FROM: Greg Hermann, Deputy City Manager
Prepared By: Georgina Bailey, Cannabis Program Coordinator/Management Fellow

SUBJECT: AUTHORIZE A PROPOSITION 64 PUBLIC HEALTH & SAFETY GRANT APPLICATION FOR NON-COMPLIANT CANNABIS DELIVERY ENFORCEMENT

RECOMMENDATION

Adopt a Resolution authorizing staff to prepare and submit a grant application to the Board of State and Community Corrections’ (BSCC) Proposition 64 Public Health & Safety Grant and authorizing the City Manager or designee to execute any other required grant administration related documentation (Attachment A).

DISCUSSION

The BSCC is accepting applications for its Proposition 64 Public Health & Safety Grant (Attachment B). This grant application is due April 3, 2020 and requires City Council approve a resolution that includes certain standard terms and acknowledgements. Staff has closely evaluated the published grant guidelines and determined this grant to be a strong match for the City’s Mobile Delivery Compliance efforts. Specifically, the City’s Cannabis Program has created a program to bring out of town delivery operators licensed in other cities/counties into compliance with the City’s cannabis regulations and enforce against illicit and unpermitted delivery operators coming into the City.

Staff recommends that the City Council authorize the submittal of this grant application for acquisition of funding to go towards the mobile delivery compliance efforts of the City’s Cannabis Program. The proposed grant application would support resource costs associated with bringing cannabis mobile delivery operators into compliance and providing additional enforcement resources for illicit cannabis mobile delivery operators. The grant application, if successful, would allow the City to become one of the only cities/counties in the state to tackle issues with illicit cannabis operators head on and would follow through on City goals to support the success of authorized cannabis operators in the City. Staff has contingencies for administration of the grant if awarded in the form of a resource either built into the grant submittal or through an existing staff resource.
Policy Context
The recommended action is consistent with the City’s Cannabis Program and Regulations, which demonstrate a long-term commitment to protect the health, safety, and welfare of the residents of the City from the negative impacts of illegal commercial and noncommercial cannabis activity. This commitment is reflected in the purpose and intent of the Cannabis Regulations established November 27, 2018 by the City Council.

Likewise, the City’s Financial Management Manual, Section 740, requires City Council authorization to submit grant applications in excess of $5,000. In particular, section 3(d) states:

For grants in excess of $5,000, prepare a Council agenda report requesting authorization to seek grant funding. This report should describe the grant program's conformance with this policy, including the results of the cost/ benefit analysis.

Staff recommends that the Council authorize the submittal of this grant application for additional resources to be added to the City’s Mobile Delivery Compliance program and find that it meets the City’s Grant Management Policy outlined in Section 740 because there is an opportunity to significantly leverage City funds on balance with only modest staff time required to prepare the grant application.

Public Engagement
This is an administrative item, so no outside public engagement was completed. Public comment can be provided to the City Council through written correspondence prior to the meeting and through public testimony at the meeting.

CONCURRENCE
The Police Department concurs with this application in furtherance of the City’s efforts to bring out of town delivery operators into compliance with City regulations, enforce against illicit cannabis markets delivering into the city, and support City licensed cannabis operators combat the effects of black and grey market cannabis operators.

ENVIRONMENTAL REVIEW
The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. 15378.

FISCAL IMPACT
Budgeted: Yes
Funding Identified: Yes
Budget Year: 2020-21
Fiscal Analysis:

<table>
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<th>Funding Sources</th>
<th>Current FY Cost</th>
<th>Annualized On-going Cost</th>
<th>Total Project Cost</th>
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<td><strong>Total</strong></td>
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The staff time necessary to prepare and submit the grant application is supported by the City Administration operating budget, as well as through the City’s existing contract for grant writing services with the firm Adrienne Harris Consulting. If the funding is awarded, the subject grant funds would not need to be matched by the City. The staff time required to administer the grant will be accounted for in the submittal of the grant.

**ALTERNATIVES**

1. *Request more information.* The City Council could request additional information or analysis. This alternative is not recommended as this request is consistent with the City’s Cannabis Program Goals to enforce the City’s Cannabis Regulations, bring eligible operators into compliance, and enforce against illicit cannabis markets in the City. Likewise, this alternative is not recommended as the timeline for the submittal of the Grant Proposal is April 3, 2020 giving staff time a narrow window to apply to the grant.

2. *Do not adopt staff recommendation.* The City Council could not adopt staff’s recommendation. This alternative is not recommended as this request is consistent with the City’s Cannabis Program Goals to enforce the City’s Cannabis Regulations, bring eligible operators into compliance, and enforce against illicit cannabis markets in the City.

**Attachments:**

a - Draft Resolution

b - COUNCIL READING FILE - Prop 64 Public Health and Safety Grant Program RFP
RESOLUTION NO. _____ (2020 SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISSPO, CALIFORNIA, AUTHORIZING SUBMITTAL OF THE CITY’S CANNABIS MOBILE DELIVERY ENFORCEMENT PROPOSAL FOR THE PROPOSITION 64 PUBLIC HEALTH & SAFETY GRANT ADMINISTERED BY THE BOARD OF STATE AND COMMUNITY CORRECTIONS

WHEREAS, the City of San Luis Obispo (City) desires to participate in the Proposition 64 Public Health and Safety Grant Program funded through the California State and Local Government Law Enforcement Account and administered by the Board of State and Community Corrections (BSCC); and

WHEREAS, the Proposition 64 Public Health & Safety Grant is consistent with the purpose of City’s Municipal Code Section 9.10 Cannabis Regulation, which states that is primary purpose and intent is to protect the health, safety, and welfare of the City’s residents from the negative impacts of illegal commercial and noncommercial cannabis activity; and

WHEREAS, the City has not banned the cultivation or retail sale of marijuana or marijuana products and instead has created a cannabis program that worked with the community to create a thoughtful, transparent and fair process for granting permits to cannabis businesses, including retail sales, cultivation, manufacturing, distributing, testing, and delivery; and

WHEREAS, the City is eligible as identified under the Medium Sized County definition of the BSSC Request for Proposals (RFP) as a City in the San Luis Obispo County; and

WHEREAS, the City will be able to meet Project Purpose Areas 1 Youth Development/Youth Prevention and Intervention by designating a minimum 10% of the proposed grant budget towards this project area; and

WHEREAS, the City will be able to meet Project Purpose Area 2 Public Health because resources from the proposed grant would go towards activities that protect the safety and improve the health of communities through inspection and enforcement programs and research; and

WHEREAS, the City will be able to meet Project Purpose Area 3 Public Safety because resources from the proposed would go to costs associated with bringing cannabis mobile delivery operators into compliance and eradicating illicit cannabis mobile delivery operators from the City; and

WHEREAS, the grant meets the City’s Grant Management Policy outlined in Section 740 because there is an opportunity to significantly leverage City funds on balance with only modest staff time required to prepare the grant application.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows that:
SECTION 1. Grant Application. The City Council authorizes the City Manager or their designee to submit a Proposition 64 Public Health and Safety grant application to the BSCC.

SECTION 2. Document Execution. The City Council authorizes the City Manager or their designee to conduct all negotiations, execute and submit all documents, including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for the completion and execution of awarded funding.

SECTION 3. Eligible Activities. The grant funds received hereunder shall not be used to supplant City expenditures and the City agrees to abide by the terms and conditions of the Grant Agreement as set forth by the BSCC.

SECTION 4. Environmental Determination. The City Council has determined that the above actions do not constitute a “Project,” as defined by the California Environmental Quality Act Guidelines 15378.

Upon motion of _______________________, seconded by _______________________, and on the following roll call vote:

AYES: _______________________
NOES: _______________________ 
ABSENT: _____________________

The foregoing resolution was adopted this _____ day of _____________________ 2020.

____________________________________
Mayor Heidi Harmon

ATTEST:

____________________________
Teresa Purrington, City Clerk

APPROVED AS TO FORM:

____________________________
J. Christine Dietrick, City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, this _________ day of _____________________, 2020.

____________________________
Teresa Purrington, City Clerk

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