Accept and Expend Grant - Governor’s Office of Business and Economic Development Cannabis Equity Grants Program for Local Jurisdictions - $4,995,000

Resolution authorizing the Office of Cannabis to accept and expend a grant from the Governor’s Office of Business and Economic Development Local Equity Grant Funding program in the amount of $4,995,000 for the period of July 1, 2020, through June 30, 2021; authorizing the Office of the City Administrator to execute the agreement with the Governor’s Office of Economic and Business Development, and any extensions, amendments, or contracts subsequent thereto on behalf of the City and County of San Francisco; and indemnifying the Governor’s Office of Business and Economic Development for liability arising out of the performance of this contract.

WHEREAS, The Board of Supervisors previously passed, and the Mayor signed, an ordinance (Ordinance No. 230-17, approved December 6, 2017, effective January 5, 2018) creating San Francisco’s Cannabis Equity Program; and

WHEREAS, The Equity Program was designed to foster equitable access to participation in the cannabis industry, including equitable access to promotional and ownership opportunities; and

WHEREAS, The Equity Program provides assistance to communities unfairly burdened by the War on Drugs, and was designed to ensure full and equal access to resources and opportunities made available as a result of Proposition 64; and

WHEREAS, The staff of the Office of Cannabis, Human Rights Commission, and Controller’s Office drafted a cannabis equity report in 2017, with assistance from numerous City and community partners, to examine the local, state and national history of cannabis regulation, the War on Drugs, and its impact on communities; and

Mayor Breed; Supervisor Mandelman
BOARD OF SUPERVISORS
WHEREAS, In August 2019, the Office of Cannabis submitted to the Bureau of Cannabis Control an application for a grant from the Local Equity Grant Funding program to support the San Francisco Cannabis Equity Program and Equity Program participants; and

WHEREAS, In October 2019, the Bureau of Cannabis Control awarded the Office of Cannabis a grant of $1,338,683.13 in funds to support its Cannabis Equity Program; and

WHEREAS, The State of California has enacted the California Cannabis Equity Act, codified in relevant part at Business and Professions Code, Sections 26240 through 26250 (the “Act”), to further state efforts to support local jurisdictions’ equity programs; and

WHEREAS, Funding has been provided to the Governor’s Office of Business and Economic Development to provide grant funds to local governments pursuant to AB 97 (Stats. 2019, Ch. 40); and

WHEREAS, In connection with the Act, the State has appropriated $30,000,000 of funds to the Governor’s Office of Business and Economic Development to issue grants to assist local equity applicants and local equity licensees, to be administered through grants to local jurisdictions’ equity programs; and

WHEREAS, In April 2020, the Governor’s Office of Business and Economic Development awarded the Office of Cannabis a grant of $4,995,000 in funds (the “State Grant”) to support its Cannabis Equity Program; and

WHEREAS, The State Grant terms require that the State Grant be used only for the following purposes: (1) to provide low-interest or no-interest loans or grants to the jurisdiction’s local equity applicants and/or local equity licensees to assist the applicants and/or licensees with startup and ongoing costs; (2) no more than 10 percent of the total grant award to provide or fund direct technical assistance to the jurisdiction’s local equity applicants and/or local equity licensees; and (3) no more than 10 percent of the total grant award to assist in the administration of the jurisdiction’s local equity program, including employing staff.
or hiring consultants to administer the jurisdiction’s local equity program, including
administering loans and grants and covering the jurisdiction’s costs associated with its efforts
to provide sources of capital to its local equity applicants and local equity licensees.

WHEREAS, The Office of Cannabis intends to use the State Grant, as required by the
State Grant terms, to (1) provide loans and/or grants to cannabis equity applicants and/or
permitted equity cannabis businesses to assist with startup and ongoing costs; (2) with no
more than 10 percent of the State Grant total, provide or fund direct technical assistance to
cannabis equity applicants and/or permitted equity cannabis businesses; and (3) with no more
than 10 percent of the State Grant total, assist in the administration of the jurisdiction’s local
equity program; now, therefore, be it

RESOLVED, That the City Administrator is authorized to execute on behalf of the City
and County of San Francisco 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; and, be it

FURTHER RESOLVED, That any liability arising out of the performance of this
contract, including civil court actions for damages, shall be the responsibility of the grant
recipient and the authorizing agency; the State of California and the Governor’s Office of
Business and Economic Development disclaims responsibility for any such liability; and, be it

FURTHER RESOLVED, That within 30 days of the agreement being fully-
executed by all parties, the City Administrator shall provide the final agreement to the Clerk of
the Board for inclusion into the official file.
Recommended: __/s/____________________Approved: __/s/____________________

NAOMI KELLY              LONDON N. BREED
City Administrator        Mayor

Approved:  __/s/____________________

BEN ROSENFIELD
Controller
Resolution authorizing the Office of Cannabis to accept and expend a grant from the Governor’s Office of Business and Economic Development Local Equity Grant Funding program in the amount of $4,995,000 for the period of July 1, 2020, through June 30, 2021; authorizing the Office of the City Administrator to execute the agreement with the Governor’s Office of Economic and Business Development, and any extensions, amendments, or contracts subsequent thereto on behalf of the City and County of San Francisco; and indemnifying the Governor’s Office of Business and Economic Development for liability arising out of the performance of this contract.

June 24, 2020 Budget and Finance Committee - RECOMMENDED

June 30, 2020 Board of Supervisors - ADOPTED

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 6/30/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved 7.10.20