



CITY OF OAKLAND
Economic and Workforce Development Department

EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING

Proposed Agenda

Tuesday October 11, 2022, 1:00-2:00pm PST

Purpose of Meeting

Share updates regarding the City of Oakland's loan and grant programs for cannabis equity operators and maintain an ongoing feedback loop between equity operators, City staff, and Elevate Impact to improve these programs.

Public Participation Instructions

TO OBSERVE:

- To observe the meeting by video conference, please click the link below to join the webinar: <https://us02web.zoom.us/j/87691401433>
- To listen to the meeting by phone, please call the numbers below at the noticed meeting time: Dial (for higher quality, dial a number based on your current location):
US: +1 669 900 9128 or +1 346 248 7799 or +1 253 215 8782 or +1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592

For each number, please be patient and when requested, dial the following Webinar ID: 876 9140 1433

After calling any of these phone numbers, if you are asked for a participant ID or code, press #. Instructions on how to join a meeting by phone are available at: <https://support.zoom.us/hc/en-us/articles/201362663>, which is a webpage entitled "Joining a Meeting By Phone."

TO PROVIDE PUBLIC COMMENT:

- By Video Conference. To comment by Zoom video conference, click the "Raise Your Hand" button to request to speak when Public Comment is being taken on an eligible agenda item at the beginning of the meeting. You will then be unmuted, during your turn, and allowed to participate in public comment. After the allotted time, you will be re-muted.

Instructions on how to “Raise Your Hand” are available at: <https://support.zoom.us/hc/en-us/articles/205566129>, which is a webpage entitled “Raise Hand In Webinar.”

- By Phone. To comment by phone, please call on one of the above listed phone numbers. You will be prompted to “Raise Your Hand” by pressing STAR-NINE (“*9”) to request to speak when Public Comment is being taken.

Once it is your turn, you will be unmuted and allowed to make your comment. After the allotted time, you will be re-muted. Instructions of how to raise your hand by phone are available at: <https://support.zoom.us/hc/en-us/articles/201362663>, which is a webpage entitled “Joining a Meeting by Phone.”

PROPOSED AGENDA

ITEM C (5) Implementation Update on State Grants

The City of Oakland received three state grants in 2020-2021 to support its cannabis equity program: in the spring of 2020 the City received a grant of approximately \$1,650,000 from the Bureau of Cannabis Control (BCC); in the summer of 2020 the City received a \$6,576,705 grant from the Governor’s Office of Business and Economic Development (Go-Biz) (Go-Biz 1 Grant); then in the summer of 2021 the City received a \$2,434,712.51 from Go-Biz (Go-Biz 2 Grant). The City has disbursed all of the BCC grants funds and all but approximately \$200,000 of the Go-Biz 1 and Go-Biz 2 grants, which consist of second installments of workforce development and shared-use manufacturing grants.

In April the City of Oakland received a three-year \$9,905,020 Local Jurisdiction Assistance Grant from the Department of Cannabis Control (DCC) to support the transition of cannabis operators from a provisional to an annual state license. In June the City received the latest one-year grant from Go-Biz to support the City’s Equity Program in an amount of \$5,435,140.82 (Go-Biz 3). Finally, this spring the City Council approved adjustments to a three-year grant from the Board of State and Community Corrections (BSCC) to address the impacts of cannabis legalization. Staff anticipates beginning to disburse these funds as outlined in **Figures 1-3** later this month and will provide status updates moving forward.

Figure 1- Local Jurisdiction Assistance Grant Funds

LOCAL JURISDICTION ASSISTANCE GRANT BUDGET		
PROPOSED USE	COST IN YEAR ONE	COST OVER THREE YEARS
Grants to Provisionally Licensed Equity Applicants	\$574,218.50	\$1,722,655.50
Special Activity Permit Technician	\$166,810	\$500,430
Planning CEQA Review	\$9,237	\$27,710
Program Analyst for Processing Grants	\$198,640	\$595,920
Process Coordinator II in Building Bureau	\$175,696	\$527,088
Overtime for Civil Engineers to Review Plans	\$591,075	\$1,773,224
Overtime for Code Enforcement	\$78,115.80	\$234,347
Hazardous Materials Inspector II	\$193,546	\$580,638
Overtime for Fire Plan Engineers to Review Plans	\$73,760	\$221,280
Overtime for Fire Code Enforcement	\$61,824.00	\$185,472
Overtime for Municipal Code Enforcement Officers for Security Inspections	\$50,000	\$150,000
Annual CPTED Training for Municipal Code Enforcement Officers	\$1,200	\$3,600
Establishing/Maintaining Accela Module for Cannabis Permit Tracking	\$310,000	\$430,000
Grants to Meet Security Requirements	\$574,218.50	\$1,722,655.50
Consultant TBD to Administer Loan/Grant Programs	\$160,000	\$480,000
Consultant TBD to Provide Legal Assistance to Equity Applicants	\$125,000	\$375,000
Consultant TBD to Provide Technical Assistance to Equity Applicants	\$125,000	\$375,000
TOTAL	\$3,468,341	\$9,905,020

Figure 2- 2022-2023 Go-Biz (G0-Biz 3) Grant Funds

Proposed Use	Amount of Funds
A. Grants/Loans to Operators For Start-Up and Ongoing Costs	\$2,428,953.10
B. No-Interest Loan to Purchase Property	\$2,250,000.00
C. Managing Shared-Use Facilities	\$212,915.36
D. Workforce Development	\$330,357.00
E. Half of a City Administrator Analyst	\$122,959.00
F. Administering of Grant/Loan Programs	\$89,956.36
TOTAL	\$5,435,140.82

Figure 3- Original and Current Uses of Proposition 64 Grant

Original and Proposed/New Uses of Proposition 64 (BSCC) Grant Funds				
Purpose	Original Organization	Original Amount	New or Same Organization	New or Same Amount
Preventative and Intervention Activities for Youth	East Oakland Youth Development Center (EOYDC)	\$360,000	Youth Uprising	\$310,000
Develop and Support Youth Awareness Campaign	Public Health Institute	\$133,306	Same	\$163,306
Data Management/Local Evaluation Reports	Cityspan	\$30,000	LMB Creative Group, LLC	\$50,000
Security Workshops and Support for Cannabis Businesses	City of Oakland: 8 Hours Weekly Police Officer Overtime	\$112,329	Same	Same
Public Outreach Campaign to Adults	To Be Determined After Request for Proposals	\$70,000	Make Green Go Selected After RFP	Same
Meeting Supplies and Notification	EOYDC, OUSD, PHI	\$32,000	Youth Uprising, OUSD, PHI	Same
Indirect Costs/Overhead	City of Oakland	\$29,059	Same	Same
Oversee Overall Program	City of Oakland: 0.5 F.T.E. City Administrator Analyst	\$231,000	Same	Same
TOTAL				\$997,694

I. EQUITY FUNDING PIPELINE STATISTICS FOR THE CITY'S EQUITY PROGRAMS

Funding Pipeline	10/10/2022		9/6/2022	
GRANTS	# of Grants		# of Grants	Amount
- Funded	102	\$ 3,393,760	88	\$2,896,294
- In Closing	1	\$60,000	13	\$1,897,000
- Underwriting in process	14	\$700,000	14	\$335,000
GRAND TOTAL GRANTS	117	\$ 4,153,760	115	\$ 5,128,294
Average Funded Grant Size	\$61,705		\$57,926	
Unique Grantees	55		50	
LOANS	# of Loans		# of Loans	
- Funded	112	\$4,461,239	110	\$4,398,239
- In Closing	0	\$0	1	\$60,000
- Underwriting in process	16	\$580,000	16	\$580,000
GRAND TOTAL FUNDED LOANS **	127	\$ 5,041,239	127	\$ 5,038,239
Average Funded Loan Size	\$40,191		\$39,984	
Unique Borrowers	64		64	
GRANTS & LOANS	# Grants/Loans		# Grants/Loans	
- Funded	213	\$ 7,854,999	198	\$7,294,533
- In Closing	1	\$ 60,000	14	\$2,912,000
- Underwriting in process	30	\$ 1,280,000	30	\$915,000
GRAND TOTAL GRANTS AND LOANS	244	\$ 9,194,999	242	\$ 11,121,533
Average Funded Size	\$36,878		\$36,841	

A. Updates on City's Grant Program

- a. To date the City has provided \$3,393,760 in funding for 102 grants to 55 unique grantees for an average of \$61,705 per grantee. In addition, the

City has received grant requests totaling a potential of \$760,000 in additional new grant funding once underwriting and closing is complete.

b. In terms of grant demographics:

OAKLAND EQUITY GRANTS		
% of Total	Total #	Race *
80.0%	44	African American/Black
7.3%	4	Hispanic
1.8%	1	Native American
1.8%	1	Vietnamese
5.5%	3	Dual Other
3.6%	2	DNR/Other
100.0%	55	
% of Total	Total #	Gender
36.4%	20	Female
63.6%	35	Male
100.0%	55	
* Categorized by listed race even if dual/other also specified.		

B. Updates on City’s Loan Program

Available at: <https://www.elevateimpactoakland.com/program-overview/>

a. To date, the City has lent \$4,461,239 to fund 112 loans provided to 64 unique borrowers for an average of \$40,191 per borrower. In addition, the City has received 16 requests totaling a potential of \$580,000 in additional new loan funding once underwriting and closing is complete.

b. In terms of loan demographics:

OAKLAND EQUITY LOANS		
% of Total	Total #	Race
82.81%	53	AfAm
6.25%	4	Hispanic
3.13%	2	White
1.56%	1	Native American
1.56%	1	Vietnamese
4.69%	3	Dual
100.00%	64	Total
<hr/>		
% of Total	Total #	Gender
31.25%	20	Female
68.75%	44	Male
100.00%	64	Total
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* Categorized by listed race even if dual/other also specified.		

II. PROGRAM UPDATES

Potential Loan Forgiveness Policy for Equity Applicants

At the October 6th Cannabis Regulatory Commission (CRC) meeting the CRC asked for feedback from equity applicants on how and whether the City Council should allow for loan forgiveness or further extend the time period for repayment.

- i. In terms of further extending the time period for loans, that could reduce the repayment burden on equity loan borrowers, but it would reduce the availability of repayments for other equity applicants.
- ii. In terms of loan forgiveness for delinquent borrowers this could only happen if the City Council adopts a Resolution that forgives equity applicants the funds they have not repaid. There are several policy considerations involved in potentially forgiving the loans of delinquent equity applicants. Unlike grants, loans are not taxable, and loan repayments can be recirculated to multiple equity applicants. However, if a loan is forgiven, the forgiven amount becomes taxable. Below are some

policy questions the City Council would need to consider when deciding whether and how to forgive loan repayments:

1. If an equity applicant is forgiven their unpaid loans, should they be eligible for future City loans or grants?
2. Should they have to wait a period of time, such as seven years similar to bankruptcy, before being eligible for future City funds (grants or loans)?
3. Should there be any eligibility criteria before an equity applicant can have their loans forgiven?
4. Should delinquent borrowers be required to try a loan modification before having their unpaid repayments forgiven?

III. **Contact Information**

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