



Legislation Text

File #: 20-0160, **Version:** 1

Adopt resolution authorizing City Manager, or designee, to execute all necessary documents to receive and expend grant funding in the amount of \$913,991 from the California Bureau of Cannabis Control (BCC), for the approximate period of March 1, 2020 through February 28, 2021;

Increase appropriations in the General Grants Fund in the City Manager Department by \$913,991, offset by grant revenue from the BCC; and

Increase appropriations in the Business Assistance Fund in the Economic Development Department by \$530,000, offset by an operating transfer from the City Manager Department, offset by grant funds. (Citywide)

The Office of Cannabis Oversight (OCO) in the City Manager Department was recently awarded \$913,991 by the California Bureau of Cannabis Control (BCC) 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.

On October 9, 2019, the BCC announced the recipients of equity grant funds, made available through the California Cannabis Equity Act of 2018 (Equity Act). The Equity Act allocated a total of \$10 million in direct assistance to local jurisdictions that adopted a local cannabis equity program. Of this amount, the City of Long Beach (City) was awarded \$913,991 in BCC grant funds.

From the awarded funds, the Economic Development Department proposes to use \$530,000 to provide technical assistance and business incubation services to equity owned businesses, as outlined in Attachment A to this letter. In addition, the OCO plans to use \$383,991 to expand the fee waiver and grant program to eligible equity applicants, to help offset significant costs associated with obtaining a cannabis business license. All grant funds must be expended within one year of the date the funds are disbursed. Any funds not expended within the one-year period must be returned to the BCC.

This matter was reviewed by Deputy City Attorney Arturo D. Sanchez on February 3, 2020 and by Grants and Projects Officer Arlen Crabtree on January 28, 2020.

City Council action is requested on February 18, 2020, to accept funding and ensure the agreement is executed expeditiously.

The City will receive grant funding of \$913,991 for the approximate period of March 1, 2020 through February 28, 2021. As this grant is currently unbudgeted, an appropriation increase is requested in the amount of \$913,991 in the General Grants Fund in the City Manager Department, offset by BCC grant revenues. In addition, an appropriation increase is requested in the amount of \$530,000 in the Business Assistance Fund in the Economic Development Department, offset by an operating transfer from the City Manager Department using grant funds. The BCC grant does not require any matching funds. This recommendation will result in the employment of temporary staff to support the technical assistance and business incubation program in the Economic Development Department. This action is anticipated to require a minimal level of staff hours beyond the budgeted scope of staff duties and is consistent with City Council priorities.

Approve recommendation.

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THOMAS B. MODICA
ACTING CITY MANAGER