

R-15

May 19, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute an agreement, all necessary documents and amendments, with the California Governor's Office of Business and Economic Development (GO-Biz), to receive and expend grant funding in the amount of \$2,700,000, to support the Long Beach cannabis social equity program, for the approximate period of June 15, 2020 through June 14, 2021; and,

Increase appropriations in the General Grants Fund Group in the City Manager Department by \$2,700,000, offset by grant revenue. (Citywide)

DISCUSSION

The Office of Cannabis Oversight (OCO) in the City Manager Department was recently awarded \$2,700,000 by the California Governor's Office of Business and Economic Development (GO-Biz) to support the Long Beach cannabis social equity program (Equity Program). The Equity Program was approved by the City Council in August 2018, with the goal of promoting equal opportunity in the cannabis industry. Specifically, the Equity Program seeks to make legal cannabis business ownership and employment opportunities more accessible to low income individuals and communities negatively impacted by the prior criminalization of cannabis.

In accordance with the California Cannabis Equity Act of 2018 (Equity Act), the California Bureau of Cannabis Control (BCC) entered into an interagency contract with Go-Biz to administer the equity grant. On April 21, 2020, Go-Biz announced the recipients of \$30 million in equity grant funding to support local jurisdictions that adopted a local cannabis equity program. Of this amount, the City of Long Beach was awarded \$2,700,000 in GO-Biz grant funds.

Consistent with Go-Biz regulations on the eligible use of grant funds, the OCO intends to use Go-Biz funding to expand the direct grant program for equity applicants. Direct grants help offset significant costs associated with obtaining a cannabis business license. Through the Go-Biz grant, equity applicants will be eligible for increasing grant amounts as they progress through various milestones within the cannabis business licensing

process. These milestones include completion of the Conditional Use Permit (CUP) or Administrative Use Permit (AUP) land entitlement process, completion of the cannabis business license application, submittal of architectural plans, issuance of building permits, completion of various inspections within the construction process, and issuance of the cannabis business license. All grant funds must be expended by the City within one year of the date the funds are disbursed. Any funds not expended within the one-year period must be returned to GO-Biz.

This matter was reviewed by Deputy City Attorney Arturo D. Sanchez and Budget Operations Officer Rhutu Amin Gharib on May 4, 2020.

TIMING CONSIDERATIONS

City Council action is requested on May 19, 2020, to accept funding and ensure the agreement is executed expeditiously.

FISCAL IMPACT

The City will receive grant funding of \$2,700,000 for the approximate period of June 15, 2020 through June 14, 2021. As this grant is currently unbudgeted, an appropriation increase is requested in the amount of \$2,700,000 in the General Grants Fund Group in the City Manager Department, offset by GO-Biz grant revenues. The Go-Biz grant does not require any matching funds. This recommendation will result in the employment of temporary staff to help administer the direct grants program in the City Manager Department. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no anticipated local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



THOMAS B. MODICA
CITY MANAGER

KJ:AK

ATTACHMENT: RESOLUTION

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AUTHORIZING THE CITY
5 MANAGER TO EXECUTE A STANDARD AGREEMENT,
6 AND ANY AMENDMENTS THERETO, WITH THE STATE OF
7 CALIFORNIA, GOVERNOR'S OFFICE OF BUSINESS AND
8 ECONOMIC DEVELOPMENT, TO RECEIVE AND EXPEND
9 STATE OF CALIFORNIA CANNABIS EQUITY ACT GRANT
10 FUNDING
11

12 WHEREAS, the members of the California Legislature have recognized the
13 need for cannabis equity grant funding; and

14 WHEREAS, funding has been provided to the Governor's Office of
15 Business and Economic Development to provide grant funds to local governments
16 pursuant to AB 97 (Stats. 2019, Ch. 40); and

17 WHEREAS, the City Council of the City of Long Beach has adopted or
18 operates a local equity program for commercial cannabis activity; and

19 WHEREAS, the City Council of the City of Long Beach has determined that
20 it will use grant funds from the Governor's Office of Business and Economic Development
21 to assist local equity applicants and licensees through its local equity program for
22 commercial cannabis activity as described in its application for grant funds;

23 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
24 follows:

25 Section 1. The City Manager of the City of Long Beach is authorized to
26 execute by electronic signature on behalf of the City Council of the City of Long Beach
27 the grant agreement with the Governor's Office of Business and Economic Development,
28 including any extensions or amendments thereof and any subsequent grant agreement

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
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1 with the Governor's Office of Business and Economic Development in relation thereto.

2 Section 2. It is agreed that any liability arising out of the performance of
3 this grant agreement, including civil court actions for damages, shall be the responsibility
4 of the grant recipient and the authorizing agency. The Governor's Office of Business and
5 Economic Development and the State of California disclaim responsibility for any such
6 liability.

7 Section 3. This resolution shall take effect immediately upon its adoption
8 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

9 I hereby certify that the foregoing resolution was adopted by the City
10 Council of the City of Long Beach at its meeting of _____, 2020 by the
11 following vote:

12
13 Ayes: Councilmembers: _____
14 _____
15 _____
16 _____

17 Noes: Councilmembers: _____
18 _____

19 Absent: Councilmembers: _____
20 _____

21 Recusal(s): Councilmembers: _____

22
23
24 _____
City Clerk

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