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City of Oakland Receives \$6.5 Million Cannabis Equity Grant—Largest One in the State

Oakland recognized for groundbreaking work of nation's first Cannabis Equity Program

Oakland, CA — The City of Oakland has been awarded the largest Cannabis Equity Grant in California, the Governor's Office of Business and Economic Development (GO-Biz), in partnership with the Bureau of Cannabis Control, announced Tuesday. The \$6.5 million grant, —a segment of the \$30 million awarded across the state to support the efforts of local jurisdictions to lower barriers of entry into the regulated cannabis marketplace— recognizes the City of Oakland's early commitment to examining racial equity and implementing an equity program with the legalization of cannabis.

“The use of a racial equity analysis to drive policy direction is a game changer for focusing action on where it will have the most impact on closing racial disparities,” said Darlene Flynn, Director of the Department of Race & Equity.

The GO-Biz grant funds will promote business ownership and employment opportunities within the regulated cannabis marketplace for those communities most impacted by the War on Drugs. The use of GO-Biz funds will be determined via public input and by the City Council in the coming months, and they may include additional loan and grant opportunities for equity businesses, workforce development programs to establish an ongoing pipeline for livable wage employment opportunities, and strategic investments in shared manufacturing facilities. The GO-Biz grant is critical to supporting low-income cannabis operators through the ongoing coronavirus pandemic, as cannabis operators cannot obtain bank loans and are not likely to be eligible for any federal support for small businesses due to federal prohibition of cannabis.

“While we have much more work still to do to ensure those most impacted by the War on Drugs have an opportunity to benefit from the legalization of cannabis, the GO-Biz grant award is a humbling acknowledgment of our collective hard work and accomplishments thus far,” said Assistant to the City Administrator Greg Minor. “Credit is due to our City Council for having the courage to examine racial disparities in the cannabis industry in Oakland, the Department of Race and Equity for providing a framework for this analysis, and most importantly, equity operators who everyday tackle the variety of challenges that small businesses encounter during the first years of cannabis legalization.”

In 2017, Oakland was the first jurisdiction in the country to conduct a racial equity analysis of cannabis legalization and the first jurisdiction to adopt a Cannabis Equity Program to promote ownership and employment opportunities within the cannabis industry for those communities most impacted by the war on drugs. Oakland's Equity Program lowers barriers of entry into the regulated marketplace by prioritizing the permitting of equity applicants, exempting them from City application and permit fees, and providing equity applicants with free technical and legal assistance as well as no-interest revolving loans.

Through [Oakland's Cannabis Equity Program](#), the City of Oakland has already distributed over \$2 million in no-interest loans to equity applicants since the inception of its no-interest loan program in November 2018. The City of Oakland funded the no-interest loan program by reinvesting the initial \$3 million in new tax revenue received from cannabis businesses

after the legalization of the cannabis industry.

Oakland currently has over 150 state-licensed equity applicants and over 300 local equity permit applicants. To qualify as an equity applicant, an applicant needs to be an Oakland resident, have an annual income at or less than 80 percent of the Oakland Average Medium Income (AMI), and either have a cannabis conviction in Oakland after Nov. 5, 1996, or have lived for 10 of the last 20 years in police beats with disproportionately higher numbers of cannabis-related arrests.

The City of Oakland was followed by the City of Los Angeles (\$6 million), City and County of San Francisco (\$4.9 million), and the City of Sacramento (\$3.8 million) in local jurisdiction funding for Cannabis Equity Applicants/Licensees. Los Angeles, San Francisco, and Sacramento were three jurisdictions which conducted racial equity analyses of cannabis legalization modeled on Oakland's report.

To read the joint press announcement from GO-Biz and the Bureau of Cannabis Control, [click here](#).

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