY-SEVEN THOUSAND, TWO-HUNDRED AND ONE DOLLARS AND SIXTY-FIVE CENTS (\$1,657,201.65) IN 2019-2020 STATE OF CALIFORNIA, EQUITY ACT GRANT FUNDING TO ASSIST LOCAL CANNABIS EQUITY APPLICANTS AND LICENSEES; (2) AUTHORIZING THE CITY ADMINISTRATOR TO: (A) AMEND THE PROFESSIONAL SERVICES AGREEMENT WITH 4FRONT PARTNERS BY INCREASING THE FUNDING FROM ONE-HUNDRED AND EIGHTY THOUSAND DOLLARS (\$180,000) TO THREE-HUNDRED THOUSAND DOLLARS (\$300,000) TO ADMINISTER LOAN AND GRANT PROGRAMS FOR CANNABIS EQUITY APPLICANTS AND LICENSEES; (B) ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH KNOX AND ROSS TO PROVIDE LEGAL SERVICES TO CANNABIS EQUITY APPLICANTS AND LICENSEES IN THE AMOUNT OF ONE-HUNDRED AND TWENTY THOUSAND DOLLARS (\$120,000); (3) WAIVING THE REQUEST FOR PROPOSALS/QUALIFICATIONS PROCESS FOR THE TWO PROFESSIONAL SERVICES AGREEMENTS REFERENCED ABOVE; (4) RE-APPROPRIATING REPAID CANNABIS EQUITY LOAN FUNDS ALLOCATED PURSUANT TO RESOLUTION 86633 C.M.S. FOR THE SAME PURPOSES OF CANNABIS EQUITY LOAN ASSISTANCE; AND (5) ADDING A PROGRAM ANALYST POSITION TO SUPPORT GRANT AND EQUITY PROGRAM ADMINISTRATION**

**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 members of the California Legislature have recognized the need for equity grant funding to support local jurisdictions' equity programs; and

**WHEREAS**, state funding has been provided to the Bureau of Cannabis Control to provide grant funds to local governments pursuant to the Budget Act of 2019, Item 1111-490-Reappropriation; and

**WHEREAS**, the City has adopted and operates a local equity program for commercial cannabis activity; and

**WHEREAS**, the City applied for grant funding through the Bureau of Cannabis Control's Local Equity Grant Funding program in August 2019 in order to further its Equity Program; and

**WHEREAS**, the Bureau of Cannabis Control has approved the City of Oakland to receive funding in the amount of \$1,657,201.65; and

**WHEREAS**, the City has determined that it will use grant funds from the Bureau of Cannabis Control to assist local equity applicants and licensees through its local equity program for commercial cannabis activity as described in its application for grant funds; and

**WHEREAS**, the City's Equity Program includes free technical and legal assistance to Equity Applicants administered by Make Green Go and its subcontractor, Knox and Ross; and

**WHEREAS**, the City Administration selected Make Green Go and its subcontractor Knox and Ross after competitive Request for Qualifications processes in 2017, 2018, and 2019; and

**WHEREAS**, the City's Equity Program also includes a no-interest loan program for Equity Applicants administered by 4Front Partners, dba Elevate Impact Oakland; and

**WHEREAS**, the City Administration selected 4Front Partners after competitive Request for Qualifications processes in 2018 and 2019; and

**WHEREAS**, the City Council, in 2017 via Resolution number 86633 C.M.S.(Resolution 86633) allocated the three million dollars (\$3,000,000) for zero interest loans for cannabis equity applicants for business start-up, operation costs, technology, and system upgrades as part of the Cannabis Equity Assistance Program; and

**WHEREAS**, the City Council, in the Fiscal Year 2019-2021 Budget, via Resolution 87759 C.M.S. (Resolution 87759), reduced the three million dollars (\$3,000,000) for zero interest loans for cannabis equity applicants previously allocated by Resolution 86633 to two and a half million dollars (\$2,500,000), and re-allocated the \$500,000 towards the City's administration of the Equity Program's technical assistance; and

**WHEREAS**, Make Green Go's and 4Front Partners' current agreements with the City of Oakland may not exceed \$180,000 each, for two years of services; and

**WHEREAS**, the City will amend the contract with Make Green Go to delete the services of sub-contractor Knox and Ross so that the City can directly contract with Knox and Ross for the provision of legal services to equity applicants and licensees; and

**WHEREAS**, Oakland Municipal Code (OMC) Section 2.04.40.B requires a Request for Proposals/Qualifications process for all professional services contracts of more than \$50,000 and

**WHEREAS**, Pursuant to OMC Section 2.04.051.B, the City Council may waive the Request for Proposals/Qualifications requirements for contracts and contract increases upon a finding that it is in the best interest of the City to do so; and

**WHEREAS**, Make Green Go, 4Front Partners and Knox and Ross have collectively undergone five (5) Request for Proposals/Qualifications processes over the last three years, as recently as the Summer of 2019; and

**WHEREAS**, the City Administration recommends waiving the Request for Proposals/Qualifications processes for the increase in contracting amounts for 4Front Partners and the award of contract to Knox and Ross, to ensure there is no delay or discontinuity in the provision of critical technical and legal assistance as well as capital through loan and grant programs to equity applicants and licensees; and

**WHEREAS**, the City Administration recommends increasing the amount of 4Front Partners' current two-year contract from \$180,000 to \$300,000 to facilitate the continued administration of a no-interest loan program as well as enable a new grant program for equity applicants and licensees; and

**WHEREAS**, the City Administration recommends entering into a professional services agreement with Knox and Ross in an amount of \$120,000 to provide legal assistance to equity applicants and licensees; and

**WHEREAS**, the City Administration recommends adding a Program Analyst position to assist with the increased administrative workload resulting from the Bureau of Cannabis Control's Local Equity Grant Funding and to support overall administration of the City of Oakland's Equity Program; and

**WHEREAS**, the Bureau of Cannabis Control's Local Equity Grant Funding program guidelines state that for the City to receive the grant award, a resolution is required from the local jurisdiction's governing body which includes the following terms:

- (1) "that the [City Administrator] is authorized to execute on behalf of [the City of

Oakland] the attached standard agreement, including any extensions or agreements or amendments thereof and any subsequent contract with the State in relation thereto;" and

- (2) "that it is agreed that any liability arising out of the performance of this contract, including civil court actions for damages, shall be the responsibility of the grant recipient and the authorizing agency. The State of California, Department of Consumer Affairs, Bureau of Cannabis Control disclaims responsibility for any such liability;" now therefore, be it

**RESOLVED:** That the City Administrator is authorized to execute on behalf of the City of Oakland the attached standard grant agreement with the Bureau of Cannabis Control, including any extensions or amendments thereof and any subsequent contract with the State in relation thereto to accept and appropriate one million six hundred and fifty-seven thousand two hundred one dollars and sixty-five cents (\$1,657,201.65) from the Bureau of Cannabis Control to further the City of Oakland's Equity Program in various organization units; and be it

**FURTHER RESOLVED:** That it is agreed that any liability arising out of the performance of this contract, including civil court actions for damages, shall be the responsibility of the grant recipient and the authorizing agency. The State of California, Department of Consumer Affairs, Bureau of Cannabis Control disclaims responsibility for any such liability; and be it

**FURTHER RESOLVED:** That the \$1,657,201.65 in local equity grant funding from the Bureau of Cannabis Control shall be deposited in the following funds: State of California Fund (2159), Special Activities (02113), Project (TBD), State Grant Miscellaneous (46229); and be it

**FURTHER RESOLVED:** That following the review and approval of such activities by the Oakland Workforce Development Board, two hundred thousand dollars (\$200,000) of the \$1,657,201.65 in local equity grant funding from the Bureau of Cannabis Control deposited in the Project account to be determined, shall be used by the Oakland Workforce Development Board to assist local equity applicants and local equity licensees by engaging Oakland cannabis businesses on employment needs and developing cannabis specific workforce opportunities that will help such applicants and licensees; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to amend the professional services agreement with 4Front Partners by increasing the amount of its current contract from \$180,000 to \$300,000; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to enter into a professional services agreement with Knox and Ross for an amount not to exceed \$120,000; and be it

**FURTHER RESOLVED:** That pursuant to OMC 2.04.051(B), for the reasons provided above and in the City Administrator's report accompanying this resolution, that the City Council finds it is the best interest of the City to waive the Request for

Proposals/Qualifications Process for the increase in funding amount and award of professional services contracts referenced above so that equity applicants and licensees can continue to receive technical and legal assistance as well as capital through loan and grant programs without delay or interruption; and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to re-appropriate repaid cannabis equity loan funds allocated pursuant to resolution 86633 C.M.S. for the same purposes of cannabis equity loan assistance; and be it

**FURTHER RESOLVED:** That all such re-appropriated equity loan funds repaid to the City shall be deposited into the following accounts General Purpose Fund (1010), Special Activities (02113), Project (TBD), Other Revenue: Revolving (48716); and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to use a portion of the Local Equity Grant Funding to support administration of the City of Oakland's Equity program, including administration of the Local Equity Grant Funding, by adding a Program Analyst position in the Economic and Workforce Development Department for the duration of the Local Equity Grant, unless additional funding becomes available; and be it

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

IN COUNCIL, OAKLAND, CALIFORNIA,

**FEB 0 4 2020**

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, ~~BAWON~~ GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN - 7

NOES - 0

ABSENT - 1 Gello

ABSTENTION - 0

ATTEST:



LATONDA SIMMONS  
City Clerk and Clerk of the Council of the  
City of Oakland, California