

PERSONNEL, AUDITS, AND HIRING and PLANNING AND LAND USE MANAGEMENT COMMITTEES REPORT relative to the exemption of one Assistant Chief Grants Administrator (Class Code 1577) position for the Department of Cannabis Regulation (DCR) from the Civil Service pursuant to Charter Section 1001(d)(4).

Recommendation for Council action:

Approve the exemption of one Assistant Chief Grants Administrator (Class Code 1577) position for the DCR from the Civil Service pursuant to Charter Section 1001(d)(4) to support the California Cannabis Equity Act of 2018 Local Equity Grant Programs.

Fiscal Impact Statement: None submitted by the Department of Cannabis Regulation. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On August 15, 2023, the Personnel, Audits, and Hiring (PAH) Committee considered a July 7, 2023 DCR report relative to the exemption of one Assistant Chief Grants Administrator (Class Code 1577) position for the DCR from the Civil Service pursuant to Charter Section 1001(d)(4). According to the DCR, it is requesting an exemption under Charter Section 1001(d)(4) to fill one full-time exempt Assistant Chief Grants Administrator position (Class Code 1577). The California Cannabis Equity Act of 2018 established a Local Equity Grant Program which provides grant funds to local jurisdictions for direct assistance to the local jurisdictions' commercial cannabis Social Equity Programs, and their Social Equity Applicants and Licensees.

Since 2019, the DCR has been awarded a total of over \$17.6 million from the State of California to support the City's Social Equity Program (SEP). The SEP promotes equitable ownership and employment opportunities for marginalized communities in order to address the disproportionate impacts of the War on Drugs in those communities. In October 2019, the State's Bureau of Cannabis Control awarded the DCR approximately \$1.8 million in equity grant funding through funds from the California Cannabis Equity Act of 2018 (Council File No. 19- 1547).

From 2020 to 2023, the Governor's Office of Business and Economic Development awarded the DCR four additional annual grants for the City's SEP as follows:

- 2020: \$6,042,014.23 (Council File No. 20-0521)
- 2021: \$2,030,997.42 (Council File No. 21-0354)

- 2022: \$5,726,309.09 (Council File No. 22-0275)
- 2023: \$1,984,947.11 (Council File No. 23-0269)

The DCR has utilized funds from the Local Equity Grant Program to establish a grant program for local equity applicants or licensees to assist with startup and ongoing costs, to provide technical and business development assistance, and to provide workforce development assistance to local Social Equity Program applicants and participants. The DCR’s Assistant Chief Grants Administrator administers the DCR’s grant programs and oversees the City’s Social Equity Program. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the exemption as detailed in the DCR report.

Subsequently, on September 19, 2023, the Planning and Land Use Management Committee also considered this matter. After consideration and having provided an opportunity for public comment, the PLUM Committee moved to concur with the PAH Committee. This matter is now submitted to Council for its consideration.

Respectfully Submitted,  
 Personnel, Audits, and Hiring Committee

**COUNCILMEMBER VOTE**

McOSKER: YES  
 PADILLA: YES  
 SOTO=MARTINEZ: YES

Planning and Land Use Management Committee

**COUNCILMEMBER VOTE**

HARRIS-DAWSON: YES  
 LEE: YES  
 YAROSLAVSKY: ABSENT  
 PADILLA: YES  
 HUTT: ABSENT

ARL  
 9/19/23

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**