



City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AMENDING RESOLUTION NO. 89064 C.M.S., WHICH AMONG OTHER THINGS AUTHORIZED THE CITY ADMINISTRATOR TO 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, BY AUTHORIZING THE CITY ADMINISTRATOR TO:

- (1) REALLOCATE ANY AVAILABLE LOCAL JURISDICTION ASSISTANCE GRANT PROGRAM FUNDS IN THE FORM OF GRANTS FOR THE PURPOSE OF BRINGING THE BUSINESS FACILITIES OF PROVISIONALLY LICENSED CANNABIS APPLICANTS INTO COMPLIANCE WITH BUILDING, FIRE, AND HEALTH CODE REQUIREMENTS; AND**
- (2) AWARD SAID GRANTS IN AN AMOUNT NOT TO EXCEED TWO-HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000) PER GRANT TO PROVISIONALLY LICENSED CANNABIS APPLICANTS TO BE DETERMINED AND WITHOUT RETURN TO COUNCIL IN A CUMULATIVE AMOUNT NOT TO EXCEED FOUR MILLION FIVE-HUNDRED THOUSAND DOLLARS (\$4,500,000)**

WHEREAS, the State of California Budget Act of 2021, Item 115-101-0001-For Local Assistance, found in Senate Bill 129 (2021) provided \$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, the Local Jurisdiction Assistance Grant Program allocated \$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 was 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 hundreds of the City's cannabis permit applicants hold a provisional state license; and

WHEREAS, the Local Jurisdiction Assistance Grant Program allocated a total of nine million nine-hundred and five thousand and twenty dollars (\$9,905,020) to the City of Oakland, 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 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; and

WHEREAS, on March 15, 2022 the City Council adopted Resolution No. 89064 C.M.S., which among other things authorized the City Administrator to appropriate Local Jurisdiction Assistance Grant funding for the above-described purposes and to disperse grants in an amount up

to two hundred and fifty thousand dollars (\$250,000) per grant to be determined and without return to City Council to fund the security needs of provisionally licensed cannabis applicants; and

WHEREAS, since the passage of Resolution No. 89064 C.M.S. City staff have monitored the disbursement of Local Jurisdiction Assistance Grant funding and observed that thus far the City has not spent previously budgeted funds for City staff positions, in part due to the difficulties in hiring new staff and in part due to the fact that staff cannot be compelled to work overtime on this project; and
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WHEREAS, City staff recommends disbursing any unused Local Jurisdiction Assistance Grant funding to provisionally licensed cannabis applicants; now, therefore be it

RESOLVED: That Resolution No. 89064 C.M.S. is hereby amended to authorize the City Administrator to reallocate any unspent Local Jurisdiction Assistance Grant funds in State of California Fund (2159), Local Jurisdiction grant Project (1006359) towards the dispersal of grant funds for the purpose of bringing the business facilities of provisionally licensed cannabis applicants into compliance with Building, Fire, and Health code requirements; and be it

FURTHER RESOLVED: That Resolution No. 89064 is also hereby amended to authorize the City Administrator to award grants for the purposes specified above in an amount not to exceed two-hundred and fifty thousand dollars (\$250,000) per grant to provisionally licensed cannabis applicants to be determined and without return to council in a cumulative amount not to exceed four million five-hundred thousand dollars (\$4,500,000)

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
Acting City Clerk and Clerk of the
Council of the City of Oakland,
California

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