



City Attorney's Office

AS AMENDED BY THE COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE APRIL 26, 2022

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO:

(1) APPLY FOR AND ACCEPT FIVE MILLION FOUR HUNDRED AND THIRTY-FIVE THOUSAND ONE HUNDRED AND FORTY DOLLARS AND EIGHTY-TWO CENTS (\$5,435,140.82) 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 TWO MILLION FOUR HUNDRED AND TWENTY-EIGHT THOUSAND NINE HUNDRED AND FIFTY-THREE DOLLARS AND TEN CENTS (\$2,428,953.10);

(B) PROVIDING NO-INTEREST LOANS TO CANNABIS EQUITY APPLICANTS AND LICENSEES TO FUND THE PURCHASE OF REAL PROPERTY FOR USE BY MULTIPLE EQUITY APPLICANTS AND LICENSEES, TO BE DETERMINED AND WITHOUT RETURN TO COUNCIL IN A TOTAL AMOUNT NOT TO EXCEED TWO-MILLION TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$2,250,000);

(C) FUNDING DIRECT TECHNICAL ASSISTANCE TO CANNABIS EQUITY APPLICANTS AND LICENSEES THROUGH SHARED-USE MANUFACTURING FACILITIES AND WORKFORCE DEVELOPMENT PROGRAMS IN AN AMOUNT NOT TO EXCEED FIVE-HUNDRED AND FORTY-THREE THOUSAND, TWO HUNDRED AND SEVENTY-TWO DOLLARS AND THIRTY-SIX CENTS (\$543,272.36); AND

(D) FUNDING ADMINISTRATION OF THE CANNABIS EQUITY PROGRAM IN AN AMOUNT NOT TO EXCEED TWO HUNDRED AND TWELVE THOUSAND, NINE HUNDRED AND FIFTEEN DOLLARS AND THIRTY-SIX CENTS (\$212,915.36); ~~AND (3) FORGIVE THE LOANS FOR PURCHASE OF REAL PROPERTY REFERENCED ABOVE AND~~

~~**WITHOUT RETURN TO COUNCIL BASED ON LOAN RECIPIENTS'
COMPLIANCE WITH LOAN PROGRAM TERMS**~~

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 2021 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 Five Million Four Hundred Thirty-Five Thousand One Hundred and Forty Dollars and Eighty-Two Cents (\$5,435,140.82) 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 the following key strategies to assist equity applicants and licensees: (a) workforce development programs, (b) grants to support business start-up and ongoing costs, (c) no interest revolving loans to support business start-up and ongoing costs, (d) no-interest loans to support the purchasing of properties that support multiple equity applicants and licensees, and (e) shared-use manufacturing facilities; and

WHEREAS, on March 24, 2022 the Oakland Workforce Development Board approved the use of Three-Hundred and Thirty Thousand Three Hundred and Fifty-Seven Dollars (\$330,357) of Go-Biz grant funding and any additional funding provided by the Oakland City Council in the 2022-2023 midcycle Budget to assist in the recruitment, training, and retention of equity employees, as defined by Oakland Municipal Code Section 5.04.481(A); 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; now, therefore be it

RESOLVED: That the City Administrator or designee is authorized to apply for and accept Five Million Four Hundred Thirty-Five Thousand One Hundred and Forty Dollars and Eighty-Two Cents (\$5,435,140.82) 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 Five Million Four Hundred Thirty-Five Thousand One Hundred and Forty Dollars and Eighty-Two Cents (\$5,435,140.82), 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 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 be it

FURTHER RESOLVED: That the Five Million Four Hundred Thirty-Five Thousand One Hundred and Forty Dollars and Eighty-Two Cents (\$5,435,140.82) 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), Project to be established,); and be it

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

FURTHER RESOLVED: That City Administrator 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 fund business start-up and ongoing costs, including funding to host Special Events for business promotion to local equity licensees and applicants to be determined and without return to City Council, in a cumulative amount not to exceed Two Million Four-Hundred Twenty-Eight Thousand Nine Hundred and Fifty-Three Dollars and Ten Cents (\$2,428,953.10); 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), Project (TBD), Other Revenue: Revolving Account (48716); and be it

FURTHER RESOLVED: That the City Administrator is authorized to Provide no-interest loans to cannabis equity applicants and licensees to fund the purchase of real property for use by multiple equity applicants and licensees, to be determined and without return to Council in a total amount not to exceed two-million two hundred and fifty thousand dollars (\$2,250,000); and be it

FURTHER RESOLVED: That the City Administrator shall report to City Council periodically on the programmatic loans and grants, including information about the applicants awarded grants or loans, grant or loan amounts, geographic location, cannabis license type, and other relevant information concerning the grant and loan awards issued pursuant to this Resolution; and be it

~~**FURTHER RESOLVED:** That the City Administrator is authorized to forgive the loans to cannabis equity applicants and licensees to fund the purchase of real property for use by multiple equity applicants and licensees, without return to City Council, based on loan recipients' compliance with loan program terms; and be it~~

FURTHER RESOLVED: That the City Administrator is authorized to appropriate Two-Hundred and Twelve Thousand Nine Hundred and Fifteen Dollars and Thirty-Six Cents (\$212,915.36) of Go-Biz grant funding towards direct technical assistance to cannabis equity applicants and licensees through shared-use manufacturing facilities; and be it

FURTHER RESOLVED: That the City Administrator is authorized to appropriate Three-Hundred and Thirty Thousand Three Hundred and Fifty-Seven Dollars (\$330,357) of Go-Biz grant funding and any additional funding provided by the Oakland City Council in the 2022-2023 midcycle Budget to assist in the recruitment, training, and retention of equity employees, as defined by Oakland Municipal Code Section 5.04.481; 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 in a cumulative amount not to exceed Two Hundred and Twelve Thousand Nine-Hundred and Fifteen Dollars and Thirty-Six Cents (\$212,915.36); 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 - FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

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