Title: Resolution Extending the Sunset Date of the Cannabis Opportunity Reinvestment and Equity (CORE) Program

Location: Citywide

Recommendation: Adopt a Resolution extending the sunset date of the Cannabis Opportunity Reinvestment and Equity (CORE) Program to April 9, 2021.

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Presenter: None.

Attachments:
1-Description/Analysis
2-Resolution
Description/Analysis

Issue Detail: On August 9, 2018, the City Council established the Cannabis Opportunity Reinvestment and Equity (CORE) Program, a two-year pilot program designed to reduce the barriers of entry into the cannabis industry by persons impacted by the disproportionate enforcement of cannabis crimes in Sacramento. Under Resolution 2018-0323, the CORE Program will sunset two years after it was established, or on August 9, 2020.

While the two-year pilot program was established in August of 2018, the procurement and contract execution for the services to be administered under the CORE Program were not completed until April 9, 2019. The award of those contracts resulted from an eight-month process to develop and implement a competitive bid process and selection of vendors, ending with the City Council allocating $1 million to the Greater Sacramento Urban League (GSUL) and $1 million to the Sacramento Asian Chamber of Commerce (SACC) to administer services under the program. Those contracts will terminate on April 9, 2021 – eight months after the CORE Program sunsets on August 9, 2020.

The attached resolution (Attachment 2) will extend the sunset date of the CORE Program to April 9, 2021 to account for the required procurement process and clarify Council's intention of providing two full years of CORE Program services as recited in the contracts with GSUL and SACC.

Policy Considerations: None.

Economic Impacts: None.

Environmental Considerations: This action is exempt from the California Environmental Quality Act (CEQA) because it is the adoption of an ordinance, rule, or regulation that requires discretionary review, including environmental review, and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity (CEQA Guidelines sections 15061(B)(1), California Business and Professions Code section 26055(h)) and because it does not have the potential for causing a significant effect on the environment (CEQA Guidelines section15061(b)(3)).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.
Rationale for Recommendation: The resolution will extend the sunset date of the CORE Program to correspond with the contracts for CORE Program services. While the program was established in August of 2018, it took eight months to complete a bidding process and to award the contracts to the facilitators. Without this resolution, the CORE Program will sunset on August 8, 2020 and yet the contracts will require the facilitators to continue to provide services until April 9, 2021 for a program that has ended.

Financial Considerations: None.

Local Business Enterprise (LBE): Not applicable.
RESOLUTION NO. 2020-

Adopted by the Sacramento City Council

Extension of the Sunset Date of Cannabis Opportunity Reinvestment and Equity ("CORE") Program

BACKGROUND

A. On August 9, 2018, the City Council established the Cannabis Opportunity Reinvestment and Equity ("CORE") Program, a two-year pilot program designed to reduce the barriers of entry into the cannabis industry by persons impacted by the disproportionate enforcement of cannabis crimes in Sacramento.

B. The City Council initially allocated $1 million for the administration and implementation of the CORE program by a third-party vendor that would be chosen by a competitive bid process. Among other duties, the vendor(s) would serve as a small business and technical support center to prepare eligible CORE participants to become successful cannabis business owners, operators, employees, or ancillary businesses.

C. On March 26, 2019, the City Council awarded an agreement to the Greater Sacramento Urban League ("GSUL") and another agreement to the Sacramento Asian Chamber of Commerce ("SACC") to provide CORE Program administration and implementation services, each for an amount not-to-exceed of $500,000 for a term of two years. These contracts were executed on April 9, 2019 (effective date) and are set to expire on April 9, 2021.

D. Council expressed its intent to increase funding for CORE program services and directed staff to return with the appropriate resolution and supplemental agreements to effectuate its intent. On April 23, 2019, the City Council approved two separate supplemental agreements with SACC and GSUL for additional administrative services for the CORE program in an amount not-to-exceed $500,000 each, for a new total of not-to-exceed $1,000,000. There was no extension of the contracts’ term.

E. Although the two-year CORE program was established on August 9, 2018, the two-year contracts for the services to administer and implement the program were not fully procured and executed until April 9, 2019, leaving a gap of eight months between when the CORE Program will sunset and the CORE Program services will terminate. This will result in services being provided for a program that no longer exists unless the CORE Program’s sunset date is extended to April 9, 2021 to correspond to the CORE services contract termination date.
F. A new resolution is therefore needed to extend the sunset date of the CORE Program to April 9, 2021.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Notwithstanding any language to the contrary in Resolution 2018-0323 and its exhibits, the pilot CORE Program will sunset on April 9, 2021, barring further action by the City Council.