



CITY OF OAKLAND
Office of the City Administrator

EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING

Tuesday September 6, 2022, 1:00-2:00pm

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/85681875978>
- 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: 856 8187 5978

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.”

I. STATE GRANT FUNDING

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 2022 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 2022 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 is now beginning to disburse these funds as outlined in **Figures 1-3** month and will provide status updates moving forward.

Additionally, in July staff released a [Request for Proposals](#) (RFP) for funds for events for cannabis equity applicants, shared-use manufacturing technical assistance, security measures for provisional licensees, and the cannabis equity property purchase program. The deadline for RFP responses is Monday October 3rd.

Also, in August staff increased the grant funding available to equity applicants to match the amounts available through the loan program and introduced additional specialty grant programs. More information on the City’s loan and grant programs for equity applicants is available here: <https://www.elevateimpactoakland.com/>

Figure 1- Local Jurisdiction Assistance Grant Funds

LOCAL JURISDICTION ASSISTANCE GRANT BUDGET		
USES	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 (Go-Biz 3) Grant Funds

Uses	Amount of Funds
A. Grants/Loans to Operators For Start-Up and Ongoing Costs and Events	\$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

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

Funding Pipeline	8/31/2022		6/30/2022	
	# of Grants	Amount	# of Grants	Amount
GRANTS				
- Funded	88	\$ 2,896,294	88	\$2,896,294
- In Closing	13	\$1,897,000	13	\$1,897,000
- Underwriting in process	14	\$335,000	14	\$335,000
GRAND TOTAL GRANTS	115	\$ 5,128,294	115	\$ 5,128,294
Average Funded Grant Size	\$57,926		\$57,926	
Unique Grantees	50		50	
LOANS				
- Funded	110	\$4,398,239	110	\$4,398,239
- In Closing	3	\$1,015,000	3	\$1,015,000
- Underwriting in process	16	\$580,000	16	\$580,000
GRAND TOTAL FUNDED LOANS **	129	\$ 5,993,239	129	\$ 5,993,239
Average Funded Loan Size	\$68,722		\$68,722	
Unique Borrowers	64		64	
GRANTS & LOANS				
- Funded	198	\$ 7,294,533	198	\$ 7,294,533
- In Closing	16	\$ 2,912,000	16	\$ 2,912,000
- Underwriting in process	30	\$ 915,000	30	\$ 915,000
GRAND TOTAL GRANTS AND LOANS	244	\$ 11,121,533	244	\$ 11,121,533
Average Funded Size	\$36,841		\$36,841	

A. Updates on City's Grant Program

- a. To date the City has provided \$2,896,000 in funding for 88 grants to 50 unique grantees for an average of \$57,926 per grantee. In addition, the City has received grant requests totaling a potential of \$2.2 million in additional new grant funding once underwriting and closing is complete.

b. In terms of grant demographics:

OAKLAND EQUITY GRANTS		
% of Total	Total #	Race *
82.0%	41	African American/Black
6.0%	3	Hispanic
2.0%	1	Native American
2.0%	1	Vietnamese
6.0%	3	Dual Other
2.0%	1	DNR
100.0%	50	
% of Total	Total #	Gender
38.0%	19	Female
62.0%	31	Male
100.0%	50	
* 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 \$4,398,239 to fund 110 loans provided to 64 unique borrowers for an average of \$68,722 per borrower. In addition, the City has received 20 requests totaling a potential of \$870,000 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
% of Total	Total #	Gender
31.25%	20	Female
68.75%	44	Male
100.00%	64	Total
* Categorized by listed race even if dual/other also specified.		

III. PROGRAM UPDATES

a. Insurance Requirements

i. Please see the attached “Insurance Checklist” and Schedule Q to better understand what the City’s is looking for with respect to insurance.

b. Below is a summary of the Specialty Grants that are now available”

- **Get Your Annual State License Grant:** In 2022, the Department of Cannabis Control provided the City of Oakland with Local Jurisdiction Grant funding to help transition cannabis operators from a provisional to an annual state license. To help Verified Equity Applicants obtain their annual state license, the City of Oakland offers a \$15,000 “Get Your Annual State License Grant”. For more information please visit: <https://www.elevateimpactoakland.com/get-your-annual-state-license-grant-program-overview/>
- **Rental Assistance Grant:** To support equity businesses impacted by the transition from incubation to commercial leases, the City of Oakland and Elevate Impact have launched a Rental Assistance Program to provide an additional source of funds to help impacted businesses to continue to grow

and thrive. Specifically, the Rental Assistance Grant Program provides up to \$15,000 in grant funds to Verified Equity Applicants that demonstrate they have matching cash funds available for rent. If an applicant has \$5,000 in matching cash funds, they may apply for \$5,000 in a rental assistance grant. For more information please visit:

<https://www.elevateimpactoakland.com/rental-assistance-grant-program-overview/>

- **Emergency Grant:** To support equity businesses impacted by burglaries in the years 2021 and 2022, City of Oakland and Elevate Impact have launched an Emergency Grant Program that minimizes barriers and provides an additional source of funds to help impacted businesses rebuild and re-open. Specifically, the Emergency Grant Program provides \$15,000 in grant funds to Verified Equity Applicants with a business lease that demonstrate their business was burglarized in Oakland during the calendar years 2021 and 2022. For more information please visit:
<https://www.elevateimpactoakland.com/emergency-grant-program-overview/>
- **Education Grant:** To provide additional funding to Oakland Verified Equity Applicants, the City of Oakland offers an “Education Grant” in collaboration with Oaksterdam University and Elevate Impact Oakland. Grant funds will be provided to Oakland Verified Equity Applicants who received a certificate of completion from one of Oaksterdam’s Certification Programs, either self-paced or in the live cohort model. The Education Grant is available as follows:
 - i. \$5,000 to Oakland Verified Equity Applicants who have a City of Oakland cannabis permit and a current business lease.
 - ii. \$1,000 to Oakland Verified Equity Applicants who have a City of Oakland business license, but have not been issued a City of Oakland cannabis permit and/or do not have a lease.

For more information please visit:

<https://www.elevateimpactoakland.com/education-grant-program-overview>

IV. INTRODUCTION OF OAKSTERDAM UNIVERSITY - NEW TECHNICAL ASSISTANCE PROVIDER

V. NEW DISBURSEMENT COURSE REQUIREMENT – THE GRASS ELECTIVE

In July of 2022, the City of Oakland introduced a new educational requirement to the underwriting process. Each loan or grant disbursement will now require all Verified Equity Applicants to take an elective course or webinar offered by Oaksterdam

University called “Gaining Resources to Achieve Sustainable Success (“GRASS”) Electives. The GRASS Elective course or webinar is provided free to Oakland Equity Applicants.

VI. NEW FINANCIAL PREREQUISITE COURSE

The prerequisite to any initial grant or loan is the New “City of Oakland Financial Literacy” elective.

Overview: Most cannabis ventures do not have access to the types of debt financing other businesses rely on because cannabis is classified as a Schedule I drug at the federal level. Cannabis businesses must rely primarily on private equity financing. In this course, we examine the difference between debt and equity financing and explore the process of raising equity capital to launch or expand a business. We will also identify the key factors investors tend to consider when they vet an investment opportunity and outline best practices for pitching the idea to potential backers.

Curriculum:

- Cannabis Financial Literacy Overview
- Business Models and Corporate Structure
- Financial Metrics for Fundraisers
- Types of Financing – Debt vs. Equity
- Equity Financing

This course also fulfils the “GRASS Elective” requirement.

VII. Open Forum

VIII. Contact Information

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- c. Dale Sky Jones, oaklandequity@oaksterdamuniversity.com