



Legislation Text

File #: 20-0452, **Version:** 1

Recommendation to adopt resolution authorizing 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)

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.

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

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.

Approve recommendation.

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

THOMAS B. MODICA
ACTING CITY MANAGER