

R-18

March 8, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute an agreement, and any necessary documents including any subsequent amendments, with the California Governor's Office of Business and Economic Development (GO-Biz), to receive and expend grant funding in the amount of \$3,235,203, to support the Long Beach Cannabis Social Equity Program, from May 14, 2022 through May 13, 2023; and,

Increase appropriations in the General Grants Fund Group in the City Manager's Department by \$3,235,203, offset by grant revenue from GO-Biz. (Citywide)

DISCUSSION

City Council approval is requested to enter into an agreement with GO-Biz for a grant awarded to the Office of Cannabis Oversight (OCO) in the City Manager Department in the amount of \$3,235,203 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 as amended by AB 97, the California Bureau of Cannabis Control (BCC) entered into an interagency contract with GO-Biz to administer the Cannabis Equity Grants Program for local jurisdictions. On February 7, 2022, GO-Biz announced the recipients of \$35 million in equity grant funding to support local jurisdictions that adopted a local cannabis equity program. Of this amount, the City of Long Beach (City) was awarded \$3,235,203 million in GO-Biz grant funds. This is the third round of equity grant funding awarded to the City by GO-Biz. In Fiscal Year 2021, the City was awarded \$1,267,044 from GO-Biz to support the Long Beach cannabis social equity program through direct grants, fee waivers, and direct technical assistance.

Consistent with GO-Biz regulations on the eligible use of grant funds, the OCO intends to use GO-Biz funding to expand direct grants, fee waivers, and direct technical assistance programs available to 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 differing grant amounts during all phases of starting a cannabis business, from securing a lease to operation. The City will also utilize GO-Biz grant funds to support new pathways to licensure for equity applicants if the City Council adopts any policies to expand equity business ownership. All grant funds must be expended within one year from 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 and Development Officer Rhutu Amin Gharib on February 15, 2022.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution and execute an agreement concurrently is requested on March 8, 2022, to ensure the agreement is in place expeditiously.

FISCAL IMPACT

The City will receive a grant award in the amount of \$3,235,203 from GO-Biz for the approximate period of May 14, 2022 through May 13, 2023. As this grant is currently unbudgeted, an appropriation increase is requested in the amount of \$3,235,203 in the General Grants Fund Group in the City Manager Department, offset by GO-Biz grant revenues. The grant does not require any matching funds. This recommendation has no staffing impact beyond the normal budgeted scope of staff duties and is consistent with existing City Council priorities. This recommendation will result in the employment of temporary staff to help administer the direct grants program in the Economic Development Department.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



THOMAS B. MODICA
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AUTHORIZING THE CITY
MANAGER TO EXECUTE A STANDARD AGREEMENT,
AND ANY AMENDMENTS THERETO, WITH THE STATE OF
CALIFORNIA, GOVERNOR’S OFFICE OF BUSINESS AND
ECONOMIC DEVELOPMENT, TO RECEIVE AND EXPEND
STATE OF CALIFORNIA CANNABIS EQUITY ACT GRANT
FUNDING

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

WHEREAS, funding has been provided to the Governor’s Office of
Business and Economic Development to provide grant funds to local governments; and

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

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

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

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

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 _____, 2022, by the following
11 vote:

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13 Ayes: Councilmembers: _____

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17 Noes: Councilmembers: _____

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19 Absent: Councilmembers: _____

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21 Recusal(s): Councilmembers: _____

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24 _____

City Clerk

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