



May 16, 2023

To: Kelly Hines-Hernandez  
Principal Risk Analyst  
Risk Management Division  
Office of the City Administrator  
City and County of San Francisco

Dear Ms. Hines-Hernandez,

The San Francisco Office of Cannabis (OOC) was recently awarded a \$3,000,000 grant from the Board of State and Community Corrections (BSCC). Grant funding will be used to support efforts to address public health and safety issues associated with the passage of Proposition 64 – which legalized adult use cannabis and commercial cannabis activity.

The OOC seeks Risk Management Division approval regarding an Accept and Expend Resolution (A&E). Specifically, the A&E incorporated a reference to the Grant Agreement. In relevant part, the Grant Agreement explains that the City agrees to:

“... indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supply work services, materials, or suppliers in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by [the City] in the performance of this agreement.”

Pursuant to Administrative Code § 1.24, the OOC explains:

- The indemnification language is typical of a grant agreement and the OOC has entered into similar grant agreements in the past.
- The award amount is \$3MM and project costs are reflected in section 4 of the Grant Agreement.
- The indemnification language is necessary in order for the City to carry out a public purpose (e.g. addressing public health and safety issues associated with the implementation of Proposition 64).

Thank you for your consideration,

Jeremy Schwartz  
Deputy Director  
Office of Cannabis  
Office of the City Administrator  
City and County of San Francisco