

File No. 250638

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date July 9, 2025

Board of Supervisors Meeting Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Application |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Office of Cannabis Memo on Retroactivity 4/1/2025</u> |
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Completed by: Brent Jalipa Date July 2, 2025

Completed by: Brent Jalipa Date _____

1 [Accept and Expend Grant - Retroactive - The Governor’s Office of Business and Economic
2 Development - Cannabis Equity Grants Program for Local Jurisdictions - \$3,324,052.50]

3 **Resolution retroactively authorizing the Office of Cannabis to accept and expend a**
4 **grant award in the amount of \$3,324,052.50 and to expend interest earned or accrued**
5 **on grant funds for the grant term of April 1, 2025, through October 31, 2026, from the**
6 **Governor’s Office of Business and Economic Development for the Local Equity Grants**
7 **Program for Local Jurisdictions; to execute the agreement with the Governor’s Office**
8 **of Business and Economic Development, and any extensions or amendments thereto,**
9 **on behalf of the City and County of San Francisco; and to indemnify the Governor’s**
10 **Office of Business and Economic Development for liability arising out of the**
11 **performance of this contract; and approving the grant agreement pursuant to Charter,**
12 **Section 9.118(a).**

13
14 WHEREAS, The members of the California Legislature have recognized the need for
15 equity grant funding; and

16 WHEREAS, Funding has been provided to the Governor’s Office of Business and
17 Economic Development (“GO-Biz”) to provide grant funds to local governments pursuant
18 to the Business and Professions Code, Section 26240; and

19 WHEREAS, The Office of Cannabis (“Office of Cannabis”) operates a
20 local equity program for commercial cannabis activity, created by Ordinance No. 230-17,
21 approved on December 6, 2017, and went into effect on January 5, 2018; and

22 WHEREAS, In December 2024, the Office of Cannabis submitted to GO-Biz an
23 application for a grant from the Local Equity Grant Funding program to support the San
24 Francisco Cannabis Equity Program and Equity Program participants; and

1 WHEREAS, In January 2025, GO-Biz awarded the Office of Cannabis a grant of
2 \$3,324,052.50 in funds to support its Cannabis Equity Program; and

3 WHEREAS, The grant budget includes provision for indirect costs of \$332,405.25; and

4 WHEREAS, The GO-Biz grant does not require an Annual Salary Ordinance
5 amendment; and

6 WHEREAS, Matching funds are in the amount of \$1,793,767 and are sourced from
7 eligible personnel costs and equity contributions; and

8 WHEREAS, The Office of Cannabis intends to use GO-Biz grant funds, including any
9 positive interest accrued on the grant funds, to assist local equity applicants and permittees
10 through its local equity program as described in its application for grant funds; now, therefore,
11 be it

12 RESOLVED, That the Office of Cannabis is hereby retroactively authorized under
13 Administrative Code, Section 10.170-1 to accept and expend up to \$3,324,052.50 of GO-Biz
14 funds to assist local equity applicants through its local equity program for commercial
15 cannabis activity; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors hereby retroactively approves
17 under Charter, Section 9.118 the grant agreement with GO-Biz included in the official file with
18 a total not to exceed amount of \$3,324,052.50 for a grant term of April 1, 2025, through
19 October 31, 2026, for grants to benefit equity cannabis businesses; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors hereby approves inclusion of
21 indirect costs in the amount of \$332,405.25 in the grant budget, and, be it

22 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Deputy
23 City Administrator to execute by electronic signature on behalf of the Office of Cannabis and
24 the City and County of San Francisco the grant agreement included in the official file, and any
25 extensions or amendments to the grant agreement; and, be it

1 FURTHER RESOLVED, That any liability arising out of the performance of this
2 contract, including civil court actions for damages, shall be the responsibility of the grant
3 recipient and the authorizing agency; GO-Biz and the State of California disclaims
4 responsibility for any such liability; and, be it

5 FURTHER RESOLVED, Within 30 days of the Grant Agreement being fully
6 executed by all parties, the Director of the Office of Cannabis shall provide a copy to the Clerk
7 of the Board of Supervisors for inclusion in the official file.

8
9
10
11 Recommended: _____ /s/ _____
12 NIKESH PATEL,
13 Director, Office of Cannabis

Approved: _____ /s/ _____
DANIEL LURIE
Mayor

14
15
16 Approved: _____ /s/ _____
17 GREG WAGNER
18 Controller

<p>Item 3 File 25-0638</p>	<p>Department: City Administrator, Office of Cannabis</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed resolution would (1) retroactively accept and expend up to \$3,324,052 in grant funds and accrued interest from the State Office of Business and Economic Development for cannabis equity programs, (2) approve the associated grant agreement, (3) approve up to \$332,405 of indirect costs in the grant budget, (4) authorize a Deputy City Administrator to sign the grant agreement, (5) state that any liability resulting from grant-funded activities will be borne by the City and its grant awardees, and (6) require the final executed grant agreement be included in the legislative file for this item. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> The Governor’s Office of Business and Economic Development (GO-Biz) provides grant funding for local governments to support the expansion of legal cannabis businesses that are owned by people from communities that were disproportionately harmed by criminal justice policies in place when cannabis was not legal (“equity cannabis businesses”). The State has provided five previous rounds of funding and the City’s Office of Cannabis has received funding in all prior grant cycles. In January 2025, the State awarded \$3,324,052 in new grant revenues (Go-Biz Round 6) to San Francisco to support equity cannabis businesses. The purpose of the funding is to reduce barriers to entry for equity businesses. Once the proposed resolution is approved, the Office of Cannabis will seek input from the Cannabis Oversight Committee on the parameters for disbursing the grant funds to equity cannabis businesses. The Office of Cannabis will meet with the Cannabis Oversight Committee in the Fall/Winter 2025 and will then award City grant awards to cannabis equity businesses beginning in April 2026. The proposed State grant will provide \$2.8 million for approximately 70 City grants to new or existing equity cannabis businesses. The proposed grant also funds \$200,000 in technical assistance and \$315,242 in funding for the City’s costs to administer the grant (1.5 FTE). <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> The proposed grant agreement has a \$1.79 million matching fund requirement, which will be met by \$1.3 million of existing staff costs at the Office of Cannabis and \$490,750 for fee and tax waivers previously approved by the Board of Supervisors (for First Year Free and suspending the cannabis tax). The City’s staffing costs for the Office of Cannabis are primarily sourced from the General Fund. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> Approve the proposed resolution. 	

MANDATE STATEMENT

City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of \$100,000 or more, including any City matching funds required by the grant, is subject to Board of Supervisors approval.

City Charter Section 9.118(a) states that contracts entered into by a department, board, or commission that (i) have anticipated revenues of \$1 million or more, or (ii) have anticipated revenues of \$1 million or more and require modifications, are subject to Board of Supervisors approval.

BACKGROUND

State Cannabis Equity Grants Program

The Governor’s Office of Business and Economic Development (GO-Biz) provides grant funding for local governments to support the expansion of legal cannabis businesses that are owned by people from communities that were disproportionately harmed by criminal justice policies in place when cannabis was not legal (“equity businesses”). The State has provided five previous rounds of funding and the City’s Office of Cannabis has received funding in all prior grant cycles. In January 2025, the State awarded \$3,324,052 in new grant revenues (Go-Biz Round 6) to San Francisco to support equity cannabis businesses. The purpose of the funding is to reduce barriers to entry for equity businesses.

Per Chapter 2A.240 of the Administrative Code, the Office of Cannabis regulates cannabis in San Francisco, issues permits for cannabis businesses, and ensures that perspective of communities impacted by federal drug enforcement policies are considered in its policy making. The City’s Cannabis Oversight Committee provides policy recommendations to the Office of Cannabis.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would (1) retroactively accept and expend up to \$3,324,052 in grant funds and accrued interest from the State Office of Business and Economic Development for cannabis equity programs, (2) approve the associated grant agreement, (3) approve up to \$332,405 of indirect costs in the grant budget, (4) authorize a Deputy City Administrator to sign the grant agreement, (5) state that any liability resulting from grant-funded activities will be borne by the City and its grant awardees, and (6) require the final executed grant agreement be included in the legislative file for this item.

Although the grant was awarded in January 2025 with a start date of April 2025, however the proposed resolution was not introduced until June 2025. The Department is therefore seeking retroactive approval for the grant agreement and accept and expend authority. The grant will not be disbursed to the City until it is fully executed.

Grant Agreement

The proposed grant agreement has a term April 1, 2025 – October 31, 2026. All grant funds must be spent by the end of the grant term. Grant funds may be used to (a) provide grants and loans to equity cannabis businesses for start-up and ongoing costs, (b) provide equity cannabis businesses with technical assistance, and (c) up to ten percent may be used for the City’s administrative costs. The State’s grant funds may not be used to cover fees imposed on cannabis businesses related to the City’s equity cannabis program.

City Grant Program

Once the proposed resolution is approved, the Office of Cannabis will seek input from the Cannabis Oversight Committee on the parameters for disbursing the grant funds to equity cannabis businesses.¹ According to Nikesh Patel, Director of the Office of Cannabis, meetings with the Cannabis Oversight Committee are expected to take place in the Fall/Winter 2025 with City grant awards to cannabis businesses beginning in April 2026. The Office of Cannabis awards the grants; they are not subject to approval by the Cannabis Oversight Committee. Although the State allows for the City to use the proposed grant revenues to fund loans, the Office of Cannabis intends to award all the proposed funding as grants to reduce the financial burden of the equity cannabis businesses. The amount of each City grant is based on the number of applicants and the amount of grant funding available.

The City’s grants may be used to reimburse capital or ongoing costs, following a review of supporting documentation by the Office of Cannabis.

The proposed State grant will provide \$2.8 million for approximately 70 City grants to new or existing equity cannabis businesses. The proposed grant also funds \$200,000 in technical assistance and \$315,242 in funding for the City’s costs to administer the grant (1.5 FTE). Technical assistance will be provided by a non-profit procured by the Office of Cannabis. The current technical assistance provider is Success Centers.

¹ The Office of Cannabis defines an equity cannabis business as corporate entities owned by “equity applicants.” To qualify, a person must meet at least three of the following conditions: (a) Have been arrested for cannabis offenses, including as a juvenile; (b) Have a close relative who was arrested for cannabis offenses, including as a juvenile; (c) Lost housing in San Francisco through eviction, foreclosure or subsidy cancellation; (d) Attended school in the San Francisco Unified School District for 5 years; (e) Lived in San Francisco census tracts for 5 years, where at least 17% of households were at or below the federal poverty level; (f) Have a household income below 80% of the Area Median Income.

The Office of Cannabis’ current eligibility requirements for equity grants (Go-Biz 5) include: (1) The applicant must be an Equity Applicant, and must have a Cannabis Business Permit or have submitted a Cannabis Business Permit application; (2) The Equity Applicant must own at least 51% of the corporate Applicant; (3) The Equity Applicant’s Cannabis Business Permit with the Planning Department must have a status of Build-out or Approved; and (4) The Equity Applicant must have a record of compliance with requirements of prior Office of Cannabis grants.

FISCAL IMPACT

Exhibit below shows the spending for the proposed grant revenues.

Exhibit 1: Grant Budget

Category	Amount
Grants to Businesses	\$2,808,810
Technical Assistance	\$200,000
Grant Administration Costs	\$315,243
Total Proposed Grant Spending	\$3,324,053

Source: Grant Agreement

As shown above, the Office of Cannabis plans to provide \$2.8 million in grants to equity cannabis businesses, provide \$0.2 million to a technical assistance providers, and use \$0.3 million for the City’s own administrative costs. The State will provide 25 percent of the grant award upon execution of the grant agreement and provide three more disbursements of 25 percent of the grant award as each prior disbursement is spent down.

The proposed grant agreement has a \$1.79 million matching fund requirement, which will be met by \$1.3 million of existing staff costs at the Office of Cannabis and \$490,750 for fee and tax waivers previously approved by the Board of Supervisors (for First Year Free and suspending the cannabis tax). The City’s staffing costs for the Office of Cannabis are primarily sourced from the General Fund.

RECOMMENDATION

Approve the proposed resolution.

File Number: 250638
(Provided by Clerk of Board of Supervisors)

Grant Resolution Information Form
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors ordinances authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: The Governor’s Office of Business and Economic Development - Cannabis Equity Grants Program for Local Jurisdictions
2. Department: City Administrator / Office of Cannabis
3. Contact Person: Katharine Petrucione Telephone: 415-554-4851
4. Grant Approval Status (check one):
 Approved by funding agency Not yet approved
5. Amount of Grant Funding Approved or Applied for: \$3,324,052.50
6. a. Matching Funds Required: \$1,793,767.00
b. Source(s) of matching funds (if applicable): Eligible personnel costs and equity contribution.
7. a. Grant Source Agency: The Governor’s Office of Business and Economic Development
b. Grant Pass-Through Agency (if applicable):
8. Proposed Grant Project Summary: To assist local equity applicants and licensees with start-up and ongoing costs associated.
9. Grant Project Schedule, as allowed in approval documents, or as proposed:
Start-Date: April 1, 2025 End-Date: October 31, 2026
10. Number of new positions created and funded: None
11. Explain the disposition of employees once the grant ends? Not applicable
12. a. Amount budgeted for contractual services: \$200,000
b. Will contractual services be put out to bid? To be determined
c. If so, will contract services help to further the goals of the Department’s Local Business Enterprise (LBE) requirements? Yes
d. Is this likely to be a one-time or ongoing request for contracting out? One time with options
13. a. Does the budget include indirect costs?
 Yes No
b. 1. If yes, how much? Up to \$332,405.25 for administrative costs
b. 2. How was the amount calculated? Up to 10% of the award
c. 1. If no, why are indirect costs not included?
 Not allowed by granting agency To maximize use of grant funds on direct services
 Other (please explain):
c. 2. If no indirect costs are included, what would have been the indirect costs?

14. Any other significant grant requirements or comments:

****Disability Access Checklist****

15. This Grant is intended for activities at (check all that apply):

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Existing Site(s) | <input checked="" type="checkbox"/> Existing Structure(s) | <input checked="" type="checkbox"/> Existing Program(s) or Service(s) |
| <input checked="" type="checkbox"/> Rehabilitated Site(s) | <input checked="" type="checkbox"/> Rehabilitated Structure(s) | <input type="checkbox"/> New Program(s) or Service(s) |
| <input type="checkbox"/> New Site(s) | <input type="checkbox"/> New Structure(s) | |

16. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

To the greatest extent feasible, grant recipients utilizing the funds for architectural improvements must comply with the accessibility requirements of the California Building Code title 24, and follow all existing programmatic obligations as outlined in ADA Title III. The Office of Cannabis should make every effort to make this information available to grant recipients. Please contact the Mayor's Office on Disability with question or concerns about this requirement.

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

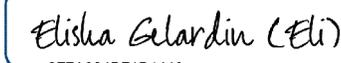
Elisha Gelardin (Eli)

(Name)

Director, San Francisco Office on Disability and Accessibility

(Title)

Date Reviewed: 5/8/2025

Signed by:

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 (Signature Required)

Overall Department Head or Designee Approval:

Nikesh Patel

(Name)

Director

(Title)

Date Reviewed: 5/12/2025

DocuSigned by:

80E1FF8680C24EB...
 (Signature Required)



GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

STATE OF CALIFORNIA • OFFICE OF GOVERNOR GAVIN NEWSOM

CANNABIS EQUITY GRANTS PROGRAM FOR LOCAL JURISDICTIONS

GRANT AGREEMENT

This Cannabis Equity Grants Program for Local Jurisdictions Grant Agreement (“Agreement”) is by and between the City and County of San Francisco (“Grantee”) and the California Governor’s Office of Business and Economic Development (“GO-Biz”), hereinafter jointly referred to as the “Parties” or individually as the “Party.” Unless otherwise specified in this Agreement, all definitions, rules, guidelines, and requirements specified in the Cannabis Equity Grants Program for Local Jurisdictions Grant Solicitation (“Grant Solicitation”) issued on October 1, 2024, shall apply to this Agreement. The identification number for this Agreement is **CEG-2025-655**.

In consideration of the mutual covenants and promises in this Agreement, the Parties agree as follows:

- 1. Authority.** This Agreement is authorized and entered into pursuant to the California Cannabis Equity Act, commencing with Business and Professions Code section 26240, in which GO-Biz is authorized to provide grants to Eligible Local Jurisdictions to do either of the following:
 - a.** Assist the Local Jurisdiction in the development of its Local Equity Program.
 - b.** Assist Local Equity Applicants and/or Local Equity Licensees in the Local Jurisdiction to gain entry to, and to successfully operate in, the state’s regulated cannabis marketplace.
- 2. Grant Term.** The performance period of this Agreement shall be from April 1, 2025, or when this Agreement is fully executed by all Parties, whichever is later, through October 31, 2026. Except as provided for in section 8 of this Agreement, grant funds shall be expended only during the Grant Term. For purposes of this Agreement, “expend” means checks/payments issued and disbursed by Grantee. Merely encumbering, reserving, or setting aside the grant funds for future use does not qualify as expending the grant funds. For amounts withheld by Grantee for “local and state application, licensing, and regulatory fees,” such fees must be due, payable, and paid during the Grant Term.
- 3. Grant Award.** Based on its grant application and the points allocated to Grantee pursuant to the scoring criteria in the Grant Solicitation, and conditioned upon the requirements set forth in this Agreement, GO-Biz shall provide Grantee a Grant Award of up to three million three hundred twenty-four thousand fifty-two dollars and fifty cents (\$3,324,052.50) for the term of this Agreement. In no event shall GO-Biz be obligated to pay any amount in excess of the Grant Award. Grantee waives any and all claims against GO-Biz and the State of California for any costs that exceed the Grant Award. If Grantee makes any changes to its Local Equity Program relating to the program’s eligibility criteria that was submitted to GO-Biz with its grant application, it may not expend any portion of the Grant Award until it receives written confirmation from GO-Biz that the changes are acceptable.
- 4. Grant Scope/Description.** Grantee agrees to use the Grant Award, in accordance with Exhibit A (“Budget”), for the purposes of assisting its Local Equity Applicants and/or Local Equity Licensees to gain entry to, and successfully operate in, the state’s regulated cannabis marketplace. However, no portion of the Grant Award allocated in the Budget under the “Grants and Loans” funding category may be used for any fees related to Grantee’s Local Equity Program, including eligibility verification fees. Grantee also agrees to expend its own funds during the Grant Term in accordance with Exhibit B (“Matching Funds Budget”).
- 5. Grant Award Disbursement.** Twenty-five (25) percent of the Grant Award will be issued directly to Grantee after execution of this Agreement by all parties, and Grantee providing to GO-Biz a copy of the resolution or

motion its governing body passed to provide Grantee the authorization to execute this Agreement. The second twenty-five (25) percent of the Grant Award will be issued after Grantee provides documentation that the initial disbursement was expended in accordance with this Agreement and the Budget. The third twenty-five (25) percent of the Grant Award will be issued after Grantee provides documentation that the second disbursement was expended in accordance with this Agreement and the Budget. The final twenty-five (25) percent of the Grant Award will be issued on a reimbursement basis after Grantee provides documentation that the third disbursement and the remaining amount of the Grant Award amount was expended in accordance with this Agreement and Budget, along with documentation substantiating expenditures in the Matching Funds Budget.

6. **Interest Accrued on Grant Award.** Grantee shall deposit any advance payments into a federally-insured, interest-bearing account. This account must allow for tracking interest earned and withdrawals. Any interest earned on Grant Award funds must be reinvested into the same account or used for the purposes specified in this Agreement. Grantee is responsible for maintaining accurate records of both the Grant Award principal amount and the interest accrued thereon.

7. **Unused Grant Funds.** Except as provided for in section 8, any amount of the Grant Award, and any interest accrued thereon, provided under this Agreement that is not expended within the Grant Term, or at the time of early termination of this Agreement, whichever is sooner, shall be returned to GO-Biz. Grantee shall notify GO-Biz of such unused grant funds and GO-Biz shall provide Grantee with instructions as to how to return the funds.

8. **Continued Use of Grant Funds.** Any portion of the Grant Award originally expended by Grantee during the Grant Term that is returned or repaid to Grantee (e.g., loan repayments from Local Equity Licensees to Grantee, in which the loaned amounts were grant funds from this Agreement) may be used subsequent to the end of the Grant Term, however, any such funds shall retain their character and may only be used for the same purposes as identified in the Budget and subject to the same conditions as set forth in this Agreement, which will survive the Grant Term.

9. **Eligible Uses.** Grant funds may only be used for the following purposes in accordance with the Budget:
 - a. To provide low-interest or no-interest loans or grants to Grantee's Local Equity Applicants and/or Local Equity Licensees to assist the applicants and/or licensees with startup and ongoing costs.
 - b. To provide or fund Direct Technical Assistance to Grantee's Local Equity Applicants and/or Local Equity Licensees. No more than ten (10) percent of the total grant award may be used for Direct Technical Assistance.
 - c. To assist in the administration of the Grantee's Local Equity Program. No more than ten (10) percent of the total grant award may be used for administration, which includes the following:
 - Employing staff or hiring consultants to administer Grantee's Local Equity Program, including administering loans and grants.
 - Grantee's costs associated with its efforts to provide sources of capital to its Local Equity Applicants and/or Local Equity Licensees.

10. **Subcontractors.** No amount of the Grant Award may be used to subcontract any of the commitments contemplated in this Agreement to another entity or person, unless such amount is specifically identified as a subcontracted expense in the Budget. Furthermore, Grantee may not use any amount of the Grant Award on the same subcontractor (including commonly controlled entities and parties treated as related under sections 267, 318, or 707 of the Internal Revenue Code) to provide both Direct Technical Assistance and administrative services.

11. **Funding Contingency Clause.** Grantee agrees that GO-Biz's obligation to pay any sum under this Agreement is contingent upon availability of funds disbursed to GO-Biz for such purposes. If there is insufficient funding, GO-Biz shall have the option to either: 1) terminate this Agreement, whereby no party shall have any further

obligations or liabilities under this Agreement, or 2) negotiate an Agreement amendment with Grantee to reduce the Grant Award to be provided under this Agreement.

12. Documentation and Reporting Requirements.

- (a)** Grantee must be able to demonstrate to the satisfaction of GO-Biz that the Grant Award was expended for eligible uses in accordance with the Budget.
 - i.** For expenditures in the “Grants and Loans” budget category, Grantee’s records must include the names of its Local Equity Applicants and Local Equity Licensees, eligibility criteria verification documents (self-attestations are not acceptable unless approved in writing, in advance, by GO-Biz), and evidence of disbursements, including dates and descriptions.
 - ii.** For expenditures in the “Direct Technical Assistance” budget category, Grantee’s records must include the name of each Local Equity Applicant and Local Equity Licensee served, a detailed description of the services provided to each Local Equity Applicant and Local Equity Licensee, the number of hours of service provided to each Local Equity Applicant and Local Equity Licensee, and evidence expenditures.
 - iii.** For expenditures in the “Administrative Costs” budget category, Grantee’s records must include the name of each administrative service provider, the specific services provided, the amount of time providing services, and evidence of expenditures.
- (b)** Grantee shall submit periodic reports to GO-Biz to document its progress assisting its Local Equity Applicants and/or Local Equity Licensees to gain entry to, and to successfully operate in, the state’s regulated cannabis marketplace in accordance with the Budget. Grantee shall use the periodic performance report template available at <http://www.business.ca.gov/CEG>. Each periodic report shall be due in accordance with the chart below. For the first periodic report, the beginning date is either April 1, 2025, or when this Agreement is fully executed by all Parties, whichever is later. If this Agreement is terminated before the end of the Grant Term, Grantee must submit its periodic reports, within thirty (30) calendar days of the termination date, to document its progress through the termination date of the Agreement.

Period	Report Due Date
April – September 2025	October 31, 2025
October – December 2025	January 31, 2026
January – March 2026	April 30, 2026
April – June 2026	July 31, 2026
July – October 2026	November 30, 2026

- (c)** In addition to the periodic reports referenced above, pursuant to California Business and Professions Code section 26244(c), Grantee shall submit an annual report to GO-Biz on or before January 1, 2026, and annually thereafter for each year grant funds are expended. No report shall be submitted prior to December 15, 2025. Grantee shall provide a report to GO-Biz whether or not the Grant Term has expired, or Grantee has expended the grant funds before the end of the Grant Term. At a minimum, the annual report to GO-Biz shall include all of the following information:
 - How Grantee disbursed the grant funds.
 - How Grantee identified Local Equity Applicants and/or Local Equity Licensees, including how the Grantee determines who qualifies as a Local Equity Applicant or Local Equity Licensee.
 - The number of Local Equity Applicants and/or Local Equity Licensees that were served by the grant funds.
 - Aggregate demographic data on Local Equity Applicants, Local Equity Licensees, as applicable, and all other applicants and licensees in the jurisdiction, including, but not limited to, race, ethnicity, gender, sexual orientation, income level, education level, prior convictions, and veteran status. This

information will be consolidated and reported without the individual's identifying information. Nothing in this subparagraph requires applicants or licensees to report this information should they wish to decline reporting one or more of the listed characteristics.

- If the Grantee requires Local Equity Applicants and/or Local Equity Licensees to become eligible through specific ownership percentages, a breakdown of Local Equity Applicants' and Local Equity Licensees' business ownership types and percentages of ownership.
- At least one success story, including the contact information for the individual that the story relates to, that describes a Local Equity Applicant and/or Local Equity Licensee that was assisted as a result of the grant funds.

(d) Grantee must maintain records detailing the expenditure of all grant funds for a period of seven (7) years after the end of the Grant Term, and shall provide this information to GO-Biz upon request.

13. Audit. The books, accounts, files, and other records of Grantee which are applicable to this Agreement shall be made available for inspection, review, and audit upon request by GO-Biz and its designated representatives to verify proper use of the Grant Award.

14. Termination of Agreement. This Agreement may be terminated by GO-Biz upon action, or inaction, by Grantee that constitutes a material breach of this Agreement. A material breach includes, but is not limited to, refusal or inability to complete the commitments contemplated in this Agreement, improper expenditure of grant funds, failure to properly maintain records or allow GO-Biz access to records as required under this Agreement, and failure to timely complete and submit the reports required under this Agreement. GO-Biz will notify Grantee in writing if it intends to terminate the Agreement pursuant to this section and provide Grantee an opportunity to cure the breach or breaches within thirty (30) calendar days.

15. Assignment. This Agreement is not assignable by Grantee, either in whole or in part, without the consent of GO-Biz in the form of a written amendment.

16. Amendment. This Agreement may be amended or modified only in writing signed by all parties.

17. Grantee – Representations and Warranties. Grantee represents and warrants that:

- (a) It is an Eligible Local Jurisdiction as set forth in the Grant Solicitation.
- (b) It is not a party to any agreement, written or oral, creating obligations that would prevent it from entering into this Agreement or satisfying the terms herein.
- (c) All of the information in its grant application and all materials submitted to GO-Biz are true and accurate.
- (d) Its governing body has authorized it to enter into this Agreement and has designated by title the individual authorized to sign the Agreement on behalf of it, through a resolution or motion in the same or substantially similar form as the Sample Resolution posted on GO-Biz's website at www.business.ca.gov/CEG.
- (e) It understands and agrees it is not eligible to apply for a subsequent Cannabis Equity Grants Program for Local Jurisdictions grant until it has expended its Grant Award under this Agreement as follows:
 - Grantee must demonstrate it has expended at least fifty (50) percent of the grant funds awarded pursuant to this Agreement if greater than twelve (12) and fewer than eighteen (18) months have elapsed since execution of this Agreement (calculated from the date this Agreement was fully executed to the application due date for any subsequent round of the Cannabis Equity Grants Program for Local Jurisdictions).
 - Grantee must demonstrate it has expended at least eighty (80) percent of any grant funds awarded pursuant to this Agreement if eighteen (18) or more months have elapsed since execution of this Agreement (calculated from the date this Agreement was fully executed to the application due date for any subsequent round of the Cannabis Equity Grants Program for Local Jurisdictions).

- Grantee's expenditures, as required above, must be evidenced by expenditures reported in the most recent periodic report submitted to GO-Biz by the application due date for the subsequent round of the Cannabis Equity Grants Program for Local Jurisdictions for which Grantee is applying.
- (f) It understands and agrees that its Local Equity Program may not include eligibility criteria that violate the Equal Protection Clauses of the U.S. and California Constitutions, and Article 1, Section 31 of the California Constitution (Prop. 209) such as race, ethnicity, gender, sexual orientation, etc.

18. Nondiscrimination. During the performance of this Agreement, Grantee shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment, or against any applicant seeking to participate in Grantee's programs funded under this Agreement, because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition, age, marital status, veteran and military status, drug addiction and alcoholism. Grantee shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Grantee shall comply with the provisions of the Fair Employment and Housing Act (Government Code, section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 7285.0 et seq.). If applicable, Grantee shall give written notice of its obligations under this clause to labor organizations with which it has collective bargaining or other agreements. If applicable, Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

19. Union Activities. Grantee acknowledges that Government Code section 16645.2 applies to this Agreement. Pursuant to Government Code section 16645.2, Grantee certifies that none of the Grant Award will be used to assist, promote, or deter union organizing. If Grantee makes expenditures to assist, promote, or deter union organizing, it shall maintain records sufficient to show that no portion of the Grant Award was used for those expenditures. Grantee shall provide those records to the Attorney General upon request.

20. Media Release. Grantee may elect to issue a press release related to this Agreement, but any release shall be approved by GO-Biz in writing prior to such release. Such approval shall not be unreasonably withheld.

21. Indemnification/Warranty and Disclaimer/Limitation of 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, GO-BIZ, ITS AGENTS OR EMPLOYEES, BE LIABLE TO GRANTEE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES THAT ARISE FROM THIS AGREEMENT.

22. Force Majeure. If by reason of force majeure Grantee's performance hereunder is delayed or prevented, then the performance by Grantee may be extended for the amount of time of such delay or prevention. The term "force majeure" shall mean any fire, flood, earthquake, or public disaster, strike, labor dispute or unrest, embargo, riot, war, insurrection or civil unrest, any act of God, any act of legally constituted authority, or any other cause beyond Grantee's control which would excuse Grantee's performance as a matter of law.

23. Notice of Force Majeure. Grantee agrees to provide GO-Biz written notice of an event of force majeure under this Agreement within ten (10) calendar days of the commencement of such event and within ten (10) calendar days after the termination of such event, unless the force majeure prohibits Grantee from reasonably giving notice within this period. Grantee will give such notice at the earliest possible time following the event of force majeure.

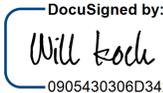
24. Integration. This Agreement (including the exhibits hereto and any written amendments hereof executed by the Parties) constitutes the entire Agreement between the Parties related to this Grant Award and supersedes

all prior agreements and understandings, oral and written, between the Parties with respect to the Grant Award described herein.

- 25. Notice.** Within thirty (30) calendar days of the effective date of this Agreement, Grantee shall notify GO-Biz, in writing, of the name, address, phone number, and email of its primary and secondary contact persons for future communication relating to this Agreement. In addition, Grantee agrees to immediately inform GO-Biz of any changes to the name, address, phone number, and email of its primary and secondary contact persons. Unless otherwise specified in this Agreement, any notice required or permitted to be given under this Agreement to GO-Biz shall be emailed to CEG@gobiz.ca.gov.
- 26. Ambiguities.** Each Party has had the opportunity to seek the advice of counsel or has refused to seek the advice of counsel. Each Party and its counsel, if appropriate, have participated fully in the negotiation, drafting, review, and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any Party.
- 27. Necessary Acts, Further Assurances.** The Parties shall at their own cost and expense execute and deliver any further documents and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.
- 28. Sections and Other Headings.** The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.
- 29. Attorneys' Fees.** In the event of any litigation between the parties concerning the terms and provisions of this Agreement, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.
- 30. Representation on Authority of Parties/Signatories.** Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized and that this Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.
- 31. Severability.** If any portion of this Agreement is to any extent invalid, illegal, or incapable of being enforced, such portion shall be excluded to the extent of such invalidity, illegality, or unenforceability; all other terms hereof shall remain in full force and effect.
- 32. Governing Law and Consent to Jurisdiction.** This Agreement will be governed, construed, and enforced according to the laws of the State of California without regard to its conflict of laws rules. Each party hereby irrevocably consents to the exclusive jurisdiction and venue of any state court located within Sacramento County, State of California in connection with any matter arising out of this Agreement or the transactions contemplated under this Agreement.

Remainder of the page is intentionally left blank. Signature page immediately follows.

Governor's Office of Business and Economic Development

By:  DocuSigned by:
Will Koch
0905430306D342E...

Name: Will Koch

Title: Deputy Director

Date: March 27, 2025 | 09:32 PDT

**Grantee
City and County of San Francisco**

By:  DocuSigned by:
Katharine E. Petrucione
E6A47683E33E458...

Name: Katharine Petrucione

Title: Deputy City Administrator

Date: February 19, 2025 | 17:19 PST

Exhibit A Budget

Cannabis Equity Grants Program for Local Jurisdictions Assistance for Cannabis Equity Program Applicants & Licensees Application Budget Detail - Funding Request Type 2					
JURISDICTION NAME:		City and County of San Francisco			
Total Grant Amount Requested (may not exceed \$3,500,000):					\$ 3,324,052.50
A. Grants and Loans					
Assistance for Local Equity Applicants' and Licensees' Startup and Ongoing Costs		Grants	No-interest Loans	Low-interest Loans	Total
A1	Rent	\$ 808,810.00	\$ -	\$ -	\$ 808,810.00
A2	Lease	\$ -	\$ -	\$ -	\$ -
A3	Local and state application, licensing, and regulatory fees	\$ 300,000.00	\$ -	\$ -	\$ 300,000.00
A4	Legal assistance	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A5	Regulatory compliance	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A6	Testing of cannabis	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A7	Furniture	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A8	Fixtures and equipment	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A9	Capital improvements	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
A10	Training and retention of a qualified and diverse workforce	\$ -	\$ -	\$ -	\$ -
A11	Other (Banking and escrow fees)	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A12	Other (Inventory)	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A13	Other (Marketing)	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A14	Other (Accounting services)	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A15	Other (Acquiring commercial property)	\$ 300,000.00	\$ -	\$ -	\$ 300,000.00
Grants and Loans Subtotal					\$ 2,808,810.00
B. Direct Technical Assistance Costs <i>(May not exceed 10% of total amount requested)</i>					
To Provide or Fund Direct Technical Assistance (TA) to Local Equity Applicants and Equity Licensees					Total
Personnel Classifications	Role in Project		Annual Salary and Benefits	Percentage of Time	Total
B1			\$ -		\$ -
B2			\$ -		\$ -
Other Direct Technical Assistance Costs					Amount
B11	(Subcontracted) Permit, Grant, Business Development, Security Training, and Legal Service				\$ 200,000.00
B12					\$ -
Direct Technical Assistance Costs Subtotal					\$ 200,000.00
C. Administrative Costs <i>(May not exceed 10% of total amount requested)</i>					
Personnel Classifications	Role in Project		Annual Salary and Benefits	Percentage of Time	Total
C1	182X Class Series	Grant Administration	\$ 229,376.00	100.0%	\$ 229,376.00
C2	182X Class Series	Grant Administration	\$ 171,733.00	50.0%	\$ 85,866.50
C3			\$ -		\$ -
Other Administrative Costs					Amount
C11					\$ -
C12					\$ -
Administrative Costs Subtotal					\$ 315,242.50
Direct Technical Assistance Costs as Percentage of Total Amount Requested					6.02%
Administrative Costs as Percentage of Total Amount Requested					9.48%
GRAND TOTAL					\$ 3,324,052.50

Exhibit B Matching Funds Budget

Cannabis Equity Grants Program for Local Jurisdictions
Type 2 - Matching Funds Budget Template - April 1, 2025 - October 31, 2026

JURISDICTION NAME:	City and County of San Francisco
Total Matching Funds:	\$ 1,793,767.00

A. Grants and Loans

Assistance for Local Equity Applicants' and Licensees' Startup and Ongoing Costs		Grants	No-interest Loans	Low-interest Loans	Total
A1	Rent	\$ -	\$ -	\$ -	\$ -
A2	Lease	\$ -	\$ -	\$ -	\$ -
A3	Local and state application, licensing, and regulatory fees	\$ 75,000.00	\$ -	\$ -	\$ 75,000.00
A4	Legal assistance	\$ -	\$ -	\$ -	\$ -
A5	Regulatory compliance	\$ -	\$ -	\$ -	\$ -
A6	Testing of cannabis	\$ -	\$ -	\$ -	\$ -
A7	Furniture	\$ -	\$ -	\$ -	\$ -
A8	Fixtures and equipment	\$ -	\$ -	\$ -	\$ -
A9	Capital improvements	\$ -	\$ -	\$ -	\$ -
A10	Training and retention of a qualified and diverse workforce	\$ -	\$ -	\$ -	\$ -
A11	Other (Cannabis related taxes)	\$ 415,750.00	\$ -	\$ -	\$ 415,750.00
A12	Other (Please Specify)	\$ -	\$ -	\$ -	\$ -
Grants and Loans Subtotal					\$ 490,750.00

B. Direct Technical Assistance Costs

To Provide or Fund Direct Technical Assistance (TA) to Local Equity Applicants and Equity Licensees				Total
Personnel Classifications	Role in Project	Annual Salary and Benefits	Percentage of Time	
B1		\$ -		\$ -
B2		\$ -		\$ -
Other Direct Technical Assistance Costs				Amount
B11				\$ -
B12				\$ -
Direct Technical Assistance Costs Subtotal				\$ -

C. Administrative Costs

Personnel Classifications	Role in Project	Annual Salary and Benefits	Percentage of Time	Total
C1	1823 Senior Administrative Analyst	\$ 325,526.00	100.0%	\$ 325,526.00
C2	1844 Senior Management Assistant	\$ 297,808.00	100.0%	\$ 297,808.00
C3	931 Manager III	\$ 434,724.00	50.0%	\$ 217,362.00
C4	1825 Principal Administrative Analyst II	\$ 403,782.00	50.0%	\$ 201,891.00
C5	1822 Administrative Analyst	\$ 283,948.00	50.0%	\$ 141,974.00
C6		\$ -		\$ -
Other Administrative Costs				Amount
C11	Indirect costs at 10% of Personnel, in line with state and federal grant cost rates			\$ 118,456.00
C12				\$ -
Administrative Costs Subtotal				\$ 1,303,017.00
GRAND TOTAL OF MATCHING FUNDS				\$ 1,793,767.00

Instructions

General

Steps

1. Enter the jurisdiction's name and Total Grant Amount Requested where indicated at the top of the spreadsheet. Total Grant Amount Requested may not exceed \$3,500,000. Complete each section as specified below.
2. Make sure the information provided in this budget spreadsheet matches the response to the budget narrative question in the online application.
3. Ensure all information is complete and correct. If the Grand Total does not match the Total Grant Amount Requested, the cell will turn red to indicate the discrepancy. If Direct Technical Assistance Costs or Administrative Costs exceed 10 percent of the Total Grant Amount Requested, the corresponding cell at the bottom of the spreadsheet will turn red.
4. Upload the budget workbook in the Required/Supporting Documents section of the online application as an excel file **(do not upload as a PDF)**.

Sections

Section A: Loans and Grants	Indicate the jurisdiction's expenses related to loans and grants to assist local equity applicants and licensees with their startup and ongoing costs. In rows A1-A10, next to each type of cost, enter the dollar amount in the appropriate column to indicate the distribution method: grants, no-interest loans, or low-interest loans. If necessary, use rows A11-A15 to describe the other cost types not listed.
Section B: Direct Technical Assistance	Indicate the jurisdiction's expenses related to providing or funding direct technical assistance to local equity applicants and licensees. For example, consulting, training, education, and support to help equity applicants and licensees acquire the knowledge and/or skills necessary in order to gain entry to, and to successfully operate in, the regulated cannabis marketplace. No more than 10 percent of the total grant award may be used for direct technical assistance.
Section C: Administrative	Indicate the jurisdiction's expenses related to the administration of the jurisdiction's local equity program. No more than 10 percent of the total grant award may be used for administration. This includes employing staff or hiring consultants to administer the program (including administering loans and grants), and the jurisdiction's costs associated with its efforts to provide sources of capital to its local equity applicants and local equity licensees.
Personnel Classifications:	List the title of the staff member(s).
Role in Project:	Briefly describe their role in the project.
Annual Salary and Benefits:	Enter the annual salary and benefits (in dollars) for each staff member using only numeric characters.
Percentage of Time:	Enter the full-time equivalent (FTE) percent of time using only numeric characters. For example, for 25% enter 25.
Other Costs:	List the other costs (such as consultants or supplies) and briefly describe the role or purpose in the project. Include "(subcontracted)" in the description of any line item that will be subcontracted.
Amount:	Enter the cost of the expense/item.

**Cannabis Equity Grants Program for Local Jurisdictions
Assistance for Cannabis Equity Program Applicants & Licensees
Application Budget Detail - Funding Request Type 2**

JURISDICTION NAME:	City and County of San Francisco
Total Grant Amount Requested (may not exceed \$3,500,000):	\$ 3,324,052.50

A. Grants and Loans

Assistance for Local Equity Applicants' and Licensees' Startup and Ongoing Costs		Grants	No-interest Loans	Low-interest Loans	Total
A1	Rent	\$ 808,810.00	\$ -	\$ -	\$ 808,810.00
A2	Lease	\$ -	\$ -	\$ -	\$ -
A3	Local and state application, licensing, and regulatory fees	\$ 300,000.00	\$ -	\$ -	\$ 300,000.00
A4	Legal assistance	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A5	Regulatory compliance	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A6	Testing of cannabis	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A7	Furniture	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A8	Fixtures and equipment	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A9	Capital improvements	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
A10	Training and retention of a qualified and diverse workforce	\$ -	\$ -	\$ -	\$ -
A11	Banking and escrow fees	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A12	Packaging and materials	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A13	Marketing and Advertising	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A14	Accounting Services	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
A15	Acquiring commercial property	\$ 300,000.00	\$ -	\$ -	\$ 300,000.00
Grants and Loans Subtotal					\$ 2,808,810.00

B. Direct Technical Assistance Costs

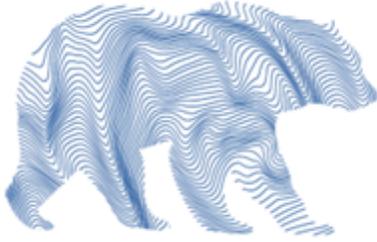
(May not exceed 10% of total amount requested)

To Provide or Fund Direct Technical Assistance (TA) to Local Equity Applicants and Equity Licensees				Total
Personnel Classifications	Role in Project	Annual Salary and Benefits	Percentage of Time	
B1		\$ -		\$ -
B2		\$ -		\$ -
B3		\$ -		\$ -
B4		\$ -		\$ -
B5		\$ -		\$ -
B6		\$ -		\$ -
B7		\$ -		\$ -
B8		\$ -		\$ -
B9		\$ -		\$ -
B10		\$ -		\$ -
Other Direct Technical Assistance Costs				Amount
B11	Permit, Grant, Business Development, Security Training, and Legal Service (subcontract)			\$ 200,000.00
B12				\$ -
B13				\$ -
B14				\$ -
B15				\$ -
B16				\$ -
B17				\$ -
B18				\$ -
B19				\$ -
B20				\$ -
Direct Technical Assistance Costs Subtotal				\$ 200,000.00

C. Administrative Costs

(May not exceed 10% of total amount requested)

Personnel Classifications	Role in Project	Annual Salary and Benefits	Percentage of Time	Total
C1	182X Class Series Grant Administration	\$ 229,376.00	100.0%	\$ 229,376.00
C2	182X Class Series Grant Administration	\$ 171,733.00	50.0%	\$ 85,866.50
C3		\$ -		\$ -
C4		\$ -		\$ -
C5		\$ -		\$ -
C6		\$ -		\$ -
C7		\$ -		\$ -
C8		\$ -		\$ -
C9		\$ -		\$ -
C10		\$ -		\$ -
Other Administrative Costs				Amount
C11				\$ -
C12				\$ -
C13				\$ -
C14				\$ -
C15				\$ -
C16				\$ -
C17				\$ -
C18				\$ -
C19				\$ -
C20				\$ -
Administrative Costs Subtotal				\$ 315,242.50
Direct Technical Assistance Costs as Percentage of Total Amount Requested				6.02%
Administrative Costs as Percentage of Total Amount Requested				9.48%
GRAND TOTAL				\$ 3,324,052.50



General Data
Local Jurisdiction Name: City and County of San Francisco
Local Jurisdiction Type: City and County
Funding Request Type: Type 2: Assistance for Cannabis Equity Program Applicants and Licensees
Has the jurisdiction conducted an equity assessment to inform the creation or revision of its local equity program for commercial cannabis licensing? Yes
Has the jurisdiction adopted a local equity program for commercial cannabis licensing? Yes
Does the jurisdiction operate a local equity program for commercial cannabis licensing? Yes

Applicant Information
Local Jurisdiction Name: City and County of San Francisco
Federal Employer Identification Number: 94-6000417
Does the local jurisdiction have a culture or perspective on equity, including policies, programs, and/or practices that address social equity and justice? Yes
<p>If yes, please describe:</p> <p>The City and County of San Francisco was one of the first jurisdictions in California to adopt a social equity program. This program is designed to provide opportunities in the regulated cannabis space to vulnerable populations who were hurt by the War on Drugs. The mission of the San Francisco Office of Cannabis (OOC) is to rectify the negative effects of the War on Drugs by promoting opportunities for verified social equity applicants, permitting the commercial cannabis industry, supporting both medical and adult-use cannabis businesses, reducing the illegal market for cannabis, protecting and promoting the health of the public, limiting youth access and exposure to cannabis, and enforcing Article 16 of the San Francisco Police Code.</p> <p>Moreover, San Francisco conducted a criminal record expungement effort that targeted criminal records associated with cannabis-related offenses. This effort provided a fresh start for many individuals and removed barriers that these records might have posed in their personal and professional lives.</p> <p>Additionally, the OOC takes pride in its diverse staff who largely represent the communities it serves. Collectively, OOC staff members are fluent in 9 languages: English, Spanish, Mandarin, Cantonese, Gujarati, Russian, Belarusian, Tagalog, and Kapampangan. Collectively, these languages capture the majority of languages under the City's Language Access Ordinance (e.g. Spanish, Chinese, Tagalog) and provide a few additional ones as well (e.g. Gujarati, Russian, Kapampangan). OOC language skills help to mitigate barriers to entering the cannabis industry and navigating government processes by being able to effectively communicate with its diverse community.</p>

Website address for the jurisdiction's local equity program (if applicable): https://www.sf.gov/get-verified-equity-applicant		
Mailing Address		
Address Line 1: 49 South Van Ness, Suite 660		
Address Line 2:		
City: San Francisco	State: CALIFORNIA	Zip Code: 94102
Payment Address (if different than Mailing Address)		
Address Line 1: 1 Dr Carlton B Goodlett Place, Room 357		
Address Line 2:		
City: San Francisco	State: CALIFORNIA	Zip Code: 94102

Proposal
1. Total Amount Requested: \$2,293,767
2. Executive Summary: Please describe your proposal in 3-5 sentences. Resources provided by the Governor's Office of Business and Economic Development (GoBiz) will support San Francisco's Equity Applicants and Licensees with flexible grant funding for startup and ongoing costs associated with their commercial cannabis businesses. Funding will provide critically needed capital to mitigate barriers to entry, a common issue expressed by our equity community. Moreover, grant funding will contribute to the long-term stability and growth of social equity cannabis businesses, enabling to sustain operations

Proposal

3. How many local equity applicants does the jurisdiction intend to serve with the requested funds?

459

4. How many local equity licensees does the jurisdiction intend to serve with the requested funds?

70

5. For each budget line item and activity identified in the budget spreadsheet, describe how the jurisdiction will use the requested funding to assist its local equity program's applicants and licensees.

(A) Grants: Direct assistance for San Francisco's Equity Applicants and Licensees will include support to build-out their physical space (e.g. capital improvements, fixtures and equipment, furniture), support ongoing operations (e.g. rent), and strengthen grantees ability to remain in compliance (e.g. regulatory compliance) with state and local laws. Moreover, the OOC collaborates closely with its Cannabis Oversight Committee (COC) and equity community to identify additional areas of need such as: financial support with carrying costs (e.g. acquisition of commercial space); local and state application, licensing, and regulatory fees; legal support; banking fees; accounting services; packaging and materials; marketing and advertising; and taxes. All of the areas described above will support Equity Applicants and Licensees with their start up and ongoing costs in an effort to mitigate barriers to entry, minimize the illicit market, and support a thriving regulated cannabis market.

(B) Technical Assistance (TA): Depending on the size of a prospective grant award, the OOC plans to support additional technical assistance opportunities in the areas of: (i) Permit and Grant Support; (ii) Professional Development; (iii) Security Consulting and Training; and (iv) Legal Service. Permit and Grant Support programming will provide the OOC's equity community with one-on-one support to navigate local and state commercial cannabis permitting process in addition to local grant requirements. Professional development programming will support the professional growth (e.g. workshops, one-on-one training) of equity applicants, of which there are over 450 in San Francisco. Security Consulting and Training will strengthen the business's security in addition to training equity operators about best security practices. Legal services will help equity applicants navigate through legal documents such as lease agreements, contract review, and ideally intellectual property support.

(C) Administrative Costs: Funds for administrative costs will cover expenses related to grant administration (e.g. systems of organization, funding request approvals, audits, reporting).

Scoring Criteria A

1. Describe the communities and populations within the local jurisdiction that have been negatively or disproportionately impacted by cannabis criminalization.

The Controlled Substances Act (CSA) is federal law that became effective in 1971 and is often associated with the the start of the War on Drugs. The CSA regulates certain substances, including cannabis. According to the Drug Policy Alliance, the passage of the CSA coincided with an exponential increase in incarceration rates. In the 21st century, there has been an accelerated recognition of the failures of the War on Drugs and its consequential impacts on communities, including a disproportionate effect on communities of color in San Francisco and elsewhere. Today, as a result of explicit and implicit racist drug enforcement policies, inequity is still acutely felt across policy areas including, but not limited to poverty, education gaps, housing insecurity, and criminal records.

Criminal justice involvement has been identified as a primary cause of disparate impact. Despite similar rates of drug use and sale across racial groups, Black and Latinx communities experience significantly higher rates of interaction with the criminal justice system, especially compared to their White counterparts, including arrests, bookings, and incarceration. African Americans in San Francisco have endured disproportionately higher felony drug arrests and enforcement actions. From 1980 to the mid-1990s, San Francisco's racial patterns in enforcement of drug laws roughly resembled those statewide. Still, African Americans in San Francisco were 4 to 5 times more likely to be arrested for drug felonies prior to the mid-1990s than their proportion of the total population would predict.

Hispanic/Latinx ethnicity is posited as a type of racial identity in the data, which overlooks the diversity within the Latinx community. For instance, from 1990 to 2016, arrests coded as Hispanic represented less than 1% of total arrests, a figure that doesn't align with conviction data from the same period. This suggests that Latinx arrests might be inaccurately classified under "White" or other racial categories, potentially distorting arrest rates across different racial groups.

Data from the California Department of Housing and Community Development was also used to identify disparity. More than half of the census tracts with high rates of cannabis arrests fall in the following San Francisco neighborhoods: Bayview Hunters Point, the Mission, and the Tenderloin.

2. How did the local jurisdiction identify the impacted communities and populations (Source/Process)?

The City and County of San Francisco examined various quantitative and qualitative data sets including census tract data, the Center on Juvenile and Criminal Justice Drug Arrests Report published in 2017, and the Economic Perspectives on Incarceration and the Criminal Justice System report published by the White House. Arrest rates were reviewed by race, ethnicity, and geographic location.

It is important to note that there is a methodological concern with data taken from the San Francisco

Police Department and Sheriff's Department statistics due to improper offense classifications. For example, Latinx arrests might be inaccurately classified under "White" or other racial categories. As a result, arrest data may inaccurately reflect a lower rate of Latinx arrests. In reality, the actual number is likely much higher than the reported <1%, suggesting a degree of under-representation in the data.

Additionally, data from the California Department of Housing and Community Development was used to identify disparity. In addition to census tract information, the data-set included the percentage of low-income households, the unemployment rate, and the percentage of racial and ethnic minorities. More than half of the census tracts with high rates of cannabis arrests fall in Bayview Hunters Point, the Mission, and the Tenderloin. These neighborhoods all feature census tracts with significant rates of unemployment and some of the highest rates of cannabis arrests.

Additional publications and reports were also examined for relevant data, including Marijuana Business Daily, the American Community Survey, and San Francisco Health Commission reports.

Lastly, the OOC conducts surveys to better understand the populations it serves. The OOC has found that the grant serve a racially diverse community. However, OOC also found that the local cannabis industry is disproportionately owned by those who identify as men. Consequently, OOC initiated additional programming, such as workshops, to better support women and non-binary cannabis entrepreneurs. As Stephen Dubner explained in his Freakonomics podcast interview with OOC's director, "San Francisco may be the friendliest jurisdiction imaginable for a minority cannabis entrepreneur."

3. Describe the outputs and outcomes of the jurisdiction's local equity program elements to date.

The OOC administers the Equity Program. The Equity Program, as a part of the San Francisco cannabis regulatory framework, was largely informed by the Cannabis Equity Report, published in November 2017 by the OOC, Human Rights Commission, and Controller's Office, with assistance from other City and community partners. It examines the local, state and national history of cannabis regulation, the War on Drugs, and its impact on our communities. The Cannabis Equity Report reviews known characteristics of the City's cannabis industry at that time and discusses barriers to entry into the industry.

Since the establishment of the Equity Program, there are 459 unique individuals who have been verified as Equity Applicants. The OOC continues to process applications for Cannabis Business Permits from Equity Applicants, and other applicant tiers. The City offers priority processing to its social equity community. Rulemaking was also developed to create flexibility for qualifying Equity Applicants to change their business locations while maintaining their place in line.

Currently, 57 equity applications are processing and an additional 28 are building out their space, and 52 equity permits have been issued to 48 equity businesses - an equity licensee can hold multiple permits for different activities.

Medical Cannabis Dispensaries (MCDs) make up about half of San Francisco's storefront retail

operators and some of the city's delivery-only retailers. In order to receive temporary authorization to sell adult-use cannabis, MCD's must create an equity plan that shows how their business will: 1) help and support Equity Operators; 2) hire people hit hardest by the criminalization of cannabis; and 3) generally support the city's equity goals.

Currently, there are 30 MCD's with equity plans. About every 120 days, they must show how they have worked to further their equity plans by providing a progress report. By the discretion of the Office of Cannabis, if the MCD has not made a good-faith effort on their plan, they may have their adult-use authorization rescinded. All operating MCD's have their equity plans publicly posted on the Office of Cannabis website.

Commonly provided benefits include hiring equity-qualified employees, purchasing products from equity-owned businesses, holding technical assistance events, and donating to local equity supporting nonprofits. The City also leveraged private industry to provide a significant portion of community benefits as part of the Equity Program. MCD Equity Plans are one of the largest sources of direct community investment related to the cannabis industry in San Francisco.

In collaboration with its state partners, the OOC has also stood up its Cannabis Grants program. To date, -over \$12 million has been distributed to over 80 social equity businesses to support start up and ongoing costs, such as capital improvements, rent, regulatory compliance, and starting in 2024, commercial property acquisition. This includes strong historical utilization rates (e.g. 95%+). Additionally, the OOC supported multiple Request for Proposal efforts to secure the services of technical assistance providers, including in the areas of: Permit and Grant Support, Workforce Development, Professional Development, Security Consulting and Training, and Business Development. The grant utilization rate of the first RFP was nearly 100% and surveyed Equity Applicants indicated a near 100% satisfaction with the grant program.

4. Explain how the jurisdiction's local equity program and regulatory framework facilitate an equitable and economically just industry for the communities and populations identified in its equity assessment.

Article 16 of the San Francisco Police Code establishes priority tiers for processing Cannabis Business Permit applications. For example, Equity Applicants who are 100% owners of their cannabis business are processed before any other applications in the queue. In addition, general applicants are not allowed to enter the cannabis industry until individuals who are qualified as Equity Applicants reach permitting parity.

In order to be verified as an equity applicant, individuals must fall below a threshold of household assets and are required to meet three of six criteria, as specified by the Board of Supervisors, and provide proof of those conditions. Following the Equity Applicant tier, there are additional groups of individuals who receive priority permitting status (e.g. Equity Incubators).

Barriers to entering the cannabis space include access to capital, real estate, and professional networks. Given the current barriers for entry, the OOC created a number of additional resources to support an equitable and economically-just industry. For instance, the OOC provides first year permit

fee waivers, accepts letters-of-intent as proof to occupy at the initial application phase, access to free technical assistance, access to incubation programs, and access to flexible grant funding depending on eligibility criteria promulgated by our Oversight Committee.

Regarding free technical assistance, the OOC continues to partner with the Bar Association of San Francisco to provide pro bono legal and compliance support to the social equity community. The OOC continues to explore partnerships with other non-profit organizations to continue expanding technical assistance services. In October 2024, OOC partners with non-profits, legal professionals, and civil rights organizations to facilitate a women and non binary cannabis entrepreneur workshop. The event was a success and is a good example of how the OOC continues to innovate programming to meet the needs of its community.

Moreover, the OOC issues a number of bulletins and regulations to further strengthen social equity protections as evidenced by its recent bulletins discussing the disallowance of forced sale provisions and additional code clarifications such as percentage of financial ownership, or other interest the Director considers to be de minimis, and equity commitments as a part of ownership transfers. In light of a growing appetite for ownership transfers, OOC also has a regulation to preserve and strengthen social equity commitments.

Although noted in prior application, the publication Marijuana Business Daily, conducted an anonymous online poll of cannabis industry business owners and executives, shedding some light on the composition of the national market. According to the survey, 19% of respondents were racial/ethnic minorities, though racial/ethnic minorities comprise 38.7% of the national population. Under representation affects non-Hispanic African Americans and Asians as well as Hispanic/Latinx communities. OOC continues to facilitate a voluntary demographic survey to better understand the makeup of its business community. To date, the OOC conducted 4 surveys at the conclusion of previous Social Equity Grants programs. The results demonstrated that grants are reaching a diverse population, and the majority of the participants were satisfied with the grant program. However, results also demonstrated a disproportionate under-representation of women in the local cannabis industry.

5. Describe the eligibility criteria used to determine who qualifies for participation in the jurisdiction's local equity program.

In order to be verified as an equity applicant, individuals must fall below a threshold of household assets and are also required to meet three of six criteria, as specified by the Board of Supervisors, and provide supporting documents corroborating those conditions. Allowing individuals to meet various eligibility requirements created additional flexibility in the City's Equity Program. Some of the criteria are bound by time, often including the declaration of the "War on Drugs" by President Richard Nixon in 1971 and the passage of Proposition 64 in 2016. Currently, there is no San Francisco residency requirement. The established equity criteria includes:

1) Having a household income below 80% of the Area Median Income in San Francisco in the previous year. This criterion provides opportunity to low-income individuals with limited resources.

2) Having been arrested, convicted, or adjudged to be a ward of the state for a cannabis-related crime between 1971-2016. This criterion highlights the real cost of being punished for sale and/or possession of cannabis. We know that racial minorities have endured disproportionately higher drug arrests. Verification is not limited to arrests and convictions in the City and County of San Francisco as stakeholders recognized that disproportionate arrests and convictions happen all over the country because the War on Drugs transcends state and local boundaries.

3) Having a close relative, either a parent, sibling, or child, arrested convicted, or adjudged to be a ward of the state for a cannabis related crime between 1971-2016. This criterion acknowledges the negative consequences of criminal justice involvement often radiate beyond the individual directly impacted. These collateral issues impact not only families, but entire communities.

4) Attended a San Francisco Unified School District School for five years between 1971 and 2016. This criterion acknowledges the prevalence of the school-to-prison pipeline, a phenomenon by which individuals transition from one institution to another. As the American Civil Liberties Union notes, “many of these children have learning disabilities or histories of poverty, abuse, or neglect” and discipline can have the impact of pushing vulnerable children out of the school system and into the criminal justice system.

5) Lived in San Francisco census tracts for 5 years, where at least 17% of households were at or below the federal poverty level. Prospective Equity Applicants can enter their address on a map to determine if they are eligible. These locations are places in which a majority of drug arrests occurred in the city.

6) Experienced housing insecurity evidenced by eviction, foreclosure, or revocation of housing subsidy since 1995. This criterion acknowledges the twin challenges of rising house prices and lack of affordable housing.

6. Does the jurisdiction’s local equity program have any shareholder or ownership requirements?

Yes

If yes, please describe.

Yes, equity applicants must maintain ownership in the applicant entity of at least 51%, or 40% and CEO or the equivalent, up to permit issuance. Moreover, equity applicants generally have a right, proportionate to their ownership interest held, to share in distributions, voting, and liquidation. There are additional ownership transfer restrictions outlined in San Francisco Police Code section 1608 and an ownership dilution, or role change, of an equity applicant requires regulatory approval via a permit amendment and possibly additional social equity commitments depending on the degree of dilution.

7. Does the jurisdiction's local equity program provide preferential licensing for local equity applicants?

Yes

If yes, please describe.

Yes, section 1606 of the San Francisco Police Code enumerates the processing priority, including:

- First priority: applications from Equity Applicants that, independently or in combination with one or more other Equity Applicants, hold a 100% ownership interest in the Cannabis Business for which they have applied for a Cannabis Business Permit.
- Second priority: Shared use facilities
- Third priority: all Equity Applicants that do not meet the criteria for first or second priority processing.
- Fourth through eighth priority: Applicants such as legacy businesses and general applicants.
- Fourth priority: applications from equity incubators that provide rent-free commercial space and/or technical assistance to social equity businesses

There are additional priority tiers for non-equity applicant types (e.g industry existing prior to the passage of Proposition 64).

8. How does the jurisdiction ensure eligible communities and populations are made aware of the benefits offered by its local equity program?

The OOC consistently emphasizes community, communication, and accessibility. In addition to resources available on our website, the OOC holds dedicated time to answer questions and provide additional support to Equity Applicants. For example, the OOC is happy to connect with our community via a virtual meeting or in-person. Additionally, staff regularly attends community meetings in addition to participating in interviews and panel discussions. The OOC regularly disseminates "Industry Updates" through its distribution and partner channels (e.g. community based organizations). Moreover, OOC staff speak 9 different languages including nearly all of the languages under the City Language Access ordinance to better serve and accommodate our diverse community.

9. How does the jurisdiction collect and address feedback from communities and populations eligible for its local equity program?

The OOC facilitates many opportunities to collect and address feedback. In addition to platforms such as listening sessions and community events, the OOC also supports its Cannabis Oversight Committee. The Oversight Committee holds public meetings providing a platform for substantive discussion and public comment. Meeting agendas and minutes are posted on the OOC's website. Moreover, the OOC administers surveys to its grantees after each grant cycle. Not only do grants serve a racially diverse audience, but grantees also are satisfied with the program's model.

10. If the requested funds are awarded, what are the expected outputs and outcomes of the jurisdiction's local equity program?

Since the inception of the Office of Cannabis, equity program applicants have expressed the need for financial assistance to support their businesses during a tough economic climate - especially while cannabis remains a schedule I controlled substance at the federal level. To cover costs while waiting for application approval, many Equity Applicants incur debt and/or sell ownership shares in their business to investors in return for capital. Equity Applicants who do not receive external financial backing are the least likely to be able to float their business location costs through the relatively lengthy application process.

Given the need for Equity Applicant's to hold space while they wait for application processing and the inability to get traditional loans through banks, financial assistance is critical in order to avoid higher-interest loans or selling ownership shares.

Given the expressed needs of Equity Applicants, it's anticipated that more equity businesses will be permitted and that permitted businesses will be more successful in both the short- and long-term with additional financial support. We anticipate a significant amount of this support will help to maintain locations, build-out physical space for equity applicants, support ongoing costs for permitted operators, and ensure compliance with state and local laws. The OOC has also worked with equity applicants and the state to expand eligible expense categories such as marketing and advertising, and more recently, the acquisition of a commercial space for a total of 14 eligible expense categories (e.g. rent, capital improvements).

The OOC is hopeful that additional financial assistance will continue to result in more equity permits being issued, mitigate dilution of an equity applicant's ownership interest - especially for family owned businesses, and support ongoing operations of permitted social equity operators.

Technical assistance (TA) will be critical to help new and existing entrepreneurs further establish their businesses and navigate permitting and licensing frameworks. Depending on the size of a prospective grant award, TA can help augment additional support to our social equity community endeavoring to start and maintain their cannabis businesses. Existing TA includes pro-bono assistance provided by the SF Bar Association Lawyer Referral Service.

Additional TA support could match interested verified Equity Applicants with qualified experts in the areas of licensing and permitting, ownership agreements, compliance audits, zoning, tax compliance, accounting, and bookkeeping. Support also includes one-on-one consultation and the development of educational materials to clarify the laws and regulations applicable to participation in San Francisco's Equity Program. Without special assistance or knowledge, equity applicants may find it difficult to navigate the regulatory process, endangering their prospects for survival. Equity applicants who receive additional technical assistance will be better equipped to navigate the complicated permitting process and to ultimately operate a successful cannabis business.

Scoring Criteria B

1. What was the local jurisdiction's population size as of January 1, 2024, as published on the Department of Finance's (DOF) website?

843,071

2. When was the jurisdiction's local equity program adopted?

1/5/2018

3. Which of the following program elements does the jurisdiction's local equity program include? (Check all that apply as of the application due date)

- Small business support services including technical assistance or professional and mentorship services.
- Tiered fees or fee waivers for cannabis-related permits and licenses.
- Assistance in paying state regulatory and licensing fees.
- Assistance securing business locations prior to or during the application process.
- Assistance securing capital investments or direct access to capital.
- Assistance with regulatory compliance.
- Assistance in recruitment, training, and retention of a qualified and diverse workforce, including transitional workers.
- Low-interest or no-interest loans or grants to local equity applicants or local equity licensees to assist with startup and ongoing costs.

4. How many verified local equity applicants does the local jurisdiction currently have? (Note: Only include individuals that the jurisdiction has confirmed their eligibility for the local equity program AND that have submitted, or will submit, an application for a local license, permit, or other authorization by the local jurisdiction to engage in commercial cannabis activity, but have NOT been issued a local license, permit, or other authorization by the local jurisdiction to engage in commercial cannabis activity. Exclude any verified local equity applicants for license types that will not likely be obtainable in the next 12 months due to the jurisdiction's licensing cap.)

155

5. How many verified local equity license holders does the local jurisdiction currently have? (Note: Only include individuals that the jurisdiction has confirmed their eligibility for the local equity program AND that have been issued a local license, permit, or other authorization by the local jurisdiction to engage in commercial cannabis activity.)

43

6. What was the jurisdiction's investment in its local equity program in calendar year 2023? (Exclude any grant funds provided by the State of California, the Department of Cannabis Control, GO-Biz, and any other California State Agency or Department) (\$)

\$1,279,961.00

7. What is the jurisdiction's investment in its local equity program in calendar year 2024 to date? (Exclude any grant funds provided by the State of California, the Department of Cannabis Control, GO-Biz and any other California State Agency or Department) (\$)

\$1,215,236.00

8. What will the jurisdiction contribute to its local equity program as matching funds from April 1, 2025, through October 31, 2026? (Exclude any grant funds provided by the State of California, the Department of Cannabis Control, GO-Biz and any other California State Agency or Department)

\$1,793,767.00

Contact Information

Relationship: Employee of Applicant

First Name: Jeremy

Last Name: Schwartz

Email: jeremy.schwartz@sfgov.org

Organization: Office of Cannabis, City and County of San Francisco

Title: Deputy Director

Phone: (628) 652-0420

Mailing Address: 49 South Van Ness Suite 660, San Francisco, CA 94103

Relationship: Employee of Applicant

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Organization: Office of Cannabis, City and County of San Francisco

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Organization: Office of Cannabis, City and County of San Francisco

Title: Associate Director

Phone: (628) 652-0420

Mailing Address: 49 South Van Ness Suite 660, San Francisco, CA 94103



January 23, 2025

Jeremy Schwartz
Deputy Director
49 South Van Ness, Suite 660
San Francisco, CA 94102

Dear Jeremy Schwartz,

Thank you for your Type 2 grant application for the Cannabis Equity Grants Program for Local Jurisdictions. Based on our review of your application, we are pleased to inform you that the **City & County of San Francisco** is eligible for a grant award of **\$3,324,052.50**. In order to proceed with providing you a grant agreement for signature, please provide the following to CEG@gobiz.ca.gov:

1. Please review your enclosed budget spreadsheet and return an updated budget spreadsheet reflecting the total amount of the grant award. As soon as possible, and no later than **February 18th**, please make any updates in order to finalize your budget for inclusion in your grant agreement.
2. All grant agreements must be signed via our electronic signature platform, DocuSign. Please provide the name, title, and email address for the individual that will sign the grant agreement no later than **February 18th**.
3. In order to receive grant funding a resolution is required from the jurisdiction's governing body authorizing the jurisdiction to enter into the grant agreement with GO-Biz and designating by title the individual who is authorized to sign the agreement on behalf of the jurisdiction. It is important to place a resolution request on the governing body's agenda immediately to avoid funding delays. A sample resolution is attached. Authorizing resolutions must be received by GO-Biz no later than **March 31, 2025**.

The approved resolution MUST contain all of the components found in the attached sample resolution exactly as indicated and must match its format.

The grant agreement must be signed by the jurisdiction using DocuSign no later than **March 31, 2025**.

Congratulations, and we look forward to working with you! Please contact us if you have any questions.

Best regards,

A handwritten signature in cursive script that reads 'Katie Raley'.

Katie Raley, Grant Supervisor
Community and Local Equity Grants Unit
Governor's Office of Business and Economic Development (GO-Biz)
CEG@gobiz.ca.gov



City Administrator
Carmen Chu



April 01, 2025

To whom it may concern:

File no. 250368 – Accept and Expend Grant – Retroactive – The Governor’s Office of Business and Economic Development – Cannabis Equity Grants Program for Local Jurisdictions - \$3,324,054.50

Resolution retroactively authorizing the Office of Cannabis to accept and expend a grant award in the amount of \$3,324,054.50 from April 1, 2025, through October 31, 2026, from the Governor’s Office of Business and Economic Development for the Local Equity Grants Program for Local Jurisdictions

- **Description:** The San Francisco Office of Cannabis (“Office of Cannabis”) operates a local equity program for commercial cannabis activity. The Office of Cannabis will use grant funds to assist local equity applicants and licensees through its local equity program.
- **Reason for Retroactive Request:** The Office of Cannabis respectfully requests retroactive approval to accept and expend this grant. Due to sequencing considerations, the accept and expend resolution was introduced subsequent to the Grant Agreement’s April 1 start-date and therefore required the retroactivity language. The Office of Cannabis has neither received grant funds nor expended any of them pursuant to this award. The Governor’s Office of Business and Economic Development await the resolution prior to disbursing funds.
- **Office of Cannabis Representative:** Yuliya Shchegolev | Associate Director, San Francisco Office of Cannabis | yuliya.shchegolev@sfgov.org

From: [Robyn Palumbo](#)
To: [Major, Erica \(BOS\)](#)
Subject: Cannabis tax
Date: Sunday, June 22, 2025 2:13:07 PM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Good morning, I am writing to urge a continuation of the sunset on local cannabis tax. Despite having been a medical patient for many years, I'm paying for people who just want to have fun. I have a doctor recommendation but because I can't make it down to city hall during business hours, I pay so much more for my medicine now. It's not right. Please don't make it even harder.

Thanks,
Robyn Palumbo
3915 balboa st 94121
415-370-4080

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Carmen Chu, City Administrator

DATE: February 7, 2025

SUBJECT: Accept and Expend Resolution for Subject Grant

GRANT TITLE: Governor's Office of Business and Economic Development -
Cannabis Equity Grants Program for Local Jurisdictions

Attached please find the original* and one copy of each of the following:

Proposed grant resolution; original* signed by Department, Mayor, Controller

Grant information form, including disability checklist

Grant budget

Grant application

Letter of Intent or grant award letter from funding agency

Ethics Form 126 (if applicable)

Contracts, Leases/Agreements (if applicable)

Other (Explain):

Special Timeline Requirements:

Departmental representative to receive a copy of the adopted resolution:

Name: Katharine Petrucione, Office of the City Administrator

Phone: 415-554-4851

Interoffice Mail Address: City Hall, Room 362

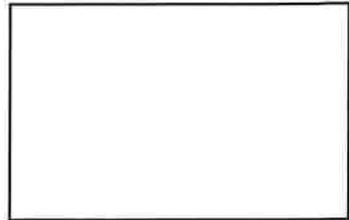
Certified copy required Yes

No

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor _____ inquires..."
- 5. City Attorney Request
- 6. Call File No. _____ from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No. _____
- 9. Reactivate File No. _____
- 10. Topic submitted for Mayoral Appearance before the Board on _____

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Rafael Mandelman

Subject:

Accept and Expend Grant – Retroactive – The Governor’s Office of Business and Economic Development – Cannabis Equity Grants Program for Local Jurisdictions - \$3,324,052.50

Long Title or text listed:

Resolution retroactively authorizing the Office of Cannabis to accept and expend a grant award in the amount of \$3,324,052.50, and to expend interest earned or accrued on grant funds for the grant term of April 1, 2025 - October 31, 2026, from the Governor’s Office of Business and Economic Development for the Local Equity Grants Program for Local Jurisdictions; to execute the agreement with the Governor’s Office of Business and Economic Development, and any extensions or amendments thereto, on behalf of the City and County of San Francisco; and to indemnify the Governor’s Office of Business and Economic Development for liability arising out of the performance of this contract; and approving the grant agreement pursuant to Charter Section 9.118(a).

Signature of Sponsoring Supervisor: