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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 190115 **Date Passed:** February 26, 2019

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February 13, 2019 Budget and Finance Committee - RECOMMENDED

February 26, 2019 Board of Supervisors - ADOPTED

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

File No. 190115

I hereby certify that the foregoing Resolution was ADOPTED on 2/26/2019 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Angela Calvillo
Clerk of the Board

London Breed
London N. Breed
Mayor

3/8/19
Date Approved