



Legislation Details (With Text)

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File created:	3/22/2023	In control:		City Council	
On agenda:	4/20/2023	Final action:			
Title:	Actions pertaining to Commercial Cannabis Activity: 1. Approve the Loan Agreement for Maritza Estrada (the Owner) of Traditional - Fresno - ME LLC, a cannabis social equity business, in the amount of \$75,000 to assist with the start-up, regulatory costs, and operating costs of opening a retail commercial cannabis business in the City of Fresno. 2. Approve the Loan Agreement for Isaac Fonseca (the Owner) of Beyond Rooted 559 LLC, a cannabis social equity business, in the amount of \$75,000 to assist with the start-up, regulatory costs, and operating costs of opening a retail commercial cannabis business in the City of Fresno.				
Sponsors:	Office of Mayor & City Manager				
Indexes:					
Code sections:					
Attachments:	1. Traditional Fresno ME LLC Loan Agreement, 2. Beyond Rooted 559 LLC Loan Agreement				

Date	Ver.	Action By	Action	Result
4/20/2023	1	City Council	APPROVED	Pass

REPORT TO THE CITY COUNCIL

FROM: GEORGEANNE A. WHITE, City Manager
Office of Mayor & City Manager

BY: JENNIFER RUIZ, Deputy City Manager
Office of Mayor & City Manager

SUBJECT

Actions pertaining to Commercial Cannabis Activity:

1. Approve the Loan Agreement for Maritza Estrada (the Owner) of Traditional - Fresno - ME LLC, a cannabis social equity business, in the amount of \$75,000 to assist with the start-up, regulatory costs, and operating costs of opening a retail commercial cannabis business in the City of Fresno.
2. Approve the Loan Agreement for Isaac Fonseca (the Owner) of Beyond Rooted 559 LLC, a cannabis social equity business, in the amount of \$75,000 to assist with the start-up, regulatory costs, and operating costs of opening a retail commercial cannabis business in the City of Fresno.

RECOMMENDATION

Staff recommends that the City Council approve two cannabis social equity loan agreements for

Traditional - Fresno - ME LLC and Beyond Rooted 559 LLC.

EXECUTIVE SUMMARY

The Fresno Municipal Code requires that the City Manager develop a program, as funding is available, to issue business loans and grants to qualified equity applicants. The City of Fresno executed a grant agreement with the State of California to accept the Cannabis Equity Act Grant. Through this grant, the City is able to offer a \$75,000 loan to each cannabis social equity business, once it has preliminary CCB permit approval, funded by the State of California Cannabis Equity Act Grant.

On March 3, 2023, Maritza Estrada submitted an application for the cannabis social equity loan program on behalf of Traditional - Fresno - ME LLC. The company is a retail cannabis social equity business, located at 6926 N Weber, in Fresno, with preliminary approval for a commercial cannabis business permit and an approved conditional use permit.

On March 24, 2023, Isaac Fonseca submitted an application for the cannabis social equity loan program on behalf of Beyond Rooted 559 LLC. The company is a retail cannabis social equity business, located at 505-507 N Fulton Street, in Fresno, with preliminary approval for a commercial cannabis business permit and an active conditional use permit application under review by the Planning and Development Department.

BACKGROUND

Fresno Municipal Code (FMC) section 9-3316(b)(6)(vii) requires that an Equity Assistance Program be established by the City Manager and, once funding becomes available, shall provide the following assistance to qualified social equity applications (as defined by FMC 9-3316(b)(6)):

- Assistance in paying state regulatory and licensing fees;
- Assistance securing business locations prior to or during the application process;
- Assistance securing capital investments (excluding loans and grants from the city);
- Assistance in recruiting, training, and retention of qualified/diverse workforce; and
- Business loans and/or grants to equity applicants.

On October 15, 2020, the City Council approved the Cannabis Social Equity Assistance Program Services.

On April 8, 2021, the City Council approved resolution 2021-080 authorizing the State of California Cannabis Equity Act Grant Funding. Through this grant, the City was awarded \$1,204,934.25. The grant agreement, number CEG-21-121, was executed by the City Manager on April 1, 2021. The grant term was from April 15, 2021 to October 31, 2022 and has been extended to April 30, 2023.

The Cannabis Equity Grant provides a total of \$330,000 for grants, to assist with local and state licensing and regulatory fees (budgeted at \$33,000 per qualified social equity applicant), and \$754,934.25 for no-interest business loans (budgeted as up to \$75,000 per qualified social equity applicant).

On March 3, 2023, Maritza Estrada submitted an application for the cannabis social equity loan

program on behalf of Traditional - Fresno - ME LLC for an amount of \$75,000. Traditional - Fresno - ME LLC is a retail cannabis social equity business, located at 6926 N Weber, in the City of Fresno, with preliminary approval for a commercial cannabis business permit. The company has an approved conditional use permit (CUP) from the City of Fresno Planning and Development Department.

On April 13, 2022, Maritza Estrada (the Owner) of Traditional - Fresno - ME LLC, signed the loan agreement document agreeing to the terms of the loan, including the term of repayment described in section 2 of the loan agreement.

On March 24, 2023, Isaac Fonseca submitted an application for the cannabis social equity loan program on behalf of Beyond Rooted 559 LLC. The company is a retail cannabis social equity business, located at 505-507 N Fulton Street, in Fresno, with preliminary approval for a commercial cannabis business permit and an active conditional use permit application under review by the Planning and Development Department.

On March 29, 2023, Isaac Fonseca (the Owner) of Beyond Rooted 559 LLC, signed the loan agreement document agreeing to the terms of the loan, including the term of repayment described in section 2 of the loan agreement.

ENVIRONMENTAL FINDINGS

Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378, this item is not a project for the purposes of CEQA.

LOCAL PREFERENCE

Local preference is not applicable for this item.

FISCAL IMPACT

Funding is appropriated in the Fiscal Year 23-24 budget

Attachments:

1. Traditional Fresno ME LLC Loan Agreement
2. Beyond Rooted 559 LLC Loan Agreement