

OOC Update

Cannabis Oversight Committee 10/19/2022



SAN FRANCISCO
OFFICE OF CANNABIS

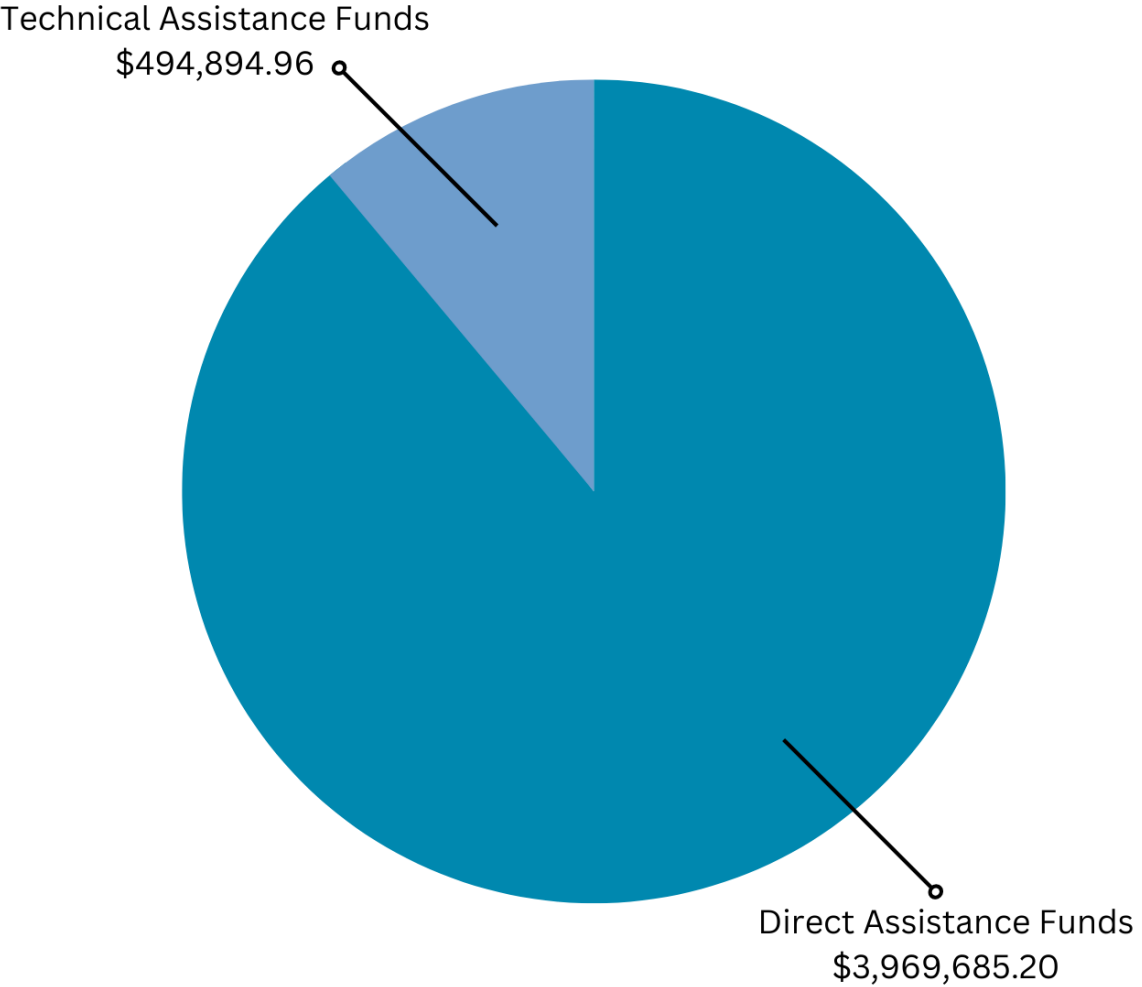


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Presentation Outline

- Grants Overview
- Grant Distribution Questions
- Q&A
 - **NOTE: All Data Pulled 10/17/2022 (& Subject to Attrition)**

Go-Biz Round 3 Available Funds



Grants Round 3

Grants Assistance Award Amount:

\$3,969,685.20

Grants Round 3

Anticipated Distribution and Spend-Down Timeline:

- **Letter of Intent:** January 2023
- **Contracting:** February 2023 – June 2023
- **Redistribution:** July 2023 – October 2023
- **Must be Spent By:** Summer 2023
 - **NOTE: Timelines are subject to change**

How to Distribute the Direct Assistance Dollars?

Discussion Questions

1. Given the amount of grant funding available for Round 3, does the Committee have a preference about the size of the grant awards that are issued?
2. Given spend-down thresholds to be eligible for subsequent Governor's Office of Business and Economic Development ("GoBiz") grants, does the Committee have a preference about which applicants and operators are best suited to spend down their awards?

Discussion Questions

3. Once a preferred group, or groups, is decided, should A) grantees be identified based the size of the preferred group(s) at a particular point in time, or B) selected through a randomized lottery within the preferred group.
4. In light of the importance of the spend-down rate for Round 3, should a utilization threshold be applied when determining which grantees to redistribute grant awards to in the late Spring of 2023?

Question #1:

Does the committee have a preference on the size of the award amounts?

Factors to consider:

- Verified Equity Applicant (VEA) Ownership Percentage
- Stage in the Application Process

Grant Distribution Scenario	# of Grantees	Grant Award
VEAs 51% or Greater (Build-out or Further)	16	\$248,105.33
VEAs 51% or Greater (PLN or Further)	38	\$104,465.40
VEAs 40% or Greater (Build-out or Further)	45	\$88,215.23
VEAs 40% or Greater (PLN or Further)	89	\$44,603.20

Question #2:

Given spend-down thresholds to be eligible for subsequent GoBiz grants, does the Committee have a preference about which applicants and operators are best suited to spend down their awards?

VEA Category	Approved	Build-out	PLN Referral	Total
100% VEA	2	8	15	25
51% or >	3	3	7	13
Under 51%	19	10	22	51
Total	24	21	44	89

Question #3:

Once a preferred group, or groups, is decided, should A) grantees be identified based the size of the preferred group(s) at a particular point in time, or B) selected through a randomized lottery within the preferred group?

Lottery Grantees	Lottery Award
25	\$158,787.41
50	\$79,393.70
100	\$39,696.85

Question #4:

In light of the importance of the spend-down rate for Round 3, should a utilization threshold be applied when determining which grantees to redistribute grant awards to in the late Spring of 2023?

Utilization Rate	Initial Spending Requirement	Amount Remaining for Last 4 Months
90%	\$94,018.86	\$10,446.54
80%	\$83,572.32	\$20,893.08
70%	\$73,125.78	\$31,339.62

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Q&A



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