

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

3 **Resolution authorizing the Office of Cannabis to accept and expend a grant from the**  
4 **Governor’s Office of Business and Economic Development Local Equity Grant Funding**  
5 **program in the amount of \$4,995,000 for the period of July 1, 2020, through June 30,**  
6 **2021; authorizing the Office of the City Administrator to execute the agreement with the**  
7 **Governor’s Office of Economic and Business Development, and any extensions,**  
8 **amendments, or contracts subsequent thereto on behalf of the City and County of San**  
9 **Francisco; and indemnifying the Governor’s Office of Business and Economic**  
10 **Development for liability arising out of the performance of this contract.**

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

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

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

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

1           WHEREAS, In August 2019, the Office of Cannabis submitted to the Bureau of  
2 Cannabis Control an application for a grant from the Local Equity Grant Funding program to  
3 support the San Francisco Cannabis Equity Program and Equity Program participants; and

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

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

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

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

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

19           WHEREAS, The State Grant terms require that the State Grant be used only for the  
20 following purposes: (1) to provide low-interest or no-interest loans or grants to the  
21 jurisdiction’s local equity applicants and/or local equity licensees to assist the applicants  
22 and/or licensees with startup and ongoing costs; (2) no more than 10 percent of the total grant  
23 award to provide or fund direct technical assistance to the jurisdiction’s local equity applicants  
24 and/or local equity licensees; and (3) no more than 10 percent of the total grant award to  
25 assist in the administration of the jurisdiction’s local equity program, including employing staff

1 or hiring consultants to administer the jurisdiction’s local equity program, including  
2 administering loans and grants and covering the jurisdiction’s costs associated with its efforts  
3 to provide sources of capital to its local equity applicants and local equity licensees.

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

11 RESOLVED, That the City Administrator is authorized to execute on behalf of the City  
12 and County of San Francisco the grant agreement with the Governor’s Office of Business and  
13 Economic Development, including any extensions or amendments thereof and any  
14 subsequent grant agreement with the Governor’s Office of Business and Economic  
15 Development in relation thereto; and, be it

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

20 FURTHER RESOLVED, That within 30 days of the agreement being fully-  
21 executed by all parties, the City Administrator shall provide the final agreement to the Clerk of  
22 the Board for inclusion into the official file.

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Recommended:       /s/       Approved:       /s/      

NAOMI KELLY  
City Administrator

LONDON N. BREED  
Mayor

Approved:       /s/      

BEN ROSENFELD  
Controller