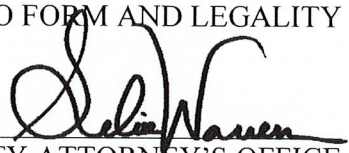


2023 MAY 11 PM 6:41

FILED
OFFICE OF THE CITY CLERK
OAKLAND

APPROVED AS TO FORM AND LEGALITY


CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. 89757 C.M.S.

INTRODUCED BY COUNCILMEMBER REBECCA KAPLAN

RESOLUTION REQUESTING THE ASSISTANCE OF THE CITY AUDITOR TO PROVIDE CLARITY ON THE GRANT FUNDING AWARDED TO ESO VENTURES THROUGH CITY COUNCIL RESOLUTIONS, INCLUDING BUT NOT LIMITED TO THE EIGHT MILLION DOLLAR (\$8,000,000) GRANT IN CITY RESOLUTION NO. 88877 C.M.S. (2021) AND THE SEVENTY-FIVE THOUSAND DOLLAR (\$75,000) GRANT AWARDED IN CITY RESOLUTION NO. 88780 C.M.S. (2021) TO DETERMINE HOW MUCH OF THE GRANT FUNDS HAVE BEEN SPENT AND FOR WHAT USES; HOW MUCH REMAINS; AND IDENTIFYING STATUS REPORTS PROVIDED BY OR ABOUT ESO VENTURES' FUNDING

WHEREAS, California Senate Bill No. (SB) 170 appropriated eight million dollars (\$8,000,000) to the City of Oakland for the specific purpose of funding ESO Ventures California Capital in the Community Act; and

WHEREAS, pursuant to Section 19.56(b) of the Budget Act of 2021, each allocation in 19.56 includes a designated state entity that shall allocate the funds to the recipients identified in the state designation; and

WHEREAS, Section 19.56(b) mandates that the designated state entity, "shall determine the best method for allocation to ensure the funds are used for the purposes specified," in the Budget Act of 2021; and

WHEREAS, on October 19, 2021, the Oakland City Council adopted Resolution No. 88877 C.M.S., which accepted and appropriated eight million dollars (\$8,000,000) for funding ESO Ventures California Capital in the Community Act; and

WHEREAS, Resolution No. 88877 C.M.S. stipulates that ESO Ventures with input from the City's Economic and Workforce Development Department was required to provide a status report by September 2022 as a condition of receiving the second half of State grant funds; however, this report was never presented to the Council; and

WHEREAS, on July 26, 2021, the Oakland City Council adopted Resolution No. 88780 C.M.S. which allocated a seventy-five thousand-dollar (\$75,000) grant to ESO Ventures for the

purpose of equipping entrepreneurs with the knowledge and tools they will need to build and expand a thriving business; and

WHEREAS, the City Council appropriated funding for this grant from the General Purpose Fund in the City's Biennial Budget for FY 2021-2023; and

WHEREAS, according to ESO Ventures, the California Capital in Community Fund is an investment fund for Black and Brown entrepreneurs managed by ESO Ventures Inc., which offers debt investment products designed for ESO entrepreneurs; and

WHEREAS, ESO Ventures serves in the capacity of a lender, providing financing with an expectancy of repayment utilizing the Capital in Community Fund for the loans; and

WHEREAS, the Oakland City Charter empowers the City Auditor to conduct surveys, reviews, and audits as the Auditor deems to be in the best public interest or as required by the Council or Mayor, including the public interest to ascertain compliance with Council's resolutions and policies and the Mayor's Administrative Instructions and Directives, as well as applicable State and Federal laws and regulations; and

WHEREAS, given that ESO Ventures has been awarded multiple grants from the City and did not provide a report on the expending of State funds as required by Resolution No. 88877 C.M.S., it is in the interest of the City to inspect the use, management and distribution of the grant funds; now, therefore be it;

RESOLVED: That the City Council directs the City Auditor to assist in providing clarity on the grant funding awarded to ESO Ventures through City Council Resolutions, including but not limited to the eight million dollar (\$8,000,000) grant in City Resolution No. 88877 C.M.S. (2021) and the seventy-five thousand dollar (\$75,000) grant awarded in City Resolution No. 88780 C.M.S. (2021) to determine how much of the grant funds have been spent and for what uses; how much remains; and identifying status reports provided by or about ESO Ventures' funding.

IN COUNCIL, OAKLAND, CALIFORNIA,

JUN 6 2023

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, ~~JENKINS~~, KALB, KAPLAN, RAMACHANDRAN, ~~REED~~ AND
PRESIDENT FORTUNATO BAS 5

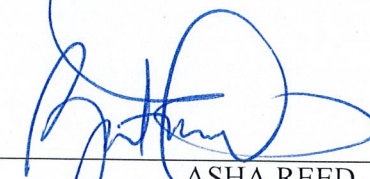
NOES - 0

ABSENT - 0

ABSTENTION - 0

1 Reed
2 Excused - Jenkins & Ramachandra

ATTEST:


ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California