

1 [Authorization to Apply for State Grant Funding - California Cannabis Equity Act of 2018 -  
2 Office of Cannabis]

3 **Resolution authorizing the Office of Cannabis, on behalf of the City and County of San**  
4 **Francisco, to apply for state grant funding under the California Cannabis Equity Act of**  
5 **2018.**

6 WHEREAS, The State of California has enacted the California Cannabis Equity Act of  
7 2018, codified in relevant part at Business and Professions Code Sections, 26240 through  
8 26250, to further state efforts to support local jurisdictions' equity programs; and

9 WHEREAS, In connection with Cannabis Equity Act, the State has appropriated  
10 \$10,000,000 of funds to the Bureau of Cannabis Control to issue grants to assist local equity  
11 applicants and local equity licensees, to be administered through grants to local jurisdictions'  
12 equity programs; and

13 WHEREAS, The Cannabis Equity Act authorizes local jurisdictions to apply to receive  
14 such grant funding from the Bureau, which shall review applications for such grant funding  
15 pursuant to criteria specified by statute (Business and Professions Code,  
16 Section 26244(a)(2)); and

17 WHEREAS, The City is well qualified to receive grant funding under these criteria,  
18 which include, but are not limited to, whether the local jurisdiction is an eligible local  
19 jurisdiction; whether the local jurisdiction has adopted or operates a local equity program;  
20 whether the local jurisdiction has identified a local equity applicant or a local equity licensee  
21 that the local jurisdiction could assist through use of the grant funding; whether the local  
22 jurisdiction has demonstrated the ability to provide, or created a plan to provide, services such  
23 as support for rent, leases, local and state application and licensing fees, regulatory  
24 adherence, testing of cannabis, equipment, capital improvements, and training and retention  
25 of a qualified workforce; and the number of existing and potential local equity applicants and

1 local equity licensees in the local jurisdiction (Business and Professions Code,  
2 Section 26244(a)(2)); and

3 WHEREAS, A local jurisdiction that receives grant funding pursuant to the Cannabis  
4 Equity Act shall use grant funds to assist local equity applicants and local equity licensees in  
5 the local jurisdiction to gain entry to, and to successfully operate in, the state's regulated  
6 cannabis marketplace (Business and Professions Code, Section 26244(a)(2)); and

7 WHEREAS, If San Francisco receives a grant pursuant to the Cannabis Equity Act, it  
8 shall in fact use grant funds to assist local equity applicants and local equity licensees in that  
9 local jurisdiction to gain entry to, and to successfully operate in, the state's regulated cannabis  
10 marketplace; and

11 WHEREAS, Such assistance may include loans or a grant to assist applicants with  
12 startup and ongoing costs such as rent, leases, local and state application and licensing fees,  
13 regulatory adherence, testing of cannabis, equipment, capital improvements, and training and  
14 retention of a qualified and diverse workforce as assistance that could qualify for this funding;  
15 and

16 WHEREAS, The Act allows no more than 10% of the grant funds to be used to assist  
17 the administration of the local equity program, including employing staff or hiring consultants  
18 to administer grants and the program; and

19 WHEREAS, If San Francisco successfully secures grant funding through The Act, the  
20 City will be responsible for submitting to the Bureau of Cannabis on or before January 1 of the  
21 year following receipt of the grant an annual report on how the grant funds are expended,  
22 including but not limited to details associated with how grant funds were dispersed, how San  
23 Francisco identifies and verifies local equity applicants, the number of equity applicants that  
24 were served by the grant funds, and any aggregate data associated with demographics on  
25 equity applicants, equity licensees, and other applicants and licensees in the jurisdiction,

1 including, but not limited to, race, ethnicity, gender, sexual orientation, income level, prior  
2 convictions, and veteran status; and

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

6 WHEREAS, As of January 10, 2019, the San Francisco Office of Cannabis has  
7 verified over 230 individuals for purposes of allowing them to seek Cannabis Business  
8 Permits as an eligible applicant; and

9 WHEREAS, More than 220 Cannabis Business Permits are being sought by Verified  
10 Equity Applicants; and

11 WHEREAS, On January 18, 2019, the San Francisco Office of Cannabis convened  
12 Equity Applicants and internal and external stakeholders to discuss the pressing resource and  
13 funding needs of the City's equity applicants in order to inform the City's application and  
14 distribution of these grant funds; now, therefore, be it

15 RESOLVED, That the Board of Supervisors of the City and County of San Francisco  
16 authorizes the Director of the Office of Cannabis or his or her designee to execute for and on  
17 behalf of the City and County of San Francisco any actions necessary for the purpose of  
18 obtaining state grant funding provided through the California Cannabis Equity Act of 2018 to  
19 support the San Francisco Cannabis Equity Program and Equity Program participants; and,  
20 be it

21 FURTHER RESOLVED, That after the award of any grant funding, the Office of  
22 Cannabis shall return to the Board of Supervisors to seek approval, by further resolution, to  
23 formally accept and expend grant monies.