



City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO:

(1) APPLY FOR AND ACCEPT ONE MILLION NINE HUNDRED AND NINETY-SIX THOUSAND FOUR HUNDRED AND EIGHTY-SEVEN DOLLARS AND FIFTY CENTS (\$1,996,487.50) IN STATE OF CALIFORNIA, GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT (GO-BIZ) EQUITY ACT GRANT FUNDS;

(2) APPROPRIATE THE GO-BIZ GRANT FUNDS BY:

(A) PROVIDING GRANTS AND/OR NO-INTEREST LOANS IN AN AMOUNT NOT TO EXCEED TWO-HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000) PER GRANT OR LOAN FOR CANNABIS EQUITY APPLICANTS AND LICENSEES, TO BE DETERMINED AND WITHOUT RETURN TO COUNCIL, FOR BUSINESSES' START-UP AND ONGOING COSTS IN A CUMULATIVE AMOUNT NOT TO EXCEED ONE-MILLION SEVEN HUNDRED AND NINETY-SIX THOUSAND EIGHT HUNDRED AND THIRTY-EIGHT DOLLARS AND SEVENTY-FIVE CENTS (\$1,796,838.75); AND

(B) FUNDING ADMINISTRATION OF THE CANNABIS EQUITY PROGRAM IN AN AMOUNT NOT TO EXCEED ONE HUNDRED AND NINETY-NINE THOUSAND, SIX HUNDRED AND FORTY-EIGHT DOLLARS AND SEVENTY-FIVE CENTS (\$199,648.75); AND

(3) INCREASE THE AMOUNT OF THE EXISTING THREE-YEAR PROFESSIONAL SERVICES AGREEMENT WITH 4FRONT PARTNERS TO ADMINISTER CANNABIS EQUITY GRANT AND LOAN PROGRAMS BY SEVENTY-EIGHT THOUSAND NINE HUNDRED AND SEVENTY-NINE DOLLARS AND SEVENTY-FIVE CENTS (\$78,979.75); AND

(4) WAIVE THE REQUEST FOR PROPOSALS/QUALIFICATIONS PROCESS FOR THE AMENDED PROFESSIONAL SERVICES AGREEMENT WITH 4FRONT PARTNERS

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 cannabis equity grant funding; and

WHEREAS, funding has been provided to the Governor's Office of Business and Economic Development (Go-Biz) to provide grant funds to local governments; and

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

WHEREAS, in the Fall of 2022 the City applied for grant funding from Go-Biz through the Cannabis Equity Grants Program for Local Jurisdictions; and

WHEREAS, the City has determined that it will use grant funds from the Go-Biz 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, Go-Biz has awarded the City One Million Nine Hundred Ninety-Six Thousand Four Hundred and Eighty-Seven Dollars and Fifty Cents (\$1,996,487.50) to assist local equity applicants and licensees gain entry to and successfully operate in the state's regulated cannabis marketplace as employees or business owners; and

WHEREAS, the City has identified providing access to capital in the form of grants and no-interest loans as the most helpful strategy to support cannabis equity applicants' participation in the regulated cannabis marketplace; and

WHEREAS, the Go-Biz grant terms require that the City include the following provisions to this resolution and/or the grant agreement:

- That the City Administrator or designee of the City of Oakland is authorized to execute by electronic signature on behalf of the City of Oakland the grant agreement with the Governor's Office of Business and Economic Development, including any extensions or amendments thereof and any subsequent grant agreement with the Governor's Office of Business and Economic Development in relation thereto;
- That any liability arising out of the performance of this grant agreement, including civil court actions for damages, shall be the responsibility of the grant recipient and the authorizing agency. The Governor's Office of Business and Economic Development and the State of California disclaim responsibility for any such liability;
- Grantee shall defend, indemnify, and hold Go-Biz and its agents or assigns, harmless from and against all claims, damages, and liabilities (including reasonable attorneys' fees) arising from this Agreement due to Grantee's breach

of this Agreement, or the result of Grantee's negligence or willful misconduct. Under no circumstances will the State of California, the Bureau of Cannabis Control, Go-Biz, its agents or employees, be liable to grantee for any direct, indirect, incidental, special or consequential damages that arise from this agreement; and

WHEREAS, the City Administration recommends utilizing available Go-Biz funding to support ongoing administration of the Equity Program, including funding both City staff and 4Front Partners, the consultant administering the City of Oakland's loan and grant programs for cannabis equity applicants; and

WHEREAS, in the Spring of 2022 the City of Oakland released a Request for Proposals (RFP) to administer loan and grant programs for cannabis equity applicants for a three-year period; and

WHEREAS, the City Administration reviewed responsive proposals and determined 4Front Partners was best qualified to carry out grant and loan programs for equity applicants; and

WHEREAS, the City Administration recommends increasing 4Front Partner's existing professional services agreement by seventy-eight thousand, nine-hundred and seventy-nine dollars and seventy-five cents (\$78,979.75) to ensure 4Front has sufficient resources to administer the grant and loan programs over the next year; and

WHEREAS, the City Administration waiving the City's request for proposals/qualifications processes for the amended professional service agreement with 4Front Partners to ensure there is no delay or discontinuity in the disbursement of capital to cannabis equity applicants, particularly considering the City administered an RFP process for the same service last spring; now, therefore be it

RESOLVED: That the City Administrator or designee is authorized to apply for and accept One Million Nine Hundred Ninety-Six Thousand Four Hundred and Eighty-Seven Dollars and Fifty Cents (\$1,996,487.50) in State of California, Governor's Office of Business and Economic Development (Go-Biz) Equity Act Grant 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 Go-Biz grant, the grant agreement with the Governor's Office of Business and Economic Development for One Million Nine Hundred Ninety-Six Thousand Four Hundred and Eighty-Seven Dollars and Fifty Cents (\$1,996,487.50), including any extensions or amendments thereof and any subsequent grant agreement with the Governor's Office of Business and Economic Development in relation thereto; and be it

FURTHER RESOLVED: That it is agreed that any liability arising out of the performance of the grant agreement authorized by this resolution, including civil court actions for damages, shall be the responsibility of the grant recipient and the authorizing agency. The Governor's Office of Business and Economic Development and the State of California disclaim responsibility for any such liability; and be it

FURTHER RESOLVED: That the City of Oakland shall defend, indemnify, and hold Go-Biz and its agents or assigns, harmless from and against all claims, damages, and liabilities (including reasonable attorneys' fees) arising from the grant agreement authorized by this resolution due to Grantee's breach of this Agreement, or the result of Grantee's negligence or willful misconduct. Under no circumstances will the state of California, the Department of Cannabis Control, Go-Biz, its agents or employees, be liable to grantee for any direct, indirect, incidental, special or consequential damages that arise from this agreement; and be it

FURTHER RESOLVED: That the One Million Nine Hundred Ninety-Six Thousand Four Hundred and Eighty-Seven Dollars and Fifty Cents (\$1,996,487.50) in Local Equity Act Grant funding from the State of California, Office of the Governor shall be deposited in the following funds: State of California Fund (2159), Cannabis Organization (85621), in Go Biz 4 Project (1006980); 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 award Go-Biz grants and no-interest revolving loans in an amount up to \$250,000 per grant or no interest revolving loan to local equity licensees and applicants to be determined and without return to City Council, in a cumulative amount not to exceed One Million Seven-Hundred Ninety-Six Thousand Eight Hundred and Thirty-Eight Dollars and Seventy-Five Cents (\$1,796,838.75); and be it

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

FURTHER RESOLVED: That all such equity loan funds repaid to the City shall be deposited into and re-appropriated from the General Purpose Fund (1010), Cannabis Organization (85621), Cannabis Cooperative Project (1000105), Other Revenue: Revolving Account (48716); and be it

FURTHER RESOLVED: That the City Administrator is authorized to use a portion of the Go-Biz Grant Funding to support City staff's administration of the City of Oakland's Equity program, including staff in Special Activity Permits Division in the Department of Economic and Workforce Development and increase the agreement with consultant 4Front Partners to administer the cannabis equity grant and loan program in a cumulative amount not to exceed One Hundred and Ninety-Nine Thousand Six-Hundred and Forty-Eight Dollars and Seventy-Five Cents (\$199,648.75); and be it

FURTHER RESOLVED: That the City Administrator is authorized to increase the existing three-year professional services agreement with 4Front Partners to administer the cannabis equity grant and loan program (funded at a cap of five hundred sixty-nine thousand nine hundred fifty-six dollars and thirty-six cents (\$569,956.36)), by seventy-eight thousand, nine-hundred and seventy-nine dollars and seventy-five cents (\$78,979.75), for a total contracting amount not to exceed six hundred forty-eight thousand nine hundred thirty-six dollars and eleven cents (\$648,936.11); and be it

FURTHER RESOLVED: That pursuant to Oakland Municipal Code (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 in the best interest of the City to waive the Request for Proposals/Qualifications process for the increase in funding amount for 4Front Partners’ amended professional services agreement so that cannabis equity applicants can continue to receive capital through loan and grant programs without delay or interruption; and be it

FURTHER RESOLVED: That the City Administrator 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 - FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

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