

UPDATED City of Oakland Cannabis Workforce Development Grant Program Overview

BACKGROUND

In the spring of 2017 the Oakland City Council enacted landmark cannabis legislation to promote equitable ownership and employment opportunities in the cannabis industry to decrease disparities in life outcomes for marginalized communities of color and address the disproportionate impacts of the war on drugs in those communities. To date the City of Oakland's strategies have explicitly focused on promoting business ownership for equity applicants through prioritized permitting, exemption from application and permit fees, technical assistance, and financial assistance via the Equity Loan and Grant Programs.

Now the City of Oakland is seeking to advance workforce development opportunities in the cannabis industry for those most harmed by the war on drugs through \$1,000,000 in grant funds received from the Bureau of Cannabis Control (BCC) and the Governor's Office of Business and Economic Development (Go-Biz). Specifically, the Cannabis Workforce Development Grant Program will provide up to \$50,000 for each equity applicant that recruits, trains, and/or retains a qualified and diverse workforce. This program can serve as a win-win for equity business owners and employees by:

- Supporting equity business owners as they grow their business; and
- Offering equity employees with the training and experience needed to place them on the path to high-quality, well-paying jobs. within the cannabis industry or in other industries beyond the one-year grant period.

PROGRAM SUMMARY

1. Who is Eligible for Funding?

Cannabis equity applicants, as defined by Oakland Municipal Code (OMC) Sections 5.80 and 5.81, that have been verified by the City Administrator's Office are eligible to receive funding.¹

2. What Can Workforce Development Funds Be Used On?

Funds can be used on the recruitment, training, and retaining of equity employees. This includes the funding of entities that recruit equity employees or provide training on skills, techniques, or applications the equity employee is unfamiliar with, including use of METRC or different cannabis manufacturing or cultivation techniques.

Funds may not be used for any purpose other than the recruitment, training, and retaining of equity employees and an equity business owner may not use any workforce development funds to cover their own salary.

¹ https://library.municode.com/ca/oakland/codes/code_of_ordinances?nodeId=TIT5BUTAPERE_CH5.80MEADECAIPE

3. Maximum grant size.

- a. The maximum grant amount provided to any one individual that qualifies is \$50,000, regardless of the number of permits held by that individual or the number of Verified Equity Applicants in which the individual is an owner. For example, if a Verified Equity Applicant is an owner in five businesses, the Applicant may apply for \$50,000 and give \$10,00 to each business. Or they may decide to apply and give \$50,000 to only one of the five businesses in which they are an owner.
- b. The maximum grant amount provided to any one business is \$50,000, regardless of the number of permits held by that business. For example, if two partners in a business are both eligible for an Equity Grant, even though each partner could apply for a maximum grant of \$50,000, or \$100,000 total, the largest grant that they could receive for the business is only \$50,000. This is to ensure diversification in the grant portfolio.

4. What is an Equity Employee?

An “equity employee” is defined under OMC Section 5.04.481 as:

- a. An employee who lives in any combination of Oakland police beats 2X,2Y, 6X, 7X, 19X, 21X, 21Y, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X, and 35X and has lived in any combination of such police beats for the immediately preceding two (2) years; or
- b. An employee who lives anywhere in Oakland and was arrested after November 5, 1996 and convicted of a cannabis crime in California.

Please note the qualifying police beats for an “equity employee” under OMC Section 5.04.481 are the same as those for an “equity applicant” under OMC Sections 5.80 and 5.81. To research police beats please visit:

<http://oakgis.maps.arcgis.com/apps/OnePane/basicviewer/index.html?appid=12ae8a087be44043abc6996c5e499d5c>

5. What is the Application Process?

Equity business owners interested in cannabis workforce development grants must complete the Cannabis Workforce Grant Application available at: https://oaklandca.formstack.com/forms/cannabis_workforce_development_grant_application and submit the completed application. City staff will review and score complete applications based on the scoring criteria outlined in the application for each question.

Applicants that receive a total score of at least 8 points AND at least one point on each question on the application will be eligible to receive funding. City staff will advise applicants that receive a total score of less than eight points OR zero points on any question of how they scored and offer applicants an opportunity to submit an updated application.

6. How Will the City Disburse Funds?

The City will provide equity applicants eligible for funding with half of the requested funding up front and half after the equity applicant has demonstrated they have spent 50% of the initial disbursement on eligible uses. For example, if your business received a \$50,000 grant, the City will provide an initial \$25,000 installment and the second \$25,000 installment after the equity business demonstrates that they spent \$12,500 in accordance with the workforce development grant agreement.

OVERVIEW OF CANNABIS WORKFORCE DEVELOPMENT GRANT PROCESS

- I. **STEP 1: Online Application**: Applicants must submit a complete application
- II. **STEP 2: Application Review**: The Grant application will be reviewed by City of Oakland staff for completeness and sufficiency.
 - If the Grant Application receives a score of eight or more points, the Applicant will receive an email saying that the application is eligible for funding.
 - If the Grant Application receives a score of less than eight points, the Applicant will receive an email explaining their scores and be offered an opportunity to submit an updated application.
- III. **STEP 3: Grant Agreement**: **Verified Equity Applicants will be required to sign the grant agreement**, which once submitted, will be forwarded to the City Attorney and City Administrator's Offices for signature and payment processing.
- IV. **STEP 4: Initial Funding**: Once the initial disbursement of half of the requested funds is available, the City of Oakland contacts Applicant to pick up the first disbursement and fully executed Workforce Development Grant Agreement at the Special Activity Permits Office and sign for payment receipt.
- V. **STEP 5: Verification of Initial Use of Funds and Final Funding**: Applicants can submit a draw request for the second half of their requested funds upon proof that they have spent 50% of the initial disbursement on eligible expenses and eligible employees. Acceptable forms of proof include redacted bank statements, quarterly payroll reports, receipts from vendors such as a payroll processor, benefits administration and employee training platforms, and quarterly financial statements.
- VI. **STEP 6: Final Reporting**: Applicants must submit a final report documenting its use of workforce development funds using a form provided by the Special Activity Permits Office.

REFERRALS TO OUTSIDE ORGANIZATIONS

Outside organizations that may be available to help with recruitment and/or training of equity employees can be found at https://cao-94612.s3.amazonaws.com/documents/City-of-Oakland-Resources-for-Employers-in-the-Cannabis-Industry_2020-10-27-175907.pdf Please note, applicants should conduct their own due diligence with any outside organization; the City of Oakland does not guarantee that any of the listed organization will assist in recruiting or training equity employees or assist to an applicant's satisfaction.

QUESTIONS?

If you have any questions regarding this program, feel free to email cannabisapp@oaklandca.gov or call PJ Shelton at 510-238-7661.

RESERVATION OF RIGHTS

The City of Oakland reserves the right to evaluate and revise the Cannabis Workforce Development Program in the future based on information gathered in its evaluation.