

OAKLAND CITY COUNCIL

RESOLUTION NO. 88162 C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO: (1) APPLY FOR AND ACCEPT SIX MILLION FIVE HUNDRED SEVENTY-SIX THOUSAND SEVEN HUNDRED AND FIVE DOLLARS AND SEVENTY-SIX CENTS (\$6,576,705.76) IN STATE OF CALIFORNIA, OFFICE OF THE GOVERNOR "GO-BIZ" EQUITY ACT GRANT FUNDS; (2) APPROPRIATE THE GO-BIZ GRANT FUNDS BY: (A) PROVIDING LOANS AND GRANTS TO CANNABIS EQUITY APPLICANTS AND LICENSEES FOR BUSINESSES' START-UP AND ONGOING COSTS; AND (B) SUPPORTING WORKFORCE DEVELOPMENT PROGRAMS; (3) AWARD GRANTS IN AN AMOUNT NOT TO EXCEED SEVENTY-FIVE THOUSAND DOLLARS (\$75,000) PER GRANT FOR CANNABIS EQUITY APPLICANTS AND LICENSEES, TO BE DETERMINED AND WITHOUT RETURN TO COUNCIL; AND (4) PROVIDE LOANS IN AN AMOUNT NOT TO EXCEED FIVE-HUNDRED THOUSAND DOLLARS (\$500,000) PER LOAN FOR CANNABIS EQUITY APPLICANTS AND LICENSEES, TO BE DETERMINED AND WITHOUT RETURN TO COUNCIL.

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 by the Governor's Office of Business and Economic Development (Go-Biz) to provide grant funds to local governments pursuant to AB 97 (Stats. 2019, Ch.40); and

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

WHEREAS, in March 2020 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 \$6,576,705.76 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) revolving loans to support business start-up and ongoing costs, and (d) revolving loans to support the purchasing of properties that support multiple equity applicants and licensees; 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 six million five hundred seventy-six thousand seven hundred and five dollars and seventy-six cents (\$6,576,705.76) in state of California, Office of the Governor "Go-Biz" equity act grant funds

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 \$6,576,705.76, 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 City Administrator or designee is authorized to appropriate said grant funds; and be it

FURTHER RESOLVED: That the \$6,576,705.76 in local equity grant funding from the State of California, Office of the Governor 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 City Administrator or designee is authorized to award Go-Biz grant funds in an amount up to \$75,000 per grant to local equity licensees and applicants to be determined and without return to City Council, in a cumulative amount not to exceed \$1,510,239.40; and be it

FURTHER RESOLVED: That City Administrator or designee is authorized to issue loans funded by Go-Biz grant funds in an amount up to \$500,000 per loan to local equity licensees and applicants to be determined and without return to City Council, in a cumulative amount not to exceed \$3,020,478.80 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. and this Resolution 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 (2159), Special Activities (02113), Project (TBD), Other Revenue: Revolving (48716); and be it

FURTHER RESOLVED: That following the review and approval of such activities by the Oakland Workforce Development Board, eight-hundred thousand dollars (\$800,000) of the \$6,576,705.76 in Go-Biz grant funding shall be deposited in an account to be determined, and 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 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 City Administrator's Office, the Department of Race and Equity, and the Department of Economic and Workforce Development; 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,

JUN 16 2020

PASSED BY THE FOLLOWING VOTE:

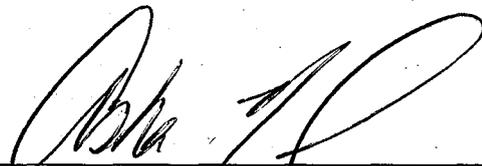
AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



ASHA REED

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