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OFFICE OF CANNABIS

Oversight Committee Agenda Item # 4 Memorandum

To: San Francisco Cannabis Oversight Committee Members
From: San Francisco Office of Cannabis
Date: 6.10.2020
Re: The Scope of Committee's Discussion Re: Agenda Item # 4

Dear Cannabis Oversight Committee Members,

We hope you and your families are staying safe and healthy. We look forward to seeing all of you on June 10, 2020, for the Committee's next meeting. During this meeting, the SF Office of Cannabis will provide an update regarding the Bradford Grants and GoBiz Grants. Specifically, the OOC will speak to the availability of $4,930,500.00 in equity dollars for distribution to eligible recipients. The state is requiring that these funds be spent within one year of receiving them. This memo is to help outline the questions and parameters for the Oversight Committee to consider so that they may issue recommendations about the distribution of these funds.

1. Among equity businesses eligible to receive grant funding, who should be prioritized?

The businesses that are eligible for direct grant funding are current Article 16 cannabis business equity applicants and Article 16 permanent cannabis business permit holders. The question for the Committee is whether there should be equitable distribution of these funds across all subgroup(s) within these two groups, and if so, how? For example, should equity businesses that have already been permitted and those that are in the buildout phase have priority in the reimbursement queue and/or receive a greater distribution of the grant funds? Should the same priority apply to sole proprietor equity businesses instead? Other eligible subgroups to consider include: equity businesses in which equity applicants have 51% or 40% ownership interests; equity businesses at different stages of the application process.

2. Should a cap be placed on the amount each prioritized equity business can receive? If so, for how much?

3. Of the expenditures that are currently approved for reimbursement, are there additional categories of compliance-related costs that you recommend including?

Businesses that are eligible to receive funding will be able to seek reimbursements for expenses they incur related to meeting compliance requirements. The expenditures approved for reimbursement are listed below. The question for the committee to consider is whether there are other compliance-related expenses that are critical to fund. Additional recommendations are welcomed, but the final list of approved expenditures will be finalized by multiple city agencies.

<u>List of Reimbursable Expenses:</u>

<u>OOC Part 1 Items</u>

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- Fees to incorporate a business
- Background Review Fees

OOC Part 2 Items

- Community Outreach Materials (e.g. postage, paper, list of tenants and property owners)
- Premises Diagram and other required drawings by an Architect
- Security Equipment and Security Services (e.g. cameras, locks)

Other Departments

- Fees to pull permits and to pay for inspections

Real Estate

- Security Deposits
- Agent/Broker Fees
- Funds towards contractors ($X for Plumbing, $X for Electric, etc.)

State/local

- Application fees
- Background review fees